

**AGENDA**  
**Borrego Water District Board of Directors**  
**Special Meeting**  
**June 17, 2014, 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

**II. CURRENT BUSINESS MATTERS**

- A. Update on 2014 Community Groundwater Management Plan (GWMP) progress
- B. Update on Solar RFP (2-12)
- C. Discussion of Rams Hill Spare Capacity
- D. Discussion of possible revision of Water Credit Policy
- E. Discussion and approval of Occupancy report for Santiago Estates (13)
- F. Discussion and approval of ***RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING WATER AND SEWER SERVICE RATES FOR FY 2014-2015*** (14-16)
- G. Discussion of potential agenda items for June 25<sup>th</sup> board meeting

**III. CLOSING PROCEDURE**

The next Regular Meeting of the Board of Directors is scheduled for June 25, 2014 at the Borrego Water District.

- 1. Purpose of RFQ:** The purpose of this RFQ is to identify a qualified contractor/vendor to provide the Borrego Water District (District) with a reliable electrical energy source from solar power, and to provide the District with the ongoing electrical power at a lower cost than is currently available from SDG&E for a minimum of 25 years.
- 2. District's Immediate Objectives:** The objective of this Request for Proposal (RFP) is to identify and select the most qualified turnkey photovoltaic (PV) system Contractor/Vendor to develop, design, permit (including any costs for environmental work), fabricate, deliver, install, operate, insure, maintain, and own a PV solar system at the District wastewater treatment plant (WWTP) located at 4861 Borrego Springs Road in Borrego Springs, California. Upon selection of the most qualified Contractor/Vendor, The District intends to enter into a 25-year Power Purchase Agreement ("PPA") or purchase the entire system outright. If a PPA is entered into, the solar-generated electricity will be sold to the District at a proposed kWh price which is lower than what is currently being paid to SDG&E, thereby providing immediate and long-term cost savings to the District.
- 3. Background:** The District is a small public water and wastewater district serving approximately 2,200 customers in beautiful Borrego Springs, California (Borrego), a retirement and resort community located about 90 miles drive NE of San Diego in San Diego County (county) and surrounded by the Anza-Borrego Desert State Park (the park), the largest state park and wilderness area in the State of California (state).

The District is a significant power consumer in Borrego Springs, relying on grid-purchased electricity from SDG&E to run its various facilities, including the Waste Water Treatment Plant ("WWTP") located at 4861 Borrego Springs Rd. The District consumes approximately **165,040 kWh** annually for the WWTP operations.

With SDG&E steadily increasing the kWh electricity rates charged to BWD year after year, BWD is seeking a means to minimize its reliance on SDG&E and to

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achieve both long-term electricity cost savings and cost certainty through the use of solar. The proposed solar system would interconnect to the grid under the SDG&E Net Energy Metering (“NEM”) program. Under NEM, the electric energy generated by on-site solar is used to offset the electric energy provided by SDG&E to the District’s WWTP. NEM is the standard program for commercial and residential solar systems in SDG&E territory and in the State of California. The proposed solar system would reduce, or eliminate in full, the net amount of electricity purchased from SDG&E.

**4. General:**

The scope of services provided by the Contractor/Vendor shall include all tasks required to design, fabricate, deliver, install, operate, and maintain the PV system for the District. The scope shall also include, but not be limited to, securing all permits and approvals from governing agencies, all labor, taxes, services, permit fees, and equipment necessary to produce a fully operational solar PV system. The proposal shall contain a detailed explanation of the complete project and delineation of all work tasks to be performed by the awarded Contractor/Vendor.

Contractor/Vendor should prepare system summary detailing the equipment/size, and a sample cash flow analysis detailing expected savings (both kwh and dollar) and potential buyout implications to long-term savings.

The PV system will be located on property owned by the District. Proposer is to determine the feasibility and costs for installing the PV system at the District WWTP.

**5. Scope of Project:**

**5-1 Design, Engineering, & Permitting**

Design/engineer the solar PV system to maximize the solar energy resources, taking into consideration the District’s electrical demand and load patterns, proposed installation site, available solar resources, existing site conditions, proposed future site improvements, and other relevant factors.

Provide design documents that provide the following minimum information:

- Timeline/Project Schedule
- System description
- Equipment details and description
- Preliminary Layout of installation
- Preliminary Layout of equipment
- Selection of key equipment
- Specifications for equipment procurement and installation
- All engineering associated with structural and mounting details
- Performance of equipment components, and subsystems
- Integration of solar PV system with other power sources
- Electrical grid interconnection requirements
- Controls, monitors, and instrumentation
- System performance monitoring

Identify an appropriate location for the solar PV inverter equipment and its related components and environmental control systems that will meet the following criteria:

- Ease of maintenance and monitoring
- Efficient operation
- Low operating losses
- Secured location and hardware
- Compatibility with existing facilities
- Avoidance of flood-prone areas
- Visual harmony

Awarded Contractor/Vendor will secure from governing agencies and the utility company all required rights, permits, approvals, and interconnection agreements at no additional cost to the District. The District will become the signatory on applications, permits, and utility agreements only where necessary. The awarded Contractor/Vendor will complete and submit in a timely manner all documentation required to qualify for available rebates and incentives.

**5-2 Installation**

Supply all equipment, materials, and labor necessary to install the solar PV systems and integrate them with other power sources.

**5-3 Electrical Interconnections**

Supply and install all equipment required to interconnect the solar PV systems to SDG&E distribution system. The awarded Contractor/Vendor will fulfill all application, studies, and testing procedures to complete the interconnection process. All costs associated with utility interconnection shall be borne by the awarded Contractor/Vendor.

**5-4 Commissioning & Acceptance Testing**

During the start-up, the District, and/or its independent engineer/consultant, shall observe and verify each system performance. Required commissioning and acceptance test services include:

- Starting up the solar PV systems until it achieves the performance requirements
- Conducting the performance testing over a consecutive twenty-four (24) hour period
- Conducting the successful delivery of power within thirty (30) days following completion of the system, meeting each benchmark.

**5-5 Operation and Maintenance Manuals and As-Built Drawings**

Provide three (3) sets of operation, maintenance, and parts manuals for the solar PV system. The manual shall cover all components, options, and accessories supplied. It shall include maintenance, trouble-shooting, and safety precautions specific to the supplied equipment. It shall also delineate responsibilities of both parties, both during the term of any agreement and after any potential buyout that may be agreed to.

Provide three (3) sets of as-built drawings including one (1) on CAD. These requirements shall be delivered prior to acceptance of the solar PV system.

**5-6 Monitoring**

Monitoring of system performance and providing public education and outreach is a required element of the RFP.

Provide the equipment and services to tie into the Garfield Energy Navigator to allow the District to monitor, analyze, and display historical and live solar electricity generation data. The regularly collected data should reflect, but not be limited to, the following:

- System performance
- System availability
- Average and accumulated output
- Capacity factor
- Degradation
- Cost avoidance

The data acquisition system shall be designed for turnkey, remote operation. Data shall be transmitted via Internet or telephone from the site to a server. Data format shall be coordinated with requirements of the SDG&E. The data acquisition system must not require a dedicated or always-on personal computer.

Provide a long term cost for electricity (KWH) for the term of the awarded contract and any assumptions used in these calculations.

**6. Warranties and Guarantees**

Identify the warranties to be transferred to the District, if the District purchases the PV system.

**7. Operation and Maintenance**

Provide a financial impact or price for operating and maintaining the PV system on the District's behalf for a twenty five (25) year service term.

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Perform all required maintenance activities, including warranty repair work and equipment replacement including, but not limited to, inverter replacement in order to keep the system operational and performing to production guarantees.

**8. Insurance**

The contractor/vendor is responsible and shall pay for insurance for the project during the time that it is owned by the contractor/vendor. Insurance shall include both general liability (\$2,000,000) and property insurance (\$1,000,000). The District shall be named as additional insured on the policies. If the District opts to purchase the PV system, the vendor shall no longer be responsible for insurance.

**9. PV System Removal**

The awarded Contractor/Vendor shall bear the sole responsibility of removing the PV system at the end of the twenty five (25) year service term should the District, in its sole discretion, opt not to purchase the PV system.

**10. Licensing/Certification**

Contractor/Vendor must be properly licensed in the State of California. The Contractor license shall appear clearly on Contractor/Vendor's proposal and the license expiration date appear on the Contractor/Vendor's Proposal. All respondents must offer a comprehensive onsite operation and maintenance service program for the PV system operations, safety and maintenance activities that NABCEP certified installers shall be performing the installation.

**11. Operation & Maintenance Requirements**

The Contractor's operation and maintenance service program should provide the following minimum requirements:

- Annual on-site system inspection, including:
- System testing (operating current of each electrical string)
- Routine preventive maintenance

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- Repair and/or replacement of defective parts (including equipment and labor)
- System performance monitoring and historical data access for customer via secure website. Data should include:
  - System energy and power production
  - Ambient temperature
  - Wind speed
  - Insolation
- Daily system monitoring by vendor, including:
  - Reporting of problems to customer
  - Dispatch of resources for expeditious resolution of problems

## **12. Contractor Qualification**

Please provide the following information:

- Status (private/publicly-held)
- Number of employees
- States in which you do business
- Target customers (residential, commercial, industrial, government, etc.)
- Project team profile, including resumes of personnel to be directly involved with the development of the proposed systems.
- Team leader identification for the entire Proposal, including full contact information.
- Identification of each entity, sub-contractor, person or firm involved in the Proposal and their role/responsibility, e.g. design, installation, permitting, equipment supply by component, operations and maintenance.
- Identification of the lead person responsible for each of the entities or firms described in above.

## **13. Contractor Experience**

Provide overview of the firm(s) commercial grid-connected PV experience (do not include residential PV experience)

- Average commercial grid-connected PV system size installed by your company during the last five years.



- Total commercial MWh of grid-connected PV systems installed under a Power Purchase Agreement.
- Experience with SDG&E.
- Experience with local government projects.

#### **14. Contractor References**

List five (5) or more commercial grid-connected PV projects installed in the United States over the last five years. Include for each project:

- Exact role(s) your organization performed for the project (e.g. material supplier, lead contractor, electrical subcontractor, design, consulting, etc.).
- Location.
- Application description.
- Product name/type.
- Customer name and contact information.
- Date installed.
- Project cost.
- PV module used.
- KWh rating.
- Cumulative kWh produced since system installation.
- Current operational status of system.

Provide actual system data for five (5) of the grid-connected projects that demonstrates 90% or better availability of the PV projects used as customer references. Proposals shall demonstrate a proven, robust data acquisition system that includes tracking of site-specific actual kWh production and actual meteorological data including tracking of solar irradiance, ambient temperature, and module temperature, with data available remotely.

Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed safety and

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interconnection standards. All equipment components must be UL certified, and meet existing facility structural and fire safety requirements.

Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed environmental standards.

### **15. Pricing**

Provide pricing for a turnkey (design/build) PV system located at the District WWTP. Pricing shall include:

1. US dollars per kWh annually for twenty five years under a PPA with or without an annual escalator.
2. (a) selling the entire system to the District upon completion of construction and acceptance by the District; and  
  
(b) a separate price for selling the entire system after six years of operation (under a PPA during the six years).

Should the PV system be owned by the vendor for the full period of 25 years, it shall be sold to the District for \$1.00 at the District's discretion. Should the District decide not to purchase the PV system at the end of the 25 year period, it shall be removed by the vendor to the satisfaction of the District and at no cost to the District.

### **16. Schedule**

The Contractor/Vendor shall provide a proposed schedule for completion of the project.

### **17. Incurring Cost**

The District is not liable for any cost incurred by entities prior to executing a PPA.

**18. Selection Process**

The Strategic Planning Committee has been tasked with overseeing the identification and recommendation of a qualified contractor/vendor for the board of directors of the District to approve.

Proposals will be evaluated by the District based on:

- The competence to perform the services as reflected by past experience in providing the services outlined herein.
- The ability to meet the requirements of this RFP.
- Overall package and financial benefit to the District.

The District reserves the right to select or short-list any Contractor/Vendor that, in its opinion and at its sole discretion, is deemed to be most advantageous and in the best interests of the District, including granting a preference to local contractors. The District also reserves the right to delay or discontinue this selection process at any time during the process. The District shall not be liable for any cost incurred by any Contractor/Vendor during the selection process. The District also reserves the right to reject the selected Contractor/Vendor and contract with another party if the District and the selected Contractor/Vendor cannot successfully negotiate a contract for the proposed work (or the terms of any related solar host agreement(s), site lease(s) or PPA(s)).

**19. Proposal Deadline**

Three copies of the Proposal for Solar Power Purchase Agreement must be delivered to:

Jerry Rolwing, General Manager  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004

By: **July 17, 2014 at 2:00 PM**

**20. Inquires**

Inquiries can be directed to Jerry Rolwing, General Manager at

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

or by phone at 760-767-5806

or email at [jerry@borregowd.org](mailto:jerry@borregowd.org)



# BORREGO WATER DISTRICT

June 17, 2014

MEMO TO: Board of Directors

FROM: Kim Pitman, Administration Manager *Kim*

SUBJECT: Santiago Estates Annual Occupancy Review

In September, 2013, the BWD Board of Directors reduced the Community Services District (CSD) fee for Santiago Estates down to their, then, current occupancy of 72 units. It is that time again to review their current occupancy rate.

We received a note from Donna Murray, Park Ranger of Santiago Estates who reported that the current occupancy rate is 66, down six more units. To date, we have a monthly surplus of \$64.93, which will leave a total accumulation this year of \$1,091. If we reduce the CSD fee by 6 units it reduces our total fee by \$105 (\$17.50 per unit), which would then bring a monthly deficit of \$40.

Thank you for your consideration in this matter.

**RESOLUTION NO. 2014-06-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT ESTABLISHING WATER AND  
SEWER SERVICE RATES FOR FY 2014-2015**

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

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

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

**WHEREAS**, the Board held several public meetings to discuss the budget and rate increase for FY 2014-2015 starting in April 2014.

**WHEREAS**, the Board approved the budget and rate increase at the May 20, 2014 Board Meeting.

**WHEREAS**, On May 30, 2014, a notice regarding the rate increase was mailed to all of the District's affected ratepayers.

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

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

The Board hereby adopts the rates and charges for each separate rate classification for each separate service area as set forth in Exhibit A attached to this Resolution. These increases will be effective July 1, 2014 and beginning with the August 2014 billing.

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

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

The increased rates and charges set forth herein shall become effective July 1, 2014 and beginning with the August 2014 billing.

**PASSED, ADOPTED AND APPROVED** at a special meeting of the Board of Directors of the Borrego Water District held on 17th day of June, 2014.

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President of the Board of Directors  
Of Borrego Water District

ATTEST:

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

