

AGENDA
Borrego Water District Board of Directors
Special Meeting
June 19, 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
- E. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

II. CURRENT BUSINESS MATTERS

- A. Consideration and approval of *Resolution 2013-06-01 Establishing Water and Sewer rates for FY2013-2014* (2-6)
- B. Consideration and approval of revising *Policy Statement No. 2001-1 The Contract and Execution of Contract* (7-8)
- C. Consideration and possible approval of bid for coating of Rams Hill #1 tank. (9)
- D. Discussion of potential agenda items for June 26th board meeting

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.

IV. CLOSING PROCEDURE, Adjournment

The next Regular Meeting of the Board of Directors is scheduled for June 26, 2013 at the Borrego Water District.

RESOLUTION NO. 2013-06-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT ESTABLISHING WATER AND
SEWER SERVICE RATES FOR FY 2013-2014**

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 has determined that the District is facing increasing costs for the administration, operation, maintenance and improvements of the water and sewer systems and services, the District's water and sewer rates need to be increased in order for the District to pay for its costs of providing service; and

WHEREAS, on June 22, 2011, the Board held a duly noticed public hearing in accordance with the provisions of Article XIII D of the California Constitution (Proposition 218), received oral and written testimony, and having determined that there was no majority protest, approved a schedule of water and sewer rates for a five year period beginning with FY 2012 and ending with FY 2016; and

WHEREAS, the Board held several public meetings to discuss the budget and rate increase **for FY 2013-2014** starting in March 2013.

WHEREAS, the Board approved the budget and rate increase at the May 22, 2013 Board Meeting.

WHEREAS, On May 31, 2013, a notice regarding the rate increase was mailed to all of the District's affected ratepayers.

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

The Board finds that the adoption of the rates and charges set forth herein is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water and sewer system. Based on this finding, the Board determines that the adoption of the rates and charges established by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resource Code and section 15273(a) of the State CEQA Guidelines.

The Board hereby adopts the rates and charges for each separate rate classification for each separate service area as set forth in Exhibit A attached to this Resolution. These increases will be effective July 1, 2013 and beginning with the August 2013 billing.

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.

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.

The increased rates and charges set forth herein shall become effective July 1, 2013 and beginning with the August 2013 billing.

PASSED, ADOPTED AND APPROVED at a special meeting of the Board of Directors of the Borrego Water District held on 19th day of June, 2013.

President of the Board of Directors
Of Borrego Water District

ATTEST:

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

**BORREGO WATER DISTRICT
RATES FOR
FISCAL YEARS 2014-2016**

Sewer Rates

The District provides sewer service to areas 1, 2 and 5. Rate increases could possibly take place in areas 1 & 5 through FY 2016. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Commercial projected EDU requirements are determined on a case-by-case basis. Sewer customers are charged a fixed monthly holder fee and a monthly user fee based on number of EDU's. It is proposed that this current structure for sewer charges remain unchanged. The Board of Directors may consider changes to this basic rate structure at a later date.

Sewer service charges are proposed to change as shown in the following table:

	Current Rates FY 2013	FY 2014 13.75% Adopted	FY 2015 Projected	FY 2016 Projected
Sewer Area 1	\$ 26.75	\$ 30.43	\$ 31.96	\$ 33.56
Sewer Area 5	\$ 49.92	\$ 56.79	\$ 59.63	\$ 62.62

Water Rates

The District's water rates have two components: 1) a **Fixed Meter Charge** based on the customer's meter size, to recover a portion of the District's fixed costs of operating, maintaining and delivering water, and 2) a **Commodity Charge**, determined by the amount of water used. The current rate structure fixes the customer's commodity based on the area the customer is in, and for residential customers, whether the customer's water usage is from 0 to 45 units in winter or 0 to 55 units in summer (Tier 1); or over 45 units in winter or over 55 units in summer (Tier 2). It is proposed that this basic rate structure for water rates remain unchanged, however the Board of Directors may consider changes to the rate structure at a later date.

Fixed water meter charges are proposed to change as shown in the following table:

Meter size	Current Rates FY 2013	FY 2014 15% Adopted	FY 2015 Projected	FY 2016 Projected
¾ "	\$ 30.54	\$ 35.12	\$ 40.04	\$ 42.04
1"	\$ 44.66	\$ 51.36	\$ 58.53	\$ 61.45
1 ½"	\$ 75.29	\$ 86.58	\$ 98.69	\$103.62
2"	\$113.97	\$131.07	\$149.38	\$156.85
3"	\$206.97	\$238.02	\$271.30	\$284.86
4"	\$329.94	\$379.43	\$432.50	\$454.12
6"	\$658.32	\$757.07	\$862.95	\$906.10

Commodity Rates are proposed to change as shown in the following table:

Winter	Current Rates FY 2013	FY 2014 19% Adopted	FY 2015 Projected	FY 2016 Projected
Tier1 < 45	\$ 1.76	\$ 2.09	\$ 2.30	\$ 2.42
Tier 2 >45	\$ 2.63	\$ 3.14	\$ 3.46	\$ 3.64
Summer	Current Rates FY 2013	FY 2014 19% Adopted	FY 2015 Projected	FY 2016 Projected
Tier1 < 55	\$ 1.76	\$ 2.09	\$ 2.30	\$ 2.42
Tier 2 >55	\$ 2.63	\$ 3.14	\$ 3.46	\$ 3.64

Other Rates and Fees

Any rates or fees associated with water or sewer service that are not addressed in the notice shall remain in full force and effect as previously adopted by the Board of Directors.

Pass Through Costs

Pursuant to AB 3030, the District Board will also authorize the pass-through of future rate and charge increases by San Diego Gas & Electric for electricity rates associated with storing, treating, pumping, and delivering water. This authorization will be in effect for five years, until June 30, 2016. The Board will hold a public hearing to review the proposed increases prior to enacting any such changes.

BORREGO WATER DISTRICT

POLICY STATEMENT

SUBJECT: THE CONTRACTING AND EXECUTION OF CONTRACT
NO: 2001-1
ADOPTED: January 23, 2001
AMENDED: September 26, 2001
RESTATED: June 18, 2013

PURPOSE

This is a policy statement setting forth the procedure for the method of approving contracts to be entered into on behalf of the District and the manner of executing District contracts.

GOALS

Section 35401 of the Water Code of the State of California provides that “a district may acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto”.

However, the California Water District Law does not provide the method of approving contracts to carry out the foregoing purposes. This policy statement is adopted to provide the methods of approving contracts.

Section 35406 provides “a district may execute, by its president and secretary, all contracts and other documents necessary to carry out the powers and purposes of the district”.

This policy statement is adopted to provide the manner in which approved contracts shall be executed.

POLICY

1. Approval of contracts:
 - a. Any contract under \$5,000 can be approved by the General Manager of the District (the “General Manager”) without approval of the Board of Directors of the District (the “Board of Directors”).
 - b. When the Board of Directors has approved a program and a budget for that program and created an ad hoc committee of at least two member of

the Board to oversee its administration, a contract to implement that approved program may be entered into with the approval of the General Manager and the two Board members with at least one of the ad hoc committee members also signing the contract. At their discretion, they may choose to send any contract to the Board for its approval prior to executing it or for review after is it executed.

2. Signing of contracts:

- a. Any contract approved solely by the General Manager, or by the General Manager and one member of the Finance Committee, shall be executed by the General Manager or by any officer of the District designated in writing for such purpose by the General Manager.
- b. Any contract approved by the Board of Directors shall be executed by the President of the Board of Directors of the District and the Secretary of the District unless the Board of Directors shall authorize said contract to be signed by one or more other officers of the District.

PROJECT: BORREGO WATER DISTRICT RAMS HILL #1 TANK REPAIRS

6/12/2013

BID TABULATION

1.25MG Rams Hill #1 Tank Repairs				Paso Robles Tank			Pacific Titan			Crosno Construction		
ITEM	QUAN	UNIT	ITEM	UNIT COST	AMOUNT	UNIT COST	AMOUNT	UNIT COST	AMOUNT	UNIT COST	AMOUNT	
1	1	LS	Mobilization/ Demobilization, Temporary Facilities, Construction Sign, Insurance, Payment Bond, Taxes, Permits, Fees and Similar Expenses	\$ 16,000.00	\$ 16,000.00	\$ 10,000.00	\$ 10,000.00	\$ 3,500.00	\$ 3,500.00	\$ 10,000.00	\$ 10,000.00	
2	1	LS	Test for lead, chromium and arsenic in	\$ 700.00	\$ 700.00	\$ 5,000.00	\$ 5,000.00	\$ 800.00	\$ 800.00	\$ 400.00	\$ 400.00	
3	22,700	SF	Sandblast Complete Interior Including Columns, Rafters, Appurtenances, Exterior Roof Coatings and Small Localized Areas on the Exterior Shell (to be located in the field), to SSPC-SP 10. Remove and Legally Dispose of Spent Blast Material. This Item to be Considered Lump Sum Unless the Area is Shown to be Materially Different than shown.	\$ 2.50	\$ 56,750.00	\$ 3.50	\$ 79,450.00	\$ 4.10	\$ 93,176.00	\$ 6.78	\$ 153,906.00	
4	22,700	SF	Recoat Interior Surfaces. This Item to be Considered Lump Sum Unless the Area is Shown to be Materially Different than shown.	\$ 3.00	\$ 68,100.00	\$ 3.00	\$ 68,100.00	\$ 3.13	\$ 70,972.00	\$ 4.05	\$ 91,935.00	
5	1	LS	Install OSHA Roof Railing Around the Roof Hatches	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 9,225.00	\$ 9,225.00	\$ 3,720.00	\$ 3,720.00	
5	1	LS	Coating Inspection and Testing	\$ 5,500.00	\$ 5,500.00	\$ 4,000.00	\$ 4,000.00	\$ 1,200.00	\$ 1,200.00	\$ 8,000.00	\$ 8,000.00	
6	2	EA	Replace Manway Gaskets	\$ 500.00	\$ 1,000.00	\$ 200.00	\$ 400.00	\$ 168.50	\$ 337.00	\$ 50.00	\$ 100.00	
7	1	LS	Hydrostatic Testing, VOC Testing, Disinfection of Tank, Bacteriological Testing	\$ 3,800.00	\$ 3,800.00	\$ 4,000.00	\$ 4,000.00	\$ 3,700.00	\$ 3,700.00	\$ 3,500.00	\$ 3,500.00	
					\$ 155,850.00		\$ 174,950.00		\$ 182,910.00		\$ 271,561.00	