

AGENDA
Borrego Water District Board of Directors
Regular Meeting
June 26, 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. Approval of Minutes
 - Special meeting of May 13, 2013 (3-5)
- 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 R. Shain, Vallecito (6)
 - Letter from M. Sarkela (7-10)

II. CURRENT BUSINESS MATTERS

- A. Consideration and possible approval of bid for coating of Rams Hill #1 tank. (11)
- B. Discussion and approval of revision of Policy #2009-09-02 Demand Offset Mitigation Water Credits Policy (12-44)
- C. Discussion and possible approval of a Letter of Support for the UCI National Science Foundation (NSF) Grant (45-47)
- D. Discussion and possible approval of Resolution #2013-06-02 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY** (48-49)
- E. Presentation of the Due Diligence Committee's analysis of refinancing options and referral to the Negotiating Committee (50-51)
- F. Consideration of cancelling August Workshop and Regular Board meeting

III. STAFF REPORTS

- A. Financial Reports – May 2013 (54-65)
- B. General Manager / Operations Report (66-71)
- C. Water and Wastewater Operations Report – May 2013 (72)
- D. Water Production/Use Records – May 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. 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.

- B. Conference with Labor Negotiators
Gov't Code section 54956.8
Agency representatives: Beth Hart, Marshal Brecht
Employee organization: Unrepresented employees

VII. CLOSING PROCEDURE

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

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Monday, May 13, 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
Diana Del Bono, Administrative Assistant
Wendy Quinn, Recording Secretary

Public: Ray Shindler Ray Bolanos

D. Approval of Agenda: *MSC: L.Brecht/M.Brecht approving the Agenda as corrected (delete the closed session).*

E. Approval of Minutes:

Special meeting of April 10, 2013

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of April 10, 2013 as written.

Special Meeting of April 16, 2013

MSC: L.Brecht/Estep approving the Minutes of the Special Meeting of April 16, 2013 as corrected (add to Item II.A, fourth line from the bottom of Minutes page 1, Board package page 4, "Mr. Shindler indicated that the State Park was actually here first, long before the farmers.")

Regular meeting of April 24, 2013

MSC: L.Brecht/M.Brecht approving the Minutes of the Regular Meeting of April 24, 2013 as corrected (amend Item II.C, fourth line from the bottom of the first paragraph, to read in part, ". . . in fiscal year 2015 we can go through another Proposition 218 process . . .")

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

G. Comments from the Public and Requests for Future Agenda Items: None

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of FY 2013-2014 Budget and proposed rate increase: Director Lyle Brecht questioned the omission of a line item for the salt nutrient program, discussed previously. Jerry Rolwing explained that on researching the issue, he had not found any penalty for not participating. If this changes, he will come back to the Board for approval.

Mr. Rolwing confirmed that he would transmit the proposed notice of rate increases to the Board members prior to distribution to the ratepayers.

MSC: L.Brecht/Estep approving the FY 2013-2014 budget and proposed rate increase as presented.

B. Update on University of California Irvine National Science Foundation Grant: Director Lyle Brecht announced he would be meeting with the principals involved in the UCI NSF grant application on Friday. Director Estep asked about the chances of success. Director Lyle Brecht replied that others were competing, but we have team members who have successfully applied for NSF grants in the past and other funds are available from UCI if the application is not approved.

III. STAFF REPORTS

A. Financial Reports - April 2013: Director Lyle Brecht suggested investigating the possibility of amortizing the Viking Ranch debt, and Director Marshal Brecht concurred.

B. General Manager/Operations Report: Mr. Rolwing reported on his trip to Sacramento last week, where he met with Department of Water Resources representatives to discuss the Borrego Water Coalition and the studies by USGS and the Bureau of Reclamation. He also inquired about easing the regional requirements for IRWM and concentrating on our watershed. DWR was reluctant to reduce the area but receptive to phasing the project; start planning for the Borrego Valley basin and hopefully other agencies will join.

Mr. Rolwing announced that Casey Rodriguez has retired, and Cody Cox has obtained the necessary certification to replace him.

C. Water and Wastewater Operations Report - April 2013: Greg Holloway reported that Well 18 was experiencing significant vibrations, probably due to issues with the pump motor, and will require repairs but not to the extent recently completed on Well 11.

D. Water Production/Use Records - April 2013: The Water Production/Use Records were included in the Board package.

IV. ATTORNEY'S REPORT

None

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Lyle Brecht reported the Committee would be meeting with the auditors on May 31.

2. Due-Diligence

Director Lyle Brecht reported that the Committee was investigating refinancing options for Viking Ranch and Well 12. He asked whether the other Board members wanted to be involved in the negotiations. After discussion, it was agreed that the Committee would bring the terms of any proposed agreement to the full Board before taking action.

3. Strategic Planning Committee/IRWM

Director Lyle Brecht reported the Committee would be meeting with the NSF grant team on May 17 and the Borrego Water Coalition on May 16.

4. Executive Committee

No report.

5. Operations & Management Committee

Mr. Rolwing reported that the Committee was working on the 800 Tank and the Rams Hill RFP.

6. Parks Committee

No report.

7. Asset Ad Hoc Committee

No report.

8. Personnel Committee

President Hart reported that the Committee discussed layoffs with Lisa Foster and JPIA representatives.

VI. INFORMATION ITEMS

Mr. Rolwing reminded the Directors that there would be no more Board meetings in May.

VII. CLOSED SESSION

A. Conference with Legal Counsel - Anticipated Litigation: Cancelled.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:10 a.m. The next Special Meeting of the Board of Directors is scheduled for June 19, 2013 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for June 26, 2013 at the Borrego Water District.

June 13, 2013

Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004-1870

Attention: Board of Directors

Re: 652 Anza Park Trail (Lot 10), Indian Head Ranch

To whom it may concern:

As an absentee property owner in Borrego Springs, for the last nine years, I am very concerned about the recently implemented water rate hikes. My husband and I purchased a beautiful lot in Indian Head Ranch in 2004 after losing our home in the Cedar Fire. Unfortunately, after developing the property, drawing plans and improving it with a water meter and a fire hydrant, the cost of construction tripled and we were no longer able to afford to build a house there.

When we had first purchased the 9.4 acre parcel in Indian Head Ranch, the water bill was approximately \$20 a month or \$240 a year which seemed like a small price to pay while still holding the dream of one day building a house. Now, the water bill is \$30.54 a month or \$366.48 a year--and is set to go up again on July 1st to over \$420 annually. Still, this would seem incredibly reasonable by anyone's standards except for the following fact:

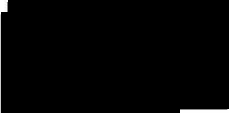
We have never used a single drop of water. Not one drop!

Lot 10 is currently listed for sale and has been listed previously. I love this land, but I can no longer afford to hold onto it because the HOA dues and now the water bills continue to escalate. Is there no exception for people who don't use the water? What exactly are we paying for? I have already given the water district \$3500 for the meter, and nine years of monthly payments (another \$3,000) for water we don't use. Please consider granting an exception for those of us who are merely stewards of the land.

Your expertise in solving this problem will be greatly appreciated.

Thank you.

Britta Lee Shain, Vallecito



acct.# 03-0142-0

May 17, 2013

Dear Borrego Water District,
Board of Directors,

My name is Marsha Sarkela.

I live about an hour away,
in Julian. I have a vacant
lot in Borrego Springs on Peas
Drive. The lot is planted with
fruit trees and other types.

I have a battery operated timer,
which has worked well up until
now. The timer malfunctioned +
wouldn't turn off. Luckily the next
door neighbor noticed it when
taking her dog out for a walk. I
can't imagine how much the bill
would have been otherwise. Normally
I never pay over \$60.00 this one
being \$115.00. I nearly fainted when
I opened the bill. The timer
has been replaced with a new
one.

I have used my credit from the
Water District many years ago.

1 of 2

Acct. # 03-0142-0

When the water line on the property burst due to an extreme freeze.

I am pleading with the Board of Directors to please excuse me from paying this enormous water bill. Even if I had to make higher payments over a very long period, would cause a hardship for me.

Sincerely,
Marsha M. Sarkela

p.s. please excuse the hand writing. My computer's printer is not working.

2 of 2

DATE: May 23, 2013

TO: Board of Directors

FROM: Jerry Rolwing

RE: Customer Letter

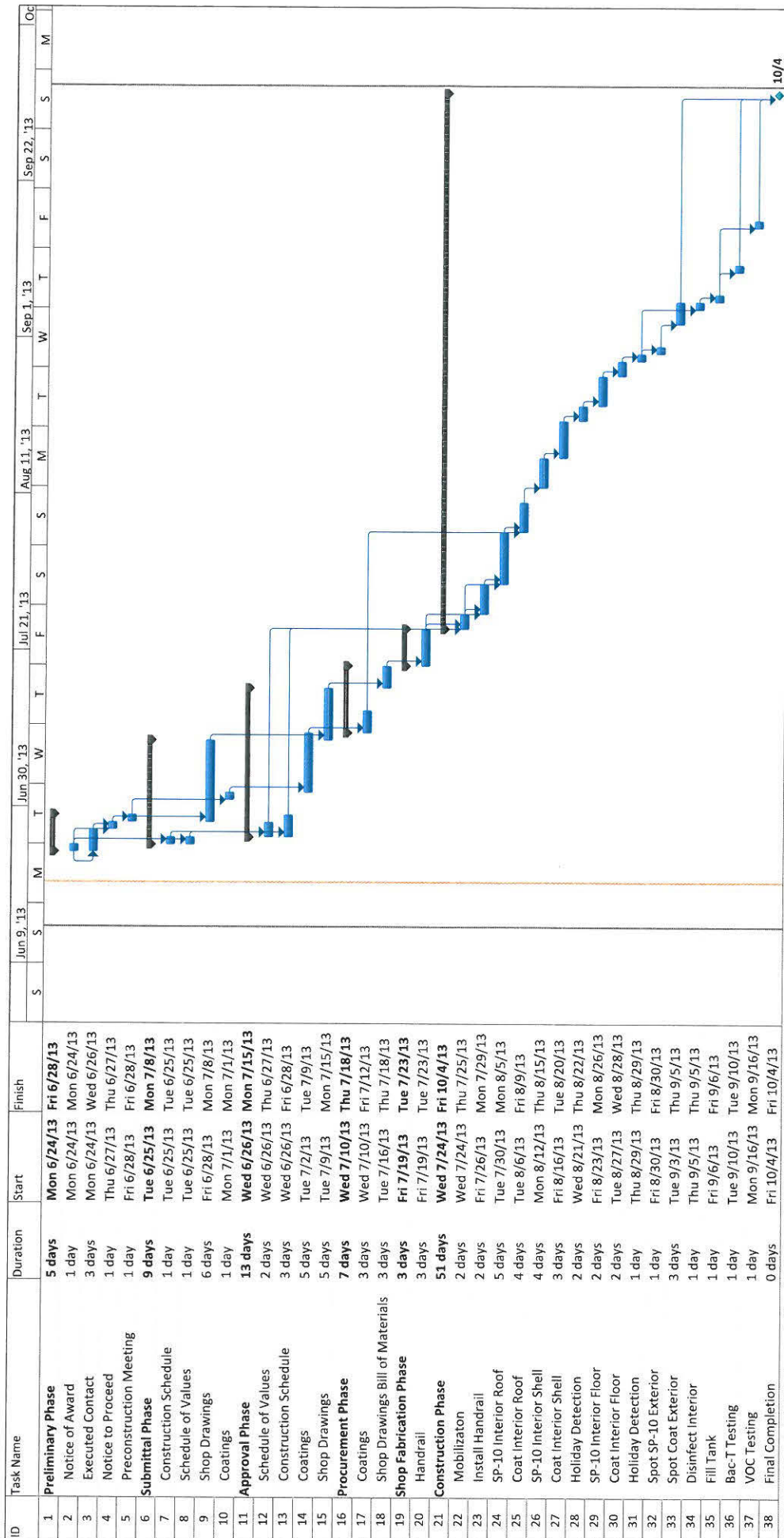
The District has a "once in a lifetime" policy for that catastrophic occurrence that can happen. Ms. Sarkela used her one-time adjustment in September 2011. We have offered to allow for a payment schedule to spread out this payment over the next six months without incurring late fees.

USAGE HISTORY DISPLAY
SERVICE ADDRESS: PECOS DR LOT 264

ACCOUNT#: 03-0142-0

FISC YEAR	201213	201112	201011	200910	200809
JULY	23	15	12	33	8
AUGUST	28	16	12	12	8
SEPTEMBER	21	232	16	13	11
OCTOBER	24	29	14	10	11
NOVEMBER	9	30	17	12	24
DECEMBER	7	29	19	11	15
JANUARY	8	21	17	14	9
FEBRUARY	0	17	20	12	9
MARCH	16	18	20	13	9
APRIL	237	21	20	13	14
MAY	0	6	19	12	15
JUNE	0	13	19	13	18
TOTAL HCF	373	447	205	168	151
ACRE FEET	0.86	1.03	0.47	0.39	0.35

SECOND SCREEN	ACCOUNT DETAIL	MORE USG HISTORY	COMMENTS	MODIFY ACCOUNT	PRINT	MORE OPTIONS	NEXT ACCOUNT
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PRT

PASO ROBLES TANK, INC.
 825 7th Street, Paso Robles, CA 93446
 P.O. Box 207, La Grana, CA 93426-0207
 3063 Westwood Drive, Hemet, CA 92340
 Ph: (951) 925-5022 • Fax: (951) 925-4822

Project: Rams Hill Tank No. 1
 Borrego Water District

Task: External Tasks, Manual Task, External Milestone, Inactive Milestone, Project Summary

Split: External Milestone, Inactive Milestone, Project Summary

Milestone: External Milestone, Inactive Milestone, Project Summary

Summary: External Milestone, Inactive Milestone, Project Summary

BORREGO WATER DISTRICT

DEMAND OFFSET MITIGATION WATER CREDITS POLICY

(revised –January 30, March 25, 2013, June 26, 2013)

1. PURPOSE

Groundwater basin studies by the United States Geological Survey (USGS) demonstrate the need for improved management of the Borrego Valley Groundwater Basin (“BVGB”). The 2013 results of the United States Geological Survey (USGS) BVGB study indicates that the overdraft has continued to grow since the USGS study of the BVGB in 1982 and presently represents a serious economic, social, and environmental threat to the Borrego Valley.

It is the desire of the Borrego Water District (“BWD”, “the District”) to encourage the voluntary immediate cessation and/or reduction of measurable water uses through, but not limited to, a permanent removal of turf and/or a permanent fallowing of Irrigated Agricultural Land (“Water Activity”) as one means to mitigate the current overdraft of the BVGB.

The objectives of this Policy include, but are not limited to, the following: (a) to reduce the demand on the upper groundwater aquifer that underlies the Borrego Valley; (b) to provide a mechanism by which new water demands are mitigated in compliance with the California Environmental Quality Act (“CEQA”); and (c) to create economic incentives for property owners engaged in high water demand activities to cease or reduce their groundwater demands consistent with the objectives of the BWD Groundwater Management Plan (GMP) as adopted by the District in 2001, and as subsequently amended and updated.

New groundwater demands shall conform with the Groundwater Mitigation Ordinance of the San Diego County Department of Planning and Development Services (“the County”) as revised from time to time and the most current Memorandum of Agreement (“MOA”) between BWD and the County Regarding Water Credits dated January 30, 2013.

Finally, this Policy establishes the administrative and technical procedures by which Water Credits are issued by the District, and provides for the ongoing administrative functions for controlling, monitoring and enforcing this Policy. Projects located out of the District boundary or not making application for water service from the District are not subject to this policy.

2. DEFINITIONS

A. AFY: acre-feet of water use per year

B. Applicant: the owner of real property who applies for more than one Water Credit pursuant to this Policy.

C. Application: the document by which an Applicant applies for more than one Water Credit pursuant to this Policy.

D. BVGB: Borrego Valley Groundwater Basin

E. BWD or District: the Borrego Water District.

F. Certificate Holder: Rightful owner of the BWD issued valid Water Credit.

G. CEQA: California Environmental Quality Act.

H. Conditional Water Credit Certificate: a document issued by the BWD identifying the number of Water Credits an Applicant will receive upon compliance with any and all conditions set forth therein and/or in this Policy, which certificate shall remain valid so long as this Policy remains in effect.

I. Consumptive Use: the amount of water lost from the groundwater resource due to evapotranspiration (plant use).

J. County: the government of San Diego County.

K. Desertscape: Landscape requiring no irrigation of any kind after an initial period not to exceed two (2) years of watering to establish any planting(s).

L. Developers and/or their Successors in Interest: Persons or entities seeking to commence an activity within the boundaries of the BWD that will create new or increased water demand on the BWD system, including, but not limited to, new residential or commercial development and/or expansion of existing uses/developments (“Development”).

M. PDS: San Diego County Department of Planning and Development Services.

N. Easement: a legal restriction on the land to be fallowed that completely eliminates the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement in perpetuity, unless the project meets the exemptions of section 4A.

O. EDU or Equivalent Dwelling Unit: As of the adoption of this Policy, one EDU equals 1.0 acre foot per year (AFY) and may be recalculated by the District Manager upon direction of the Board of Directors.

P. Irrigated Agricultural Land: Land that is currently irrigated for active agricultural use. For purposes of this Policy, “currently irrigated” shall mean irrigated for agricultural use during the preceding twelve (12) month period -immediately preceding the date of the Application.

Q. Mitigation Policy: The BWD policy regarding mitigation of impacts of new developments on the Borrego aquifer adopted June 22, 2005 and thereafter amended and further amended and restated in Section 3 hereof.

R. MOA: Memorandum of Agreement between the Borrego Water District and the County of San Diego Regarding Water Credits dated January 30, 2013, as amended.

S. Property: the real property owned by the Applicant and to be restricted pursuant to this Policy.

T. Water Activity: one or more measurable water uses, including, but not limited to, irrigated turf and irrigated farmland.

U. Water Credit: the term “water credit” means an entitlement created under the Water Credit and Mitigation Policy of BWD as published on BWD’s website. The purpose of issuing a water credit is to recognize the fallowing of actively irrigated land located in the Borrego Valley Groundwater Basin (BVGB). A water credit may be used in the future to offset the groundwater use of a proposed development. A water credit does not convey, and shall not be construed to convey, water rights, nor is it a guarantee by BWD of the future availability of water from the BVGB. It should be noted that a water credit is not a guarantee that a proposed development, for which a water credit will be used as an offset, can or will be approved by the County. Each water credit shall be equal to one-acre foot of water per year. Water credit calculations that end with .50 to .99 acre-feet shall be rounded up to the next acre-foot, and calculations that end with .01 to .49 acre-feet shall be rounded down to the previous full acre-foot. As further defined in Section 4B below, several classes of credits shall be available pursuant to this Policy.

V. Water Credit Certificate: a document issued by the BWD certifying the issuance to an Applicant of one or more Water Credits in conformance with this Policy.

3. MITIGATION POLICY

Persons or entities seeking to commence an activity within the District that will create a new or increased water demand on the BWD system (“Developers”) must provide one (1) Water Credit for every one (1) EDU demand of the proposed use as calculated by the District’s General Manager, consistent with the provisions hereof. Conformance with the District’s Mitigation Policy must be demonstrated prior to the District providing water service and/or a water meter to the Development proposed by the Developer, or its successor in interest.

4. WATER CREDITS

Upon compliance with the procedural requirements set forth in Section 5. hereof, the District will issue Water Credits to an Applicant in accordance with the following:

A. Easement. The water credits shall be issued in exchange for an easement granted to BWD. The easement shall include the following provisions:

1.. The easement shall permanently and completely eliminate the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement, except for the following uses:

a.. One-acre foot of groundwater per year to serve a single-family dwelling; or

b. A project that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the project would use. Groundwater use reduction measures that may be used include measures listed in County Code sections 67.720.B.1 and 67.720.B.2 (County Groundwater Ordinance).

2. The easement shall designate County as a third-party beneficiary with the right, but not the obligation to enforce the easement. The easement shall give County the same right of access for purposes of monitoring compliance with the easement and the same options for enforcing the easement as the easement gives to BWD. **A copy of the draft easement shall be submitted to the Director of Planning and Development for review and approval.**

3. Water Credits AG-2,3 & 4 or T-2 & 3 may be acceptable for District purposes only where County mitigation has already been satisfied. These credits will be issued at the sole discretion of the District and the County does not need to be included as a third-party beneficiary.

B. Eligible Land. Contiguous irrigated land with an associated consumptive water use of ten (10) acre feet per year and meeting the criteria set forth below is eligible to participate in the program established by this Policy. Based upon the type of Water Credit sought (as defined in Section 4.B., below), either (i) all irrigation of the Property shall be eliminated or (ii) the Applicant shall cause permanent, quantifiable and verifiable reductions of water use on the Property as a condition precedent to issuance of Water Credits.

1. Agricultural Land. To be eligible, the Applicant must establish that agricultural land was utilized for legal agricultural operation at the Property prior to April 9, 2003. Property on which agricultural production commenced after April 9, 2003 may be considered eligible if the Applicant establishes that the agricultural use was approved by the DPDS or is otherwise demonstrated to have been legally conducted.

2. Turf. To be eligible, the Applicant must establish that the Property was irrigated with live turf as of January 1, 2008 and as of the date of Application.

3. Tamarisk. To be eligible, the Applicant must establish that tamarisk or other high water use windbreak trees were planted on the Property as of January 1, 2008 and such trees remain alive as of the date of Application.

4. Special. To be eligible, the Applicant must establish that the high water use water activity existed on the Property as of January 1, 2008.

C. Water Credit Types. The following types of Water Credits shall be issued upon compliance with all requirements of this Policy:

1. Agricultural Credits. Four types of Agricultural Credits are available under this Policy upon full compliance with all its requirements. The Applicant shall remove any and all tamarisk trees or other high water use windbreak trees located on Property for which an Applicant seeks Agricultural Credits at the time the agricultural use is followed.

(a) Agricultural-1 (“AG-1 Credits - Standing Crop”) AG-1 Credits will be issued for Irrigated Agricultural Land that currently irrigates a live standing crop, agrees to completely remove the crop pursuant to this Policy and further agrees to place a permanent restriction on all forms of irrigation. AG-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

Deleted: Section 4.C

(b) Agricultural-2 (“AG-2 Credits - Recent Standing Crop”). AG-2 Credits will be issued for Property that is legally entitled to initiate farming within the constraints of existing permits and policies of the DPDS, and/or other regulatory entities with jurisdiction over agricultural activity on the subject Property, but does not currently irrigate a live standing crop. To qualify for AG-2 Credits, the Applicant must:

(i) Establish that as of July 1, 2008, the Property held all necessary approvals to operate an agricultural operation thereon; AND

(ii) Submit an executed Water Credits Agreement to the District within ninety (90) days following adoption of this Policy; AND

(iii) Execute and record with the County Recorder an Exclusive Groundwater Easement (“Easement”) in favor of the District and further complete all actions required pursuant to the Water Credits Agreement within one hundred eighty (180) days of adoption of this Policy. The Easement shall meet the requirements set forth in the most current MOA between BWD and the County of San Diego, including but not limited to designating the County as a third party beneficiary with the right to enforce the easement

(iv) AG-2 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

Deleted: Section 4.C

(c) Agricultural-3 (“AG-3 Credits - Crop to Desertscape”). AG-3 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to Desertscape as defined herein. AG-3 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the District. Water Credit Certificates for AG-3 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District’s General Manager shall determine the apportionment of credits allocated to each such phase.

Deleted: Section 4.C

(d) Agricultural-4 (“AG-4 Credits - Reduced Water Use Crop”). AG-4 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to a lower water use crop type(s). AG-4 Credits will be issued at a rate to be determined by the District’s General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

2. Turf. Three types of Turf credits are available under this Policy upon full compliance with all its terms.

(a) Turf-1 (“T-1 Credits - Turf Removed”). T-1 Credits will be issued for Property that currently irrigates live turf and, pursuant to this Policy, removes all turf and agrees to place a permanent restriction on all forms of irrigation. T-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

Deleted: Section 4.C

(b) Turf-2 (“T-2 Credits Turf to Desertscape”) T-2 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to Desertscape as defined herein. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the District. Water Credit Certificates for T-2 Credits will be issued in two phases. A

portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District's General Manager shall determine the apportionment of credits allocated to each such phase.

(c) Turf-3 ("T-3 Credits - Reduced Water Usage Landscape"). T-3 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to quantifiable and verifiable lower water use landscape than the existing use at the time of the Application for Water Credits. T-3 Credits will be issued at a rate to be determined by the District's General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

3. Tamarisk.

(a) Tamarisk ("TK Credits"). TK Credits will be issued for Property (i) on which live Tamarisk or other high water use windbreaks greater than one (1) foot in diameter are removed and (ii) that is permanently restricted from all forms of irrigation. Tamarisk credits will be addressed on a case-by case basis.

4. Special. Special Credits will be assigned to any quantifiable, verifiable and permanent reduction in water use that is confirmed by historic records and determined by the District's General Manager to meet the standards of this Policy.

D. Number of Credits. The number of water credits issued for all vegetation types shall be based on the water use as determined on the chart attached to the MOA as Exhibit A. The water use shall be calculated based on the vegetation types, vegetation area being actively irrigated and corresponding annual groundwater consumptive use as specified in Exhibit A. The assumptions used to calculate the water offset credits are included in Exhibit B of the MOA.

PROCEDURE

E. The Applicant shall make a written application ("Application") to the District's General Manager for issuance of Water Credit Certificates. The Application shall be as set forth in BWD Form 100 and shall be accompanied by:

1. A title report and/or other documentation reasonably acceptable to the BWD evidencing that the Application has been signed by all record owners of the Property, that the water rights in the Property have not been transferred, conveyed or otherwise encumbered and that the condition of title to the Property is not detrimental to

the achievement of the purposes of this Policy. A property survey by a professional land survey may be required at the request of the General Manager.

2. A legal description of the Property in a form reasonably acceptable to the BWD.

3. A Right of Entry Agreement (BWD Form 103) permitting the BWD access to the Property to confirm the ongoing, legal, measurable Water Activity and:

(a) Where any Well(s) serving the Property also serve other property held by the Applicant, which other property the Applicant does not intend to restrict,

(i) Access to any and all Well(s) on the Property and/or serving the Property for monitoring, metering, testing and/or investigating groundwater levels, quality and related matters;

(ii) Access to the Property to confirm the destruction or removal of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iii) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(iv) Such other provisions as the BWD may reasonably require.

(b) Where the Well(s) serving the Property do not serve any property the Applicant does not intend to restrict,

(i) Access to the Property to install, operate, access and maintain a monitoring well in place of any existing well(s) on the Property;

(ii) Access to the Property to cap, seal or otherwise render inoperable existing well(s) on the Property;

(iii) Access to the Property to confirm the destruction of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iv) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(v) Such other provisions as the BWD may reasonably require.

4. A signed Water Credit Agreement. (BWD Form 101).

5. A certification and administration deposit fee of \$1,000 for each Application by the Developer to be used for verifiable expenses.

Deleted:

F. The BWD shall review the Application and confirm the existence of active, ongoing, legal, measurable Water Activity on the Property. Upon such confirmation, the BWD will issue Conditional Water Credit Certificate(s) setting forth the number of Water Credits to which the Applicant will be entitled upon compliance with this Policy as well as any additional conditions or requirements reasonably imposed by the BWD and identified in the Conditional Water Credit Certificate(s).

G. To convert the Conditional Water Credit Certificates to Water Credit Certificates, the Applicant shall:

(i) Sign and submit to the BWD a Grant of Exclusive Groundwater Easement (BWD Form 102), disengage the pump(s) or otherwise render inoperable any and all well(s) located on the Property, if applicable;

(ii) Complete all crop destruction, turf removal or other action to permanently cease and/or reduce the Water Activity on the Property, as applicable, and notify the BWD in writing of the same;

(iii) Provide a certificate by a licensed land surveyor certifying the net acreage under irrigation on the Property (net acreage shall, for Agricultural land, include roads and exclude buildings);

(iv) Submit **Form 104 accompanied with**, a notarized written request by the Applicant stating the name(s) in which the Water Credit Certificate(s) should be issued and the amounts allocated to each identified person (not to exceed the aggregate total amount awardable pursuant to **Exhibit B of the County MOA**. hereof for the Property); and

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Upon the BWD's verification of the completion of the permanent cessation of the Water Activity and the pump disengagement or otherwise rendering inoperable any and all well(s) located on the Property (where applicable), the BWD shall issue raised-sealed and numbered Water Credit Certificates to the Applicant in amounts pursuant to **Exhibit B of the County MOA**. hereof.

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2. Transfer of Certificates. Upon (i) notarized written request by the recipient of Water Credit Certificates previously issued by the BWD ("Certificate Holder"), (ii) submission of the original Water Credit Certificates to the BWD, and (iii) payment of an administrative fee of \$500 per transaction, the BWD will re-issue Water Credit Certificates to such persons or entities and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by the Certificate Holder) as may be designated by the Certificate Holder. **The request must list the actual sale price of the water credit(s) being transferred.**

5. MISCELLANEOUS

A. The BWD recognizes all Water Credit types set forth in Section 4.B. in satisfaction of the BWD's Mitigation Policy. The County of San Diego may recognize some or none of the Water Credit types.

B. The BWD may purchase Water Credits for its own account from time to time, as it deems necessary to create a bank of Water Credits for developments that must comply with the provisions of this Policy. The Board of Directors shall set the price of the Water Credits at the time that the Water Credits are sold.

C. The BWD shall be responsible to monitor and enforce this Policy, including, but not limited to, regularly monitoring meters on wells located on Property subject to a Water Credit Agreement, regularly inspecting Property enrolled in the program established by this Policy to ensure compliance with the terms of all requirements to maintain the Water Credits, and providing updates to the County, and/or the District's board as to the status of Water Credits issued to the Developer, as may be required.

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President of the Board of Directors of
Borrego Water District

Secretary of the Board of Directors of
Borrego Water District

WATER CREDIT TIMELINE

A. ISSUANCE OF CERTIFICATES

	<u>Timeframe</u>	<u>Activity</u>
(1)	At Applicant's discretion	Applicant submits Application Package, including: <ul style="list-style-type: none"> • Application (BWD Form 100) • Water Credit Agreement (BWD Form 101) • Right of Entry Agreement (BWD Form 103) • Title report • Administrative fee
(2)	30 days (or more as needed) after (1)	BWD reviews Application Package and confirms active, legal, ongoing, measurable Water Activity and determines whether/what removal or destruction of Water Activity will be required.
(3)	Upon Completion of (2)	BWD signs Water Credit Agreement, issues Conditional Water Credit Certificates and notifies Applicant of any special requirements reasonably imposed by BWD and to be met prior to issuance of Water Credit Certificates.
(4)	At Applicant's discretion	Applicant signs and submits Grant of Exclusive Groundwater Easement (BWD Form 102) to the BWD.
		Applicant disengages well(s), as applicable.
		Applicant removes/destroys Water Activity.
		Applicant complies with other requirements identified by BWD.
(5)		Applicant pays administrator fee.
(6)	Upon confirmation of actions under (4)	BWD issues Water Credit Certificates to Applicant or Applicant's designee identified in a notarized writing ("Certificate Holder"), accompanied by Form 104.

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B. TRANSFER OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(7) At Certificate Holder's discretion	Certificate Holder submits original Water Credit Certificates along with administrative fee and notarized written request to the BWD to reissue the Water Credit Certificates to such persons and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by Certificate Holder) as designated by Certificate Holder.
(8) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, voids the same and prepares new Water Credit Certificates per the Certificate Holder's written request.

C. REDEMPTION OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(9) At Certificate Holder's discretion and not less than 30 days prior to County issuance of building permits.	Certificate Holder submits original Water Credit Certificates along with written request to the BWD to redeem the Water Credit Certificates as mitigation for the development specified in the Certificate Holder's written request.
(10) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, marks the Water Credit Certificates "REDEEMED," notes the same on the Water Credit Certificate Log and issues a letter to the County identifying the quantity of acre-feet per year redeemed by the Certificate Holder.

APPLICATION FOR WATER CREDIT CERTIFICATE
(BWD Form 100)

Borrego Water District
Board of Directors
PO Box 1870
Borrego Springs, CA 92004

ATTENTION: General Manager

Name: _____

Mailing Address: _____

Phone Number: _____

Assessor's Parcel Number: _____ Acreage: _____

Address of Property: _____
(if applicable)

Crop cultivation:

Date Cultivation Commenced (must be prior to 4/9/03)	Water Activity (crop, turf, etc.)	Area	For BWD Use Only Water Entitlement Quantity
1.	2.	3.	4.
5.	6.	7.	8.
9.	10.	11.	12.
13.	14.	15.	16.

Current Water Provider: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct of my own personal knowledge.

Name of Applicant*/Agent*

Date

Name of Applicant/Agent

Date

* All legal owners of the property must sign

MEMORANDUM OF AGREEMENT
BETWEEN THE BORREGO WATER DISTRICT
AND THE COUNTY OF SAN DIEGO
REGARDING WATER CREDITS

This Memorandum of Agreement (MOA) between the Borrego Water District (BWD), a water district formed pursuant to California law, and the County of San Diego (County), a political subdivision of the State of California.

Whereas, the Borrego Aquifer is in a state of overdraft due to the extensive use of groundwater in the Borrego Valley.

Whereas, due to the overdraft condition, BWD plans to implement a program to encourage the voluntary and immediate cessation and/or reduction of measurable water uses to reduce the demand on the groundwater aquifer that is under the Borrego Valley.

Whereas, a key element in BWD's program is the issuance of water credits for the cessation and reduction in the use of groundwater in accordance with BWD's program.

Whereas, due to the overdraft condition, County wants to ensure that proposed uses in the Borrego Valley offset their demand for groundwater by a ratio of least a one-to-one, and water credits issued by BWD that also meet County's requirements are one method that project applicants can use to provide this offset.

Whereas, BWD and County wish to enter into this MOA to set forth the terms by which the County will recognize water credits issued by BWD.

NOW, THEREFORE, the parties agree as follows:

1. The County will recognize water credits issued by BWD if the water credits meet all of the criteria set forth in this MOA.

2. As used in this MOA, the term "water credit" means an entitlement created under the Water Credit and Mitigation Policy of BWD as published on BWD's website. The purpose of issuing a water credit is to recognize the fallowing of actively irrigated land located in the Borrego Valley Groundwater Basin (BVGB). As specified in this MOA, a water credit may be used in the future to offset the groundwater use of a proposed development. A water credit does not convey, and shall not be construed to convey, water rights, nor is it a guarantee by BWD of the future availability of water from the BVGB. It should be noted that a water credit is not a guarantee that a proposed development, for which a water credit will be used as an offset, can or will be approved by the County.

3. The water credits shall have been issued in exchange for an easement granted to BWD. The easement shall include the following provisions:

a. The easement shall permanently and completely eliminate the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement, except for the following uses:

- i. One-acre foot of groundwater per year to serve a single-family dwelling; or
- ii. A project that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the project would use. Groundwater use reduction measures that may be used include measures listed in County Code sections 67.720.B.1 and 67.720.B.2 (County Groundwater Ordinance).

b. The easement shall designate County as a third-party beneficiary with the right, but not the obligation, to enforce the easement. The easement shall give County the same right of access for purposes of monitoring compliance with the easement and the same options for enforcing the easement as the easement gives to BWD.

4. Prior to accepting the easement, BWD shall do the following:

i. Verify that all extraction, use, storage, distribution or diversion of groundwater on the property subject to the easement has ceased, that all crops or turf have been removed and that all pumps and wells on the property, if any, have been disengaged or rendered inoperable; and

ii. Submit a copy of the draft easement to the Director of Planning and Development Services (PDS) for review and approval. The Director of PDS shall review the draft easement and shall approve it if the Director determines that the easement is adequate. If the Director determines that the draft easement is not adequate, the Director will send a letter to BWD with recommended changes. The Director will make a good-faith effort to review the draft easement and approve it or submit a comment letter to BWD within 30 days of the receipt of the draft easement. BWD shall accept all changes recommended by the Director of PDS or provide a letter to the Director of PDS with recommended changes within 30 days of the receipt of the comment letter. The parties may continue this process until both agree on the terms of the easement.

5. Each water credit shall be equal to one-acre foot of water per year. Water credit calculations that end with .50 to .99 acre-feet shall be rounded up to the next full

acre foot, and calculations that end with .01 to .49 acre-feet shall be rounded down to the previous full acre foot.

6. The number of water credits issued shall be based on the water use as determined on the chart attached to this MOA as Exhibit A. The water use shall be calculated based on the vegetation types, vegetation area being actively irrigated and corresponding annual groundwater consumptive use as specified in Exhibit A. BWD shall obtain the prior written approval of County for any vegetation not listed in Exhibit A and for the amount of water use calculated for that vegetation. The assumptions used to calculate the water offset credits are included in Exhibit B. Exhibits A and B are incorporated into this MOA.

7. The irrigation of the land for which the water credits are issued shall have begun before January 1, 2008 and shall have continued at least until the date the application was submitted to BWD for the easement. All water use must cease in accordance with the terms of the BWD easement.

8. BWD shall submit a copy of the recorded easement to the Director of Planning and Development Services within 30 days of the easement being recorded.

9. BWD shall include the following certification on each Water Credit Certificate that BWD issues for water credits granted in compliance with this MOA:

The Borrego Water District certifies that the water credits listed on this Water Credit Certificate comply with all of the requirements of the Memorandum of Agreement Between the Borrego Water District and the County of San Diego Regarding Water Credits.

Borrego Water District
General Manager

Date

10. BWD may issue water credits that do not comply with this MOA, but County will recognize only those water credits that comply with the requirements of this MOA.

11. County reserves the right to verify that water credits issued by BWD comply with this MOA. BWD shall provide information and answer questions related to water credits presented to County for offsets or related to BWD's groundwater use reduction program as requested by County. If, in spite of the certification described in paragraph 9 above, County determines that the water credits do not comply with this MOA, County will not recognize the water credits for offsets.

12. Either party may terminate this MOA on 90 days prior written notice to the other party. All notices and other written communications that shall or may be given under this MOA shall be addressed as follows:

To County:
Director of Planning and
Development Services
5510 Overland Avenue, Suite 310
San Diego, CA 92123

To BWD:
General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Notices and communications sent by U.S. Mail shall be deemed received three business days after mailing. Notices sent by e-mail shall be deemed received on the day of transmission if sent before 5:00 p.m. and the day after transmission if sent after 5:00 p.m.

13. This MOA may be amended or changed only by a written amendment signed by both parties.

14. This MOA is an enforceable agreement.

15. This MOA shall become effective on the date that the Ordinance Amending the San Diego County Code Relating to Groundwater in the Borrego Valley (Ordinance No. 10249 (N.S.)) becomes effective.

16. This MOA, including Exhibits A and B, constitutes the entire agreement between the parties regarding the subject matter contained herein. All other representations, oral or written, are superseded by this MOA. Neither party is relying on any representations outside of this MOA.

17. If either party believes that the other party has failed to perform its obligations under this MOA, the non-defaulting party may provide a written notice of default to the other party describing the default. The parties shall meet and confer at a mutually agreeable time and location not later than 30 days after receipt of the notice of default. At the meet and confer, the parties shall, in good faith, discuss the default and how and when it should be cured. If after the meet and confer the parties do not agree on the default or the cure, the non-defaulting party may terminate this MOA immediately by sending a notice of termination to the other party. A party may not terminate this MOA for default without first complying with this paragraph.

[Remainder of this page left blank intentionally.]

18. This MOA shall be construed according to the law of the state of California. The language of all parts of this MOA shall be construed simply according its plain meaning and shall not be construed for or against either party.

Now, therefore, the parties execute this MOA as set forth below.

COUNTY OF SAN DIEGO

BORREGO WATER DISTRICT

By: Thomas J. Py -
Clerk of the Board of
Supervisors

By: [Signature]
General Manager

Date: 2.4.13

Date: 12/12/12

Approved as to form and legality
County Counsel

Approved as to form and legality

By: [Signature]
Senior Deputy

By: [Signature]
[title]
GENERAL COUNSEL

Approved and/or authorized by the
Board of Supervisors of the County of San Diego.
Meeting Date: 1/30/13 Minute Order No. 3
By: [Signature] Date: 2/4/13
Deputy Clerk of the Board Supervisors

EXHIBIT A

Please fill out the appropriate unshaded areas in the table below.

Vegetation Type	Date Irrigation Commenced	Vegetated Area Under Active Irrigation ¹ (acres)	Groundwater Consumptive Use Per Acre (acre-feet/year)	Annual Groundwater Consumptive Use (acre-feet/year)
Citrus (all types)			4.9	
Nursery plants			4.5	
Palms (all types)			3.7	
Tamarisk			1.7	
Turf (warm season)			5.1	
Turf (winter cool/summer warm)			5.6	
Potatoes ²			0.8	
Total groundwater use available for credits				

¹ The irrigated acreage will almost always be less than the gross area of land containing vegetation because of ditches, farm roads, farmsteads, vacant land, etc. Discount the gross acreage to account for non-irrigated uses and non-irrigated areas within the gross area being considered.

² According to the Borrego Water District, potatoes are a winter crop and are rotated once every three years. Approximately 2.5 acre-feet per acre are applied to potato fields over a three year cycle. Therefore, the annual groundwater consumptive use would be approximately 0.8 acre-feet per acre.

EXHIBIT B

Assumptions Used to Calculate Water Offset Credits

The amount of water credit (in acre-feet/acre) to be granted for land with an actively irrigated use that will be permanently taken out of production is listed below for the most common vegetation types in Borrego Valley.

Vegetation Type	Groundwater Offset Credit (acre-feet/acre/year)
Citrus (all types)	4.9
Nursery plants	4.5
Palms (all types)	3.7
Tamarisk	1.7
Turf (warm season)	5.1
Turf (winter cool/summer warm)	5.6

These amounts were determined by using the following equation:

$$\text{Annual Groundwater Consumptive Use (acre-feet/yr)} = \frac{[\text{Reference Evapotranspiration (feet/year)} \times \text{Plant Factor} \times 1 \text{ acre}]}{\text{Irrigation Efficiency}}$$

Annual Groundwater Consumptive Use (acre-feet per year) means the amount of groundwater lost through evapotranspiration (evaporation from the soil and transpiration from the plant).

Reference Evapotranspiration (ET_o) (feet per year), means the approximate water loss from a field of 4-to-7-inch-tall cool season grass that is not water stressed. ET_o values are published by the California Irrigation Management Information System (CIMIS). Use the published annual ET_o for Zone 18 (annual ET_o of 5.97 feet).

(Source for ET_o: <http://www.cimis.water.ca.gov>).

Plant Factor (or Crop Coefficient) means the fraction of water lost from the plant relative to ET_o. The annual plant factor is listed below for the most common vegetation types in Borrego Valley.

Vegetation Type	*Plant Factor
Citrus (all types)	0.65
Nursery plants	0.6
Palms (all types)	0.5
Tamarisk	0.2
Turf (warm season)	0.6
Turf (winter cool/summer warm)	0.66

*Plant factor for other plant types shall be obtained from the most recent publications by the State of California or University of California
Sources for Plant Factor: http://www.water.ca.gov/pubs/planning/guide_to_estimating_irrigation_water_needs_of_landscape_plantings_in_ca/wucols.pdf and <http://celosangeles.ucdavis.edu/newsletterfiles/Co-Hort11051.pdf>

Irrigation Efficiency means a measure of the portion of total applied irrigation water beneficially used to satisfy the plants' needs. Losses (non-beneficial use) include runoff and evaporation from wet soil.

Irrigation Method	Irrigation Efficiency
Spray/Rotor (turf, tamarisk)	0.7
Drip (Citrus, nursery plants, palms)	0.8

Source for Irrigation Efficiency: Turf and Landscape Irrigation Best Management Practices, April 2005, Water Management Committee of the Irrigation Association

BORREGO WATER DISTRICT

DEMAND OFFSET MITIGATION WATER CREDITS POLICY

(revised –January 30, March 25, 2013, June 26, 2013)

1. PURPOSE

Groundwater basin studies by the United States Geological Survey (USGS) demonstrate the need for improved management of the Borrego Valley Groundwater Basin (“BVGB”). The 2013 results of the United States Geological Survey (USGS) BVGB study indicates that the overdraft has continued to grow since the USGS study of the BVGB in 1982 and presently represents a serious economic, social, and environmental threat to the Borrego Valley.

It is the desire of the Borrego Water District (“BWD”, “the District”) to encourage the voluntary immediate cessation and/or reduction of measurable water uses through, but not limited to, a permanent removal of turf and/or a permanent fallowing of Irrigated Agricultural Land (“Water Activity”) as one means to mitigate the current overdraft of the BVGB.

The objectives of this Policy include, but are not limited to, the following: (a) to reduce the demand on the upper groundwater aquifer that underlies the Borrego Valley; (b) to provide a mechanism by which new water demands are mitigated in compliance with the California Environmental Quality Act (“CEQA”); and (c) to create economic incentives for property owners engaged in high water demand activities to cease or reduce their groundwater demands consistent with the objectives of the BWD Groundwater Management Plan (GMP) as adopted by the District in 2001, and as subsequently amended and updated.

New groundwater demands shall conform with the Groundwater Mitigation Ordinance of the San Diego County Department of Planning and Development Services (“the County”) as revised from time to time and the most current Memorandum of Agreement (“MOA”) between BWD and the County Regarding Water Credits dated January 30, 2013.

Finally, this Policy establishes the administrative and technical procedures by which Water Credits are issued by the District, and provides for the ongoing administrative functions for controlling, monitoring and enforcing this Policy. Projects located out of the District boundary or not making application for water service from the District are not subject to this policy.

2. DEFINITIONS

A. AFY: acre-feet of water use per year

B. Applicant: the owner of real property who applies for more than one Water Credit pursuant to this Policy.

C. Application: the document by which an Applicant applies for more than one Water Credit pursuant to this Policy.

D. BVGB: Borrego Valley Groundwater Basin

E. BWD or District: the Borrego Water District.

F. Certificate Holder: Rightful owner of the BWD issued valid Water Credit.

G. CEQA: California Environmental Quality Act.

H. Conditional Water Credit Certificate: a document issued by the BWD identifying the number of Water Credits an Applicant will receive upon compliance with any and all conditions set forth therein and/or in this Policy, which certificate shall remain valid so long as this Policy remains in effect.

I. Consumptive Use: the amount of water lost from the groundwater resource due to evapotranspiration (plant use).

J. County: the government of San Diego County.

K. Desertscape: Landscape requiring no irrigation of any kind after an initial period not to exceed two (2) years of watering to establish any planting(s).

L. Developers and/or their Successors in Interest: Persons or entities seeking to commence an activity within the boundaries of the BWD that will create new or increased water demand on the BWD system, including, but not limited to, new residential or commercial development and/or expansion of existing uses/developments (“Development”).

M. PDS: San Diego County Department of Planning and Development Services.

N. Easement: a legal restriction on the land to be fallowed that completely eliminates the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement in perpetuity, unless the project meets the exemptions of section 4A.

O. EDU or Equivalent Dwelling Unit: As of the adoption of this Policy, one EDU equals 1.0 acre foot per year (AFY) and may be recalculated by the District Manager upon direction of the Board of Directors.

P. Irrigated Agricultural Land: Land that is currently irrigated for active agricultural use. For purposes of this Policy, “currently irrigated” shall mean irrigated for agricultural use during the preceding twelve (12) month period -immediately preceding the date of the Application.

Q. Mitigation Policy: The BWD policy regarding mitigation of impacts of new developments on the Borrego aquifer adopted June 22, 2005 and thereafter amended and further amended and restated in Section 3 hereof.

R. MOA: Memorandum of Agreement between the Borrego Water District and the County of San Diego Regarding Water Credits dated January 30, 2013, as amended.

S. Property: the real property owned by the Applicant and to be restricted pursuant to this Policy.

T. Water Activity: one or more measurable water uses, including, but not limited to, irrigated turf and irrigated farmland.

U. Water Credit: the term “water credit” means an entitlement created under the Water Credit and Mitigation Policy of BWD as published on BWD’s website. The purpose of issuing a water credit is to recognize the fallowing of actively irrigated land located in the Borrego Valley Groundwater Basin (BVGB). A water credit may be used in the future to offset the groundwater use of a proposed development. A water credit does not convey, and shall not be construed to convey, water rights, nor is it a guarantee by BWD of the future availability of water from the BVGB. It should be noted that a water credit is not a guarantee that a proposed development, for which a water credit will be used as an offset, can or will be approved by the County. Each water credit shall be equal to one-acre foot of water per year. Water credit calculations that end with .50 to .99 acre-feet shall be rounded up to the next acre-foot, and calculations that end with .01 to .49 acre-feet shall be rounded down to the previous full acre-foot. As further defined in Section 4B below, several classes of credits shall be available pursuant to this Policy.

V. Water Credit Certificate: a document issued by the BWD certifying the issuance to an Applicant of one or more Water Credits in conformance with this Policy.

3. MITIGATION POLICY

Persons or entities seeking to commence an activity within the District that will create a new or increased water demand on the BWD system (“Developers”) must provide one (1) Water Credit for every one (1) EDU demand of the proposed use as calculated by the District’s General Manager, consistent with the provisions hereof. Conformance with the District’s Mitigation Policy must be demonstrated prior to the District providing water service and/or a water meter to the Development proposed by the Developer, or its successor in interest.

4. WATER CREDITS

Upon compliance with the procedural requirements set forth in Section 5. hereof, the District will issue Water Credits to an Applicant in accordance with the following:

A. Easement. The water credits shall be issued in exchange for an easement granted to BWD. The easement shall include the following provisions:

1.. The easement shall permanently and completely eliminate the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement, except for the following uses:

a.. One-acre foot of groundwater per year to serve a single-family dwelling; or

b. A project that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the project would use. Groundwater use reduction measures that may be used include measures listed in County Code sections 67.720.B.1 and 67.720.B.2 (County Groundwater Ordinance).

2. The easement shall designate County as a third-party beneficiary with the right, but not the obligation to enforce the easement. The easement shall give County the same right of access for purposes of monitoring compliance with the easement and the same options for enforcing the easement as the easement gives to BWD. A copy of the draft easement shall be submitted to the Director of Planning and Development for review and approval.

3. Water Credits AG-2,3 & 4 or T-2 & 3 may be acceptable for District purposes only where County mitigation has already been satisfied. These credits will be issued at the sole discretion of the District and the County does not need to be included as a third-party beneficiary.

B. Eligible Land. Contiguous irrigated land with an associated consumptive water use of ten (10) acre feet per year and meeting the criteria set forth below is eligible to participate in the program established by this Policy. Based upon the type of Water Credit sought (as defined in Section 4.B., below), either (i) all irrigation of the Property shall be eliminated or (ii) the Applicant shall cause permanent, quantifiable and verifiable reductions of water use on the Property as a condition precedent to issuance of Water Credits.

1. Agricultural Land. To be eligible, the Applicant must establish that agricultural land was utilized for legal agricultural operation at the Property prior to April 9, 2003. Property on which agricultural production commenced after April 9, 2003 may be considered eligible if the Applicant establishes that the agricultural use was approved by the DPDS or is otherwise demonstrated to have been legally conducted.

2. Turf. To be eligible, the Applicant must establish that the Property was irrigated with live turf as of January 1, 2008 and as of the date of Application.

3. Tamarisk. To be eligible, the Applicant must establish that tamarisk or other high water use windbreak trees were planted on the Property as of January 1, 2008 and such trees remain alive as of the date of Application.

4. Special. To be eligible, the Applicant must establish that the high water use water activity existed on the Property as of January 1, 2008.

C. Water Credit Types. The following types of Water Credits shall be issued upon compliance with all requirements of this Policy:

1. Agricultural Credits. Four types of Agricultural Credits are available under this Policy upon full compliance with all its requirements. The Applicant shall remove any and all tamarisk trees or other high water use windbreak trees located on Property for which an Applicant seeks Agricultural Credits at the time the agricultural use is followed.

(a) Agricultural-1 (“AG-1 Credits - Standing Crop”) AG-1 Credits will be issued for Irrigated Agricultural Land that currently irrigates a live standing crop, agrees to completely remove the crop pursuant to this Policy and further agrees to place a permanent restriction on all forms of irrigation. AG-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

(b) Agricultural-2 (“AG-2 Credits - Recent Standing Crop”). AG-2 Credits will be issued for Property that is legally entitled to initiate farming within the constraints of existing permits and policies of the DPDS, and/or other regulatory entities with jurisdiction over agricultural activity on the subject Property, but does not currently irrigate a live standing crop. To qualify for AG-2 Credits, the Applicant must:

(i) Establish that as of July 1, 2008, the Property held all necessary approvals to operate an agricultural operation thereon; AND

(ii) Submit an executed Water Credits Agreement to the District within ninety (90) days following adoption of this Policy; AND

(iii) Execute and record with the County Recorder an Exclusive Groundwater Easement (“Easement”) in favor of the District and further complete all actions required pursuant to the Water Credits Agreement within one hundred eighty (180) days of adoption of this Policy. The Easement shall meet the requirements set forth in the most current MOA between BWD and the County of San Diego, including but not limited to designating the County as a third party beneficiary with the right to enforce the easement

(iv) AG-2 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

(c) Agricultural-3 (“AG-3 Credits - Crop to Desertscape”). AG-3 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to Desertscape as defined herein. AG-3 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the District. Water Credit Certificates for AG-3 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District’s General Manager shall determine the apportionment of credits allocated to each such phase.

(d) Agricultural-4 (“AG-4 Credits - Reduced Water Use Crop”). AG-4 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to a lower water use crop type(s). AG-4 Credits will be issued at a rate to be determined by the District’s General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

2. Turf: Three types of Turf credits are available under this Policy upon full compliance with all its terms.

(a) Turf-1 (“T-1 Credits - Turf Removed”). T-1 Credits will be issued for Property that currently irrigates live turf and, pursuant to this Policy, removes all turf and agrees to place a permanent restriction on all forms of irrigation. T-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

(b) Turf-2 (“T-2 Credits Turf to Desertscape”) T-2 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to Desertscape as defined herein. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the District. Water Credit Certificates for T-2 Credits will be issued in two phases. A

portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District's General Manager shall determine the apportionment of credits allocated to each such phase.

(c) Turf-3 ("T-3 Credits - Reduced Water Usage Landscape"). T-3 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to quantifiable and verifiable lower water use landscape than the existing use at the time of the Application for Water Credits. T-3 Credits will be issued at a rate to be determined by the District's General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

3. Tamarisk.

(a) Tamarisk ("TK Credits"). TK Credits will be issued for Property (i) on which live Tamarisk or other high water use windbreaks greater than one (1) foot in diameter are removed and (ii) that is permanently restricted from all forms of irrigation. Tamarisk credits will be addressed on a case-by case basis.

4. Special. Special Credits will be assigned to any quantifiable, verifiable and permanent reduction in water use that is confirmed by historic records and determined by the District's General Manager to meet the standards of this Policy.

D. Number of Credits. The number of water credits issued for all vegetation types shall be based on the water use as determined on the chart attached to the MOA as Exhibit A. The water use shall be calculated based on the vegetation types, vegetation area being actively irrigated and corresponding annual groundwater consumptive use as specified in Exhibit A. The assumptions used to calculate the water offset credits are included in Exhibit B of the MOA.

PROCEDURE

E. The Applicant shall make a written application ("Application") to the District's General Manager for issuance of Water Credit Certificates. The Application shall be as set forth in BWD Form 100 and shall be accompanied by:

1. A title report and/or other documentation reasonably acceptable to the BWD evidencing that the Application has been signed by all record owners of the Property, that the water rights in the Property have not been transferred, conveyed or otherwise encumbered and that the condition of title to the Property is not detrimental to

the achievement of the purposes of this Policy. A property survey by a professional land survey may be required at the request of the General Manager.

2. A legal description of the Property in a form reasonably acceptable to the BWD.

3. A Right of Entry Agreement (BWD Form 103) permitting the BWD access to the Property to confirm the ongoing, legal, measurable Water Activity and:

(a) Where any Well(s) serving the Property also serve other property held by the Applicant, which other property the Applicant does not intend to restrict,

(i) Access to any and all Well(s) on the Property and/or serving the Property for monitoring, metering, testing and/or investigating groundwater levels, quality and related matters;

(ii) Access to the Property to confirm the destruction or removal of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iii) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(iv) Such other provisions as the BWD may reasonably require.

(b) Where the Well(s) serving the Property do not serve any property the Applicant does not intend to restrict,

(i) Access to the Property to install, operate, access and maintain a monitoring well in place of any existing well(s) on the Property;

(ii) Access to the Property to cap, seal or otherwise render inoperable existing well(s) on the Property;

(iii) Access to the Property to confirm the destruction of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iv) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(v) Such other provisions as the BWD may reasonably require.

4. A signed Water Credit Agreement. (BWD Form 101).

5. A certification and administration deposit fee of \$1,000 for each Application by the Developer to be used for verifiable expenses.

F. The BWD shall review the Application and confirm the existence of active, ongoing, legal, measurable Water Activity on the Property. Upon such confirmation, the BWD will issue Conditional Water Credit Certificate(s) setting forth the number of Water Credits to which the Applicant will be entitled upon compliance with this Policy as well as any additional conditions or requirements reasonably imposed by the BWD and identified in the Conditional Water Credit Certificate(s).

G. To convert the Conditional Water Credit Certificates to Water Credit Certificates, the Applicant shall:

(i) Sign and submit to the BWD a Grant of Exclusive Groundwater Easement (BWD Form 102), disengage the pump(s) or otherwise render inoperable any and all well(s) located on the Property, if applicable;

(ii) Complete all crop destruction, turf removal or other action to permanently cease and/or reduce the Water Activity on the Property, as applicable, and notify the BWD in writing of the same;

(iii) Provide a certificate by a licensed land surveyor certifying the net acreage under irrigation on the Property (net acreage shall, for Agricultural land, include roads and exclude buildings);

(iv) Submit Form 104 accompanied with, a notarized written request by the Applicant stating the name(s) in which the Water Credit Certificate(s) should be issued and the amounts allocated to each identified person (not to exceed the aggregate total amount awardable pursuant to Exhibit B of the County MOA. hereof for the Property); and

Upon the BWD's verification of the completion of the permanent cessation of the Water Activity and the pump disengagement or otherwise rendering inoperable any and all well(s) located on the Property (where applicable), the BWD shall issue raised-sealed and numbered Water Credit Certificates to the Applicant in amounts pursuant to Exhibit B of the County MOA. hereof.

2. Transfer of Certificates. Upon (i) notarized written request by the recipient of Water Credit Certificates previously issued by the BWD ("Certificate Holder"), (ii) submission of the original Water Credit Certificates to the BWD, and (iii) payment of an administrative fee of \$500 per transaction, the BWD will re-issue Water Credit Certificates to such persons or entities and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by the Certificate Holder) as may be designated by the Certificate Holder. The request must list the actual sale price of the water credit(s) being transferred.

5. MISCELLANEOUS

A. The BWD recognizes all Water Credit types set forth in Section 4.B. in satisfaction of the BWD's Mitigation Policy. The County of San Diego may recognize some or none of the Water Credit types.

B. The BWD may purchase Water Credits for its own account from time to time, as it deems necessary to create a bank of Water Credits for developments that must comply with the provisions of this Policy. The Board of Directors shall set the price of the Water Credits at the time that the Water Credits are sold.

C. The BWD shall be responsible to monitor and enforce this Policy, including, but not limited to, regularly monitoring meters on wells located on Property subject to a Water Credit Agreement, regularly inspecting Property enrolled in the program established by this Policy to ensure compliance with the terms of all requirements to maintain the Water Credits, and providing updates to the County, and/or the District's board as to the status of Water Credits issued to the Developer, as may be required.

President of the Board of Directors of
Borrego Water District

Secretary of the Board of Directors of
Borrego Water District

WATER CREDIT TIMELINE

A. ISSUANCE OF CERTIFICATES

	<u>Timeframe</u>	<u>Activity</u>
(1)	At Applicant's discretion	Applicant submits Application Package, including: <ul style="list-style-type: none">• Application (BWD Form 100)• Water Credit Agreement (BWD Form 101)• Right of Entry Agreement (BWD Form 103)• Title report• Administrative fee
(2)	30 days (or more as needed) after (1)	BWD reviews Application Package and confirms active, legal, ongoing, measurable Water Activity and determines whether/what removal or destruction of Water Activity will be required.
(3)	Upon Completion of (2)	BWD signs Water Credit Agreement, issues Conditional Water Credit Certificates and notifies Applicant of any special requirements reasonably imposed by BWD and to be met prior to issuance of Water Credit Certificates.
(4)	At Applicant's discretion	Applicant signs and submits Grant of Exclusive Groundwater Easement (BWD Form 102) to the BWD. Applicant disengages well(s), as applicable. Applicant removes/destroys Water Activity. Applicant complies with other requirements identified by BWD.
(5)		Applicant pays administrator fee.
(6)	Upon confirmation of actions under (4)	BWD issues Water Credit Certificates to Applicant or Applicant's designee identified in a notarized writing ("Certificate Holder"), accompanied by Form 104.

B. TRANSFER OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(7) At Certificate Holder's discretion	Certificate Holder submits original Water Credit Certificates along with administrative fee and notarized written request to the BWD to reissue the Water Credit Certificates to such persons and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by Certificate Holder) as designated by Certificate Holder.
(8) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, voids the same and prepares new Water Credit Certificates per the Certificate Holder's written request.

C. REDEMPTION OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(9) At Certificate Holder's discretion and not less than 30 days prior to County issuance of building permits.	Certificate Holder submits original Water Credit Certificates along with written request to the BWD to redeem the Water Credit Certificates as mitigation for the development specified in the Certificate Holder's written request.
(10) 10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, marks the Water Credit Certificates "REDEEMED," notes the same on the Water Credit Certificate Log and issues a letter to the County identifying the quantity of acre-feet per year redeemed by the Certificate Holder.

APPLICATION FOR WATER CREDIT CERTIFICATE
(BWD Form 100)

Borrego Water District
Board of Directors
PO Box 1870
Borrego Springs, CA 92004

ATTENTION: General Manager

Name: _____

Mailing Address: _____

Phone Number: _____

Assessor's Parcel Number: _____ Acreage: _____

Address of Property: _____
(if applicable)

Crop cultivation:

Date Cultivation Commenced (must be prior to 4/9/03)	Water Activity (crop, turf, etc.)	Area	For BWD Use Only
			Water Entitlement Quantity
1.	2.	3.	4.
5.	6.	7.	8.
9.	10.	11.	12.
13.	14.	15.	16.

Current Water Provider: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct of my own personal knowledge.

Name of Applicant*/Agent*

Date

Name of Applicant/Agent

Date

* All legal owners of the property must sign

NSF Proposal Research Plan Summary

NSF 13-535: Water Sustainability and Climate (WSC)

Proposal Due: September 10, 2013 5:00 PM (PDT)

Submitting Organization: Steele/Burnand Anza-Borrego Desert Research Center, University of California, Irvine (see <http://nrs.ucop.edu/reserves/anza-borrego/anza-borrego.htm>).

Location: The objective is to use a systems science and engineering approach to develop an applied science framework for predictive understanding for water sustainability in the Borrego Basin. The challenge is for these models to incorporate climate variability due to abrupt climate change and a severe groundwater overdraft situation.

Background: The Borrego Valley Groundwater Basin (BVGB), a Pleistocene era water deposit is presently the community's sole source of water. Today, annual withdrawals exceed replenishment by more than 4 to 1. The California Department of Water Resources (DWR) estimates that more than 450,000 acre-feet of water have been overdrawn in Borrego Valley since 1945 (an acre-foot of water is equal to 325,851 gallons). The current rate of groundwater pumping produces an average annual overdraft of about 15,000 acre-feet of water per year. This rate of overdraft is equivalent to about 1,500 40-foot-long tanker trucks of water leaving the Borrego Valley up the Montezuma Grade every day. At the current rate of use, the groundwater supply is not sustainable.

Research Plan: The overarching goal of this NSF grant project is to develop with the Borrego community a sustainable managed plan for the Borrego Valley Groundwater Basin (BVGB) in the context of a future hotter/drier climate.

In this context, a managed basin plan includes:

- A negotiated, agreed-upon *plan* to address the overdraft that is feasible, quantifiable, and measurable, that describes in writing what, by when, for how much, who is accountable, what metrics will be used to measure success, and includes the process to make mid-course corrections from the initial plan;
- A deliberative body with the *authority* to enforce the negotiated plan: this enforcement authority is typically established either with legislation or through the courts;
- A *mechanism* to pay for implementing the plan. The *plan* must have adequate funding to produce desired, agreed-upon results.

This is a true partnership between community stakeholders that have framed the problem, a university research system that has the capacity to assist in decision making through scholarship, and State agencies that have developed guidelines to produce an Integrated Regional Water Management (IRWM) plan. Emerging from this goal is a documentation of *best processes* for adapting plans associated with water resource management.

The research program proposed in this effort will tackle the grand challenge of understanding the functionality of decision making for sustainability. Thus, the site-specific activities are framed in a context that allows for extending findings to other basins, regions, and natural

resource-use topics. The grand challenge is motivated by the observation that there has been little action on developing a basin management plan despite the consensus on future scenarios associated with existing data on groundwater use and the scale of the overdraft for an extended period of time.

Importantly this research program will be one that is co-generated. The academic research will be guided by the collective input of the community stakeholders interacting with the university community. Thus, the outcome will be valuable deliverables for *all* participants – for example, Borrego Springs will move towards functionality in decision making, while academic scientists will produce knowledge on a challenge that is highly transferable and represents a general need in society (e.g., why don't people act in a timely fashion on scientific knowledge?).

Research Areas:

- (1) The functionality of decision-making: what are the socio-cultural and economic features governing this basin? (Olson, Brooks, Elyachar, Boellstorff, Kimball, Coons)
- (2) The coupled human/physical/biological system model – where are the real risks in our understanding and representation of system behavior? (Famiglietti, Bijoor, Thomas, Huxman, Detwiler)
- (3) Shared development of knowledge networks and governance structures – which intervention features of this research program result in effective use of science in decision-making? (Feldman, Reyes, Coons, Olson, Vrugt?)

Participating Faculty Members: Huxman, Kimball (Center for Environmental Biology); Olson, Boellstorff, Brooks, Elyachar (Anthropology); Famiglietti, Bijoor, Thomas (Center for Hydrologic Modeling); Detwiler (Subsurface Processes Laboratory); Feldman (Planning, Policy and Design); Reyes, Coons (Environment Institute); Comacho, Robinson-Dorn (Center for land, Environment, and Natural Resources), Jiang (Civil and Environmental Engineering).

Deliverables:

- 7/11/13 Signed Letter of Support from Borrego Water Coalition Members
- 7/15/13 (Stakeholders >>> UCI) Comments, questions, suggestions from the BWC Meeting will be returned to UCI no later than 7/15/13.
- 7/29/13 (UCI >>> Stakeholders) With feedback from the BWC, UCI will circulate a rough draft of the proposal to the large group that attended the May 17th meeting. Stakeholders would be given one week to submit via email any comments, questions, suggestions.
- 8/9/13 Presentation of the complete proposal, including management plan, data management plan, etc. to the entire stakeholder group (likely at the Steele/Burnand Anza-Borrego Desert Research Center).

Language for Letter of Collaboration:

To: NSF WSC Program

From: _____ ****Program Officer****(Printed name of the individual collaborator or name of the organization and name of the official submitting this memo)

By signing below (or transmitting electronically), I acknowledge that I am listed as a collaborator on this WSC proposal, entitled “WSC-Category X: The Functionality of Decision for Water Sustainability” with Travis Huxman as the Principle Investigator. I agree to undertake the tasks assigned to me or my organization as described in the project description of the proposal. I also commit to provide or make available the resources specified therein.

Signed: _____

Organization: _____

Date: _____

Criteria – Letters of Collaboration:

This supplementary documentation should include any letters of collaboration from individuals or organizations that are integral parts of the proposed project, (such as the involvement of collaborator organizations that are not supported by sub awards) or documentation of permission to access sites, materials, or data for research or other associated project activities. Letters of collaboration should focus solely on affirming that the individual or organization is willing to collaborate on the project as specified in the project description of the proposal for the duration of the project. No additional text, praiseworthy statements or elaboration of the nature of activities to be undertaken by the collaborator and endorsements of the potential value or significance of the project for the collaborator, may be included. Letters of collaboration are not required for any individual designated as a principal investigator or senior personnel (and having a biosketch), nor are letters of collaboration required for any organization that will be a subawardee in the proposal budget (inclusion of biographical sketches and current and pending support statements for individuals and subaward budgets for organizations are considered to be implicit statements affirming involvement in the proposed project). **However, individuals and organizations providing letters of collaboration must be included in the COI matrix (see below).**

RESOLUTION NO. 2013-06-02

***RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT RESTATING AND
ADOPTING A STATEMENT OF INVESTMENT POLICY***

WHEREAS, the Board of Directors (“Board”) of the Borrego Water District (the “District”) desires to rescind Resolution No. 2012-6-3 dated June 27, 2012 and adopt an Annual Statement of Investment Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District that the following is the investment policy of the Borrego Water District:

INVESTMENT POLICY:

1. Annual Statement of Investment Policy:

In accordance with the California Government Code, the District Treasurer will render an annual statement of investment policy to the Board of Directors. The Board will review and affirm or amend the policy at that time.

2. Investment Objectives:

- a. **Safety:** It is the primary duty and responsibility of the Treasurer to protect, preserve and maintain the cash and investments placed in his trust on behalf of the citizens of the community.
- b. **Liquidity:** an adequate percentage of the portfolio should be maintained in liquid short-term securities, which can be converted to cash if necessary to meet disbursement requirements.
- c. **Yield:** Yield should become a consideration only after the basic requirements of safety and liquidity have been met.

3. Investment Policy:

- a. **Collateralization:** The District requires banks or savings and loans to collateralize investments in excess of FDIC amounts, currently insured up to \$250,000, with government securities valued at 110% of the amount of deposit with said bank or savings and loan. Said collateral is to be held in an independent safekeeping account in the District’s name.

STATE OF CALIFORNIA)

)

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 No. 2013-06-02 was duly adopted by the Board of Directors of said District at the Regular Meeting of the Board of Directors held on June 26, 2013, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Marshal Brecht, Secretary
Board of Directors Borrego Water District

(SEAL)

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. 2013-06-02 of said Board, and that the same has not been amended or repealed.

Dated: June 26, 2013

Marshal Brecht, Secretary
Board of Directors Borrego Water District

(SEAL)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
1	BWD Loan Schedules																					
2																						
3	Scenario #1: Do nothing																					
4																						
5			10 year total>>>																			
6			25 Year total>>>																			
7				4.5%																		
8				4.5%																		
9				4.5%																		
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86	1/8/2022 Payment		20,229					1/8/2022 Payment								1/8/2022 Payment							
87	4/1/2022 Interest only				33,750			4/1/2022 Interest only					33,750			4/1/2022 Interest only					33,750		
88	4/8/2022 Payment		20,229					4/8/2022 Payment								4/8/2022 Payment							
89						329,254	2022-2023					186,710		435,048	2022-2023					155,773		404,111	2022-2023
90	7/1/2022 Payment		20,229					7/1/2022 Payment								7/1/2022 Payment							
91	7/8/2022 Payment				218,750			7/8/2022 Payment				218,750				7/8/2022 Payment					218,750		
92	10/1/2022 Payment		20,229					10/1/2022 Payment								10/1/2022 Payment							
93	10/8/2022 Payment		20,229					10/8/2022 Payment								10/8/2022 Payment							
94	1/8/2023 Payment		20,229		29,588			1/8/2023 Payment					29,588			1/8/2023 Payment					29,588		
95	4/1/2023 Interest only							4/1/2023 Interest only								4/1/2023 Interest only							
96	4/8/2023 Payment		20,229					4/8/2023 Payment								4/8/2023 Payment							
97						335,591	2023-2024					186,710		441,385	2023-2024					155,773		410,448	2023-2024
98	7/1/2023 Payment		20,229					7/1/2023 Payment								7/1/2023 Payment							
99	7/8/2023 Payment				229,588			7/8/2023 Payment				229,588				7/8/2023 Payment					229,588		
100	10/1/2023 Payment		20,229					10/1/2023 Payment								10/1/2023 Payment							
101	10/8/2023 Payment		20,229					10/8/2023 Payment								10/8/2023 Payment							
102	1/8/2024 Payment		20,229		25,088			1/8/2024 Payment					25,088			1/8/2024 Payment					25,088		
103	4/1/2024 Interest only							4/1/2024 Interest only								4/1/2024 Interest only							
104	4/8/2024 Payment		20,229					4/8/2024 Payment								4/8/2024 Payment							
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106						1,395,501	2024-2041							0	2024-2041								
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	C	D	AD	AE	AF	AG	AH	AJ
1	BWD CASH FLOW							
2	2013-2014							
3			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED
4			BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
5			2012-2013	2013	2013	2012-2013	2012-2013	2013
6	REVENUE							
7	WATER REVENUE							
7	Residential Water Sales (Assume no water use on Montezoro GC)		797,310	61,713	71,198	637,714	724,693	86,978
8	Commercial Water Sales		112,548	8,570	9,292	94,417	102,938	8,521
9	Irrigation Water Sales		134,297	9,116	9,803	117,048	130,080	13,032
10	GWM Surcharge		103,204	7,695	8,830	82,360	91,562	9,202
11	Water Sales Power Portion		331,621	25,505	28,802	271,881	301,933	30,053
12	Readiness Water Charge -15% increase		986,046	77,047	81,000	862,475	943,475	81,000
13	Readiness Water Charge - Liened properties		0	3,132	3,252	28,808	32,060	3,252
14	Meter Installation		0	5,565	0	9,605	9,605	0
15	Water hook-up charge		0	0	0	-	-	0
16	Reconnect Fees		11,000	340	680	8,840	8,840	0
17	Backflow Testing/installation		5,000	0	0	4,550	4,550	0
18	Bulk Water Sales		3,570	0	1,470	4,965	5,065	100
19	Penalty & Interest Water Collection		32,252	1,326	1,000	12,676	13,676	1,000
20	TOTAL WATER REVENUE:		2,516,848	200,010	215,327	2,135,339	2,368,477	233,138
21		Receivables						
22	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 06/04/13						
23	641500 1% Property Assessments	3,608	68,174	7,882	7,882	63,121	64,388	1,267
24	641502 Property Assess wtr/swr/flid (679 parcels \$66 ea(44,814))	28,991	24,985	5,340	5,340	23,868	24,795	927
25	641502/641503 Prop Assess. (Allowance for bad debt (\$458,909))	681,524	0	0	0	-	-	0
26	641501 Water avail Standby	22,369	78,918	14,332	14,332	84,869	89,025	4,156
27	641504 ID 3 Water Standby (361 parcels \$37.70 parcel (13,609.7))	0	13,609	0	0	-	-	0
28	641504 ID 3 Water Standby-(La Casa-2 parcels= \$20,150)	3,376	19,495	2,254	2,254	34,565	35,055	490
29	641503 Pest standby	17,873	14,183	2,597	2,597	14,921	15,444	523
30	TOTAL PROPERTY ASSES/AVAIL CHARGES:	757,741	219,364	32,405	32,405	221,344	228,706	7,362
31								
32	SEWER SERVICE CHARGES							
33	Town Center Sewer Holder's Fees		180,144	14,274	14,200	159,225	173,425	14,200
34	Town Center Sewer User Fees			3,160	3,160	12,640	15,800	3,160
35	Sewer user Fees		309,790	21,945	22,000	256,104	278,104	22,000
36	Sewer-liened		0	268	268	535	803	268
37	Penalty Interest-Sewer		1,200	93	100	984	1,084	100
38	Sewer Capacity Fees		0	0	0	-	-	0
39	TOTAL SEWER SERVICE CHARGES:		491,134	39,740	39,728	429,487	469,215	39,728
40								
41	OTHER INCOME							
42	Rent Income-Antilles wireless		7,715	0	0	6,822	6,822	0
43	Annexation Fees		0	0	0	-	-	0
44	Fire Hydrant Installation		0	0	0	-	-	0
45	Miscellaneous Income (net csd fee/JPIA rebate)		13,000	131	120	8,114	8,234	120
46	Administrative Fee-Water Credits		1,000	0	0	-	-	0
47	Gain on asset sold -Sale of Package Plant		0	0	0	36,000	36,000	0
48	Sale of Clark Dry Lake Property/Communication tower		0	0	0	217,335	217,335	0
49	Stag Grant		0	0	0	-	-	0
50	Interest Income		200	5	11	129	140	11
51	TOTAL OTHER INCOME:		21,915	136	131	268,400	268,531	131
52								
53	TOTAL INCOME:		3,249,262	272,291	287,591	3,054,570	3,334,929	280,359
54								
55	CASH BASIS ADJUSTMENTS							
56	Decrease (Increase) in Accounts Receivable		0	5,088		(25,990)	(25,990)	
57	CC Golf Equipment receivable		2,268	189	189	2,080	2,269	189
58	Other Cash Basis Adjustments-Coljen LMTD deposit			3,216		30,499	30,499	
59	TOTAL CASH BASIS ADJUSTMENTS:		2,268	8,493	189	6,589	6,778	189
60						6,589		
61	TOTAL INCOME RECEIVED:		3,251,530	280,783	287,780	3,061,159	3,341,706	280,548

	C	D	AD	AE	AF	AG	AH	AJ
1	BWD CASH FLOW							
2	2013-2014							
3			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED
4			BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
62			2012-2013	2013	2013	2012-2013	2012-2013	2013
63	EXPENSES							
64	MAINTENANCE EXPENSE							
65	R & M Buildings & Equipment		130,000	43,008	10,500	136,761	144,967	8,206
66	R & M - WWTP		60,000	2,275	5,000	27,809	32,809	5,000
67	Telemetry		15,000	0	1,000	9,904	10,904	1,000
68	Trash Removal		3,600	371	300	3,484	3,784	300
69	Vehicle Expense		12,000	1,239	500	22,321	22,821	500
70	Fuel & Oil		35,000	3,717	2,300	27,916	30,899	2,983
71	TOTAL MAINTENANCE EXPENSE:		255,600	50,610	19,600	228,194	246,183	17,989
72								
73	PROFESSIONAL SERVICES EXPENSE							
74	Accounting (Taussig)		4,000	339	1,500	755	755	0
75	Administrative Services (ADP/Bank Fees)		5,000	442	420	5,109	5,523	414
76	Audit Fees		26,000	0	4,813	21,150	21,150	0
77	Computer billing		9,000	0	650	6,656	7,956	1,300
78	Consulting/Technical		1,500	0	0	166	166	0
79	Engineering		10,000	1,013	500	4,845	5,445	600
80	Legal Services		10,000	2,002	300	17,567	17,867	300
81	Testing/lab work		28,000	1,685	3,600	17,438	20,091	2,654
82	Regulatory Permit Fees		45,000	2,513	3,000	35,564	38,564	3,000
83	TOTAL PROFESSIONAL SERVICES EXPENSE:		138,500	7,993	14,783	109,249	117,517	8,268
84								
85	INSURANCE/INTEREST EXPENSE							
86	ACWA Insurance		72,000	0	0	74,050	74,050	0
87	Workers Comp		19,200	0	0	14,205	19,005	4,800
88	Interest-COP 2008/Well 12 Purchase Agreement		225,072	0	0	225,071	225,071	0
89	TOTAL INSURANCE/INTEREST EXPENSE:		316,272	0	0	313,326	318,126	4,800
90								
91	PERSONNEL EXPENSE							
92	Board Meeting Expense (board stipend/board secretary)		9,130	535	1,200	8,360	9,560	1,200
93	Salaries & Wages (gross)		825,000	86,038	63,750	837,141	900,891	63,750
94	Taxes on Payroll		19,251	1,277	1,000	20,100	21,080	980
95	Medical Insurance Benefits	+8% Jan-June 2014	223,000	19,027	18,747	200,720	219,467	18,747
96	Calpers Retirement Benefits		177,240	11,892	14,000	156,418	170,418	14,000
97	Salaries & Wages contra account		(24,000)	(495)	(1,200)	(12,663)	(13,863)	(1,200)
98	Conference/Conventions/Training/Seminars		7,500	110	150	9,168	9,318	150
99	TOTAL PERSONNEL EXPENSE:		1,237,121	118,385	97,647	1,219,245	1,316,872	97,627
100								
101	OFFICE EXPENSE							
102	Office Supplies		18,000	2,716	1,000	23,630	24,630	1,000
103	Office Equipment/ Rental/Maintenance Agreements		26,000	3,059	1,600	30,209	30,209	0
104	Postage & Freight		11,000	0	0	10,166	12,166	2,000
105	Taxes on Property		2,300	0	0	2,150	2,150	0
106	Telephone/Answering Service		8,500	868	700	7,439	8,139	700
107	Bad Debt Collection		1,000	(15)	100	7,203	7,303	100
108	Dues & Subscriptions		5,000	860	0	2,655	3,315	660
109	Printing, Publications & Notices		1,500	97	343	1,784	1,944	160
110	Uniforms		6,500	348	550	5,531	6,081	550
111	Osha Requirements/Emergency preparedness		5,000	154	200	1,149	1,449	300
112	TOTAL OFFICE EXPENSE:		84,800	8,087	4,493	91,915	97,385	5,470
113								
114	UTILITIES EXPENSE							
115	Pumping-Electricity		330,000	23,259	25,000	288,141	318,141	30,000
116	Office/Shop Utilities		16,000	1,411	1,200	15,856	17,106	1,250
117	Cellular Phone		9,000	1,173	825	8,530	9,355	825
118	TOTAL UTILITIES EXPENSE:		355,000	25,843	27,025	312,527	344,602	32,075
119						312,527	344,602	
120	TOTAL EXPENSES:		2,387,292	210,918	163,548	2,274,456	2,440,685	166,229
121								
122	CASH BASIS ADJUSTMENTS							
123	Decrease (Increase) in Accounts Payable		0	14,890		(1,526)	(1,526)	
124	Increase (Decrease) in Inventory		0	1,889		23,992	23,992	
125	Other Cash Basis Adjustments					543	543	
126	TOTAL CASH BASIS ADJUSTMENTS:		0	16,779	0	23,009	23,009	0
127						23,009		
128	TOTAL EXPENSES PAID:		2,387,292	227,697	163,548	2,297,465	2,463,694	166,229
129								
130	NET CASH FLOW (O&M)		864,237	53,087	124,232	763,694	878,013	114,319

	C	D	AD	AE	AF	AG	AH	AJ
1	BWD CASH FLOW							
2	2013-2014		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED
3			BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
4			2012-2013	2013	2013	2012-2013	2012-2013	2013
131	NON O & M. EXPENSES							
132	USGS Basin study (\$69,795 balance)		131,035		20,768	51,373	100,401	49,028
133	GWM Planning Costs - legal		25,000	1,215	1,500	12,786	14,286	1,500
134	Integrated Regional Water Management Plan/Staff time		0			2,695	2,695	
135	STAG/LGA Grant/Staff time		0			923	923	
136	Viking Ranch Purchase		0			-	-	
137	Viking Ranch Purchase RESERVE		100,000			-	-	
138	GWM/ABD-IRWM Legal Expenses		0			2,287	2,287	
139	Contingency for possible well pump/motor failure		62,000			133,040	133,040	
140	Rams Hill #1 1980 steel needs inside coating, 1.25mg		200,000		100,000	4,590	4,590	
141	800 Tank		0		63,000	-	63,000	63,000
142	Twin Tanks, 1970's-inside coating (rescheduled into 2013-2014)		0			-	-	
143	Pickup		15,000			15,500	15,500	
144	ID4, Reducing Station design and installation		25,000			-	-	0
145	Fairway Lane pipeline (excludes BWD labor)		60,000			-	60,000	60,000
148	Concrete replacement/Repairs-WWTP		10,000			-	-	
149	Rework drying bed material-WWTP		43,000			43,830	43,830	
150	Roof replacement for Lugo building/repairs		10,000	6,062	7,024	9,038	9,038	
151	Pipeline-Country Club Road Booster Sta #3 south to Slash M					-	-	
152	Fire Hydrant Replacements					-	-	
153	Rewind motors-ID 4-11/ID4-18/ID1-10					-	-	
154	ID 1-16 pump and casing cleaning					-	-	
155	WWTP-Shredder Cutters/Motor & Gear reducers/return pump					-	-	
156	WWTP-Video Collection Lines					-	-	
157	WWTP-Sewer vacuum trailer					-	-	
158	TOTAL NON O&M EXPENSES		681,035	7,277	192,292	276,062	449,590	173,528
159								
160	CASH RECAP							
161	Cash beginning of period		899,435	1,341,257	1,341,257	899,435	899,435	1,387,067
162	Net Cash Flow (O&M)		864,237	53,087	124,232	763,694	878,013	114,319
163	Total Non O&M Expenses		(681,035)	(7,277)	(192,292)	(276,062)	(449,590)	(173,528)
164	Transfer To/From Reserves			0		-	0	
165	CASH AT END OF PERIOD		1,082,637	1,387,067	1,273,197	1,387,067	1,327,858	1,327,858
166	Cash allocated for Viking reserves						(100,000)	
167	Coljen LMTD deposit net expenditures						(30,499)	
168	CASH AFTER ALLOCATION FOR RESERVES/DEPOSIT						1,197,359	
169								
170								
171	RESERVES		TARGET					
172	Working Capital (3 months)		600,000					
173	Contingency (3%)		72,000					
174	Asset replacement		115,000					
175	Emergency		2,500,000					
176	Viking Ranch		100,000					
177	TOTAL RESERVES		3,387,000					
178								
179	SIGNIFICANT ITEMS	ACTUAL	PROJECTED					
180								
181	R & M Buildings & Equipment	43,008	10,500	Water main break-repave Palm Canyon (\$32,000)				
182	Salaries & Wages (gross)	86,038	63,750	Retirement vac/sick pay out				
183								
184	Total Significant Items:	129,046	74,250					
185								



BORREGO WATER DISTRICT

	BALANCE SHEET May 31, 2013 (unaudited)	BALANCE SHEET April 30, 2013 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,387,067.13	\$ 1,341,257.20	\$ 45,809.93
Accounts receivable from water sales and sewer charges	\$ 399,526.64	\$ 404,614.58	\$ (5,087.94)
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 159,786.42	\$ 157,897.81	\$ 1,888.61
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	\$ 4,730.20	\$ 4,919.40	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 2,073,875.93	\$ 2,031,454.53	\$ 42,421.40
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	\$ 61,881.00	\$ 28,206.55	\$ 33,674.45
Total Trust fund	\$ 61,881.00	\$ 28,206.55	\$ 33,674.45
TOTAL RESTRICTED ASSETS	\$ 319,873.84	\$ 286,199.39	
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	\$ 190,816.03	\$ 184,754.09	\$ 6,061.94
Sewer Facilities	\$ 5,548,935.59	\$ 5,548,935.59	\$ -
Water facilities	\$ 11,019,084.17	\$ 11,019,084.17	\$ -
Pipelines,wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,009,059.92	\$ 1,009,059.92	\$ -
Equipment and furniture	\$ 341,132.18	\$ 341,132.18	\$ -
Vehicles	\$ 495,572.91	\$ 495,572.91	\$ -
Accumulated depreciation	\$ (10,395,326.24)	\$ (10,395,326.24)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,616,271.10	\$ 14,610,209.16	\$ 6,061.94
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 17,195,020.87	\$ 17,112,863.08	\$ 82,157.79

Balance sheet continued

	BALANCE SHEET May 31, 2013 <small>(unaudited)</small>	BALANCE SHEET April 30, 2013 <small>(unaudited)</small>	MONTHLY CHANGE <small>(unaudited)</small>
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 99,060.91	\$ 84,170.75	\$ 14,890.16
Accrued expenses	\$ 168,546.27	\$ 168,546.27	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 56,354.93	\$ 53,139.25	\$ 3,215.68
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 323,962.11	\$ 305,856.27	\$ 18,105.84
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 61,881.00	\$ 28,206.55	\$ 33,674.45
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 61,881.00	\$ 28,206.55	\$ 33,674.45
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	\$ 3,856,569.63	\$ 3,804,789.34	\$ 51,780.29
FUND EQUITY			
Contributed equity	\$ 9,649,544.17	\$ 9,649,544.17	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,688,907.07	\$ 3,658,529.57	\$ 30,377.50
Total retained earnings	\$ 3,688,907.07	\$ 3,658,529.57	\$ 30,377.50
TOTAL FUND EQUITY	\$ 13,338,451.24	\$ 13,308,073.74	\$ 30,377.50
TOTAL LIABILITIES AND FUND EQUITY	\$ 17,195,020.87	\$ 17,112,863.08	\$ 82,157.79



BORREGO WATER DISTRICT

Treasurer's Report May, 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	\$ 1,234,860	\$ 1,229,064	\$ 1,229,064	88.61%	0.00%	N/A	WFB/BSB
Payroll Account	\$ 37,711	\$ 36,729	\$ 36,729	2.65%	0.01%	N/A	WFB
LAIF	\$ 20,864	\$ 20,864	\$ 20,864	1.50%	0.28%	N/A	LAIF
MMA	\$ 100,410	\$ 100,410	\$ 100,410	7.24%	0.05%	N/A	WFB

Total Cash and Cash Equivalents	\$ 1,393,846	\$ 1,387,067	\$ 1,387,067	100.00%			
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Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 61,881	\$ 61,881	\$ 61,881				
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Total Cash, Cash Equivalents & Investments	\$ 1,455,727	\$ 1,448,948	\$ 1,448,948				
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Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 26, 2013.

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 May, 2013

A. Vendor disbursements paid during this period:		\$ 147,854.55
<u>Significant items:</u>		
Utilities	\$	24,314.23
CalPERS Payments	\$	13,981.12
Employee Health Benefits	\$	20,088.48
B. Capital Projects/Fixed Asset Outlays:		
<i>(included in vendor disbursements paid above)</i>		
Roof Repair-Stirrup Road	\$	6,061.94
Joes Paving-Road paving Palm Canyon Water Main Break	\$	32,820.00
C. Total Professional Services for this Period:		
<i>(included in vendor disbursements paid above)</i>		
McDougal, Love, Eckis, Attorneys	\$	2,028.54
	Legal-general	
	Legal-deposits	
	Total Invoice:	2,028.54
Downey Brand, Attorneys	\$	584.00
	Legal-deposits	
	Legal-GWM	
	Total Invoice:	584.00
Dynamic Consulting Engineers	\$	1,012.50
	Engineering-general	
	Engineering-deposits	
	Total Invoice:	2,767.50
D. Payroll for this Period:		
Gross Payroll	\$	86,037.94
Employer Payroll Taxes and ADP Fee	\$	1,428.25
Total	\$	87,466.19

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 MAY 31, 2013

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18447	06/07/13	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	3,900.84
18433	05/29/13	3E COMPANY ANNUAL RENEWAL MSDS HOTLINE	632.50
18434	05/29/13	ABC CONSTRUCTION REFUND DEPOSIT TO ABC CONST.	850.00
18419	05/16/13	ABILITY ANSWERING/PAGING SER ANSWERING & PAGING SERVICE FOR APRIL	250.10
18486	06/11/13	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE MAY 2013	148.84
18420	05/16/13	ACWA/JPIA EMPLOYEE BENEFITS PE: 06/01/13 - 07/01/13	20,088.48
18435	05/29/13	AFLAC MONTHLY PREMIUM	1,749.60
18448	06/07/13	AIR POLLUTION INVOICE FOR DISTRICT FEES APCD2012-SITE-00913	356.00
18449	06/07/13	ALLIED WASTE SERVICES #467 WASTE SERVICE 3155 HONOR COURT	2,480.00
18450	06/07/13	AMERICAN LINEN INC. UNIFORM SERVICE	348.00
18451	06/07/13	AT CONFERENCE CONFERENCE CALLS	42.45
18452	06/07/13	AT&T MOBILITY COMPANY CELL PHONES	999.19
18453	06/07/13	AT&T-CALNET 2 7607674230 WWTP PHONE MAIN OFFICE PHONE MAINT SHOP PHONE	310.28
18454	06/07/13	B & J EARTHWORKS ASSIST WITH WATER MAIN REPAIR	1,490.00
18436	05/29/13	BAY CITY ELECTRIC WORKS TROUBLESHOOT TRANSFER SWITCH AT WWTP	965.68
18421	05/16/13	BORREGO LANDFILL LOAD TAKEN TO LANDFILL	84.21
18455	06/07/13	BORREGO SPRINGS BOTTLED WATER DISPENSER RENTAL	8.00
18456	06/07/13	BORREGO SUN ADVERTISEMENT RATE INCREASE	55.25
18457	06/07/13	CANNON,NANCY & PETE REFUND ACCT# 7900250	135.22
18418	05/16/13	COUNTY OF SAN DIEGO RENEWAL FACILITY PERMIT DEH2002-HUPFP-105388 PE: 1/31/13-1/31/14 PETROLEUM STORAGE	1,166.00

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 MAY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
18487	06/11/13	COUNTY OF SAN DIEGO PERMIT RENEWAL WELL #11 PERMIT RENEWAL WILCOX	584.00
18422	05/16/13	COUNTY OF SAN DIEGO EXCAVATION PERMITS PE: 11/16/12-4/30/13	333.33
18488	06/11/13	DAVID TAUSSIG & ASSOCIATES, INC CONSULTING SERVICES	328.81
18458	06/07/13	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	263.55
18423	05/16/13	DEBBIE MORETTI PEST CONTROL	113.00
18437	05/29/13	CDPH-OCF CERTIFICATION RENEWAL R. GREG HOLLOWAY	60.00
18438	05/29/13	DESERT TIRE CENTER VEHICLE MAINTENANCE GMC CANYON	307.22
18424	05/16/13	DIANA DEL BONO REIMBURSE FOR NOTARY FILING FEES PLUS MILEAGE	137.23
18439	05/29/13	DOWNNEY BRAND GWM ATTORNEY FEES	584.00
18459	06/07/13	DYNAMIC CONSULTING ENGINEERS ENGINEERING ASSISTANCE	2,767.50
18460	06/07/13	E.S. BABCOCK & SONS, INC. WATER SAMPLES	1,640.00
18461	06/07/13	ESRI, INC. MAINTENANCE AGREEMENT	740.00
18489	06/11/13	FIREFORCE INC. SERVICE FIRE EXTINGUISHERS	1,053.98
18462	06/07/13	GREEN DESERT LANDSCAPE MANAGEMENT FEE, CLUB CIRCLE MAY	5,210.80
18463	06/07/13	GREG HOLLOWAY REIMBURSE FOR PURCHASES MADE ON PERSONAL CCARD FOR GOLF CART MAINTENANCE	853.24
18425	05/16/13	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAIL	6,188.97
18490	06/11/13	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	1,160.22
18440	05/29/13	JANICE R. NARAGON TRANSLATION SERVICES	41.80
18491	06/11/13	JOE'S PAVING CO. INC. PAVING FROM MAIN BREAK	32,820.00
18426	05/16/13	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	1,620.99
18441	05/29/13	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	960.95
18464	06/07/13	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES 5102975, 5103198	1,135.49
18427	05/16/13	KONICA MINOLTA INSTALLMENT ON COPIER	

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
MAY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		4/25/13 - 5/24/13	1,352.43
18465	06/07/13	McCALLS METERS, INC	
		3/4" METERS FOR INVENTORY	3,013.21
18428	05/16/13	McDOUGAL LOVE ECKIS	
		LEGAL FEES APRIL 2013	703.37
18492	06/11/13	McDOUGAL LOVE ECKIS	
		LEGAL SERVICES	1,325.17
18466	06/07/13	NAPA AUTO PARTS INC	
		VEHICLE MAINTENANCE SUPPLIES	130.21
18467	06/07/13	PACIFIC PIPELINE SUPPLY INC	
		INVENTORY PARTS	
		INVENTORY PARTS	
		INVENTORY PARTS	
		INVENTORY REPAIR COUPLINGS	4,112.31
18429	05/16/13	CASH	
		PETTY CASH	300.00
18430	05/16/13	PUBLIC EMP'S RETIREMENT SYSTEM	
		CALPERS EMPLOYEE BENEFITS	7,172.93
18468	06/07/13	PUBLIC EMP'S RETIREMENT SYSTEM	
		EMPLOYEE BENEFITS	
		PE: 05/16/13 - 05/31/13	6,808.19
18431	05/16/13	QUILL CORPORATION	
		OFFICE SUPPLIES	290.14
18442	05/29/13	QUILL CORPORATION	
		OFFICE SUPPLIES	
		OFFICE SUPPLIES	200.06
18469	06/07/13	RAMONA DISPOSAL SERVICE	
		TRASH REMOAL 2475 STIRRUP	
		TRASH REMOVAL 4861 BS ROAD	287.00
18470	06/07/13	RECORDER/COUNTY CLERK'S OFFICE	
		LIEN RELEASE	
		G. CERVANTES, R ARAMBULA	26.00
18443	05/29/13	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	24,083.46
18471	06/07/13	SAN DIEGO GAS & ELECTRIC	
		4275 YAQUI PASS ROAD	230.77
18444	05/29/13	SECAP FINANCE	
		COPIER LEASE	137.49
18493	06/11/13	STAPLES CREDIT PLAN	
		OFFICE SUPPLIES	364.18
18472	06/07/13	STATE OF CALIFORNIA	
		FILING FEE FOR FORM 199	10.00
18445	05/29/13	T.S. INDUSTRIAL SUPPLY	
		WRENCH FOR WASTE WATER PLANT	
		HOSES FOR PORTABLE BOOST PUMP	354.24
18473	06/07/13	TROY DEPRIEST	
		WORK BOOT REIMBURSEMENT	153.68
18494	06/11/13	CYBER SECURITY SOURCE	
		SECURITY LOCKS AND MAINTENANCE	583.29
18474	06/07/13	UNDERGROUND SERVICE ALERT	
		MAY DIG ALERTS	13.50
18475	06/07/13	UNIVAR USA INC.	
		HYPOCHLORITE	865.51
18432	05/16/13	VERIZON WIRELESS	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 MAY 31, 2013

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		EMERGENCY CELL PHONE	97.78
18495	06/11/13	VERIZON WIRELESS	
		EMERGENCY CELL PHONE	76.19
18446	05/29/13	WENDY QUINN	
		RECORDING SERVICES	40.00
18476	06/07/13	ZEP SALES AND SERVICE	
		VEHICLE MAINTENACE SUPPLIES	157.72
		TOTAL	147,854.55

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 brochures					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	USGS quarterly billing					8,310.11		8,310.11		
30	Downy & Brand-Professional fees					658.70		658.70	\$ 8,968.81	MARCH
31	Downy & Brand-Professional fees					1,389.70		1,389.70		
32	USGS quarterly billing					28,260.33		28,260.33	\$ 29,650.03	APRIL
33	McDougal, Love, Eckis-Attorney					26.25		26.25		
34	Downy & Brand-Professional fees					584.00		584.00		
35	DWR Meeting in Sacramento					604.70		604.70	\$ 1,214.95	MAY
36										
37	TOTAL GWM EXPENSES FY 2013:	-	923.20	951.05	1,846.40	66,344.08	-	70,064.73	\$ 70,064.73	

Borrego Water District Management Report – June 2013

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Bureau of Reclamation: Reclamation staff has set up monthly stakeholder meetings to go over the progress of the Southeast California Basin Study. The participating agencies are the Imperial Irrigation District, Coachella Valley Water District, San Diego County Water Authority and BWD.

U.S. Geological Survey: Draft report due before the end of June!

STATE LEVEL

California Department of Water Resources (DWR): District Special Counsel David Aladjem set up a meeting with Deputy Director Dale Hoffman-Floerke on May 8th in Sacramento. The purpose of the meeting was two-fold, one to discuss the future of the Anza Borrego Desert Integrated Regional Water Management (IRWM) Program and two, to discuss the facilitation request for the Borrego Water Coalition. Our unsuccessful attempts at planning grant funding for the IRWM were linked to insufficient stakeholder support. We emphasized the difficulty in finding commonalities with the various groups in our Region and asked to redefine the Regional boundary to a smaller size to better accomplish this task. The DWR has been approached by several groups throughout the State with similar requests and were not comfortable going in that direction. It was suggested that the Region could build a plan in phases, starting with the Borrego Valley Groundwater Basin, then after proving success, moving out to the watershed and then the entire region. This concept could show value in the IRWM process to the outer regional groups and hopefully bring in more stakeholder support. The further facilitation request for the Borrego Water Coalition was also met with a positive response. The formation of the "core water users" was originally facilitated with DWR staff, but as we move into more difficult discussions over the future programs designed to address the overdraft, more professional assistance will be required. We received a positive response from the DWR yesterday (attachment A). The Borrego Water Coalition is making progress and details are outlined at the group's website www.borregowatercoalition.com. Our thanks go out to Linda Haddock and the Chamber of Commerce staff for making the website a reality.

DWR Staff was in the Valley in April to collect water level information. This data is utilized to create groundwater elevation maps (attachment B). Attached is last year's map and we expect to have the 2013 update next month. Local retired groundwater hydrogeologist John Peterson has offered his assistance to collect more data for the DWR and the District. We appreciate the extra help and John will be featured at the July 16th Board Workshop to give a detailed presentation on water levels.

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. The project has been approved and the County is awaiting the signed documents. They anticipate the scheduling of the kickoff meeting in the next few weeks.

DISTRICT LEVEL

A considerable amount of Staff and Director's time has been utilized on studying solutions to the proposals by Mr. Bill Berkley to re-establish the irrigation at the Rams Hill golf course. All outside consulting fees have been covered by Mr. Berkley's developer deposits.

Dan Wright has submitted the necessary paperwork for water credits from the fallowing of citrus trees on his Henderson Canyon Road property. A conditional water credit letter for 113 water credits was issued on June 3rd.

The attached letter went out with the last billing to explain the latest rate increase (attachment C). District staff is doing its best to fill in the gaps from the recent employee layoffs and retirement. We have experienced three water main breaks in the past few weeks. The "high profile" break on Palm Canyon Drive resulted in a \$32K paving expense with compaction testing to ensure the integrity of the road surface was maintained. The County Dept. of Public Works outlined the area of the pavement that required resurfacing and we will have an added expense for their engineering time. We were fortunate enough to have the Borrego Springs Fire Department and local County Road Staff assist with traffic control and we utilized local excavation contractors on the initial repair. Thanks to all who helped out!

District staff will participate in the Chamber of Commerce Emergency Preparedness planning sessions beginning next week. Please utilize this time to evaluate your personal emergency plan - do you have:

- emergency water, food, medications for you and your pets?
- batteries, backup generator (with fuel)?
- emergency notification plan so you know where your family members are?
- do you have elderly/disabled neighbors who will need assistance?

These are just a few things to consider but just try to imagine no power or communication for an extended period of time - being an isolated community we may very well be "on our own" for some time.

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



June 18, 2013

Mr. Jerry Rolwing, Chair
Anza-Borrego Desert IRWMG
806 Palm Canyon Drive
Borrego Springs, California 92004

Dear Mr. Rolwing:

This is in response to your letter dated May 14, 2013 requesting a phased approach to implementing Integrated Regional Water Management (IRWM) in the Anza Borrego Desert Region (ABD Region), and approval of additional facilitation support for the Borrego Water Coalition (BWC).

We agree with your phased approach to stakeholder engagement in the ABD Region, and appreciate the effort undertaken to include outlying communities in the IRWM process. We encourage you to keep these communities informed of your progress, and allow them to participate in a regional stakeholder process in the future if the opportunity arises.

As you may already know, the facilitation review committee approved BWC's application for facilitation support on May 6, 2013. Staff is working with the Center for Collaborative Policy to develop a task order, with the goal of providing support in September 2013.

If you have any questions or wish to discuss this matter further, please contact Mark Stuart Southern Region Office Chief, at (818) 500-1645 or marks@water.ca.gov.

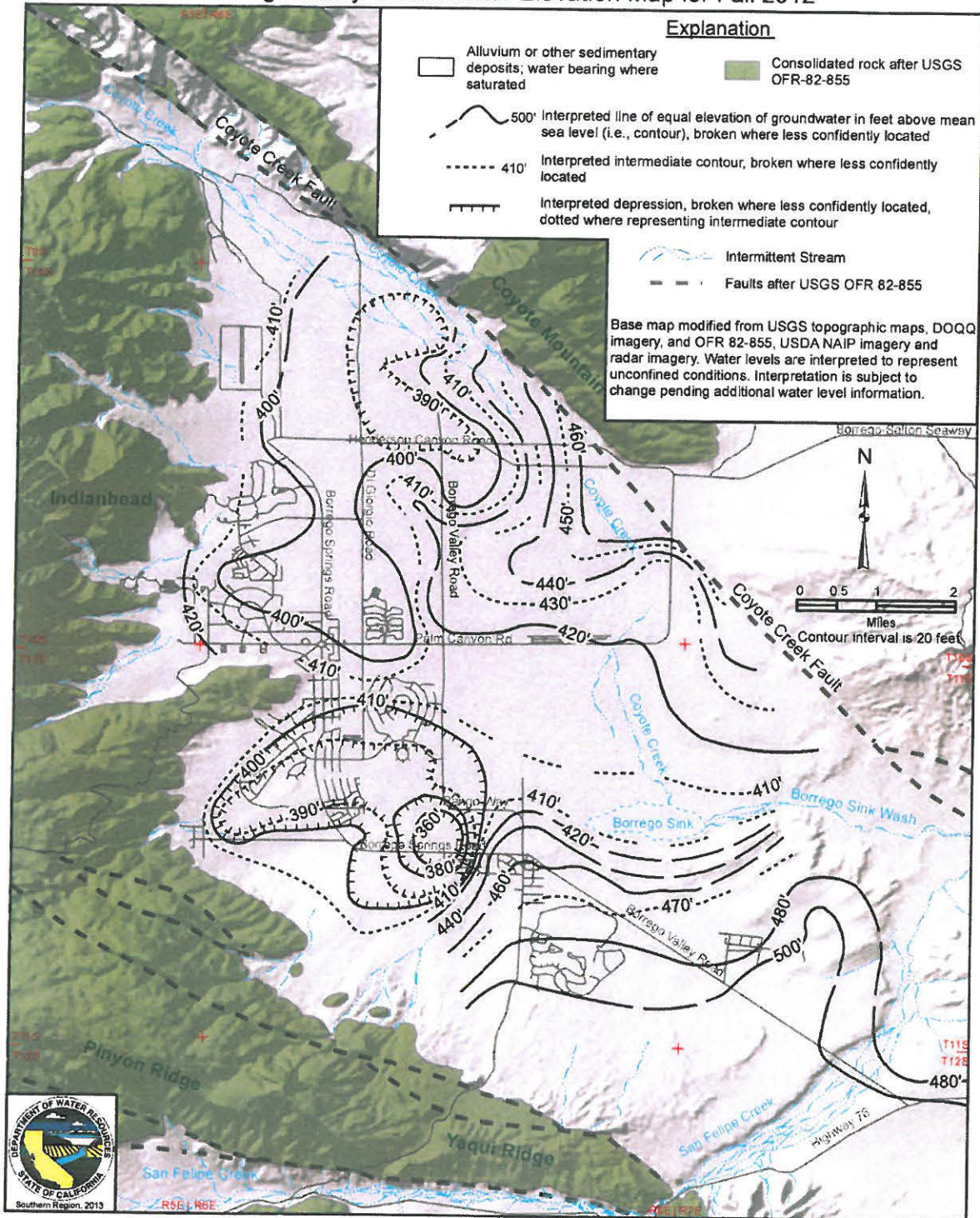
Sincerely,

A handwritten signature in black ink that reads "Dale K. Hoffman Floerke".

Dale K. Hoffman-Floerke
Chief Deputy Director

cc: Mark Stuart, DWR, IRWM SR Glendale
Brian Moniz, DWR, IRWM SR Special Projects
Laura Peters, DWR, IRWM Financial Assistant
David Aladjem, Downey Brand
Paula Landis, DWR, IRWM SJD

Borrego Valley Groundwater Elevation Map for Fall 2012





**BORREGO WATER DISTRICT
NOTICE OF INCREASE -
WATER & SEWER RATES**

NOTICE IS HEREBY GIVEN that the Board of Directors of the Borrego Water District has approved a rate increase through the budget process, which amends the Proposition 218 approved FY 2014 water and sewer rates that would increase FY 2014 rates 15% for the base water rate, 19% for the water commodity rate and 13.75% for sewer rates. These increases will be effective July 1, 2013 and beginning with the August 2013 billing.

More information about the water and sewer rates that have been approved is available at the District's Office located at 806 Palm Canyon Drive, Borrego Springs, California 92004, and on the District's website at www.borregowd.org.

THIS NOTICE IS HEREBY GIVEN by order of the Board of Directors of the Borrego Water District.

Dated: June 1, 2013

Marshal Brecht
Secretary of the Board of Directors
Borrego Water District

A MESSAGE FROM THE GENERAL MANAGER

May 29, 2013

Dear valued customers,

As you are well aware the District has experienced financial setbacks in recent years. The new Board of Directors has been working hard with the staff to restore the agency's financial stability. This has not been an easy task! A combination of cutting expenses and raising rates has resulted in the District keeping its doors open and still able to provide a safe, reliable, water supply. On April 8th our community was devastated by high winds and associated 18 hour power outage. Water continued to flow to your homes and businesses through the entire period due to the upgrades we have made for such emergency situations. Last September the District experienced a series of problems with three of the nine production water wells that we utilize to supply groundwater to your door. To address these unforeseen expenses the District sold some of its assets and realigned our capital improvement program to streamline expenses. This year, once again, we are tightening the budget and raising rates as outlined in the 2011 Proposition 218 Rate Increase program. It is with great regret that the District had to once again reduce staff as part of this process, but we had no other choice. In 2010 the District had 16 employees - today we have 10. In addition, proposed increased electric rates, fuel costs and new State mandated regulations all have negative impacts on our operating budget. Thank you for your cooperation and support as we move forward. If you have any questions, please contact me at the District office, 760/767-5806.

Sincerely,
Jerry Rolwing

Attachment C



**DISTRITO DE AGUA DE BORREGO
(BORREGO WATER DISTRICT)
NOTICIA DE INCREMENTO -
TARIFAS DE SERVICIO DE AGUA POTABLE
Y ALCANTARILLADO**

SE NOTIFICA que la mesa directiva del Distrito de Agua de Borrego ha aprobado un incremento de tarifas a través del proceso de ajustar el presupuesto. El incremento enmienda las tarifas aprobadas según Proposición 218 para el año fiscal 2014. Se aumentarán las tarifas para el año fiscal 2014 el 15% al servicio base de agua, el 19% al servicio de comodidad de agua y el 13.75% al servicio alcantarillado. Los incrementos comienzan el 1º día de julio, 2013. Se puede ver los efectos de los cambios en la cuenta del mes de agosto, 2013.

Se puede ver más información sobre las tarifas de agua potable y alcantarillado en la Oficina del Distrito (Borrego Water District), 806 Palm Canyon Drive, Borrego Springs, CA, 92004, y también por el sitio de web del Distrito, www.borregowd.org.

ESTA NOTICIA ES DADO por el orden de la mesa directiva del Distrito de Agua de Borrego.

Fecha: June 1, 2013

Sr. Marshal Brecht
Secretario de la Mesa Directiva
Borrego Water District

UN MENSAJE DEL GERENTE GENERAL

29 de mayo, 2013

Estimados clientes,

Es probable que ustedes ya saben que pasaron varios contratiempos financieros en el Distrito de Agua de Borrego en los años más recientes. La nueva Mesa Directiva ha trabajado con el personal para recuperar la estabilidad financiera del Distrito. Eso no ha sido tarea fácil. Después de disminuir gastos y aumentar tarifas, resultó que el Distrito ha mantenido sus puertas abiertas y ha continuado aportando una suministra de agua saludable. El 8 de abril, la comunidad fue devastada por vientos fuertes que causaron un corte de luz que duró 18 horas. Agua de alta calidad siguió fluyendo a sus hogares y sus empresas porque el Distrito había mejorado la infraestructura para que funcionara bien durante emergencias. En septiembre de 2012, el Distrito tuvo problemas con 3 de los 9 pozos que se usan para proveerles agua a ustedes. Para responder a estos gastos inesperados, el Distrito vendió capital y ajustó el programa de mejoramiento de capital. Este año, de nuevo vamos a apretar el presupuesto y aumentar tarifas según el programa de Proposición 218 de 2011, la ley que controla los incrementos. Lamentamos que el Distrito volvió a despedir a varios empleados, pero no existió ninguna alternativa. En 2010, empleamos a 16 personas; ahora, empleamos a 10. También nuestro presupuesto de operaciones será afectado por tarifas elevadas de electricidad, por gastos de combustible, y por nuevos reglamentos del Estado. Muchas gracias por su cooperación y su apoyo mientras adelantamos juntos. Si tienen preguntas, por favor contáctenme al Distrito, 760/767-5806.

Sinceramente,
Jerry Rolwing



BORREGO WATER DISTRICT

May 2013

WATER OPERATIONS REPORT

<u>WELL</u>	<u>TYPE</u>	<u>FLOW RATE</u>	<u>STATUS</u>	<u>COMMENT</u>
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: ID1-Well 16: not in use waiting for evaluation from pump service company.
ID4-Well 18: Motor has been removed and pump pulled and are waiting to be repaired or replaced based on recommendation from pump company. All other Production Wells are in operating condition. Relining of the 800 tank was not successful. The tank company will be back this fall to replace new liner with a one piece liner rather than custom cut pieces with seams. The summer heat is the reason for not completing work until this fall. Borrego Water District has not been charge for any work done to date and the original bid cost should not be affected when work is completed. Water production loss in ID1 was due to filling and emptying the 800 reservoir during liner replacement

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: 61,935 (gallons per day)
Peak flow: 85,543 gpd Sunday May 26, 2013

All restaurant grease traps were clean.



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

May 2013

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE TOTALS
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
Mar-13	10.26	8.33	85.01	4.54	108.14
Apr-13	12.26	10.88	135.54	7.10	165.78
May-13	22.86	11.86	118.08	5.37	158.17
12 Mo. TOTAL	296.99	141.55	1387.25	72.30	1898.09

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
May-13	18.25	-0.84	10.93	N/A	9.45
12 Mo. Average	4.36	2.44	10.08	N/A	5.63

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

----- Water Production (Acre Feet) -----								
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====
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
MAR'13	0.00	0.00	18.59	0.00	0.00	0.00	18.59	10.26
APR'13	0.00	0.00	0.00	0.00	23.14	0.00	23.14	12.26
MAY'13	0.00	0.00	0.00	0.00	34.72	0.00	34.72	22.86
TOTALS	0.00	0.00	57.75	96.40	303.23	11.12	468.50	296.99
=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----									
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
MAY'12	9.39	9.97	0.00	0.00	13.34	0.00	32.70	1.62	4.72%
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%
MAR'13	7.03	3.12	0.00	0.00	8.33	0.00	18.48	0.11	0.64%
APR'13	8.36	5.51	0.00	0.00	10.88	0.00	24.75	-1.61	-6.95%
MAY'13	9.49	7.03	0.00	0.00	11.86	0.00	28.38	6.34	18.25%
TOTALS	115.73	160.81	0.00	0.00	141.55	29.96	448.05	20.45	4.36%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of May 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			
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
MAR'13	0.57	4.16	0.05	3.54	3.59	0.62	7.70	8.32
APR'13	0.79	4.03	0.02	5.40	5.42	0.81	9.43	10.24
MAY'13	0.83	5.16	0.08	5.89	5.97	0.91	11.05	11.96
TOTALS	9.23	57.63	1.01	70.22	71.23	10.24	127.85	138.09

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
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%
MAR'13	8.33	8.32	0.01	0.12%
APR'13	10.88	10.24	0.64	5.88%
MAY'13	11.86	11.96	- .10	- .84%
TOTALS	141.55	138.09	3.46	2.44%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of May 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
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
MAR'13	0.00	0.00	43.79	23.93	9.60	5.48	6.75	0.00	0.00	89.55	85.01
APR'13	0.00	0.00	0.00	37.31	11.28	88.84	5.21	0.00	0.00	142.64	135.54
MAY'13	0.00	0.00	0.09	13.14	9.40	96.00	4.82	0.00	0.00	123.45	118.08
TOTALS	0.00	0.00	510.45	332.41	120.46	406.57	89.66	0.00	0.00	1459.55	1387.25

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
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	126.38	15.28	10.79%	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	67.95	10.81	13.73%	2.26
MAR'13	89.55	80.28	9.27	10.35%	4.54
APR'13	142.64	121.16	21.48	15.06%	7.10
MAY'13	123.45	109.96	13.49	10.93%	5.37
TOTALS	1459.55	1312.39	147.16	10.08%	72.30