

AGENDA
Borrego Water District Board of Directors
Regular Meeting
And
Public Hearing
March 27, 2013 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda (1-2)
- E. Approval of Minutes
 - Special meeting of February 19, 2013 (3-4)
 - Regular meeting of February 27, 2013 (5-8)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence: Letter from J. McGrory (9)

II. CURRENT BUSINESS MATTERS

- A. Public Hearing to hear testimony regarding the proposed **POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS and BORREGO WATER DISTRICT DEMAND OFFSET MITIGATION WATER CREDITS POLICY** (11-25)
- B. Consideration and possible approval of *Resolution 2013-03-01 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT APPROVING A POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS* (26-28)
- C. Consideration and possible approval of *Resolution 2013-03-02 RESOLUTION OF THE BOARD OF DIRECTORS APPROVING THE BORREGO WATER DISTRICT DEMAND OFFSET MITIGATION WATER CREDITS POLICY* (29-31)
- D. Discussion and possible action regarding approval of Agreement for Consulting Services for David Taussig & Associates. (32-47)
- E. Consideration of approval of sewer transfer from Jerry A. Wilkinson to Philip J. Cleary (48-51)

III. STAFF REPORTS

- A. Financial Reports – February 2013 (53-70)
- B. General Manager / Operations Report (71)
- C. Water and Wastewater Operations Report – February 2013 (72)
- D. Water Production/Use Records – February 2013 (73-76)

IV. ATTORNEY'S REPORT

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

- | | |
|--------------------------------------|------------------------|
| 1. Audit Committee | (M. Brecht, L. Brecht) |
| 2. Due-Diligence | (M. Brecht, L. Brecht) |
| 3. Strategic Planning Committee/IRWM | (Hart, L. Brecht) |
| 4. Executive Committee | (Estep, Hart) |

- | | |
|--|----------------------|
| 5. Operations & Management Committee | (M. Brecht, Delahay) |
| 6. Parks Committee | (Estep, Hart) |
| 7. Negotiating (Rams Hill) | (Estep, M. Brecht) |
| 8. New Development/Water Credits Committee | (Estep, L. Brecht) |
| 9. Asset Ad Hoc Committee | (Hart, M. Brecht) |

VI. INFORMATION ITEMS

III. CLOSED SESSION

- A. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Section 54956.9.
Two cases.

VII. CLOSING PROCEDURE

ADJOURNMENT UNTIL 4:00 PM: The next meeting of the Board of Directors is scheduled for 4:00 p.m., March 27, 2013 at the Performing Arts Center, 590 Palm Canyon Drive.

The next Special Meeting of the Board of Directors is scheduled for April 16, 2013 at the Borrego Water District.
The next Regular Meeting of the Board of Directors is scheduled for April 24, 2013 at the Borrego Water District.

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Tuesday, February 19, 2013
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 9:00 a.m.

B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.

C. Roll Call: Directors: Present: President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Marshal Brecht, Delahay, Estep

Staff: Jerry Rolwing, General Manager
 Lisa Foster, McDougal Love Eckis Boehmer & Foley (via teleconference, Item III)
 Wendy Quinn, Recording Secretary

Public: Jim Engelke Libby DeSilva
 Patrick Meehan, *Borrego Sun*

D. Approval of Agenda: *MSC: L.Brecht/M.Brecht approving the Agenda as written.*

E. Comments from Directors and Requests for Future Agenda Items: None

F. Comments from the Public and Requests for Future Agenda Items: Patrick Meehan requested that the Rams Hill issue be included on the next Agenda.

II. CURRENT BUSINESS MATTERS

A. Discussion of DRAFT Water Credit Policy revisions: The Board discussed editorial changes to the draft Water Credit Policy and suggested that Lisa Foster be asked to check the next version. Changes included the definition of "easement," the reference to non-profit agencies in the explanation of EDUs, clarification of requirements for non-County water credits and dates referenced in Section 4 (Water Credits, Board package pages 5 and 6). Jerry Rolwing agreed to discuss some of the issues with Jim Bennett at the County.

Jim Engelke inquired whether the draft BWD Policy would address a situation where a farmer fallowed 40 acres and wanted to build a 10-home subdivision on the property. Mr. Rolwing thought it was addressed, but agreed to double check with Mr. Bennett. Director Marshal Brecht questioned the need for Section 4.A regarding easements (County language, potentially confusing). Director Lyle Brecht supported its inclusion but suggested it be located elsewhere in the Policy. Mr. Rolwing will work on it.

Discussion followed concerning the \$1,000 "deposit fee" provided in Section 5.A.5, Board package page 10, and the need to justify it by costs to the District. Mr. Rolwing suggested a schedule of costs, and Director Estep recommended the schedule be available upon request but not part of the Policy.

B. Discussion of DRAFT New Development Policy: President Hart made some clerical corrections and submitted them to Mr. Rolwing. Discussion followed regarding developments that fall outside the District boundaries. Director Delahay referred to the District's

annexation policy, and Mr. Rolwing explained that annexation requests are handled by LAFCO. Mr. Engelke pointed out that some districts require developments adjacent to but outside district boundaries to annex. Director Lyle Brecht suggested that Mr. Rolwing draft some language for review by Ms. Foster.

Mr. Engelke questioned the provision in Section 5(f), Board package page 22, requiring "as-built" plans by a registered engineer. He suggested that a registered land surveyor could also qualify. Mr. Rolwing felt more comfortable with an engineer, noting that many also have a surveyor on staff.

Discussion followed regarding the number of EDUs to be allotted to condominiums, and Mr. Rolwing suggested reviewing them on a case-by-case basis like commercial projects.

C. Discussion of New Development Fees: There were some discrepancies in the amount of capacity fees listed. After discussion, it was agreed that this was due to the metering factor. The fee is actually the EDUs times the metering factor. Mr. Rolwing will modify the language on Board package page 30 to clarify this. Mr. Engelke suggested that the Policy clarify the fact that the County mitigation is due at subdivision approval, and the District mitigation is due when the building permit is issued. Mr. Rolwing will include this on Board package page 29. President Hart suggested asking Dennis Bostad, retired General Manager of the Sweetwater Authority, to review the draft Policy.

D. Discussion of potential agenda items for February 27th board meeting: Agenda items for February 27 will include an update on negotiations with Rams Hill, approval of the 2014-2016 audit agreement, consideration of the New Development Policy and discussion of the upcoming Town Hall Meeting. Director Lyle Brecht suggested a discussion of initiation of research into establishment of a managed basin. After discussion, it was agreed that it was premature due to cost considerations, the pending USGS study and the upcoming Town Hall Meeting.

Discussion followed concerning an invitation from Patrick Meehan to Directors Marshal Brecht and Estep to join him, Bill Berkley and the new owners of La Casa del Zorro for cocktails and dinner. The Board agreed that it was up to them whether to accept, but they would be attending as individuals, not representatives of Borrego Water District.

III. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation, Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Govt. Code section 54956.9. Two cases: The Board adjourned to closed session at 10:50 a.m., and the open session reconvened at 11:30 a.m. There was no reportable action.

IV. CLOSING PROCEDURE

Adjournment: There being no further business, the meeting was adjourned at 11:30 a.m. The next Regular Meeting of the Board of Directors is scheduled for February 27, 2013 at the Borrego Water District.

Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, February 27, 2013
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order:** President Hart called the meeting to order at 9:00 a.m.
B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
C. Roll Call: **Directors:** **Present:** President Hart, Vice-President Lyle Brecht,

Secretary/Treasurer Marshal Brecht, Delahay, Estep

Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Kim Pitman, Administration Manager
 Diana Del Bono, Administrative Assistant
 Lisa Foster, McDougal Love Eckis Boehmer & Foley
 Wendy Quinn, Recording Secretary

Public: Jim Engelke Ray Shindler
 Theresa Kallenach Russ Miffin
 Gail Allen John Foxley
 Bonnie Byrne Sue McMillan
 Chris Duthie Don Blaikie
 Jack Kavanaugh Malcolm Dyos
 Ginny O’Neel Marcia Anderson
 William Burton Jack O’Neel
 Galen Panecho Joe Tatusko
 Bill Berkley, Rams Hill Pat Gleason
 Partners Jim Gleason
 Gene Noble Beth Noble
 Lane Sharman, BWX Patrick Meehan, *Borrego Sun*
 Kathy Sage Peter Shapiro
 Gil Lombard Kate Mendenhall
 John Moony Leslie Emery
 Dick Emery Leslie Ochter
 Harry Wichter Ray Bolanos
 Susan Moss H.G. Schuette
 Judy Schuette Nan Schwab
 Tom Pantich Jane Daniels
 Alice Toothmore Julie Shelley
 Ted Gamble Russ McMillan

- D. Approval of Agenda:** *MSC: L.Brecht/Estep approving the Agenda as written.*

- E. Approval of Minutes:**

Special meeting of January 15, 2013

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of January 15, 2013 as written.

Regular meeting of January 23, 2013

MSC: L.Brecht/Estep approving the Minutes of the Regular Meeting of January 23, 2013 as written.

Special meeting of January 30, 2013

MSC: L.Brecht/Delahay approving the Minutes of the Special Meeting of January 30, 2013 as written.

F. Comments from Directors and Requests for Future Agenda Items: None

G. Comments from the Public and Requests for Future Agenda Items: Lane Sharman asked whether the District would be interested in working with him to obtain a grant for water and energy sustainability. He announced he was holding a symposium on March 7 at the Borrego Springs Resort. Mr. Sharman noted that he was not proposing to serve as a volunteer. President Hart referred the matter to the Operations and Management Committee.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Update on negotiations with Rams Hill: President Hart explained that Bill Berkley, who is interested in reopening the Rams Hill Golf Course, is concerned about the cost of water to irrigate it. Water is currently available from the District at the same rate offered to the public and other businesses, but Mr. Berkley asked the District to help him identify a more affordable source. The District understands his concerns and is willing to help. District counsel has drafted an agreement with Mr. Berkley, which the Board has approved, providing for him to make a deposit to cover legal and engineering expenses associated with investigation into alternate water sources for Rams Hill. These are costs that cannot legally be born by the ratepayers.

Director Lyle Brecht noted that Mr. Berkley had requested the opportunity to supervise the investigation, which could call into question the validity and impartiality of the findings. There are also attorney-client privilege concerns. He also requested access to the District's CAD data, which raises security issues under State and federal regulations.

Jerry Rolwing explained that Well 12 was once owned jointly by BWD and Rams Hill, but BWD subsequently purchased Rams Hill's share. When three other wells failed, the District relied on Well 12 to serve its customers.

Lisa Foster reiterated the fact that the Board had approved the proposed agreement with Mr. Berkley and was ready to sign it today. She believed the terms were reasonable and allowed the developer more involvement than usual in the investigation. He is entitled to assist in identifying and prioritizing the issues to be addressed, and the results of the investigation will be released to the District and the developer simultaneously.

Joe Tatusko asked about Mr. Berkley's ability to write a statement of work for the engineers involved in the investigation. Ms. Foster replied that he would be contacted regarding the tasks and priorities and would receive reports of the results, except in cases where the information would compromise the security of the District's system.

Ted Gamble pointed out that when he purchased his home in Rams Hill he was told that 85 percent of the water from Well 12 was earmarked for Rams Hill in perpetuity. He questioned the purchase of that share by the District and asked whether the water could be sold to customers outside Rams Hill. Ms. Foster explained that the prior agreement has been superseded by a newer one. President Hart added that when Mr. Pearlman purchased Rams Hill, he and the District agreed to the sale.

Gene Noble expressed concern that the public was not informed of the change in the terms of the agreement between the District and Mr. Pearlman. He wondered if the situation

B. Discussion and possible approval of New Development Policy: MSC: *L.Brecht/Estep approving the New Development Policy.* Mr. Rolwing reported he had sent the Policy to Dennis Bostad, former Sweetwater Authority General Manager, for comments. He had no significant input. The Board agreed to schedule the public hearing on the Policy for March 27, and upon approval, there is a 60-day waiting period before it is effective.

C. Discussion of Town Hall meeting: President Hart invited the Board's attention to the proposed Agenda and handouts in the Board package.

D. Discussion of and possible approval of FY 2013-2015 Audit Agreement: MSC: *L.Brecht/Delahay approving the 2013-2015 Audit Agreement between BWD and Hosaka, Rotherham & Company.*

E. Consideration of approval of sewer transfer from Palm Canyon Properties to Borrego Water District:

F. Consideration of approval of sewer transfer from Anza Borrego Properties LLC to Borrego Water District: Mr. Rolwing explained that when Palm Canyon Resort sold, the new owners retained the unused EDUs but did not continue the payments. As for Anza Borrego Properties, they submitted a written request to return their EDUs to the District. MSC: *L.Brecht/M.Brecht approving sewer transfers from Palm Canyon Properties and Anza Borrego Properties LLC to Borrego Water District.*

III. STAFF REPORTS

A. Financial Reports - January 2013: Kim Pitman explained that the lien properties had been reclassified from non-active accounts to active status. They will no longer accrue late fees, but will accrue standby meter fees..

B. Manager/Operations Report: Director Lyle Brecht requested that staff obtain information from the County regarding the jobs and revenue resulting from agriculture in the Borrego Valley. Mr. Rolwing noted he had offered to assist the Sponsor Group in their investigation into these issues.

Director Marshal Brecht inquired about the State Water Resources Control Board's offer to assist BWD. Mr. Rolwing explained that they may help us in writing grant applications. David Dale is preparing an outline for their review.

Greg Holloway reported we are still experiencing problems with Well 11. Most of the recent work has been under warranty.

Mr. Rolwing reported the District received a refund of \$9,174.17 from ACWA/JPIA insurance because of our excellent safety record.

C. Water and Wastewater Operations Report - January 2013:

D. Water Production/Use Records - January 2013:

These reports were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Marshal Brecht reported that the Committee met last week and developed the agreement approved today.

2. Due-Diligence

No report.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee held a public meeting to plan for the Town Hall Meeting and will hold another. Director Lyle Brecht suggested that the Committee prepare the RFQ for the BWD/Berkley engineering consultants, and the Committee agreed to do so.

4. Executive Committee

No report.

5. Operations & Management Committee

Mr. Holloway reported that the Committee had received, signed and returned the Risk Transfer Agreement with Layfield relative to the tank liner and cover. Mr. Rolwing reported that the Committee had been working on the capital plan for next year. Ms. Pitman planned to have a proposed budget for the March workshop, and Director Lyle Brecht suggested that the Audit Committee review it first.

6. Parks Committee

No report.

7. Negotiating (Rams Hill)

Already discussed.

8. New Development Committee

Already discussed. Mr. Rolwing suggested changing the name to New Development/Water Credits Committee.

9. Asset Ad Hoc Committee

President Hart reported that the Anza Borrego Foundation had inquired about purchasing more of the District's real property. The Committee determined that most was needed for mitigation, tanks or pipelines, and the value of any potentially available property is currently so low it is not worth selling at this time.

VI. INFORMATION ITEMS

Ms. Pitman reported that the Cal Fire work crew removed weeds surrounding the wastewater treatment plant.

Mr. Holloway reported he recently conducted a CPR class and would offer another once at least six people have expressed interest.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 12:40 p.m. The next Special Meeting of the Board of Directors is scheduled for March 19, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for March 27, 2013 at the Borrego Water District.

JACK MCGRORY
7979 IVANHOE AVENUE
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LA JOLLA, CALIFORNIA 92037

(858) 551-2302
FAX (858) 551-2340

BORREGO WATER DISTRICT
806 Palm Canyon Drive
PO Box 1870 Borrego Springs, CA 92004

Dear Directors,

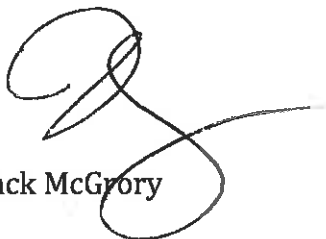
This is a letter of support for Mr. William Berkley, the potential new owner and developer of Rams Hill Golf Course and Community.

As you know we recently purchased the La Casa del Zorro Hotel and Spa. During the due diligence process we worked closely with Mr. Berkley and we were encouraged by his progress in assembling all the pieces to buy the Rams Hill Development. We attended Rams Hill HOA and BWD meetings to support his efforts because his success would have a huge impact on our success.

He now has contracts to buy the bonds, the land and the golf course, and he has the Rams Hill HOA's moral and financial support. He is willing to invest in a new well and the huge cost to reopen the golf course.

The revitalization of Rams Hill, the clubhouse and the golf course will have a big, positive impact on the economic redevelopment of Borrego.

We hope that you will support this project.



Jack McGrory

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POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

February 20, 2013

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter “developers”) to obtain water and sewer service from the Borrego Water District (hereinafter “District”) to serve a new development and establishes the fees, exactions, and charges for the new development. The Policy also applies to new construction of residential homes on existing platted lots within the District. The term "new development" is defined as any residential or commercial development or service requirement that increases the demand on the District's water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

1. Application of Policy

This Policy governs the procedures for the District to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain a commitment for water and sewer service. When a developer requests a commitment for water and sewer service for a larger new development, for example, a “major subdivision,” as defined in the San Diego County Code of Regulatory Ordinances at section 81.102(y) as “a subdivision creating five or more lots or units” that may substantially impact the District’s existing water supply capacity and/or sewer treatment capacity or that may require major improvements to the District’s water distribution system and/or to the District’s sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but the District may modify or add to the provisions of this Policy in making its commitment for water and sewer service for a larger development.

2. Application for Water and Sewer Service

(a) The developer must obtain an Application for Water and Sewer Service from the District. With the Application the developer shall submit a preliminary plat of the development which shall include the number of lots to be served, the type of units to be built within the development, the size of the lots in the development, the estimated build-out of the new development and any other information that will assist the District in determining the water and sewer needs of the new development.

(b) The developer must return the completed Application to the District with the information requested in subsection (a). The developer shall provide any other information requested by the District that the District deems necessary to determine the availability of water and sewer service for the development.

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by the District’s Manager at the time the Application is submitted. The Application Fee shall cover the anticipated cost to the District of reviewing the project, obtaining any engineering report on the feasibility of the water and sewer service requested for the project and making a preliminary determination of the on-site

and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable. The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

(d) The developer must timely notify the District of any changes in the information submitted with the Application.

(e) When the Application is complete and the Application Fee, if applicable, is paid, the District will determine, with the assistance of the District's engineer if necessary, whether the water and sewer service requested is available and whether any off-site water and sewer system improvements must be made to the District's water and sewer system to properly serve the new development and maintain the current level of water and sewer service to the District's existing customers.

(f) When the District has completed its review, the developer will be notified of the preliminary conclusions of the District as to the feasibility of the water and sewer service requested. The District may then issue a Water and Sewer Availability Letter to the developer. The Water and Sewer Availability Letter may be revoked unless the developer enters into a contract with the District and pays all fees assessed by the District within three hundred sixty (360) days of the date of the Water and Sewer Availability Letter.

3. Conditions on Availability of Water and Sewer Service

(a) In determining whether water and sewer service is available, the District may require that the developer provide an accurate projection of the water demand and sewer treatment needs, by a registered engineer, for the entire development upon the Application for the first section or phase of the development.

(b) The District may issue its Water and Sewer Availability Letter with limitations on the maximum amount of water that can be provided to the new development and the maximum amount of wastewater that can be collected and treated for the development. Any maximum limits on water and sewer service for the development shall be included in the water service contract with the developer under Section 4.

4. Water and Sewer Service Contract

(a) Before water and sewer system improvements are installed for the new development, the District, with the assistance of the District's attorney if necessary, will then prepare a contract under which water and sewer service will be provided to the development.

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater

collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

(c) A Water and Sewer Service Contract cannot be assigned to any successor in interest of the developer without the express written consent of the District.

5. Installation of Improvements

(a) **Cost of Installation.** At its own expense and at no cost and expense to the District, the Developer shall furnish, install, lay and construct all on-site and off-site water and sewer system improvements, including all labor and material, as required by the District to be installed to serve the development, to maintain the current level of water and sewer service to existing customers and to meet the District's plan for the level of service to be made available in the general area of the development. The construction and installation of the water and sewer system improvements shall be in strict accordance with the plans, specifications and requirements approved by the District. In addition, the developer shall indemnify the District from any loss or damage that may directly or indirectly result from the installation of water and sewer system improvements by the developer.

(b) **Notification of Construction.** The District shall be notified at least forty-eight (48) hours before construction is to begin on installation of improvements. Thereafter, the developer shall notify the District of every day during which construction will be in progress in order for the District's inspector to be on the job site during construction.

(c) **Inspections.** All water and sewer system improvement projects shall be subject to inspection during construction and upon completion of the construction by an authorized representative of the District. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the District. The presence or absence of an inspector during construction does not relieve the developer from adherence to approved plans and specifications. Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer's expense.

(d) **Final Inspection.** An authorized representative of the District shall make a final inspection of the water and sewer system improvements for the development after completion to determine acceptability of the work. Before this final inspection can be made, the owner, developer or engineer responsible for the project shall notify the District's Manager in writing that the work has been completed in accordance with approved plans and specifications.

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements. The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water

and sewer system construction and prior to final acceptance of water and sewer system improvements by the District. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submitting "as-built" drawings, payment of all fees due, and the placing of all water and sewer system improvements into service by the District. The District will notify the developer in writing of the date of its acceptance of the completed facilities.

(f) "As-Built" Plans. The developer shall provide the District "as-built" plans, by a registered engineer, which shall be drawn at a scale of one inch equals 50 feet and which shall indicate the location and size of all water and sewer system improvements installed for the development. The location of all water and sewer system improvements must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The water and sewer system improvements shall also be shown in relationship to the edge of all paved surfaces and all other utilities located within 15 feet of either side of the improvements. All utility easements shall be shown in relationship to the improvements. In the event the actual construction differs from the recorded plat of the development, the developer will prepare and record in the Register's Office of San Diego County a revised plat showing the actual construction with the design features stated above clearly shown. The District may delay water and sewer service until this requirement has been met.

(g) Warranty. The developer shall guarantee all work on the water and sewer system improvements it installs for a period of one (1) year from the date of final acceptance and shall immediately correct any deficiencies in the work due to material or workmanship that occurs during the one-year period. The warranty shall be insured by a maintenance bond in the amount specified by the District secured by an irrevocable bank letter of credit or such similar collateral as approved by the District. When a defect is discovered in any water or sewer system improvement under warranty by the developer, the cost of repairing the defect when performed by the District and the damages caused by the defect will be billed to the developer.

(h) Conveyance of Water and Sewer System Improvements. Upon completion of the construction of the water and sewer improvements, upon final approval by the District, and upon the water and sewer system improvements being placed into service, the water and sewer system improvements shall immediately become the property of the District regardless of whether or not a formal written conveyance has been made. The developer and any other persons paying the cost of constructing such improvements shall execute all written instruments requested by the District necessary to provide evidence of the District's title to such improvements, including obtaining any lien releases from the material suppliers and subcontractors of the developer and/or its contractor. The water and sewer system improvements shall become the property of the District free and clear of the claims of any persons, firms, or corporations

6. Assessments and Collection of Fees and Charges:

(a) New Development Administrative Fee. The developer shall pay the District an Administrative Fee to cover the administrative, inspection, engineering, legal and other expenses incurred by the District related to making water and sewer service available to the development. The Administrative Fee shall be paid on or before the execution of the Water Service Agreement and Sewer Service Agreement. For developments which request water and sewer service for a larger new development, the application fee paid under Section 2(c) shall be credited against the Administrative Fee.

(b) New Development Impact Fee for Water Infrastructure (Water Capacity Fee). A Water Capacity Fee shall be paid for every new connection to the District's water system and also by customers who change their meter size to a larger meter, which shall be considered a new connection. Water Capacity Fees are one-time charges assessed for new water customers to recover a proportional share of the capital costs already incurred to provide service capacity to new customers. These charges shall be imposed to fund water system capacity improvement costs reasonably related to new development. Water Capacity Fees shall be paid on or before the execution of the Water Service Agreement. If a customer changes to a smaller meter, no credit for any Water Capacity Fee previously paid will be provided for a smaller meter.

(c) New Development Impact Fee for Sewer and Wastewater Treatment Infrastructure (Sewer Capacity Fee). A Sewer Capacity Fee shall be paid on all new connections to the District's sewer system. Sewer Capacity Fees are one-time charges assessed for new sewer customers to recover a proportional share of the capital costs incurred to provide service capacity to new customers. These charges shall be imposed to fund sewer system infrastructure improvement costs reasonably related to new development. The Sewer Capacity Fee shall be paid on or before the execution of the Sewer Service Agreement.

(d) New Development Connection Fee (Connection Fee). The Connection Fee is based on the actual cost of the materials required for a new meter service. The Connection Fee shall be paid prior to the time actual water and sewer service is established to each new connection. Residential connections using 3/4" or 1" meters shall pay a standard Connection Fee that includes allocated, per connection, direct labor costs, materials, supplies, and equipment expenses and an allowance for indirect costs. All other connections using larger size meters will pay a custom Connection Fee based on the direct and indirect costs and expenses particular to that connection. If a customer changes to a smaller meter, no credit for any Connection Fee previously paid will be provided for a smaller meter

(e) No refunds. The developer shall have no right to recover any fees or charges paid to the District or any right to recover any part of the costs and expenses incurred in installing water system improvements or sewer system improvements for the development.

(f) Schedule of Fees and Charges. A current published schedule of fees and charges, as amended from time-to-time by the District, shall be used to determine the fee amounts assessed for each new development.

7. Approval of Final Plat

The District will not sign a "Final Plat" of the development for submission to the appropriate Planning Commission until the water and sewer system improvements for the development have been constructed, inspected and accepted for use by the District or until a performance bond secured by an irrevocable bank letter of credit issued by a bank with offices in San Diego County, California, or secured by other security specifically approved by the Board of Directors has been posted equal to the estimated cost of all necessary improvements and in favor of the District, the Water and Sewer Service Contract has been fully executed, and all applicable fees have been paid. If the development is not a subdivision, the applicable fees must be paid at the time the contract for water and sewer service is signed.

8. Easements

(a) A minimum exclusive easement twenty (20) feet in width must be conveyed to the District for water and sewer main construction and exclusive easements for other water and sewer system improvements must be conveyed to the District as required by the District. All water and sewer lines that are to become the property of the District are to be located off the public right-of-way and within these exclusive easements on private property. All exceptions are to be specifically approved by the Board of Directors or its delegatee. In all such cases where the Board of Directors or its delegatee approves water or sewer line construction within public rights-of-way, the developer shall obtain consent from the political entity having authority over such rights-of-way for such construction.

(b) The expenses of obtaining, preparing and recording easements needed for water and sewer system improvements for the new development will be paid by the developer, including but without limitation, the consideration paid to the landowner. In the event the District must exercise its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

(c) The easement grant must be on such terms and in such form and content as approved by the District.

(d) The developer is responsible for acquiring all such easements for both on-site and off-site water and sewer system improvement construction prior to the commencement of water and sewer system improvement construction.

9. Real Property Acquisition

In the event real property must be acquired for the installation of a water storage tank, a sewer treatment system, a pumping station or other water or sewer system improvement for the development, the expenses of obtaining, preparing and recording the real property will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event the District must exercise its power of eminent domain to acquire any such real property, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which the District becomes liable, on demand, including its attorney's fees.

10. Meters

(a) The developer shall pay for all water meters in the development, and the District shall install all residential water meters. The developer or lot owner at their expense shall install commercial water meters, defined herein as any meter greater than one (1) inches.

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than $\frac{3}{4}$ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

Before beginning construction, the developer or its contractor shall obtain all necessary permits as required by law. Such permits include, but are not limited to, those from State of California and the county highway department in which the development is located.

12. Resolution of Disputes

Any controversy or claim arising out of or relating to this Policy or the Water and Sewer Service Contract, or the breach thereof, shall be submitted to the Board of Directors, which may appoint a subcommittee of the Board to negotiate the controversy or claim. If the Board is unable to resolve the dispute by negotiation, the dispute shall be submitted to a mutually acceptable mediator. Mediation shall be required before either party may proceed to any other method of dispute resolution. Costs for mediation shall be shared equally between the parties. The decision of the mediator shall not be final or binding unless agreed to in writing by the parties. All mediation proceedings, results and documentation, shall be non-binding and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Code sections 1115 through 1128) unless such admission is otherwise agreed to in writing by both parties. If the parties are unable to resolve the dispute by mediation, the dispute shall next be submitted to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All water and sewer service contracts shall

contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section12.

DETAIL SHEET FOR PROPOSED CHARGES AND FEES FOR WATER AND SEWER SERVICE TO DEVELOPMENT FOR FY 2013 & FY 2014

Existing "New Water and Sewer Charges" in BWD Service Areas

Presently there are approximately 2,100 undeveloped lots that could be served with water service from existing infrastructure. Presently, certain areas of the District have been charged different amounts due to historical agreements as follows:

ID-1 (Rams Hill): The capacity fee has been paid and service laterals installed for new meters on the existing lots. Currently we charge \$640 for a 3/4" and \$735 for a 1" meter service. This covers a \$340 "turn-on" fee, the meter, meter box, customer shut off valve and the labor to install the new meter. One customer was granted a 2" residential meter by the Board in 1999 all other residential meters are either 3/4" or 1". New sewer connections are charged \$200 plus a \$50/EDU inspection fee. Monthly sewer fees are \$26.75.

ID-2: The Town Center Sewer serves the downtown area along Palm Canyon Drive from Palm Canyon Resort to the Elementary School. Also included is the La Casa del Zorro (aka Borrego Ranch) Resort. There are 1000 EDU's assigned to this system of which 316 are being used (user) and 773 are being held for future use (holder). The District has 226 EDU's available for sale at a price set by the Board of \$3,040. Holders may sell their EDU's at negotiated prices with willing buyers. The District occasionally surveys the holders to see if EDU's are available for private sales. "Holder" monthly fees \$19.42 and once they become also a "user", the fee increases by \$10. New connections are charged a \$712.80/EDU capacity fee and a \$50/EDU inspection fee. All sewer connections are performed at customer's expense by a District approved contractor. These fees are set by contract but can be adjusted to operating costs by a vote by all holders of EDU's.

ID-3 and 4 (Deep Well Trail and old Borrego Springs Water Company service area): Water mains in these areas are normally located in the shoulder of the road, in the right-of-way, yet off of the pavement. The new meter charge in these areas depends on the location of the new service to the existing water main. New meters located on the same side of the street as the water main require a "short lateral" and those across the street a "long lateral". Certain areas of the District where the water main is located in the paved street classify as a "long lateral". The maintenance crew utilizes a boring device to feed the new service lateral under the pavement on long laterals which is more labor intensive but does not require re-paving after an installation. The current fees are \$4,040 for a 3/4" short lateral, \$4,165 for a 1" short lateral, \$5,440 for a 3/4" long lateral and \$5,565 for a 1" long lateral. The breakdown of these fees are \$2,530 connection fee, \$340 turn-on fee, either \$500 for short lateral or \$1,900 for a long lateral and either \$70 for a 3/4" customer shut-off valve or \$95 for a 1" customer shut-off valve. Customer shut-off valves are an important feature and we also provide them to existing customers for the cost of the part, no labor charge. The customer shut-off saves us money, and possibly the customer, in the long run. When not installed, the customer is tempted to turn-off the District angle meter stop (forbidden by the administration code) or contact the "duty operator" to turn off and turn back on

after plumbing/irrigation repairs are complete. If the angle meter stop is compromised, the water main has to be excavated and the customer can be charged for the repairs. After hours duty operator "call outs" are costly to the District in overtime expense. Many water Districts found cost savings by installing the customer shut-off valve free of charge but we found it more prudent to only charge for the part and install the valve free of charge.

ID-5: This area is the old Borrego Springs Park Community Services District area of Club Circle and the Borrego Springs Resort. As part of the consolidation agreement, we are required to charge \$3,500 each, for new service (water and sewer combined). One half of this money is returned to the developer, Cameron Brothers Construction Co. as per the agreement. The service laterals on Foresome Drive were installed with poly vinyl pipe which have proven to be substandard in our desert conditions. New service requires the removal of this pipe and replaced with copper service laterals which are charged on a "time and material" basis. All sewer connections are performed at customer's expense by a District approved contractor. Only one connection has been made since the consolidation of the two districts.

The monthly rates are listed as follows:

ID-1; \$26.75/mo. plus portion of \$66/parcel availability fee collected through the annual property taxes
Connection fee of \$200 plus \$50/EDU inspection fee

ID-2; \$19.42 (holder) plus \$10 (user) totaling \$29.42/mo.
Connection fee is \$712.80 per EDU plus \$50/EDU inspection fee

ID-5; \$49.92/mo.
Connection/capacity fee collected is \$3500, 1/2 is directed to the developer, Cameron Bros. Construction Co. and 1/2 to BWD per EDU. Meter installation is charged on "time and materials" only.

Both ID-2 and ID-5 require lifting the effluent from the newly built Lift Station (capital improvement of \$680K in 2011) on Borrego Valley Rd to the RMWWTP.

All of these sewer charges were developed based on developer "buy-in" or other such arrangement. For this reason, existing platted lots will continue with the above fee structure. The total number of existing platted lots involved should not require any further improvements to the existing infrastructure; however, this can be reviewed in subsequent years if needed. Any new development will be required to pay the new calculated sewer capacity fee of \$8,000 per EDU plus any additional new infrastructure required specifically for the new development which will be determined by the District Engineer.

A study is also eventually needed to evaluate at what point the RHWTP can generate reclaimed water supply and where the reclaimed water could be utilized if the Rams Hill Golf course is not in operation.

Historically, we have utilized the following calculations for EDU breakdowns.

Single Family Residence (SFR) =	1.0 EDU
Casitas/Guest House with SFR=	0.5 EDU
Mobile Home (in a park) =	0.5 EDU
Recreational Vehicle (in a park) =	0.25 EDU

These ratios were based on overall housing footprint (property size, human capacity, etc). A mobile (manufactured or modular) installed on a lot designed for a single family residence is considered a single family residence due to the lot size and potential of developing extensive landscaping. Units installed in a designated mobile home park are situated on small lots where the landscaping potential is significantly less. A "casitas" is a small single family residence less than 800 square feet, is a small development with common landscaping.

New commercial and multiple unit projects will need to be reviewed in a case-by-case basis. There are too many factors to apply a general fee schedule to these types of installation. Historically, an engineering deposit is required to recoup District funds expended. The amount of deposit will vary depending on the scope of the project but a minimum fee of \$2,500 would be appropriate.

Water Credit Policy

The Water Credit Policy was first established as a 3:1 groundwater mitigation in 2005. In 2007 the 3:1 was reduced to a 2:1 with the premise that one would satisfy the County of San Diego requirements and one for the Borrego Water District. The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits. The Water Credit Policy will be administered as follows:

New Development requiring San Diego County approval:

- 1 Water Credit due with County discretionary permit process
- 1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction
- 2 Total Credits**

New Single Family Residence construction on existing lot:

- 1 Water Credit due when District signs "Required Agency Clearance Letter" for new home construction
- 1 Total Credit**

The Proposed Structure for New Development

Proposed New Water and Sewer Connection Fees for New Subdivisions:

The proposed "capacity fee" has been calculated by dividing the total water system asset \$11,041,479.26 (as of June 30, 2012), minus \$2,775,000 (existing infrastructure debt from the ID4 2008 Certificates of Participation) by the total existing water meters utilizing the American Water Works Association (AWWA) meter sizing factors (see Attachment A). This equates to \$1,841.17 but for simplicity, it would be appropriate to round that number to \$1,850/EDU.

Applying the same metering factor to new installations would result as follows:

3/4" meter	x 1.5 meter factor	= \$2,775
1" meter	x 2.5 meter factor	= \$4,625
1-1/2" meter	x 3.3 meter factor	= \$6,105
2" meter	x 5 meter factor	= \$9,250
3" meter	x 15 meter factor	= \$27,750
4" meter	x 32 meter factor	= \$59,200
6" meter	x 85 meter factor	= \$157,250

Using the same formula as water, dividing sewer assets (\$5,505,105.59) by existing EDU's (689) equates to \$7,989.99 or for our purposes, \$8,000/EDU. Any proposed development will have to complete an analysis of increased flow to the Ram Hill Wastewater Treatment Plant (RHWWTP) except the remaining undeveloped lots in the Rams Hill community who built the facility. Town Center Sewer EDU "holders" have also been worked into the RHWWTP expansion calculations through the costs outlined in the Town Center Sewer Agreement. Sewer customers in ID-5 are required to pay \$3,500 (combined water and sewer) 1/2 of this amount is for reimbursement to the Cameron Bros. Construction Co. per prior agreement. Unplatted lots (not a County approved buildable lot) in ID-5 will have to go through the permit process and associated engineering study for RMWWTP capacity issues.

Due to the number of historical agreements in the various service areas, it is proposed that new connections for existing platted lots in ID-1 be exempted from the new capacity fee. Existing lots in ID-1 have already been assessed capacity fees and the infrastructure for the new meter installations are in place. Existing lots in ID-5 will be required to pay the historical capacity fee of \$3,500(water and sewer combined) of which 1/2 will be paid to the Cameron Bros. as per the consolidation agreement. The existing infrastructure for the new meter installations that was installed by the developer does not meet the requirements of the District and therefore the will be charged the "actual installment costs" and in ID-3 and ID-4.

Subdivisions:

"Will Serve" Letter - first step in County permitting process	\$50/Letter
"Will Serve" Conditions Letter - outlining system requirements	\$2,500 engineering deposit
Engineering Plan Review	\$5,000 engineering deposit
Final Map	Water Credit & Capacity
Fees	
One water credit per EDU	
Capacity fee of \$1,850/EDU times metering factor	

Commercial:

Case-by-case basis on fixture unit count and approved landscaping plan

Water Credits:

The water credit policy for new development consists of two - 1:1 policies, one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, only one water credit is required to fulfill the District's policy. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits. A list of approved water credits at time of policy adoption is included in attachment C.

Schedule of Proposed New Water and Sewer Installation Charges for a Single Family Residence for FY 2013 & FY 2014

New Water and Sewer Service on Existing Platted Lot in ID-1:

(Note: Sewer Fees not applicable to lots in the "Estates" Community where lots are on septic systems)

- One Water Credit
- Capacity fee and lateral installation pre-paid by developer
- Sewer Connection Fee \$200
- Sewer Inspection Fee \$50
- All sewer connections are performed at customer's expense by District approved contractor
- Connection Fee (actual installation costs from Attachment B)
 - 3/4" meter = \$205
 - 1" meter = \$340
- \$340 Administrative Fee

Total 3/4" Charge = \$795.00

Total 1" Charge= \$930.00

Larger meters will be reviewed on a case-by-case basis

New Sewer Service for "holders" of Town Center Sewer EDU's in ID-2:

- New service must be holder in good standing of ID-2 EDU's (contact District office for Town Center Sewer EDU information)
- Capacity Fee of \$712.80 per EDU
- Inspection Fee of \$50/EDU
- All sewer connections are performed at customer's expense by District approved contractor

Total Fees due District \$762.80/EDU

New Water Service on Existing Platted Lot in ID 3 or ID-4:

- One Water Credit
- Capacity fee (\$1,850) with metering factor:
 - 3/4" meter x 1.5 meter factor = \$2,775
 - 1" meter x 2.5 meter factor = \$4,625
- Connection Fee (actual installation costs from Attachment B)
 - Short lateral charge (parcel located on same side of street as the water main)
 - 3/4" meter service = \$2,401.05 or 1" meter service = \$2,495.10
 - Long lateral charge (parcel located on opposite side of street from water main)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- Administrative Fee of \$340

Total 3/4" charge with short lateral: 2,775 + 2,401.05 + 340 = \$5,516.05

Total 3/4" charge with long lateral: 2,775 + 3,760.82 + 340 = \$6,875.82

Total 1" charge with short lateral: 4,625 + 2,495.10 + 340 = \$7,460.10

Total 1" charge with long lateral: 4,625 + 3,854.87 + 340 = \$8,819.87

Larger meters will be reviewed on a case-by-case basis

New Water and Sewer Service on Existing Platted Lot in ID-5:

- One Water Credit
- Capacity Fee of \$3,500 (water and sewer combined, existing agreement where 1/2 is paid to the developer)
- Sewer Inspection Fee of \$50
- Connection Fee (actual installation costs from Attachment B)
 - Long lateral charge (water mains in street)
 - 3/4" meter service = \$3,760.82 or 1" meter service = \$3,854.87
- \$340 Administrative Fee

Total 3/4" charge: 3,500 + 50 + 3,760.82 + 340 = \$7,650.82

Total 1" charge: 3,500 + 50 + 3,854.87 + 340 = \$7,744.87

Larger meters will be reviewed on a case-by-case basis

Policy: Who pays for growth?

Background: There are always discussions about responsibility for costs when a developer seeks to add an area of water and sewer service to a new development. As a general rule, the Borrego Water District (BWD) requires the development to pay its own way, desiring not to subsidize growth. This is only fair to existing customers. Sometimes, however, BWD desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the system. Because these are differing directions, the differences can sometimes become blurred. BWD has attempted to resolve the issues with its developer policy. This policy will need to be reviewed from time to time to determine its applicability. What is needed for effective strategic planning is a statement of policy on the subject affirming the general direction.

Policy: It is the policy of the Borrego Water District (BWD) to encourage responsible growth by requiring new developers to install water and sewer connector lines at the developer's expense, in addition to the assessment of developer charges for each new connection to pay for any improvements required to the existing BWD system and the use of existing system capacity. Participation in costs by BWD will occur only when BWD is convinced such connector lines will add further benefit to the District.

WATER CREDIT POLICY TO BE INSERTED HERE

RESOLUTION NO. 2013-03-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT APPROVING A POLICY FOR
WATER AND SEWER SERVICE TO NEW DEVELOPMENTS**

WHEREAS, the Borrego Water District is a California Water District established pursuant to Section 34000 et seq. of the California Water Code; and

WHEREAS, the Board of Directors of the District has determined that the District requires a policy to outline the procedures and obligations applicable to developers, contractors and owners (collectively "developers") seeking to obtain water and sewer service from the District for new development; and

WHEREAS, it is the policy of the District, in accordance with California state law, that development pay for itself, and that new development and associated improvements to the water and sewer system are not subsidized by other ratepayers; and

WHEREAS, there is a need to establish fees to recover the cost of services associated with the provision of water and sewer service to new development, including but not limited to application fees, administrative fees, capacity fees and connection fees; and

WHEREAS, Board has discussed the proposed policy and has received public testimony regarding the policy at noticed public meetings held on (7/25/2012, 9/18/2012, 10/16/2012, 10/24/2012, 11/14/2012, 12/12/2012, 1/15/2103, 1/23/2013, 2/19/2013, 2/27/2013); and

WHEREAS, a duly noticed public hearing was held on March 27, 2013, at which the Board discussed the proposed policy; and

WHEREAS, the Board desires to adopt the Policy for Water and Sewer Service to New Developments, as set forth in Exhibit A.

NOW THEREFORE, the Board of Directors of the Borrego Water District does hereby resolve, determine and order as follows:

Section 1. All of the foregoing recitals are true and correct, and the Board so finds and determines. The recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2. The Board conducted a public hearing on March 27, 2013 in order to receive oral and written testimony regarding this Resolution.

Section 3. The Board hereby adopts the Policy for Water and Sewer Service to New Developments as set forth in Exhibit A attached to this Resolution, to be effective May 27, 2013.

Section 4. All resolutions or administrative actions by the Board, or parts thereof, which are inconsistent with any provision of this Resolution, are hereby superseded, to the extent of such inconsistency. Any rates or fees associated with water or sewer service that are not addressed in this Resolution or Exhibit A shall remain in full force and effect as previously adopted by the Board.

Section 5. In any section, subsection, clause or phrase in this Resolution or the attached Exhibits is for any reason held to be invalid; the validity of the remainder of the Resolution or Exhibits shall not be affected thereby.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on 27th day of March, 2012.

President of the Board of Directors
Of Borrego Water District

ATTEST:

Secretary/Treasurer of the Board of Directors
Of Borrego Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 27th day of March, 2013, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS

Secretary of the Board of Directors of Borrego
Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2013-03-01 of said Board, and that the same has not been amended or repealed.

Dated:

Secretary of the Board of Directors of
Borrego Water District



RESOLUTION NO. 2013-03-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO
WATER DISTRICT APPROVING THE DEMAND OFFSET
MITIGATION WATER CREDITS POLICY**

WHEREAS, the Borrego Water District is a California Water District established pursuant to Section 34000 et seq. of the California Water Code; and

WHEREAS, the Borrego Valley Groundwater Basin is in a state of overdraft due to the extensive use of groundwater in the Borrego Valley, and there is a need to reduce the demand on the groundwater aquifer that underlies the Borrego Valley; and

WHEREAS, the District has a policy entitled the Steven Smiley Memorial Water Credit and Mitigation Policy, adopted in September 2009, which governs the issuance of water credits by the District in exchange for the voluntary cessation or reduction of certain measurable water uses, including the removal of turf and/or fallowing of irrigated farmland; and

WHEREAS, there is a need to update the existing water credit policy to ensure that the water credits issued by the District can be used for purposes of satisfying the mitigation requirements of both the District and the County of San Diego, by conforming the provisions of the policy to the San Diego County Groundwater Mitigation Ordinance, as revised from time to time, and the most current Memorandum of Agreement (“MOA”) between the District and the County, to the maximum extent possible, and;

WHEREAS, the revised policy, entitled the Demand Offset Mitigation Water Credits Policy, also provides the administrative and technical procedures through which durable mitigation entitlements (water credits) will be established by the District, and provide for the ongoing administrative functions of controlling, monitoring, and enforcing the entitlement elements of the policy; and

WHEREAS, Board has discussed the proposed policy and has received public testimony regarding the policy at noticed public meetings held on (11/14/2012, 12/12/2012, 1/15/2013, 2/19/2013); and

NOW THEREFORE, the Board of Directors of the Borrego Water District does hereby resolve, determine and order as follows:

Section 1. All of the foregoing recitals are true and correct, and the Board so finds and determines. The recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2. The Board conducted a public hearing on March 27, 2013 in order to receive oral and written testimony regarding this Resolution.

Section 3. The Board hereby adopts the Demand Offset Mitigation Water Credits Policy as set forth in Exhibit A attached to this Resolution, to be effective immediately.

Section 4. All resolutions or administrative actions by the Board, or parts thereof, which are inconsistent with any provision of this Resolution, are hereby superseded, to the extent of such inconsistency.

Section 5. In any section, subsection, clause or phrase in this Resolution or the attached Exhibits is for any reason held to be invalid; the validity of the remainder of the Resolution or Exhibits shall not be affected thereby.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on 27th day of March, 2012.

President of the Board of Directors
Of Borrego Water District

ATTEST:

Secretary/Treasurer of the Board of Directors
Of Borrego Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 27th day of March, 2013, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS

Secretary of the Board of Directors of Borrego
Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Marshal Brecht, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2013-03-02 of said Board, and that the same has not been amended or repealed.

Dated:

Secretary of the Board of Directors of
Borrego Water District



March 8, 2013

Jerry Rolwing
Borrego Water District
P.O. BOX 1870
Borrego Springs, CA 92004

Re: Borrego Water District CFD No. 2007-1 & Other Charges Special Tax Administration Services

Dear Jerry:

As I mentioned in my voicemail, I have enclosed an updated consulting agreement for the annual administration of CFD No. 2007-1 and other charges for FY 2013-14. Please review and sign both copies and return one fully executed copy to my office.

Should you have any questions please feel free to contact me.

Sincerely,


Andrea Roess
Managing Director

Enclosures

<http://localhost/resources/Proposals/ADMIN/CALIF/BORREGO.WD/Letter 13-14.doc>

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT is made and entered into this ___ day of March 2013, by and between Borrego Water District at 806 Palm Canyon Drive, Borrego Springs, CA 92004, herein called "Client," and David Taussig and Associates, Inc. at 5000 Birch Street, Suite 6000, Newport Beach, CA 92660, herein after called "Consultant." The Client and the Consultant in consideration of the mutual promises and conditions herein contained agree as follows.

ARTICLE I **TERM OF CONTRACT**

Section 1.1 This agreement shall become effective on the date stated above and will continue in effect until the earlier of (i) that day when the services provided for herein have been performed or (ii) until terminated as provided in Article 6 below.

ARTICLE II **SERVICES TO BE PERFORMED BY CONSULTANT**

Section 2.1 Consultant agrees to perform the professional services for the Client and to deliver the work products to the Client as described in the Scope of Work statement attached as Exhibit "A" hereto. Such professional services and work products, as from time to time modified in accordance with Section 2.3 hereof, are collectively referred to as the "Consulting Services."

Section 2.2 Consultant will determine the method, details and means of performing the Consulting Services. Consultants may, at Consultants' own expense, employ such assistance as it deems necessary to perform the Consulting Services required by Client under this Agreement. Consultants shall conduct research and arrive at conclusions with respect to their rendition of information, advice, recommendation or counsel independent of the control and direction of the Client, other than normal contract monitoring. All computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or developed by DTA in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to DTA. Client acknowledges and agrees that the consideration paid by Client herein only entitles Client to a license to use the hard copy or electronically transmitted reports generated pursuant to the Consulting Services and that any Proprietary Model that Consultant uses to generate such reports is owned by, or is duly licensed from a third party to Consultant and is not being provided to Client hereunder. Client acknowledges that DTA may have used reports and analyses that DTA authored for other clients as base works or templates for the reports and analyses prepared for Client pursuant to this Agreement, and Client acknowledges and agrees that DTA has the right to use the reports and analyses that it authors pursuant to this Agreement as base works or templates for reports and analyses that DTA authors for DTA's other clients, provided, however that DTA shall

not use any confidential information provided by Client in such future reports and analyses. Client acknowledges and agrees that DTA has spend substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Consulting Services and that such Data Compilations may be used by DTA for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that DTA will not sell or distribute any of Client's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

Section 2.3 Any proposed changes in the Consulting Services hereunder shall be submitted to the other party hereto, and any such changes agreed to by the parties shall be reflected in an amendment to Exhibit "A" in accordance with Section 7.2 hereto.

Section 2.4 Nothing in this Agreement shall give the Consultant possession of authority with respect to any Client decision beyond the rendition of information, advice, recommendation or counsel.

ARTICLE III **COMPENSATION**

Section 3.1 Client agrees to pay Consultant for its Consulting Services a professional fee computed according to the Fee Schedule attached as Exhibit "B" hereto.

Section 3.2 The Client shall reimburse the Consultant for Consultant's out-of-pocket expenses plus a 15% administrative charge. Expenses shall include all actual expenditures made by Consultant in the performance of any Consulting Services undertaken pursuant to the Agreement, including, without limitation, the following expenditures:

- (a) Cost of clerical assistance @ \$35.00 per hour, including typing, collation, printing and copying, plus copier and photography costs, including photographic reproduction of drawings and documents.
- (b) Transportation costs, including mileage for the use of personal automobiles at the prevailing IRS standard rate, rental vehicles, lodging and regularly scheduled commercial airline ticket costs.
- (c) Courier services, facsimile, and telephone expenses.

Section 3.3 On or about the first two weeks of each month during which Consulting Services are rendered hereunder, Consultant shall present to Client an invoice covering the current Consulting Services performed and the reimbursable expenses incurred pursuant to this Agreement and exhibits thereto. Such invoices shall be paid by Client within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts which are not paid within 30 days of the date of each invoice.

Section 3.4 The maximum total fee amount set forth in Exhibit "B" may be increased as a result of any expansion of the Consulting Services to be rendered hereunder pursuant to Section 2.3 or as provided in Exhibit "A" hereto.

Section 3.5 Records of the Consultant's costs relating to (i) Consulting Services performed under this Agreement and (ii) reimbursable expenses shall be kept and be available to the Client or to Client's authorized representative at reasonable intervals during normal business hours.

ARTICLE IV **OTHER OBLIGATIONS OF CONSULTANT**

Section 4.1 Consultant agrees to perform the Consulting Services in accordance with Exhibit "A". Should any errors caused by Consultant's negligence be found in such services or products, Consultant will correct them at no additional charge by revising the work products called for in Exhibit "A" to eliminate the errors.

Section 4.2 Consultant will supply all tools and instrumentalities required to perform the Consulting Services under the Agreement.

Section 4.3 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Consultant without the prior written consent of Client. However, Consultant may subcontract portions of the work to be performed hereunder to other persons or concerns provided Consultant notifies Client of the name and address of said proposed subcontractor and Client either consents or fails to respond to notification with respect to the use of any particular proposed subcontractor.

Section 4.4 In the performance of its Consulting Service hereunder, Consultant is, and shall be deemed to be for all purposes, an independent contractor (and not an agent, officer, employee or representative of Client) under any and all laws, whether existing or future. Consultant is not authorized to make any representation, contract or commitment on behalf of Client.

Section 4.5 Neither this Agreement, any duties or obligations under this Agreement, nor the intentions or expectations of Client will cause the Consultant to be a "public official" as that term is used in Section 87100 of Title 9 of the California Government Code. Client and Consultant agree that Consultant is not a "public official" or "participating in governmental decision" as those terms are used in Section 87100. The Client and Consultant also agree that no actions and opinions necessary for the performance of duties under the Contract will cause the Consultant to be a "public official" or "participating in a governmental decision" as those terms are used in Section 87100.

ARTICLE V **OTHER OBLIGATIONS OF CLIENT**

Section 5.1 Client agrees to comply with all reasonable requests of Consultant and provide access to all documents reasonably necessary to the performance of Consultant's duties under this Agreement with the exception of those documents which Exhibit "A" calls upon the Consultant to prepare.

Section 5.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Client without the prior written consent of Consultant.

Section 5.3 Consultant frequently is retained by developers, landowners, and other persons and concerns interested in development projects which often eventually lead to the preparation on a

contract basis by Consultant of preliminary tax spread models for government agencies to determine tax rates and other matters necessary to accomplish various improvements to realty for financing under a Mello-Roos or other financing programs. In light of the foregoing, Client will determine whether or not it is appropriate to conduct a "significant substantive review" or a "significant intervening substantive review" of Consultant's activities conducted pursuant to this Agreement as such terms are defined in Section 18700(c)h of Title 2 of the California Administrative Code. Should Client elect to conduct such a substantive review, then Client shall determine whether it has sufficient expertise on staff to conduct such a review, and, if not, will retain an independent expert consultant to review Consultant's work. Thereafter, Client shall conduct such review, or cause such independent review to be conducted, prior to the making of any governmental decision relating to the matters contained within the Scope of Work described in Exhibit "A". The parties do not intend and nothing in this Section 5.3 is meant to imply that Consultant is a "public official," "participating in a governmental decision," or has a "financial interest" in the services provided as such terms are used in Section 87100 of Title 9 of the California Governmental Code.

Section 5.4 Client, public agencies, landowners, consultants and other parties dealing with Client or involved in the subject development project referred to in Exhibit "A" will be furnishing to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the project which Client understands Consultant will be using and relying upon in preparing the reports, studies, computer printouts and other work products called for by Exhibit "A." Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of Client, nor shall Consultant be responsible for the impact or effect on its work products of the information furnished by or on behalf of Client, in the event that such information is in error and therefore introduces error into Consultant's work products.

Section 5.5 Client agrees to defend, indemnify and hold Consultant harmless from and against all obligations, losses, liabilities, damages, claims, attachments, executions, demands, actions and/or proceedings (collectively, "Claims") and all costs and expenses in connection therewith, including reasonable attorneys' fees, arising out of or connected with the performance of Consultant's Consulting Services under this Agreement, except as may arise from Consultant's willful misconduct or gross negligence. In that regard, Client will indemnify and hold Consultant harmless from any Claims arising from, growing out of, or in any way resulting from, errors contained in data or information furnished by Client or Client's designee to Consultant for use in carrying out the Consulting Services called for by this agreement. If for any reason the indemnification under this Section 5.5 is unavailable to Consultant or insufficient to hold it harmless, then the Client shall contribute to the amount paid or payable by Consultant as a result of such loss, liability, damage, claim, demand, action or proceeding in such proportion as is appropriate to reflect not only the relative benefits received by the Client on the one hand and Consultant on the other hand but also the relative fault of the Client and Consultant as well as any relevant equitable considerations; provided that Consultant's contribution obligations hereunder shall in no event exceed the amounts received by Consultant under this Agreement.

Section 5.6 In the event that court appearances, testimony or depositions are required of Consultant by Client in connection with the services rendered hereunder, Client shall compensate Consultant at a rate of \$250 per hour and shall reimburse Consultant for out-of-pocket expenses on a cost basis.

ARTICLE VI
TERMINATION OF AGREEMENT

Section 6.1 Either party may terminate or suspend this Agreement upon thirty (30) days written notice. Unless terminated as provided herein, this Agreement shall continue in force until the Consulting Services set forth in Exhibit "A" have been fully and completely performed and all proper invoices have been rendered and paid.

Section 6.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party at its option may terminate this Agreement by giving written notification to the defaulting party. Such termination shall be effective upon receipt by the defaulting party, provided that the defaulting party shall be allowed ten (10) days in which to cure any default following receipt of notice of same.

Section 6.3 The covenants contained in Sections 3.1, 3.2, 4.4, 5.3, 5.4, 5.5, 5.6 and all of Article VII shall survive the termination of this Agreement.

ARTICLE VII
GENERAL PROVISIONS

Section 7.1 Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change the address by written notice in accordance with the first sentence of this Section 7.1. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of two (2) days after mailing.

Section 7.2 This Agreement and exhibits hereto supersede any and all agreements, either oral or written, between the parties hereto with respect to the rendering of service by Consultant for Client and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any exhibit hereto) will be effective if it is in writing and signed by the party against whom it is sought to be enforced.

Section 7.3 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

Section 7.4 Any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Agreement will, on the written request of one party served on the other, be submitted to binding arbitration in accordance with the commercial rules and regulations of the American Arbitration Association and the provisions of the California Arbitration Act (Sections 1280 through 1294.2 of the California Code of Civil Procedure). The arbitration shall take place in Newport Beach, California, or such other location mutually agreed to by the parties.

The arbitrator(s) shall be selected as follows: In the event that Consultant and Client agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event Consultant and Client do not so agree, Consultant and Client shall each select an arbitrator and the two arbitrators so selected shall select the third arbitrator. If there is more than one arbitrator, the arbitrators shall act by majority vote. The parties may propose arbitrators from JAMS, ADR, ARC or any independent arbitrator/neutral for dispute resolution. The parties are not required to hire an AAA arbitrator for resolution of a dispute hereunder.

The decree or judgment of an award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Section 7.5 The prevailing party in any arbitration or legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees. The non-prevailing party shall be liable, to the extent allowable under law, for all fees and expenses of the arbitrator(s) and all costs of the arbitration.

Section 7.6 This Agreement will be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, this Agreement has been executed on the date and year first above written.

CONSULTANT:

CLIENT:

David Taussig & Associates, Inc.

Borrego Water District

By: _____
David Taussig, President

By: _____

Date: _____

Date: _____

<http://localhost/resources/Proposals/ADMIN/CALIF/BORREGO.WD/Agreement 13-14.doc>

EXHIBIT A

ANNUAL ADMINISTRATION AND ARBITRAGE CALCULATION SERVICES OF THE BORREGO WATER DISTRICT

SCOPE OF WORK

David Taussig & Associates, Inc. ("Consultant") shall provide financial consulting services to assist the Borrego Water District (the "Client") in the annual administration of CFD No. 2007-1 and additional levies, including the following four charges: **i)** Water Availability, **ii)** ID No. 1 Water, Sewer, and Flood Control, **iii)** Pest Control, and **iv)** ID No. 3 Water standby charges and assessments. The intent of these services shall be to determine the tax rates, to facilitate the collection of the taxes, and to calculate the rebate liability of CFD No. 2007-1 for fiscal year 2013-14.

PHASE 1: CFD No. 2007-1

The specific activities and tasks to be performed under this Scope of Work for CFD No. 2007-1 include the following:

Task 1 Land Use Research

This task involves determining, gathering and organizing the land use data required to apportion and collect special taxes, and includes the following subtasks:

- 1.1 Subdivision Research:** Identify and obtain copies of all final tract or parcel maps recorded within CFD No. 2007-1.
- 1.2 Development Research:** Determine non-residential building permit activity as of January 1, 2012. Identify issuance date, building square footage and situs address for each new commercial building.
- 1.3 Assessor Parcel Research:** Review current Assessor Parcel Maps to compile a list of the Assessor's Parcels which will be valid for fiscal year 2013-14. Determine lot square footage of all parcels.
- 1.4 Database Management:** Create automated parcel database that will include information for all parcels. Data will include Assessor Parcel Number and corresponding tract, lot and unit number, acreage, building square footage, building permit issuance date and situs address.

Task 2 Classification of Property

This task involves application of the Amended and Restated Rate and Method of Apportionment of Special Taxes to determine the appropriate special tax classification for each parcel located in the CFD and includes the following subtasks:

- 2.1 Exempt Property:** Identify all property owned by public agencies or entities otherwise exempt from the special tax and classify as exempt property.
- 2.2 Taxable Property:** Identify all taxable properties and classify each as "Developed Property" or "Undeveloped Property." Assign each "Developed Property" to the appropriate special tax classification.

Task 3 Financial Analysis

This task involves calculating and apportioning the Special Tax Requirement and includes the following subtasks:

- 3.1 Administrative Expense Budget:** Assist Client with the preparation of an administrative expense budget.
- 3.2 Mello-Roos Special Pro Forma:** Prepare pro forma analysis comparing long term special tax revenues to long term financial obligations of CFD No. 2007-1 (i.e., debt service payments, administrative expenses, etc.). Compute the fiscal year 2013-14 special tax rates for all classifications of taxable property.

Task 4 Report Preparation

This task includes the preparation of an Annual Special Tax Report containing the findings of the financial analysis and an explanation of the methodology employed to apportion the special taxes. Included in the report is a list of special tax levy for each Assessor's Parcel.

Task 5 Enrollment of Special Taxes

This task involves submitting the special tax levy on or before August 10, or such other date specified by the County of San Diego to the Auditor-Controller, for inclusion on the consolidated property tax bills. The special tax levy will be submitted on magnetic tape or other media as specified by the County. If direct billing of Undeveloped Property is required, prepare special tax bills for mailing to the owners of Undeveloped Property.

Task 6 Delinquent Property Owner Reporting

This task involves the review and research of County records to determine which parcels are delinquent in the payment of property and special taxes, and includes the following subtasks:

- 6.1 Semi-annual Delinquency Report:** Review special tax payment information from the County of San Diego. Determine which parcels are delinquent and the corresponding amount of delinquent special taxes. Prepare report summarizing the amount of delinquent special taxes.
- 6.2 Collection of Delinquent Special Taxes:** Assist Client with the development of procedures to cure delinquent special taxes. Assist with the preparation of demand letters as necessary.

See Phase 2 for additional Delinquency Management Services.

Task 7 Roll Changes and Adjusted Property Tax Bills

This task involves monitoring any changes to the secured tax roll which necessitate new or adjusted property tax bills. This task includes the calculation of new or adjusted bills and the preparation of requests to the County to prepare such bills.

Task 8 Responses to Property Owner Questions

This task involves the provision of information to individuals and other interested parties regarding the amount and calculation of the special tax.

Task 9 Annual Reporting/Disclosure

This task involves assisting Client meet the annual reporting and special tax disclosure requirements as specified by the Continuing Disclosure Agreement, SB 1464, and the 1992 Mello-Roos Amendment Bill, and includes the following subtasks:

- 9.1 Assist Client in the preparation of the Annual Report required by the Continuing Disclosure Agreement.
- 9.2 Prepare and submit required data to the California Debt and Investment Advisory Commission each October in compliance with Section 53359.5 of the Government Code (as amended by SB 1464).
- 9.3 Assist Client in the preparation of special tax disclosure documents pursuant to Section 1102.6b of the Civil Code and Section 53340.2 of the Government Code (as amended by SB 1464).

Task 10 Meetings

Consultant will schedule up to one formal meeting with Client staff and/or the Board to review the pro forma of Mello-Roos special taxes and the Annual Special Tax Levy Report, including a discussion of the findings of the financial analysis. (This meeting will include a discussion of Phase 3 findings as well.)

Task 11 Rebate Calculation (to be completed by Bond Logistix, LLC)

This task entails the preparation of annual arbitrage rebate calculations, report preparation, and identification of rebate liabilities for CFD No. 2007-1, and includes the following subtasks:

- 11.1 **Background Research:** Review documents pertinent to the bonds including the official statement, bond indenture, arbitrage certificate, IRS form 8038-G, and fiscal agent bond fund/account statements.
- 11.2 **Bond Proceeds Deposit Confirmation:** Reconcile the deposits to the funds and accounts set forth in the bond indenture with the actual deposit of funds reflected by the fiscal agent account statements.

- 11.3 Bond Yield Confirmation:** Prepare debt service table and calculate the bond yield. The resulting bond yield will be verified with that stated on the arbitrage certificate.
- 11.4 Calculation of Rebate Liability:** Record all investment activity for the funds and accounts determined to be subject to rebate. Using the bond yield calculated under Task 11.3, compute the allowable arbitrage earnings and compare to the actual investment earnings.
- 11.5 Adjustments for Rebate Exemptions:** Determine the rebate exemptions applicable to CFD No. 2007-1.
- 11.6 Rebate Report:** Prepare written report containing the findings of the financial analysis and an explanation of the underlying methodology followed to compute the rebate liability, including a legal opinion.

PHASE 2: CFD NO. 2007-1 DELINQUENCY MANAGEMENT

DTA will provide delinquency management services including, but not limited to, coordination with bond counsel to initiate and monitor foreclosure proceedings, coordination with County to amend and/or strip taxes from the roll, and ongoing manual delinquency research of all parcels in the CFD.

PHASE 3: ADDITIONAL LEVIES

The specific activities and tasks to be performed under this Scope of Work for all additional levies, including the following four charges: i) Water Availability, ii) ID No. 1 Water, Sewer, and Flood Control, iii) Pest Control, and iv) ID No. 3 Water standby charges and assessments, submitted by the Client include the following:

Task 1 Land Use Research

This task involves determining, gathering and organizing the land use data required to apportion and collect standby charges and assessments, and includes the following subtasks:

- 1.1 Assessor Parcel Research:** DTA will obtain a database of the current valid Assessor Parcels from the County.
- 1.2 Database Management:** Create automated parcel database that will include information for all parcels. Data will include Assessor Parcel Number and corresponding acreage, land use, and other pertinent information.

Task 2 Classification of Property

This task involves determining the appropriate classification for each parcel located in the Water District and includes the following subtasks:

- 2.1 Exempt Property:** Identify all property owned by public agencies or entities otherwise exempt from standby charges and assessments and classify as exempt property.

2.2 Taxable Property: Identify all taxable property and determine standby charges and assessments to apply to each property.

Task 3 Financial Analysis

This task involves obtaining and apportioning the operating budget requirements for the Water District and includes the following subtasks:

3.1 Operating Budget Requirements: Obtain the operating budget for each standby charge and assessment from Client.

3.2 Calculate Standby Charge/Assessments: Compute the fiscal year 2012-13 standby charges and assessments for taxable property.

Task 4 Summary Memo

This task includes the preparation of a summary memo. Included with the memo is a list of levies for each Assessor's Parcel.

Task 5 Enrollment of Taxes

This task involves submitting the standby charges and assessments on or before August 10, or such other date specified by the County of San Diego to the Auditor-Controller, for inclusion on the consolidated property tax bills. The tax levy will be submitted on magnetic tape or other media as specified by the County. If direct billing of property is required, prepare tax bills for mailing to the property owners.

Task 6 Roll Changes and Adjusted Property Tax Bills

This task involves monitoring any changes to the secured tax roll which necessitate new or adjusted property tax bills. This task includes the calculation of new or adjusted bills and the preparation of requests to the County to prepare such bills.

Task 7 Responses to Property Owner Questions

This task involves the provision of information to individuals and other interested parties regarding the amount and calculation of the standby charges and assessments.

Task 8 Meetings

Meetings are included under Phase 1 Scope of Work.

EXHIBIT B

ANNUAL ADMINISTRATION AND ARBITRAGE CALCULATION SERVICES OF THE BORREGO WATER DISTRICT

BUDGET

The proposed annual budget for Tasks 1 – 10 for Phase 1 in the Scope of Work is time and materials, not to exceed \$12,000. The proposed annual budget for Phase 2 Delinquency Management is time and materials not to exceed \$17,500. The proposed annual budget for Tasks 1 – 8 for Phase 3 in the Scope of Work is time and materials, not to exceed \$5,000. The budget shown above represents maximum amounts not to be exceeded for Phase 1, Phase 2 and Phase 3, subject to the limitations identified below, unless otherwise agreed upon by the Borrego Water District (the "Client"). The proposed annual budget for Task 11 of Phase 1 is explained in more detail in Exhibit C.

Consultant shall charge the following hourly rates for services related to the Scope of Work.

Managing Director	\$205/Hour
Vice President	\$195/Hour
Manager	\$180/Hour
Senior Associate	\$160/Hour
Associate	\$140/Hour
Senior Analyst	\$130/Hour
Analyst	\$125/Hour
Research Assistant	\$100/Hour

Monthly progress payments will be made by Client upon presentation of invoice by Consultant providing details of services rendered and expenses incurred. At Client's request services in addition to those identified in the Scope of Work may be provided if the total fee to complete the Tasks selected is less than the associated budget. Alternatively, if the selected Tasks can be completed for less than the amount budgeted, only the hours actually expended will be billed.

In addition to fees for services, Client will reimburse Consultant for travel, photocopying, database services or materials, facsimile and telephone calls, clerical services, and other out-of-pocket expenses, in an amount not to exceed \$1,000 annually.

LIMITATIONS

Additional services other than those necessary to amend errors on the part of Consultant are not covered by the budgets listed above. As for Task 8 for CFD No. 2007-1 and Task 7 for standby charges and other assessments, detailed written responses or formal meetings with property owners to resolve disputes will be classified as Additional Work and billed at hourly rates listed above.

EXHIBIT C

**MELLO-ROOS SPECIAL TAX ADMINISTRATION AND
ARBITRAGE CALCULATION SERVICES
COMMUNITY FACILITIES DISTRICT NO. 2007-1
OF THE BORREGO WATER DISTRICT**

ARBITRAGE REBATE COMPLIANCE SERVICES

This letter is to confirm the engagement of David Taussig & Associates, Inc. ("DTA") by the Borrego Water District (the "Issuer") for the purpose of performing calculations relating to the rebate requirements contained in Section 148(f) of the Internal Revenue Code of 1986 (the "Code"). The calculations are to be performed with respect to the tax exempt obligation issues listed on Schedule A hereto (the "Bonds"), applying applicable federal tax rules.

The Issuer, by acknowledging this letter, consents to the engagement by DTA of Bond Logistix, LLP ("Bond Logistix") to provide certain legal services to assist in determining the amount of rebate liability with respect to the Bonds. The agreement between DTA and Bond Logistix which sets out the services to be provided by each is available upon request. While the Issuer may rely on the legal services performed by Bond Logistix, Bond Logistix will have no attorney-client relationship with the Issuer by virtue of the agreement, this letter, or such services.

The fee with respect to each report and opinion required by the Issuer is as set forth on Schedule B hereto. Additional Bond issues may be added, from time to time, to Schedule A hereto by the Issuer and DTA provided that the prior consent of Bond Logistix is obtained by DTA.

If this letter agreement is satisfactory, please have an authorized official acknowledge below and return one copy to the undersigned.

Very truly yours,

DAVID TAUSSIG & ASSOCIATES, INC.

By: _____
David Taussig, President

Acknowledged:
BORREGO WATER DISTRICT

By: _____

Title: _____

Date: _____

SCHEDULE A

1. \$9,530,000 Borrego Water District Community Facilities District No. 2007-1
2007 Special Tax Bonds (San Diego County, California)

SCHEDULE B

Arbitrage Rebate Compliance Services

FEE SCHEDULE

The proposed budget for Task 11 is a flat fee of \$2,750 per bond issue for the initial calculation. The annual fees for subsequent years will be \$2,250 per bond issue per year; note, additional fees will be incurred for transferred proceeds analysis, final or five year report, or computation periods in excess of twelve months.

[http://localhost/resources/Proposals/ADMIN/CALIF/BORREGO.WD/Agreement 13-14.doc](http://localhost/resources/Proposals/ADMIN/CALIF/BORREGO.WD/Agreement%2013-14.doc)

BORREGO WATER DISTRICT

ASSIGNMENT

JERRY A WILKINSON, Holder hereby assigns and transfers to
Mr. ^{CLEARY} Cleary, Assignee, all of Holder's rights under the
Agreement Respecting in the Town Center Sewer and Deed, dated as of
July 13, 1988, with the BORREGO WATER DISTRICT, with respect to the
following number of EDUs: 20

Assignee hereby promises to perform all Holders' duties under said
Agreement with respect to said EDUs.

Nothing in this Assignment shall modify the rights or obligations of Holder or
District under such Agreement and Deed with respect to any of Holder's
EDU's which are not being assigned to Assignee.

This Assignment shall become effective on the approval of the Board of
Directors of the BORREGO WATER DISTRICT.

DATED: 3-19-13 BY: Jerry A Wilkinson
Holder/Assignor

DATED: _____ BY: _____
Purchaser/Assignee

Acknowledgements attached hereto and made a part hereof.

State of California)
County of Riverside)

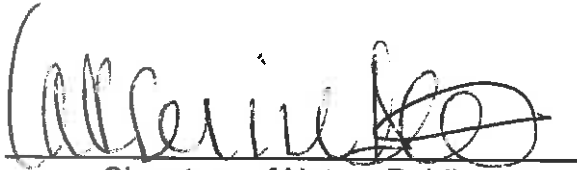
On March 19, 2013 before me, Catherine D. Harris Notary Public, personally appeared Jerry Wilkinson, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on this instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



Place Notary Seal Above

WITNESS my hand and official seal.


Signature of Notary Public

BORREGO WATER DISTRICT

ASSIGNMENT

_____, Holder hereby assigns and transfers to
PHILIP J. CLEARY, Assignee, all of Holder's rights under the
Agreement Respecting in the Town Center Sewer and Deed, dated as of
July 13, 1988, with the BORREGO WATER DISTRICT, with respect to the
following number of EDUs: 20

Assignee hereby promises to perform all Holders' duties under said
Agreement with respect to said EDUs.

Nothing in this Assignment shall modify the rights or obligations of Holder or
District under such Agreement and Deed with respect to any of Holder's
EDU's which are not being assigned to Assignee.

This Assignment shall become effective on the approval of the Board of
Directors of the BORREGO WATER DISTRICT.

DATED: _____ BY: _____

Holder/Assignor

DATED: 3-19-13 BY: Philip J. Cleary

Purchaser/Assignee

Acknowledgements attached hereto and made a part hereof.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

On 3/19/13 before me, Diana Del Bono, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Philip Cleary
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Diana Del Bono
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Assignment

Document Date: 3.19.13 Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

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BWD CASH FLOW
2012-2013

	C	D	AA	AB	AC	AD
1						
2						
3						
4	BWD CASH FLOW					
5	2012-2013		ADOPTED	ACTUAL	PROJECTED	ACTUAL
6			BUDGET	FEBRUARY	FEB	YTD
7			2012-2013	2013	2013	2012-2013
8	REVENUE					
9	WATER REVENUE					
10	Residential Water Sales (Assume no water use on Montesorro GC)		797,310	39,035	48,173	466,559
11	Commercial Water Sales		112,548	7,223	7,818	68,501
12	Irrigation Water Sales		134,297	4,404	7,279	95,165
13	GWM Surcharge		103,204	4,840	6,193	61,124
14	Water Sales Power Portion		331,621	16,069	20,263	201,614
15	Readiness Water Charge		986,046	80,933	81,000	624,513
16	Readiness Water Charge - Liened properties			3,546	2,400	19,203
17	Meter Installation		0	0	0	-
18	Water hook-up charge		0	0	0	-
19	Reconnect Fees		11,000	1,360	0	7,140
20	Backflow Testing/installation		5,000	0	25	4,550
21	Bulk Water Sales		3,570	155	350	4,622
22	Penalty & Interest Water Collection		32,252	1,263	1,000	9,026
23	TOTAL WATER REVENUE:		2,516,848	158,828	174,501	1,562,016
24		Receivables				1,562,016
25	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 03/13/13				
26	641500 1% Property Assessments	28,714	68,174	1,024	1,024	37,226
27	641502 Property Assess wtr/swr/flid (679 parcels \$66 ea(44,814))	35,981	24,985	747	747	16,218
28	641502/641503 Prop Assess.(Allowance for bad debt (\$458,909))	663,895	0			-
29	641501 Water avail Standby	42,578	78,918	2,096	2,096	60,816
30	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	0	13,609	0	0	-
31	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	6,697	19,495	233	233	20,662
32	641503 Pest standby	22,218	14,183	273	273	9,669
33	TOTAL PROPERTY ASSES/AVAIL CHARGES:	800,084	219,364	4,372	4,372	144,592
34						144,592
35	SEWER SERVICE CHARGES					
36	Town Center Sewer Holder's Fees		180,144	14,274	15,012	116,403
37	Town Center Sewer User Fees			3,160		3,160
38	Sewer user Fees		309,790	22,315	26,400	189,621
39	Penalty Interest-Sewer		1,200	0	100	890
40	Sewer Capacity Fees		0	0	0	-
41	TOTAL SEWER SERVICE CHARGES:		491,134	39,749	41,512	310,075
42						310,075
43	OTHER INCOME					
44	Rent Income-Antilles wireless		7,715	800	400	6,215
45	Annexation Fees		0	0	0	-
46	Fire Hydrant Installation		0	0	0	-
47	Miscellaneous Income (net csd fee/JPIA rebate)		13,000	9,304	9,876	7,734
48	Administrative Fee-Water Credits		1,000	0	0	-
49	Gain on asset sold -Sale of Package Plant		0	0	0	36,000
50	Sale of Clark Dry Lake Property/Communication tower			0	0	217,335
51	Stag Grant		0	0	0	-
52	Interest Income		200	4	11	99
53	TOTAL OTHER INCOME:		21,915	10,108	10,287	267,382
54						
55	TOTAL INCOME:		3,249,262	213,057	230,673	2,284,064
56						2,284,064
57	CASH BASIS ADJUSTMENTS					
58	Decrease (Increase) in Accounts Receivable		0	22,560	0	19,962
59	CC Golf Equipment receivable		2,268	189	189	1,513
60	Other Cash Basis Adjustments					(4,435)
61	TOTAL CASH BASIS ADJUSTMENTS:		2,268	22,749	189	17,041
62						17,041
63	TOTAL INCOME RECEIVED:		3,251,530	235,805	230,862	2,301,105

BWD CASH FLOW
2012-2013

	AE	AG	AH	AI	AJ
1					
2					
3					
4					
5	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	PROJECTED	MARCH	APRIL	MAY	JUNE
7	<u>2012-2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>
8					
9					
10	724,947	46,794	53,418	71,198	86,978
11	101,916	7,866	7,736	9,292	8,521
12	129,440	5,597	5,844	9,803	13,032
13	91,448	5,845	6,448	8,830	9,202
14	300,744	19,135	21,140	28,802	30,053
15	948,513	81,000	81,000	81,000	81,000
16	28,803	2,400	2,400	2,400	2,400
17	-	0	0	0	0
18	-	0	0	0	0
19	9,180	0	1,360	680	0
20	4,600	50	0	0	
21	6,753	79	482	1,470	100
22	13,026	1,000	1,000	1,000	1,000
23	2,359,370	169,766	180,828	214,475	232,286
24	2,359,370				
25					
26	65,770	2,024	18,581	6,672	1,267
27	25,324	660	726	6,792	927
28	-	0	0		
29	87,069	4,429	2,733	14,935	4,156
30	-	0			0
31	45,080	10,603	415	12,910	490
32	15,288	592	356	4,148	523
33	238,531	18,308	22,811	45,459	7,362
34	238,531				
35					
36	173,203	14,200	14,200	14,200	14,200
37	15,800	3,160	3,160	3,160	3,160
38	277,621	22,000	22,000	22,000	22,000
39	1,290	100	100	100	100
40	-	0	0	0	0
41	467,915	39,460	39,460	39,460	39,460
42	467,915				
43					
44	7,815	400	400	400	400
45	-	0	0	0	0
46	-	0	0	0	0
47	8,214	120	120	120	120
48	-	0	0	0	0
49	36,000	0	0	0	0
50	217,335	0	0	0	0
51	-	0	0	0	0
52	160	11	28	11	11
53	269,523	531	548	531	531
54	269,523				
55	3,335,339	228,065	243,647	299,924	279,639
56	3,335,339				
57					
58	19,962				
59	2,269	189	189	189	189
60	(4,435)				
61	17,797	189	189	189	189
62					
63	<u>3,353,135</u>	<u>228,254</u>	<u>243,836</u>	<u>300,113</u>	<u>279,828</u>

BWD CASH FLOW
2012-2013

	C	D	AA	AB	AC	AD
4	BWD CASH FLOW					
5	2012-2013					
6			ADOPTED	ACTUAL	PROJECTED	ACTUAL
7			BUDGET	FEBRUARY	FEB	YTD
7			2012-2013	2013	2013	2012-2013
64	EXPENSES					2,301,105
65						
66	<u>MAINTENANCE EXPENSE</u>					
67	R & M Buildings & Equipment		130,000	2,700	10,500	83,493
68	R & M - WWTP		60,000	2,827	5,000	20,859
69	Telemetry		15,000	0	1,000	4,975
70	Trash Removal		3,600	324	300	2,460
71	Vehicle Expense		12,000	4,424	500	17,407
72	Fuel & Oil		35,000	5,633	3,167	23,230
73	TOTAL MAINTENANCE EXPENSE:		255,600	15,907	20,467	152,425
74						152,425
75	<u>PROFESSIONAL SERVICES EXPENSE</u>					
76	Accounting (Taussig)		4,000	0	0	416
77	Administrative Services (ADP/Bank Fees)		5,000	433	420	3,724
78	Audit Fees		26,000	0	0	21,150
79	Computer billing		9,000	956	300	5,753
80	Consulting/Technical		1,500	166	0	166
81	Engineering		10,000	0	0	2,980
82	Legal Services		10,000	1,330	300	14,351
83	Testing/lab work		28,000	930	2,000	7,613
84	Regulatory Permit Fees		45,000	373	3,000	32,661
85	TOTAL PROFESSIONAL SERVICES EXPENSE:		138,500	4,187	6,020	88,813
86						88,813
87	<u>INSURANCE/INTEREST EXPENSE</u>					
88	ACWA Insurance		72,000	0	0	30,539
89	Workers Comp		19,200	0	0	9,680
90	Interest-COP 2008/Well 12 Purchase Agreement		225,072	0	0	162,634
91	TOTAL INSURANCE/INTEREST EXPENSE:		316,272	0	0	202,853
92						202,853
93	<u>PERSONNEL EXPENSE</u>					
94	Board Meeting Expense (board stipend/board secretary)		9,130	1,180	1,200	5,475
95	Salaries & Wages (gross)		825,000	65,574	68,750	567,795
96	Taxes on Payroll		19,251	2,949	2,791	15,697
97	Medical Insurance Benefits	+8% Jan-June 2014	223,000	18,657	18,747	144,194
98	Calpers Retirement Benefits		177,240	13,819	15,000	115,550
99	Salaries & Wages contra account		(24,000)	(990)	(1,200)	(7,225)
100	Conference/Conventions/Training/Seminars		7,500	975	150	8,676
101	TOTAL PERSONNEL EXPENSE:		1,237,121	102,164	105,438	850,162
102						850,162
103	<u>OFFICE EXPENSE</u>					
104	Office Supplies		18,000	1,645	1,000	16,275
105	Office Equipment/ Rental/Maintenance Agreements		26,000	3,739	600	22,721
106	Postage & Freight		11,000	2,000	1,000	8,166
107	Taxes on Property		2,300	0	0	2,150
108	Telephone/Answering Service		8,500	641	700	5,258
109	Bad Debt Collection		1,000	6,952	0	6,889
110	Dues & Subscriptions		5,000	630	130	1,625
111	Printing, Publications & Notices		1,500	0	0	747
112	Uniforms		6,500	600	550	4,221
113	Osha Requirements/Emergency preparedness		5,000	30	200	995
114	TOTAL OFFICE EXPENSE:		84,800	16,236	4,180	69,047
115						69,047
116	<u>UTILITIES EXPENSE</u>					
117	Pumping-Electricity		330,000	22,314	25,000	214,417
118	Office/Shop Utilities		16,000	1,036	1,000	12,167
119	Cellular Phone		9,000	780	725	5,948
120	TOTAL UTILITIES EXPENSE:		355,000	24,131	26,725	232,532
121						232,532
122	TOTAL EXPENSES:		2,387,292	162,625	162,830	1,595,833
123						1,595,833
124	<u>CASH BASIS ADJUSTMENTS</u>					
125	Decrease (Increase) in Accounts Payable		0	(19,918)	(6,717)	(1,143)
126	Increase (Decrease) in Inventory		0	0	0	8,698
127	Other Cash Basis Adjustments-Mesquite Trails Deposit			44	44	44
128	TOTAL CASH BASIS ADJUSTMENTS:		0	(19,874)	(6,673)	7,599
129						AGENDA PAGE 555
130	TOTAL EXPENSES PAID:		2,387,292	142,751	156,156	1,603,432

BWD CASH FLOW
2012-2013

	AE	AG	AH	AI	AJ
4					
5	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	PROJECTED	MARCH	APRIL	MAY	JUNE
7	2012-2013	2013	2013	2013	2013
64					
65					
66					
67	122,199	10,000	10,000	10,500	8,206
68	40,859	5,000	5,000	5,000	5,000
69	8,975	0	2,000	1,000	1,000
70	3,660	300	300	300	300
71	19,107	200	500	500	500
72	34,313	2,400	3,400	2,300	2,983
73	229,114	17,900	21,200	19,600	17,989
74	229,114				
75					
76	1,916	0	0	1,500	0
77	5,398	420	420	420	414
78	25,963	0	0	4,813	0
79	9,370	300	1,367	650	1,300
80	666	500	0	0	0
81	6,080	1,500	500	500	600
82	15,551	300	300	300	300
83	18,916	1,600	3,450	3,600	2,654
84	40,181	820	700	3,000	3,000
85	124,041	5,440	6,737	14,783	8,268
86	124,041				
87					
88	71,146	10,585	30,022	0	0
89	19,280	4,800	0	0	4,800
90	225,072	62,438	0	0	0
91	315,498	77,823	30,022	0	4,800
92	315,498				
93					
94	10,275	1,200	1,200	1,200	1,200
95	842,795	68,750	68,750	68,750	68,750
96	19,950	1,173	1,100	1,000	980
97	219,182	18,747	18,747	18,747	18,747
98	175,550	15,000	15,000	15,000	15,000
99	(12,025)	(1,200)	(1,200)	(1,200)	(1,200)
100	9,276	150	150	150	150
101	1,265,004	103,820	103,747	103,647	103,627
102	1,265,004				
103					
104	20,275	1,000	1,000	1,000	1,000
105	29,121	1,600	1,600	1,600	1,600
106	12,166	0	2,000	0	2,000
107	2,150	0	0	0	0
108	8,058	700	700	700	700
109	7,239	50	100	100	100
110	5,285	500	2,500	0	660
111	1,500	0	250	343	160
112	6,421	550	550	550	550
113	3,695	2,000	200	200	300
114	95,910	6,400	8,900	4,493	7,070
115	95,910				
116					
117	317,417	23,000	25,000	25,000	30,000
118	16,617	1,000	1,000	1,200	1,250
119	9,148	725	825	825	825
120	343,182	24,725	26,825	27,025	32,075
121	343,182				
122	2,372,749	236,108	197,431	169,548	173,829
123	2,372,749				
124					
125	(1,143)				
126	8,698				
127	44				
128	7,599	0	0	0	0
129					
130	2,380,348	236,108	197,431	169,548	173,829

**BWD CASH FLOW
2012-2013**

	C	D	AA	AB	AC	AD
4	BWD CASH FLOW					
5	2012-2013		ADOPTED	ACTUAL	PROJECTED	ACTUAL
6			BUDGET	FEBRUARY	FEB	YTD
7			2012-2013	2013	2013	2012-2013
131						1,603,432
132	NET CASH FLOW (O&M)		864,237	93,055	74,705	697,673
133	NON O & M EXPENSES					697,673
134	USGS Basin study (\$106,365 balance)		131,035			14,803
135	GWM Planning Costs - unallocated		25,000	1,427	1,500	9,523
136	Integrated Regional Water Management Plan/Staff time		0			2,695
137	STAG/LGA Grant/Staff time		0			923
138	Viking Ranch Purchase		0			-
139	Viking Ranch Purchase RESERVE		100,000			-
140	GWM/ABD-IRWM Legal Expenses		0			2,287
141	Contingency for possible well pump/motor failure (Well 12/Well 5/ 80)***		62,000			133,040
142	Rams Hill #1 1980 steel needs inside coating, 1.25mg		200,000	4,590		4,590
143	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)		0			-
144	Pickup		15,000			15,500
145	ID4, Reducing Station design and installation		25,000			-
146	Fairway Lane pipeline (excludes BWD labor)		60,000			-
149	Concrete replacement-WWTP		10,000			-
150	Rework drying bed material-WWTP		43,000			39,447
151	Roof replacement for Lugo building/repairs		10,000			-
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M					
153	Fire Hydrant Replacements					
154	Rewind motors-ID 4-11/ID4-18/ID1-10					
155	ID 1-16 pump and casing cleaning					
156	WWTP-Shredder Cutters/Motor & Gear reducers/return pump					
157	WWTP-Video Collection Lines					
158	WWTP-Sewer Vacuum Trailer					
159	TOTAL NON O&M EXPENSES		681,035	6,017	1,500	222,808
160						222,808
161	CASH RECAP					
162	Cash beginning of period		899,435	1,287,261	1,287,261	899,435
163	Net Cash Flow (O&M)		864,237	93,055	74,705	697,673
164	Total Non O&M Expenses		(681,035)	(6,017)	(1,500)	(222,808)
165	Transfer To/From Reserves			0		-
166	CASH AT END OF PERIOD		1,082,637	1,374,299	1,360,466	1,374,300
167				1,374,299		
168	(Rounding)			(0)		
169	RESERVES		TARGET			
170	Working Capital (3 months)		600,000			
171	Contingency (3%)		72,000			
172	Asset replacement		115,000			
173	Emergency		2,500,000			
174	Viking Ranch Purchase		100,000			
175	TOTAL RESERVES		3,387,000			
176						
177	SIGNIFICANT ITEMS	ACTUAL	PROJECTED			
178						
179	Water Revenue	158,828	174,501	Less water use than projected		
180	Bad Debt Collection	6,952	0	Sewer EDU's returned to District		
181	Rams Hill #1 1980 steel needs inside coating, 1.25mg	4,590	0	Engineering costs for preparation		
182						
183	Total Significant Items:	170,370	174,501			

BWD CASH FLOW
2012-2013

	AE	AG	AH	AI	AJ
4					
5	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
6	PROJECTED	MARCH	APRIL	MAY	JUNE
7	2012-2013	2013	2013	2013	2013
131					
132	972,787	(7,855)	46,405	130,565	105,999
133					
134	121,169		53,183		53,183
135	15,523	1,500	1,500	1,500	1,500
136	2,695				
137	923				
138	69,000	0	69,000		
139	-				
140	2,287				
141	257,040	62,000	62,000		
142	204,590	100,000		100,000	
143	-				
144	15,500				
145	-	0	0		0
146	60,000		60,000		
149	10,000		10,000		
150	39,447				
151	10,000	10,000			
152	-				
153	-				
154	-				
155	-				
156	-				
157	-				
158	-				
159	808,174	173,500	255,683	101,500	54,683
160	808,174				
161					
162	899,435	1,374,299	1,192,944	983,666	1,012,731
163	972,787	(7,855)	46,405	130,565	105,999
164	(808,174)	(173,500)	(255,683)	(101,500)	(54,683)
165	0				
166	1,064,049	1,192,944	983,666	1,012,731	1,064,048
167					
168					
169					
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BORREGO WATER DISTRICT

	BALANCE SHEET February 28, 2013 (unaudited)	BALANCE SHEET January 31, 2013 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,374,299.35	\$ 1,287,261.38	\$ 87,037.97
Accounts receivable from water sales and sewer charges	\$ 353,574.53	\$ 376,134.03	\$ (22,559.50)
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 144,492.71	\$ 144,492.71	\$ -
Availability charges receivable	\$ 540,457.67	\$ 540,457.67	\$ -
Allowance for uncollectable availability charges	\$ (458,909.85)	\$ (458,909.85)	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 41,217.72	\$ 41,217.72	\$ -
Other Receivables	\$ 5,297.80	\$ 5,487.00	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 2,000,429.93	\$ 1,936,140.66	\$ 64,289.27
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 152,562.81	\$ 152,562.81	\$ -
Unamortized bond issue costs	\$ 105,430.03	\$ 105,430.03	\$ -
Total Debt service	\$ 257,992.84	\$ 257,992.84	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 61,338.24	\$ 62,103.71	\$ (765.47)
Total Trust fund	\$ 61,338.24	\$ 62,103.71	\$ (765.47)
TOTAL RESTRICTED ASSETS	\$ 319,331.08	\$ 320,096.55	
UTILITY PLANT IN SERVICE			
Land	\$ 1,935,693.94	\$ 1,935,693.94	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 181,778.42	\$ 181,778.42	\$ -
Sewer Facilities	\$ 5,544,552.59	\$ 5,544,552.59	\$ -
Water facilities	\$ 11,036,462.17	\$ 11,031,872.17	\$ 4,590.00
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,009,059.92	\$ 1,009,059.92	\$ -
Equipment and furniture	\$ 323,754.18	\$ 323,754.18	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,395,326.24)	\$ (10,395,326.24)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,602,850.49	\$ 14,598,260.49	\$ 4,590.00
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,107,611.50	\$ 17,039,497.70	\$ 68,113.80

Balance sheet continued

	BALANCE SHEET February 28, 2013 (unaudited)	BALANCE SHEET January 31, 2013 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 68,897.76	\$ 48,979.77	\$ 19,917.99
Accrued expenses	\$ 168,546.27	\$ 168,546.27	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 21,920.00	\$ 23,136.25	\$ (1,216.25)
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 259,364.03	\$ 240,662.29	\$ 18,701.74
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 61,338.24	\$ 62,103.71	\$ (765.47)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 61,338.24	\$ 62,103.71	\$ (765.47)
LONG TERM LIABILITIES			
2008 Certificates of participation (payable from restricted assets)	\$ 2,775,000.00	\$ 2,775,000.00	\$ -
Montesoro Note Payable	\$ 695,726.52	\$ 695,726.52	\$ -
TOTAL LONG TERM LIABILITIES	\$ 3,470,726.52	\$ 3,470,726.52	\$ -
TOTAL LIABILITIES	\$ 3,791,428.79	\$ 3,773,492.52	\$ 17,936.27
FUND EQUITY			
Contributed equity	\$ 9,649,544.17	\$ 9,649,544.17	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,666,638.54	\$ 3,616,461.01	\$ 50,177.53
Total retained earnings	\$ 3,666,638.54	\$ 3,616,461.01	\$ 50,177.53
TOTAL FUND EQUITY	\$ 13,316,182.71	\$ 13,266,005.18	\$ 50,177.53
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,107,611.50	\$ 17,039,497.70	\$ 68,113.80



BORREGO WATER DISTRICT

Treasurer's Report February, 2013

% of Portfolio

Bank Balance	Carrying Value	Fair Value	Current Actual	Rate of Interest	Maturity	Valuation Source
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Cash and Cash Equivalents:

Demand Accounts at WFB/BSB/LAIF

WFB/BSB General Account/Petty Cash	\$ 1,158,361	\$ 1,158,233	\$ 1,158,233	84.28%	0.00%	N/A	WFB/BSB
Payroll Account	\$ 95,797	\$ 94,819	\$ 94,819	6.90%	0.01%	N/A	WFB
LAIF	\$ 20,850	\$ 20,850	\$ 20,850	1.52%	0.36%	N/A	LAIF
MMA	\$ 100,397	\$ 100,397	\$ 100,397	7.31%	0.05%	N/A	WFB
Total Cash and Cash Equivalents	\$ 1,375,405	\$ 1,374,299	\$ 1,374,299	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	61,338	61,338	61,338
Total Cash, Cash Equivalents & Investments	\$ 1,436,744	\$ 1,435,638	\$ 1,435,638

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 27, 2012.

Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months.

Sources of valuations are Borrego Springs Bank (BSB), Wells Fargo Bank (WFB), LAIF and US Trust Bank.



 Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
From: Kim Pitman
Subject: Consideration of the Disbursements and Claims Paid
Month Ending February, 2013

A. Vendor disbursements paid during this period:		\$	105,537.12
<u>Significant items:</u>			
Utilities		\$	23,027.90
CalPERS Payments		\$	16,245.32
Employee Health Benefits		\$	20,088.48
B. Capital Projects/Fixed Asset Outlays:			
<i>(included in vendor disbursements paid above)</i>			
C. Total Professional Services for this Period:			
<i>(included in vendor disbursements paid above)</i>			
McDougal, Love, Eckis, Attorneys	legal-general	\$	157.50
	R/H Deposit Account	\$	1,216.25
	Total Invoice:	\$	1,373.75
Downey Brand, Attorneys	legal-general		
	IRWM		
	GWM	\$	1,426.95
	Total Invoice:	\$	1,426.95
Dynamic Consulting Engineers	Total Invoice:	\$	4,590.00
Rams Hill Tank #1			
D. Payroll for this Period:			
Gross Payroll		\$	65,573.86
Employer Payroll Taxes and ADP Fee		\$	3,114.42
Total		\$	68,688.28

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2013

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18298	03/12/13	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICES FOR DETAILS SEE INVOICES FOR DETAILS	3,754.08
18264	02/22/13	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING SERVICES	202.19
18265	02/22/13	ACWA/JPIA EMPLOYEE INSURANCE BENEFITS PE: 03/01/13-04/01/13	20,088.48
18278	03/06/13	AFLAC EMPLOYEE PAID SUPPLEMENTAL INSURANCE	1,749.60
18240	01/31/13	AIR POLLUTION PROCESSING FEE APCD2012-SITE-00924	25.00
18241	02/07/13	AIR POLLUTION EMMISSION RENEWAL APCD2012-SITE-00924	-309.00
18266	02/22/13	AIR POLLUTION APCD2011-SITE 00605 EMISSION FEE APCD2012 SITE-00918 EMISSION FEE	665.00
18279	03/06/13	RENEWAL ALLIED WASTE SERVICES #467 3-0467-0701728 4861 BORREGO SPRINGS RD 2475 STIRRUP RD	324.10
18299	03/12/13	BASIC SERVICE ALLIED WASTE SERVICES #467 3-0467-0007554 3155 HONOR COURT BASIC SERVICE	2,480.00
18280	03/06/13	AMERICAN LINEN INC. UNIFORMS FOR CREW	599.96
18261	03/06/13	AT&T MOBILITY COMPANY CELL PHONES	620.03
18282	03/06/13	AT&T-CALNET 2 WWTP PHONE MAIN OFFICE PHONE MAINT SHOP PHONE	298.08

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18267	02/22/13	BAY CITY ELECTRIC WORKS PREVENTATIVE MAINTENANCE ON GENERATORS	3,130.70
18300	03/12/13	BORREGO SPRINGS BOTTLED WATER BOTTLED WATER	29.53
18301	03/12/13	BORREGO SPRINGS CHAMBER PLATINUM MEMBERSHIP 2013	500.00
18268	02/22/13	DATASTREAM BUSINESS PROGRAMMING FOR VARIOUS ISSUES 2012 LASER TAX FORMS FOR 1099'S	534.67
18283	03/06/13	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICES	130.80
18269	02/22/13	FOR DETAILS DEBBIE MORETTI PEST CONTROL	113.00
18270	02/22/13	ALL BWD OFFICES DESERT TIRE CENTER FLAT REPAIR	12.00
18284	03/06/13	1993 CAT BACKHOE DESERT TIRE CENTER 2008 GMC CANYON LIC#:1252455 CA TIRE REPAIR 2001 SKIP LOADER TIRES	
18302	03/12/13	2007 GMC SIERRA 2500 LIC#:1251968 CA TIRES	3,353.97
18285	03/06/13	2008 GMC CANYON LIC#:1252455 CA BASIC SERVICE	2,361.40
18286	03/06/13	2009 JEEP LIBERTY LIC#:1319465 CA TAIL LIGHT REPAIR DLT SOLUTIONS, INC. AUTOCAD RENEWAL, 05/26/13-05/25/14 DOWNEY BRAND PROFESSIONAL FEES PE:01/31/13	1,426.95
18303	03/12/13	DYNAMIC CONSULTING ENGINEERS PROFESSIONAL FEES PE:02/28/13 RAMS HILL TANK #1 E.S. BABCOCK & SONS, INC. SAMPLES TAKEN FROM ALL WELLS	4,590.00

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
FEBRUARY 28, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18287	03/06/13	GREEN DESERT LANDSCAPE MAINTENANCE FEE	5,210.80
18304	03/12/13	FEBRUARY 2013 HOME DEPOT CREDIT SERVICES SEE INVOICES	211.06
18288	03/06/13	FOR DETAILS INTERSTATE BATTERY OF YUMA DUMP TRUCK	197.82
18271	02/22/13	BATTERIES KENNY STRICKLAND, INC. FUEL FOR CREW	1,928.30
18289	03/06/13	TRUCKS AND WELLS KENNY STRICKLAND, INC. FUEL FOR CREW	1,302.66
18305	03/12/13	TRUCKS & WELLS KENNY STRICKLAND, INC. FUEL FOR CREW	2,402.02
18290	03/06/13	McDOUGAL LOVE ECKIS PROFESSIONAL FEES THROUGH: JANUARY 2013	1,373.75
18306	03/12/13	NAPA AUTO PARTS INC WIPER BLADES FOR TRUCK	18.79
18291	03/06/13	PARKER FREELANCE SERVER MAINTENANCE	480.68
18292	03/06/13	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE BENEFITS PE: 02/01/13-02/15/13	
18272	02/22/13	EMPLOYEE BENEFITS PE: 02/16/13-02/28/13 PITNEY BOWES/PURCHASE POWER POSTAGE FOR	16,245.32
18273	02/22/13	BILLING QUILL CORPORATION	2,000.00
18293	03/06/13	OFFICE SUPPLIES QUILL CORPORATION	193.83
18307	03/12/13	OFFICE SUPPLIES QUILL CORPORATION	94.25
18294	03/06/13	OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES RECORDER/COUNTY CLERK'S OFFICE RELEASE LIEN:	257.68
18295	03/06/13	CROUTHAMEL 06-3213-1 SAN DIEGO GAS & ELECTRIC 3864 202 758 1 2510 RAMS HILL DR BOOSTER STATION 1 9525 627 944 5 2989 BORREGO VALLEY RD	13.00

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		PACKAGE PLANT	
		6160 624 622 9	
		951 RANGO WAY	
		ID1-16	
		4785 979 020 3	
		3003 LOFTER DR	
		ID5-5	
		6114 522 473 7	
		3352 BORREGO VALLEY RD	
		ID1-12	
		1614 489 405 4	
		5037 BORREGO SPRINGS RD	
		ID1-8	
		2739 492 349 3	
		4861 BORREGO SPRINGS RD	
		TREATMENT PLANT	
		4240 011 405 2	
		301 SLASH M RD	
		COUNTRY CLUB TANK	
		5035 410 733 7	
		3528 COUNTRY CLUB DR	
		ID4-10	
		6160 427 632 7	
		COUNTRY CLUB RD	
		ID4-2	
		7285 625 351 8	
		4201 BORREGO SPRINGS RD	
		ID1-10	
		8364 482 055 9	
		5073 BORREGO SPRINGS RD	
		ID1-1	
		9489 482 054 6	
		5065 BORREGO SPRINGS RD	
		ID1-2	
		3607 425 233 9	
		2990 BORREGO VALLEY RD	
		TC LIFT STATION-ID5	
		3909 503 745 7	
		1775 BORREGO SPRINGS RD	
		ID4-4	
		2881 512 118 8	
		1111 INDIAN HEAD RANCH RD	
		ID4-18	
		2700 523 335 7	
		806 PALM CANYON DR	
		OFFICE/MAINT SHOP	
		6159 441 279 1	
		2473 STIRRUP RD	
		LUGO BLDG	
		6954 509 423 8	
		STIRRUP RD E N	
		OLD SHOP	
		9534 569 937 1	
		2201 DIGUENO RD	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18274	02/22/13	ID4-11 SECAP FINANCE COPIER LEASE PE:01/31/13- 02/28/13	23,027.90
18296	03/06/13	TROY DEPRIEST EDUCATION EXPENSES REIMBURSEMENT	137.49
18308	03/12/13	REIMBURSEMENT EDUCATION EXPENSES	553.25
18297	03/06/13	UNDERGROUND SERVICE ALERT DIG ALERT TICKETS FOR FEBRUARY UNIVAR USA INC.	16.50
18275	02/22/13	SCALE INHIBITING TABLETS VERIZON WIRELESS EMERGENCY CELL PHONES FOR POWER OUTAGES, ETC.	1,811.71
18309	03/12/13	VERIZON WIRELESS CELL PHONES FOR EMERGENCY USE	80.09
18310	03/12/13	WENDY QUINN RECORDING SERVICES FOR FEBRUARY 2013	80.07
18276	02/22/13	WEST PAYMENT CENTER CA WATER CODE SUBSCRIPTION RENEWAL	190.00
		TOTAL	129.61
			105,537.12

DISTRIBUTION SUMMARY

G/L ACCOUNT#	DESCRIPTION	AMOUNT
01 1487	BOB MOORE CC GOLF EQUIP REC	-189.20
01 2410	MESQUITE TRAILS DEPOSIT	43.75
01 5190	BOARD MEETING EXPENSE	190.00
01 5200	COMPUTER BILLING	955.68
01 5240	CONFERENCE/TRAINING	391.80
01 5260	CONTRACT LABOR	166.32
01 5400	DUES & SUBSCRIPTIONS	629.61
01 5401	FEES	397.50
01 5420	EMPLOYEE MEDICAL BENEFITS	12,740.48
01 5421	EMPLOYEE RETIREMENT BENEFITS	2,426.47
01 5460	FUEL & OIL	563.30
01 5480	GROUNDWATER STUDY	1,426.95
01 5560	LEGAL SERVICES	1,330.00
01 5600	R & M BUILDINGS & EQUIPMENT	375.08
01 5662	OFFICE SUPPLIES	1,644.61
01 5663	OFFICE EQUIPMENT/MAINT/AGREMENT	3,739.30
01 5664	OFFICE UTILITIES	713.47
01 5690	POSTAGE & FREIGHT	200.00
01 5852	ANSWERING SERVICE	202.19
01 5854	CELLULAR PHONE	780.19
01 5858	TELEPHONE	401.80
01 5890	TRASH REMOVAL	324.10
01 5895	UNIFORMS	599.96
01 5896	VEHICLE EXPENSE	4,408.67
03 1731	WATER FACILITIES-ID 1	4,590.00
03 4605	CSD FEES-GOLF/TRASH	7,880.00
03 5420	EMPLOYEE MEDICAL BENEFITS	7,055.28
03 5421	RETIREMENT BENEFIT	5,251.16
03 5460	FUEL & OIL	1,971.55
03 5600	R & M BUILDINGS & EQUIPMENT	634.10
03 5690	POSTAGE & FREIGHT	560.00
03 5720	PUMPING-ELECTRICITY	7,924.41
03 5860	TESTING/LAB WORK	120.00
04 5180	NSF/LIEN FEES	13.00
04 5421	RETIREMENT BENEFIT	7,047.61
04 5460	FUEL & OIL	2,253.19
04 5600	R & M BUILDINGS & EQUIPMENT	1,540.42
04 5690	POSTAGE & FREIGHT	1,200.00
04 5720	PUMPING - ELECTRICITY	11,781.10
04 5860	TESTING/LAB WORK	240.00
05 5240	CONFERENCE/TRAINING	276.63
05 5420	EMPLOYEE MEDICAL BENEFITS	928.33
05 5421	RETIREMENT BENEFIT	690.94
05 5460	FUEL & OIL	422.47
05 5601	R & M WWTP	1,413.42
05 5720	PUMPING - ELECTRICITY	2,288.58
05 5858	TELEPHONE	36.94
05 5860	TESTING/LAB WORK	270.00
06 5240	CONFERENCE/TRAINING	276.62
06 5420	EMPLOYEE MEDICAL BENEFITS	928.33
06 5421	RETIREMENT BENEFIT	690.94
06 5460	FUEL & OIL	422.47

DISTRIBUTION SUMMARY

G/L ACCOUNT#	DESCRIPTION	AMOUNT
06 5601	R & M WWTP	1,413.40
06 5690	POSTAGE	40.00
06 5720	PUMPING - ELECTRICITY	320.34
06 5860	TESTING/LAB WORK	270.00
07 5420	EMPLOYEE MEDICAL BENEFITS	115.11
07 5421	EMPLOYEE RETIREMENT BENEFITS	85.68
08 5420	EMPLOYEE MEDICAL BENEFITS	70.55
08 5421	EMPLOYEE RETIREMENT BENEFITS	52.52

		105,537.12

GWM ACCOUNTING

01-5480

FY 2013

A	B	E	F	G	H	K	L	N	O	P
	DESCRIPTION	LGA GRANT	LGA GRANT STAFF SUPPORT	IRWMP	IRWMP STAFF SUPPORT	GWM	GWM STAFF SUPPORT	TOTALS	MONTHLY TOTALS	
6										
7										
8	DATE									
9										
10										
11	Record Staff time-Rolwing LGA Grant		923.20					923.20		
12	Fed-X overnight-DWR-IRWM planning			48.55				48.55		
13	Ecolayers - hosting DWR			800.00				800.00	\$ 1,771.75	JULY
14	Record Staff time-Rolwing IRWM				553.92			553.92		
15	Record Staff time-Rolwing IRWM				738.56			738.56	\$ 1,292.48	AUGUST
16	McDougal, Love,Eckis-Attorney			87.50				87.50		
17	GWA Conference-Jerry					265.00		265.00		
18	Refund preservation fee-Lewis					2,750.00		2,750.00		
19	USGS-work performed per agreement					1,182.01		1,182.01		
20	Record Staff time-Rolwing IRWM				553.92			553.92	\$ 4,838.43	SEPT
21	Jerry IRWM meeting-lunch			15.00				15.00	\$ 15.00	NOV
22	McDougal, Love,Eckis-Attorney					1,128.75		1,128.75		
23	Ecolayers-hosting USGS/DWR					2,400.00		2,400.00		
24	Downy & Brand-Professional fees					805.00		805.00		
25	USGS-4th quarter billing					13,621.48		13,621.48	\$ 17,955.23	DEC
26	Graphics you can trust-Native plant brocures					480.00		480.00		
27	Downy & Brand-Professional fees					2,451.10		2,451.10	\$ 2,931.10	JAN
28	Downy & Brand-Professional fees					1,426.95		1,426.95	\$ 1,426.95	FEB
29										
30	TOTAL GWM EXPENSES FY 2013:	-	923.20	951.05	1,846.40	26,510.29	-	30,230.94	\$ 30,230.94	

Borrego Water District Management Report – March 2013

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Dept. of Agriculture: The O&M ad hoc committee met with Daniel Cardona and Luis Andrade of the El Centro office to discuss the District's eligibility for a grant/loan. As we have previously been informed, grants are reserved for agencies that are out of compliance or in violation with the California Department of Public Health or the Water Quality Control Board. Since the District does not meet those requirements, our only funding source would be low interest loans ranging in the 2-1/2% rate. We discussed a combination of pipeline installation, adding solar panels to wells and refinancing the ID-4 certificate of participation (COP) Bonds. USDA has reviewed our finances but was unaware of the two future liabilities from the last refinancing of the COP's and the upcoming 25 years of payments for the Viking Ranch water credits. After further investigation, the existing COP's do not allow for an early payoff until 2017. Bottom line is that we do not have the funds to pay back any loan at this time.

STATE LEVEL

I have been working with District consulting engineers to get an idea of the cost expected to complete the State Water Resources Control Board's (SWRCB) required Salt and Nutrient Management Plan due May 2014. Geoscience Support Services, who helped with the well ID4-11 situation, are presently building a plan for another agency and will be submitting a proposal.

The Department of Water Resources (DWR) will be in the Valley next month for the semi-annual water level roundup. The data will be incorporated with District water level measurements to revise the DWR water table maps.

COUNTY LEVEL

I spoke with the County Department of Public Works, Flood Control and they are working with the U.S. Army Corps of Engineers on Valley floodplain studies. This project has been held up by funding issues on the Federal side but it appears to be moving forward again.

LOCAL LEVEL

The Sponsor Group will be addressing the Special Study Areas in the Borrego Springs Community Plan at a workshop April 4th, 3:15pm at the Community Room of the High School. I have agreed to work on the subcommittee for the Borrego Valley Farmlands Study Area as reported last month. The timing of this could dovetail with the direction to County DPDS staff to find solutions to the overdraft.

DISTRICT LEVEL

Well ID4-11 is back in service and the 800 Reservoir which serves ID-3 will undergo a lining replacement in the next month.

Please come to the annual Town Hall Meeting March 27th, 4:00 pm at the Performing Arts Center, 590 Palm Canyon Drive in the Center Market Complex.



BORREGO WATER DISTRICT

February 2013

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-1	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-2	Irrigation	150	Standby	Backup well for Rams Hill Golf Course
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	950	Out of Service	
Wilcox	Production	150	In Use	Diesel backup well for ID-4
ID4-4	Production	350	In Use	
ID4-10	Production	80	In Use	
ID4-11	Production	1000	Out of Service	Diesel engine drive exercised monthly
ID4-18	Production	250	In Use	
ID5-5	Production	900	In Use	Diesel engine drive exercised monthly

System Problems: Wilcox Well completed, ID4-WELL 11 reinstalled waiting for coliform sample .

WASTEWATER OPERATIONS REPORT

Rams Hill Water Reclamation Plant serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):

Average flow: 80298 (gallons per day)

Peak flow: 103162 gpd Sunday February 17, 2013

All restaurant grease traps were clean.

System Problems: None.



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

February 2013

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
Mar-11	58.59	7.84	93.55	8.57	168.55
Apr-11	109.04	11.86	111.39	16.08	248.37
May-11	107.04	13.94	137.00	21.15	279.13
Jun-11	70.10	14.25	123.58	17.21	225.14
Jul-11	70.47	15.98	136.64	17.81	240.90
Aug-11	56.10	16.67	165.82	22.17	260.76
Sep-11	39.01	15.88	131.35	14.81	201.05
Oct-11	34.11	13.61	143.26	20.58	211.56
Nov-11	30.48	11.67	130.27	11.60	184.02
Dec-11	14.63	11.22	83.50	3.12	112.47
Jan-12	14.14	9.99	93.09	3.60	120.82
Feb-12	15.96	9.75	99.64	4.60	129.95
Mar-12	17.01	9.36	87.22	4.73	118.32
Apr-12	13.47	10.86	101.43	6.86	132.62
May-12	20.98	13.34	131.79	8.31	174.42
Jun-12	31.57	13.84	133.24	5.36	184.01
Jul-12	33.18	14.27	135.30	6.36	189.11
Aug-12	42.43	17.76	157.68	6.35	224.22
Sep-12	27.60	12.72	117.15	3.14	160.61
Oct-12	33.21	12.41	122.78	29.77	198.17
Nov-12	36.38	11.13	100.49	0.00	148.00
Dec-12	20.41	8.54	101.89	0.00	130.84
Jan-13	15.18	10.21	103.59	2.05	131.03
Feb-13	11.65	9.60	76.50	2.26	100.01
12 Mo. TOTAL	303.07	144.04	1369.06	75.19	1891.36

Totals reflect individual improvement district usage. Interties from ID-3 and ID-5 have been subtracted from well pumpage totals and applied to respective ID's. All figures in Acre Feet of water pumped or recorded on intertie meters.

WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Jan-13	2.53	1.51	13.19	N/A	5.74
12 Mo. Average	4.10	2.59	10.25	N/A	5.65

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 1
 Month of February 2013

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
FEB'12	0.00	0.00	0.00	10.06	15.31	0.34	25.71	15.96
MAR'12	0.00	0.00	0.00	9.63	15.90	0.84	26.37	17.01
APR'12	0.00	0.00	3.62	10.87	9.73	0.11	24.33	13.47
MAY'12	0.00	0.00	0.13	14.08	20.06	0.05	34.32	20.98
JUN'12	0.00	0.00	2.87	14.49	28.02	0.03	45.41	31.57
JUL'12	0.00	0.00	6.08	11.61	26.17	3.59	47.45	33.18
AUG'12	0.00	0.00	18.07	10.85	24.02	7.25	60.19	42.43
SEP'12	0.00	0.00	3.42	13.39	23.42	0.09	40.32	27.60
OCT'12	0.00	0.00	0.06	11.28	35.72	0.12	47.18	33.21
NOV'12	0.00	0.00	0.04	12.18	63.65	0.04	75.91	36.38
DEC'12	0.00	0.00	0.07	9.04	19.84	0.00	28.95	20.41
JAN'13	0.00	0.00	0.06	10.86	14.47	0.00	25.39	15.18
FEB'13	0.00	0.00	8.49	2.70	10.06	0.00	21.25	11.65
TOTALS	0.00	0.00	42.91	130.98	291.06	12.12	477.07	303.07

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf			Total	Water	
				Course	ID 3	ID 4		Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
FEB'12	6.74	6.61	0.00	0.00	9.75	0.00	23.10	2.61	10.15%
MAR'12	7.61	7.03	0.00	0.00	9.36	0.00	24.00	2.37	8.98%
APR'12	8.22	5.28	0.00	0.00	10.86	0.00	24.36	- .03	- .11%
MAY'12	9.39	9.97	0.00	0.00	13.34	0.00	32.70	1.62	4.70%
JUN'12	10.58	17.56	0.00	0.00	13.84	0.00	41.98	3.43	7.58%
JUL'12	10.79	21.21	0.00	0.00	14.27	0.00	46.27	1.18	2.47%
AUG'12	13.63	27.13	0.00	0.00	17.76	0.00	58.52	1.67	2.77%
SEP'12	10.87	13.61	0.00	0.00	12.72	0.00	37.20	3.12	7.70%
OCT'12	10.94	21.21	0.00	0.00	12.41	1.56	46.12	1.06	2.24%
NOV'12	10.36	25.16	0.00	0.00	11.13	28.40	75.05	0.86	1.14%
DEC'12	8.32	10.12	0.00	0.00	8.54	0.00	26.98	1.97	6.81%
JAN'13	8.01	5.39	0.00	0.00	10.21	0.00	23.61	1.78	6.97%
FEB'13	7.35	3.76	0.00	0.00	9.60	0.00	20.71	0.54	2.53%
TOTALS	116.07	167.43	0.00	0.00	144.04	29.96	457.50	19.57	4.10%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of February 2013

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
FEB'12	1.56	4.05	0.09	4.53	4.62	1.65	8.58	10.23
MAR'12	- .26	4.10	0.06	5.63	5.69	- .20	9.73	9.53
APR'12	0.43	4.10	0.03	5.35	5.38	0.46	9.45	9.91
MAY'12	0.53	5.29	0.06	7.42	7.48	0.59	12.71	13.30
JUN'12	0.99	4.80	0.22	7.58	7.80	1.21	12.38	13.59
JUL'12	0.83	6.43	0.07	6.67	6.74	0.90	13.10	14.00
AUG'12	0.76	8.31	0.10	7.41	7.51	0.86	15.72	16.58
SEP'12	0.77	4.80	0.06	7.62	7.68	0.83	12.42	13.25
OCT'12	0.85	4.66	0.14	6.49	6.63	0.99	11.15	12.14
NOV'12	0.92	4.24	0.07	5.66	5.73	0.99	9.90	10.89
DEC'12	0.00	3.29	0.01	4.58	4.59	0.01	7.87	7.88
JAN'13	1.24	3.67	0.03	4.81	4.84	1.27	8.48	9.75
FEB'13	0.68	4.08	0.16	4.57	4.73	0.84	8.65	9.49
TOTALS	7.74	57.77	1.01	73.79	74.80	8.75	131.56	140.31

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
FEB'12	9.74	10.23	- .49	-5.03%
MAR'12	9.36	9.53	- .17	-1.82%
APR'12	10.86	9.91	0.95	8.75%
MAY'12	13.34	13.30	0.04	0.30%
JUN'12	13.84	13.59	0.25	1.81%
JUL'12	14.27	14.00	0.27	1.89%
AUG'12	17.76	16.58	1.18	6.64%
SEP'12	12.72	13.25	- .53	-4.17%
OCT'12	12.41	12.14	0.27	2.18%
NOV'12	11.13	10.89	0.24	2.16%
DEC'12	8.54	7.88	0.66	7.73%
JAN'13	10.21	9.75	0.46	4.51%
FEB'13	9.60	9.49	0.11	1.15%
TOTALS	144.04	140.31	3.73	2.59%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of February 2013

Water Production (Acre Feet)											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
FEB'12	0.00	0.00	17.01	6.63	11.49	65.00	4.01	0.10	0.00	104.24	99.64
MAR'12	0.00	0.00	46.33	6.57	9.54	26.24	3.27	0.00	0.00	91.95	87.22
APR'12	0.00	0.00	53.20	10.21	10.05	31.54	3.29	0.00	0.00	108.29	101.43
MAY'12	0.00	0.00	59.32	57.53	11.01	1.79	10.45	0.00	0.00	140.10	131.79
JUN'12	0.00	0.00	51.41	44.43	9.67	24.96	8.13	0.00	0.00	138.60	133.24
JUL'12	0.00	0.00	50.47	17.73	8.96	59.32	5.18	0.00	0.00	141.66	135.30
AUG'12	0.00	0.00	56.62	16.64	10.48	75.26	5.03	0.00	0.00	164.03	157.68
SEP'12	0.00	0.00	49.77	22.79	8.64	32.32	6.77	0.00	0.00	120.29	117.15
OCT'12	0.00	0.00	57.69	57.66	11.31	5.96	19.93	0.00	0.00	152.55	122.78
NOV'12	0.00	0.00	51.45	24.80	9.97	0.00	14.27	0.00	0.00	100.49	100.49
DEC'12	0.00	0.00	49.39	35.72	9.47	1.54	5.77	0.00	0.00	101.89	101.89
JAN'13	0.00	0.00	61.63	27.85	11.84	0.00	4.32	0.00	0.00	105.64	103.59
FEB'13	0.00	0.00	38.14	10.41	9.84	16.89	3.48	0.00	0.00	78.76	76.50
TOTALS	0.00	0.00	625.42	332.34	120.78	275.82	89.89	0.00	0.00	1444.25	1369.06

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
FEB'12	104.24	88.07	16.17	15.51%	4.60
MAR'12	91.95	79.02	12.93	14.06%	4.73
APR'12	108.29	92.49	15.80	14.59%	6.86
MAY'12	140.10	123.11	16.99	12.13%	8.31
JUN'12	138.60	121.95	16.65	12.01%	5.36
JUL'12	141.66	126.39	15.27	10.78%	6.36
AUG'12	164.03	139.06	24.97	15.22%	6.35
SEP'12	120.29	117.66	2.63	2.19%	3.14
OCT'12	152.55	158.46	-5.91	-3.87%	29.77
NOV'12	100.49	99.42	1.07	1.06%	0.00
DEC'12	101.89	80.44	21.45	21.05%	0.00
JAN'13	105.64	89.67	15.97	15.12%	2.05
FEB'13	78.76	68.36	10.40	13.20%	2.26
TOTALS	1444.25	1296.03	148.22	10.26%	75.19