

AGENDA
Borrego Water District Board of Directors
Regular Meeting
January 27, 2016 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda (1-2)
- E. Approval of Minutes
Regular meeting of December 16, 2015 (3-6)
- 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:

II. CURRENT BUSINESS MATTERS

- A. Discussion of progress meeting the Executive Order B-29-15 requiring a 25% mandatory reduction in water use by the District and report on water conservation policy recommendations
- B. Discussion of District's application and public hearing for a Borrego Valley Groundwater Basin (BVGB) boundary adjustment by the California Department of Water Resources (7-9)
- C. Discussion of Resolution 2016-01-01 of the Board of Directors of the Borrego Water District, Stating the Policy on Water Credits for New Developments to comply with the requirements of the Sustainable Groundwater Management Act (SGMA) (10-11)
- D. Discussion and possible approval of Resolution 2016-01-02 regarding the BVGB basin boundary adjustment (12-13)
- E. Consideration and possible approval of process for handling claims received for Tier 2 refunds. (14)
- F. Review of planning calendar (15-16)

III. STAFF REPORTS

- A. Financial Reports – December 2015 (17-33)
- B. General Manager / Operations Report (34-69)
- C. Water and Wastewater Operations Report – December 2015 (70)
- D. Water Production/Use Records – December 2015 (71-74)

IV. ATTORNEY'S REPORT

V. COMMITTEE REPORTS & PROPOSALS:

Ad Hoc Committees

- | | |
|--------------------------------------|-------------------------------|
| 1. Audit Committee | (L. Brecht, Tatusko) (V1 1-4) |
| 2. Due-Diligence | (L. Brecht, Tatusko) (V2. 1) |
| 3. Strategic Planning Committee | (Hart, L. Brecht) |
| 4. Executive Committee | (Estep, Hart) |
| 5. Operations & Management Committee | (Delahay, Tatusko) |
| 6. Parks Committee | (Hart, Estep) |
| 7. CFD Committee | (Estep, Delahay) |
| 8. Conservation Committee | (Hart, Tatusko) |

VI. INFORMATIONAL ITEMS

- A. Letter from Tubb Canyon Conservancy regarding the nexus between the County's land use decisions and SGMA with respect to the Rudyvill new development approval process in the BVGB (75-76)
- B. Letter from the Anza-Borrego Desert State Park regarding the County's land use decision process regarding Rudyvill (77)
- C. Discussion of County's grant application to support sustainable groundwater management act (78-97)
- D. News articles regarding the Borrego aquifer (98-105)
- E. Notice of Violation from State Water Resources Control Board (106-107)

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

- A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case.

VIII. CLOSING PROCEDURE

The next Special Meeting of the Board of Directors is scheduled for February 16, 2016 at the Borrego Water District
The next Regular Meeting of the Board of Directors is scheduled for February 24, 2016 at the Borrego Water District

Teleconference site available: 7815 Rush Rose Drive, #302, Carlsbad, CA 92009

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, December 16, 2015
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 Brecht,
Secretary/Treasurer Tatusko, Delahay, Estep (via
teleconference)

Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Kim Pitman, Administration Manager
 Wendy Quinn, Recording Secretary

Public: Ray Shindler Trey Driscoll, Dudek
 John Peterson Harry Ehrlich
 Julie Taylor Rick Alexander
 Sara Lockett, Ocotillo
 Wells SVRA

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

E. Approval of Minutes:

Regular meeting of October 28, 2015

MSC: Brecht/Delahay approving the Minutes of the Regular Meeting of October 28, 2015 as corrected (Item II.A, first paragraph, third from the last line, change in part to read, “. . . and ~~are the Imperial County portion of the basin is not in overdraft~~”; last sentence in the first paragraph, add at the end, “. . . of the Borrego Valley Groundwater Basin in its present configuration.”)

Regular meeting of November 18, 2015

MSC: Brecht/Delahay approving the Minutes of the Regular Meeting of November 18, 2015 as corrected (Item II.A, Minutes page 1/Agenda page 7, fourth line from bottom, change “possible” to “possibly.”)

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

G. Comments from the Public and Requests for Future Agenda Items: Ray Shindler presented preliminary information on funding the GSA process. He had spoken with a staff member from Senator Anderson’s office, a representative of the California Rural Water Association and a hydrogeologist. There are some grants available, and Senator Anderson’s assistant suggested approaching the Legislature with a request for financial assistance with this unfunded mandate. Jerry Rolwing stated that he was preparing a letter to legislators and had already met with one of them, and President Hart added that Mr. Rolwing was working with Dudek’s grant specialist. She asked that future information on grants be submitted to Director Tatusko.

H. Correspondence: None

II. CURRENT BUSINESS MATTERS

A. Presentation of President's Special Recognition Awards from ACWA/JPIA: Mr. Rolwing announced that the District had received the President's Special Recognition Award from ACWA/JPIA in appreciation of its outstanding safety record.

B. Update on Basin Boundary Adjustment process: Mr. Rolwing explained that after the first of the year, we have 90 days to submit the basin boundary adjustment application to DWR. Upon their approval, it will go to the California Water Commission for final implementation. Trey Driscoll of Dudek recommended a meeting or conference call with Tim Ross of DWR to ensure all pumpers in the Borrego Valley are included.

C. Discussion of progress meeting the Executive Order B-29-15 requiring a 25% mandatory reduction in water use by the District: Mr. Rolwing reported that since unfortunately nonpotable water sales could not be deducted in calculating the 25 percent reduction, the District's total reduction compared to 2013 is 8 percent. President Hart pointed out that in 2013 Borrego had 4.18 inches of rain, compared to this year's level of 0.2.

D. Discussion of FY 2017-FY 2021 rate study time line and data request: Mr. Rolwing reported that Raftelis has recommended moving the Proposition 218 public hearing on the proposed rate adjustment to April 15, 2016. Director Brecht reminded staff to include the rate study time line milestones on the planning calendar.

E. Discussion of Groundwater Sustainability Plan (GSP) development costs sharing among municipal, recreation and agricultural groundwater users: Director Brecht introduced this discussion item, designed to assist Raftelis in financial planning for GSP development. The total cost estimate is \$1.3 million. Director Brecht outlined alternative cost sharing scenarios, noting that the blended option appears most appropriate (42 percent each for municipal and agriculture, 16 percent for recreation).

F. Report from Ad Hoc Citizen's Committee regarding water conservation policy recommendations: John Peterson presented the Ad Hoc Citizens' Committee report on water conservation policy recommendations. The Committee of ten has been working since August. They addressed three primary areas: baseline water usage, potential incentives and disincentives, and education and planning. They intend to finalize the recommendations and bring them back to the Board for final approval at the January 19 meeting.

Julie Taylor, a Committee member, expressed opposition to the baseline recommendation for residential users. She noted that she had invested as much in her landscaping as some businesses, and felt the industry standards were arbitrary and not applicable to the Borrego Basin. Discussion followed regarding the time required for District staff to analyze each individual property and the intent of the Committee to make the recommendations fair to the majority. Mr. Peterson emphasized the fact that the Board can change the Committee's proposal. Harry Ehrlich, another Committee member, pointed out that an appeal process is proposed, and Mr. Rowling added that the filing of an appeal could trigger an irrigation audit.

Director Brecht suggested an outline of the steps required to implement the Committee's recommendations. President Hart recommended seeking Morgan Foley's advice on this, i.e., is a public hearing required? A resolution?

Director Delahay brought up the costs involved in implementing the Committee's recommendations, and Committee member Rick Alexander recommended applying for a Water Smart grant. The next deadline is January 20, but other opportunities will come up during the year. This might cover the cost of irrigation audits. Mr. Rolwing agreed to investigate. Director Brecht suggested including the total cost estimate in the 2016 budget, but still applying for grants.

G. Consideration and possible approval of process for handling claims received for Tier 2 refunds: Kim Pitman reported 25 claims had been received in the preceding month, totaling approximately \$8,500. **MSC: Brecht/Delahay approving the claims submitted.**

H. Review of planning calendar: Mr. Rolwing reported that the CASGEM report had been submitted. T2 Borrego did not use spare capacity during the past invoice period.

III. STAFF REPORTS

A. Financial Reports – November 2015: Ms. Pitman reported that the District had received the Rams Hill Golf Course reimbursement.

B. General Manager/Operations Report: Mr. Rolwing invited the Board's attention to his written response to the State Water Resources Control Board concerning the 25 percent water use reduction, included in the Board package. The Bureau of Reclamation report has been released and is on the website.

C. Water and Wastewater Operations Report – November 2015: Greg Holloway reported that staff is still trying to resolve the odor problem in the treatment plant area. On the freshwater side, issues with the 800 Tank continue. A new liner has been installed and inspected, but the vendor hasn't yet transmitted the results. Mr. Holloway will follow up. A recent inspection by the Department of Drinking Water yielded favorable results.

Mr. Rolwing stated he hoped to replace the 800 Tank with the Wilcox Reservoir, and recommended including it in the new budget. Mr. Holloway added that the DDW is expected to require some action regarding the 800 Tank. He recommended taking it out of service and using alternative boosters.

D. Water Production/Use Records – November 2015: 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

No report.

2. Due-Diligence

Director Brecht reported the Committee had received a report on the economic value of groundwater from Dudek. It will be presented to the Board for review in January. The report will be useful in justifying tiered rates, water credits and penalty costs for exceeding SGMA reduction targets. Director Brecht recommended that Mr. Rolwing's table showing how the water use reduction program would affect specific users be attached to the Dudek report. Mr. Rolwing added that an explanation of the required steps for developers relative to water credits should be provided. Director Brecht announced that the Committee would be meeting today, following the Board meeting.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing to work with the County on an agreement between them and BWD once the County files for GSA status. The Committee is also continuing to meet with the Borrego Water Coalition.

4. Executive Committee

President Hart reported that the Committee had requested assistance from Mr. Foley concerning the 218 process. Director Estep will follow up.

5. Operations & Management Committee

Mr. Rolwing announced that the solar project is complete, and we are awaiting final approval from San Diego Gas & Electric. Director Tatusko reported that the Committee was working with Mr. Rolwing on the Capital Improvement Plan, and was also working with the Ad Hoc Citizens' Committee. Director Delahay noted that cost estimates for the Wilcox Reservoir

Minutes: December 16, 2015

are continuing to escalate, and discussion followed regarding possible sources of funding. Director Tatusko offered to look into the I-Bank.

6. Parks Committee

President Hart reported she had asked Director Estep to speak to the Club Circle Homeowners Associations about the coming expiration of the District's golf course management agreement, which will probably not be renewed.

7. CFD Committee

No report.

8. Conservation Committee

No report.

VI. INFORMATION ITEMS

A. Article for the Borrego Sun by Jim Melvin: Mr. Rolwing invited the Board's attention to an article by Jim Melvin, included in the Board package, which Mr. Melvin intends to submit to the *Borrego Sun*.

VII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:20 a.m. The next Special Meeting of the Board of Directors is scheduled for January 19, 2016 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for January 27, 2016 at the Borrego Water District.



Basin Boundary Modification

Borrego Valley Groundwater Basin

Recognizing the importance of groundwater and the adverse impacts of its overuse, California passed bills addressing the management of groundwater in the state. Collectively, these bills make up the Sustainable Groundwater Management Act (SGMA), which took effect on January 1, 2015. The SGMA provides a process to modify groundwater basin boundaries from those originally established by the state. The location of groundwater basin boundaries is important to the SGMA process because it allows for accurate assessment of water use and supplies and determines which water users will be included in the Groundwater Sustainability Plans required by the SGMA. Boundary modifications must be applied for by local agencies and approved by the California Department of Water Resources (DWR).

On December 21, 2015, the Borrego Water District (BWD) submitted an initial notification of potential basin boundary modification for the Borrego Valley Groundwater Basin (BVGB).¹

Borrego Valley Groundwater Basin Background

Groundwater is essentially the sole source of water supply for Borrego Valley. Groundwater is used for agricultural, recreational (predominantly golf courses), and municipal uses. The Borrego Water District supplies water for much of the residential and commercial use in Borrego Springs. Groundwater levels have declined more than 100 feet in the northern portion of the groundwater basin in response to anthropogenic activities. Groundwater levels will continue to decline in areas of high pumping if more water is extracted from the groundwater basin than is being recharged on a long term basis. The DWR set the current basin boundary within the 2003 DWR Bulletin 118 limits (Figure 1). It is likely that the DWR developed the existing basin boundary for the Borrego Valley using the best information available at the time, including topographic and geologic maps. The area south of Borrego Springs including Ocotillo Wells, an unincorporated area of San Diego County and portions of Imperial County that overly the BVGB are sparsely populated with low groundwater use and no documented impacts.



Photograph 1. Anza-Borrego Desert State Park.

The Borrego Valley Groundwater Basin Hydrogeologic Study

In 2009, the BWD cooperated with the United States Geologic Survey to conduct a study of the groundwater conditions in the Borrego Valley. The study, which concluded in 2015, confirmed past findings of a significant imbalance between the groundwater used and replenished over the long term. Continued pumping has resulted in an increase in pumping lifts, reduced well efficiency, dry wells, changes in water quality, and loss of natural groundwater discharge.²

Review of Historical Groundwater Levels

Review of historical water levels from 1945-2010 indicate that there has been little to no change in groundwater elevations southeast of Borrego Springs where the San Felipe Wash discharges across the basin from a gap in the Vallecito Mountains. Pumping depressions are confined to areas north and west of the Borrego Sink Wash. As a result, adjusting the BVGB boundary to areas in the Borrego Valley where the effects of over-drafting have been documented is reasonable (Figure 1). Using the existing basin boundary,

¹ <http://sgma.water.ca.gov/basinmod/initlist>

² <http://pubs.er.usgs.gov/publication/sir20155150>

which includes areas unaffected by historical pumping southeast of the Borrego Sink Wash, only increases administrative burden on the BWD.

The BWD will request that the DWR adopt the adjusted basin boundary for inclusion in state bulletins and for the implementation of the SGMA. The area south of the San Felipe Wash will be subdivided as the “Lower” BVGB and the area to the north will retain the designation as the BVGB.

The Process for Basin Boundary Adjustment

The DWR developed a specific process for basin boundary adjustment requests, requiring that an agency overlying the basin act as the requesting agency, conduct outreach to interested parties, and prepare an application. Basin boundary adjustments may be made on a scientific or jurisdictional basis. For a scientific basis, there must be geologic or hydrologic evidence to support the proposed change in the existing basin boundary. Examples of such evidence include the discovery of an impermeable fault zone or the absence of groundwater where it was previously thought to exist. Jurisdictional adjustments commonly aid in the overall management of groundwater by recognizing the jurisdiction of overlying entities.

In addition to conducting outreach to affected parties, the requesting agency must prepare an application to submit to the DWR between January 1, 2016, and March 31, 2016. The application for a scientific modification must include both historical and technical components, as well as information on how the proposed modification may impact sustainable management.³

How to Comment

Submitting Comments to the BWD

Comments will be received at the workshop to be held at the **Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004 on February 16, 2016 at 9:00 am**. Verbal comments received at the workshop will be summarized and submitted in writing to the DWR. Comments for inclusion in the application can also be submitted at the following email: diana@borregowd.org

Submitting Comments to the DWR

The DWR guidelines allow the public to submit information in favor of or opposition to a specific basin boundary modification request. Comments must be submitted within 30 days of the DWR providing notice that an application is complete. Information submitted must include the commenter’s name, address, and email address and a clear statement of the basis for supporting or opposing the boundary modification. Such comments should be based on “similar scientific and technical information as the particular boundary modification to which it is addressed.”⁴

Local Agency Input

Each agency with planning or water management responsibilities in the basin will be contacted by the requesting agency. Affected agencies have additional requirements for commenting in support or opposition of a basin boundary modification, including a formal resolution adopted by the decision-making body of the agency or a letter signed by an executive officer or official representing the agency.⁵

Borrego Valley Groundwater Basin Boundary Modification Workshop

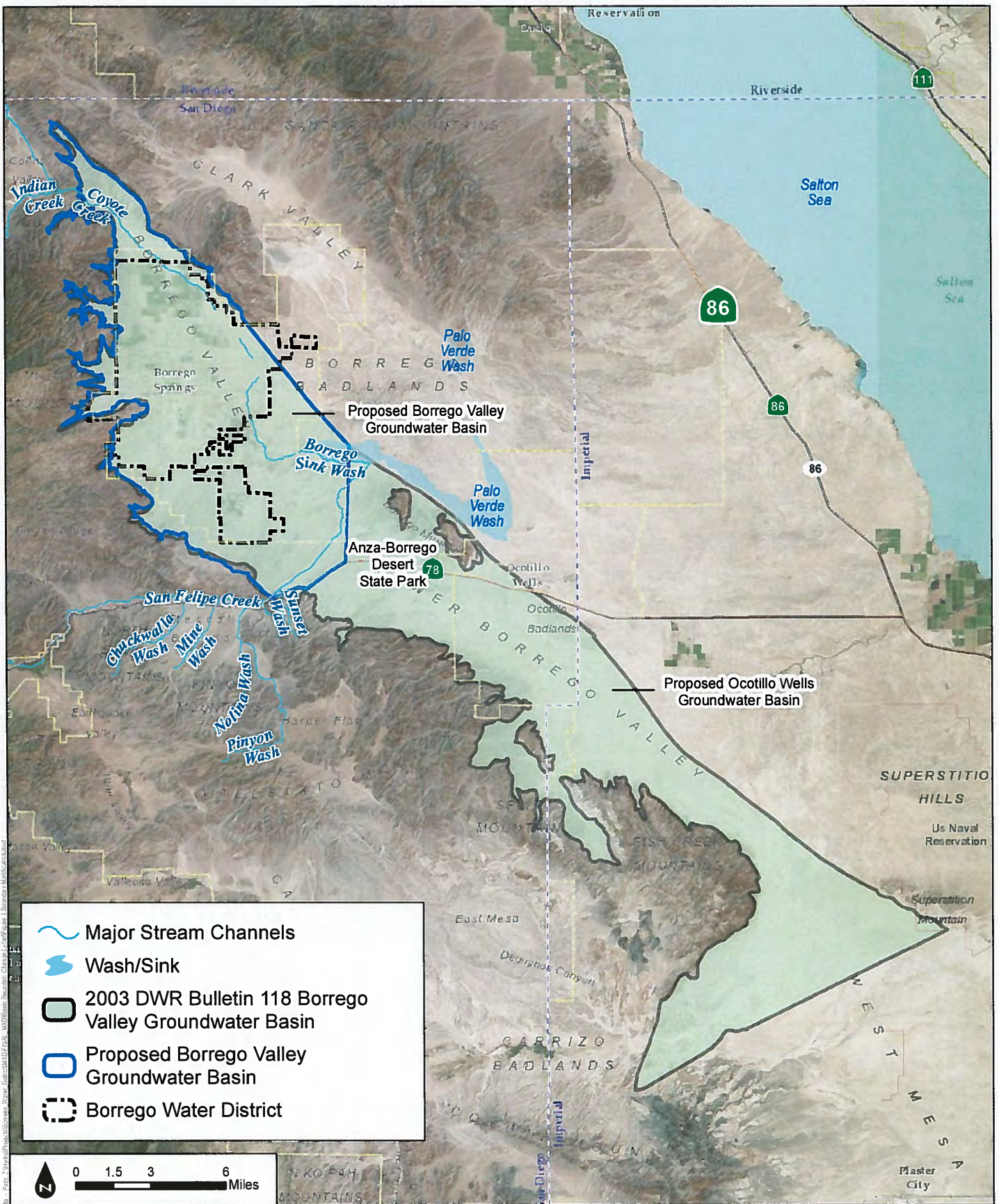
A workshop to explain and receive input on the proposed basin boundary modification will be held on **February 16, 2016, at 9:00 am at the Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004**

If you have questions, contact Trey Driscoll at Dudek, tdriscoll@dudek.com, 760.415.1425 or Jerry Rolwing at BWD, jerry@borregowd.org, 760.767.5806.

³ http://www.water.ca.gov/groundwater/sgm/basin_boundaries.cfm

⁴ http://www.water.ca.gov/groundwater/sgm/pdfs/SGMA_Basin_Boundary_Regulations.pdf

⁵ http://www.water.ca.gov/groundwater/sgm/pdfs/SGMA_Basin_Boundary_Regulations.pdf



SOURCE: DWR; USGS

DUDEK

Borrego Water District - Borrego Valley Groundwater Basin Boundary Modification Letter

Figure 1
Proposed Basin Boundary

RESOLUTION NO. 2016-01-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, STATING THE POLICY ON WATER CREDITS FOR NEW DEVELOPMENTS TO COMPLY WITH THE REQUIREMENTS OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

WHEREAS, the Borrego Water District (“District”)in cooperation with the County of San Diego (“County”), developed and implemented a Demand Offset Mitigation Water Credit Policy (“WCP”); for the result of “no net gain” in the overall rate of extraction of groundwater;¹and

WHEREAS, the current WCP for new development consists of two 1:1 policies: one water credit to satisfy the County New Subdivision Policy (the “County Water Credit”) and one water credit to satisfy the District WCP (the “District Water Credit”); and

WHEREAS, currently for existing platted lots in the District, only one of either the County Water Credit or the District Water Credit is required to fulfill the District’s WCP; ;whereas for all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits; and

WHEREAS, the planning number for the sustainable yield of the Borrego Valley Groundwater Basin (“BVGB”) is 5,700 acre-feet per year (“AFY”)²; and

WHEREAS, the planning number for the current groundwater extractions from the BVGB is 19,000AFY³; and

WHEREAS, the Sustainable Groundwater Management Act (“SGMA”) passed by the California Legislature on August 29, 2014, and signed into law by Governor Brown on September 16, 2014, requires measurable objectives, as well as interim milestones in increments of five years, to achieve the sustainability goal in the BVGB within 20 years of the implementation of the Groundwater Sustainability Plan (“GSP”)⁴; and

WHEREAS, the GSP focuses on reduction of groundwater use in the BVGB by 70% (reduction from ~19,000 AFY to ~5,700 AFY)is required over the 20-year GSP implementation timeframe; and

WHEREAS, this would require retiring 19,000 water credits (“WC”), and issuing 5,700 production credits (“PC”) at a ratio of 3.33:1 (WC: PC); and

¹ WCP includes without limitation: the District’s Demand Offset Water Credits Policy (BWD 2013a), as amended; the County’s Groundwater Ordinance for Borrego (County of San Diego 2013); and the Memorandum of Agreement between the County and the District (BWD and County of San Diego 2013).

² In order to develop a planning number for the sustainable yield, the total recharge estimate of 5,670 AFY by Netto (2001, page 138) is used. This rounded value (5,700 AFY) is a little higher than the 4,500 AFY average natural recharge estimated by Faunt (2015, page 51) for modeled recharge.

³ The BWD estimates the annual BVGB pumping is 18,639 acre-feet (BWD 2015). USGS estimates pumpage totals around 19,000 AFY in recent years (2005-2010) (Faunt 2015).

⁴California Water Code section 10727.2(b)(1)

WHEREAS, it is appropriate to apply a ratio of 4:1 (WC: PC) for new development in the Borrego Valley to account for slippage or variability in the actual or realized water usage reduction; and

WHEREAS, a ratio of 4:1 (WC:PC) for new development in the Borrego Valley would ensure that new development is required to mitigate for its allocated share of the condition of “overdraft” in the BVGB when approved by the County, and prior to actual development.

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

Section 1. All new development in the BVGB obtain 4 WC for every 1 PC required to meet new water demands. Each water credit requirement may be met through County Water Credits, District Water Credits, or any equivalent combination thereof.

Section 2. The District’s General Manager is hereby authorized and directed to coordinate with the County to update the Demand Offset Water Credits Policy to incorporate the revised Board Policy.

ADOPTED, SIGNED AND APPROVED this 27th day of January 2016.

President of the Board of Directors
of Borrego Water District

ATTEST:

Secretary of the Board of Directors
of Borrego Water District

RESOLUTION NO. 2016-01-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, TO CONDUCT THE BOUNDARY MODIFICATION PROCESS PURSUANT TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

WHEREAS, Governor Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, collectively comprising the Sustainable Groundwater Management Act (SGMA), which took effect on January 1, 2015 ; and

WHEREAS, the SGMA requires all high and medium priority basins as designated by the Department of Water Resources (DWR) to undergo a process leading to sustainable management; and

WHEREAS, the Borrego Water District (District or BWD) provided notice to DWR on October 27, 2015 to become a Groundwater Sustainability Agency (GSA) for the portion of the BVGB within the boundaries of the District;¹ and

WHEREAS, the SGMA required DWR to develop emergency regulations describing the process for requesting changes to groundwater basin boundaries in compliance with Water Code Section 10722.2, which were issued by DWR and became effective on November 16 2015; and

WHEREAS, DWR has provided 90-day window beginning January 1, 2016 for Requesting Agencies to apply for groundwater basin modifications; and

WHEREAS, the BWD has consulted with and has been working with effected Counties, local agencies, and stakeholders that are part of the DWR Bulletin 118 designated Borrego Valley Groundwater Basin (7-24); and

WHEREAS, a resolution by the Requesting Agency will be required by the DWR to formally initiate a boundary modification process; and

WHEREAS, a Revision Request Manager will be required by DWR to represent the Requesting Agency and serve as the point of contact between Requesting Agency and DWR; and

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

Section 1. The BWD to act as the Requesting Agency for the boundary modification process for the Borrego Valley Groundwater Basin and to formally initiate the process with DWR.

Section 2. The District's General Manager is hereby authorized and designated to be the Revision Request Manger for the Borrego Valley Groundwater Basin.

¹ Borrego Water District Notice of Election to Serve as a Groundwater Sustainability Agency letter dated October 26, 2015. GSA formation notifications are reported on the DWR's website at: http://www.water.ca.gov/groundwater/sgm/gsa_table.cfm

Section 3. Scientific and jurisdictional documentation be prepared as part of the boundary modification application to DWR to subdivide the Borrego Valley Groundwater Basin south of the San Felipe Wash co-located with a basement high known as the Yaqui Ridge/ San Felipe anticline.

ADOPTED, SIGNED AND APPROVED this 27 day of January 2016.

President of the Board of Directors
of Borrego Water District

ATTEST:

Secretary of the Board of Directors
of Borrego Water District



BORREGO WATER DISTRICT

January 27, 2016

MEMO TO: Board of Directors
FROM: *Kim* Kim Pitman, Administration Manager
SUBJECT: Board to consider and possibly approve claims received for "Tier 2" Conservation rate refunds

Since Board approval of Tier 2 refunds on December 16, eighteen (18) more claim forms have been completed and returned to the office. I have reviewed and concur with the total refund requested for each claim. Each claim complies with Resolution/Policy NO. 2015-06-01, stating overpayment of water rates, by paying tier 2 rates. The total of these claims comes to \$7,449.91.

Once this claim is paid, we will have paid 92 claims, totaling \$48,132.24, which leaves approximately \$124,000 of possible refunds left to pay.

Thank you for your consideration in this matter.

| | Contract / Project | January | February | March | April | May |
|----|--|--|---|--|---|--|
| | PAYMENTS | | | | | |
| 1 | T2 Borrego | 1/1/15: Pay spare cost in advance | | | Raftelis spare capacity cost analysis | 5/1/15 Notice of 2015/2016 spare capacity due. |
| 2 | P & I Payment for ID4 COP's | | | 1st half of payments due | | |
| 3 | Compass Bank | | 2016 - payment due March 1st. | | | 2016 - payment due June 1st. |
| 4 | CONTRACTS | | | | | |
| 5 | American Red Cross-can cancel any time for any reason | | | | | |
| 6 | Club Circle (Cameron) | | option to renew lease by 2/28/2017 | | | |
| 7 | Green Desert Landscape | | discuss w/ Bob the option of continuing with contract 2/28/2017 | | | |
| 8 | Xerox | | | | | |
| 9 | Secap - postage machine | | | | 4/1/2017 send letter of cancellation if desired | |
| 10 | San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine) | | | | | |
| 11 | Ramona Disposal - Club Circle | | | | | |
| 12 | Ramona Disposal - BWD Dumpsters | | | | | |
| 13 | REPORTS | | | | | |
| 14 | CASGEM | | | | Submit CASGEM water level data | |
| 15 | CCR | | | | | |
| 16 | Cameron Bros. Water Usage Report (golf course) to county | | | | | |
| 17 | Santago Estate | | | | | |
| 18 | Annual EAR Report (CDHS) | | | Due 3/31 for previous year | | |
| 19 | Check fallow property for water usage | | | | | |
| 20 | ADMINISTRATIVE | | | | | |
| 21 | Audit | | | | | |
| 22 | Budget | | | Pump check | CIP meeting, draft budget document | Final Budget document / FY Rate Resolution |
| 23 | Business Plan | Raftelis begins rate analysis | February 2016 -Update Development Fees (water credits & infrastructure buy-in costs for new connections) | Prop 218 rate for FY 2017 - Fy 2021 public hearing | | FY Budget and new rates approved |
| 24 | Utility Rate Study Schedule | Preliminary Rates Disseminated by 1/29/2016 | ..Rates Finalized 2/19/2016 ...Initial Draft Report Disseminated 2/24/2016 ... Prop 218 Notice Mailed 2/26/2016 | Receive edits and finalize report | Public Hearing 4/15/2016 | |
| 25 | Groundwater Sustainability Plan (GSP) | District Meeting Jan. 20 to discuss policy recommendations, DRAFT MOU between County & District. Submit boundary adjustment to DWR | District Meeting February 17th to discuss policy recommendations, Draft MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development | | District Meeting March 17th to discuss policy recommendations, Draft MOU between County and District; DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development | |
| 26 | Investment Policy | | | | | |
| 27 | Special Assessments / tax bill resolutions-Taussig | | | | | |
| 28 | Town Hall Meeting | | | March 2016' | | |
| 29 | Water Credit Policy | | | 2015- Check if pricing needs to be adjusted (moved to due diligence) | | |

| | June | July | August | September | October | November | December |
|----|---|--|---|--|-------------------------------------|--------------------------------|--|
| 1 | 6/15/15: commitment of annual spare capacity due from T2 6/30/15: T2 to fallow 200 acre feet 6/30/15: T2 to pay BWD \$110 per a/f over 800. | 7/1/17: establish water budget | | | | | 12/31/14: T2 to purchase land to fallow 12/31/18 lease expires Send invoice for Spare Capacity |
| 2 | | | | 2nd half of payments due | | | |
| 3 | | 1st payment due September 1st | | | Payment due December 1st. | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | Lease expires 6/30/2017 | | | | | | |
| 7 | Agreement expires 6/30/2017 | Cost of Water Adjustment each July 1st. With Cameron | | | | | |
| 8 | | Lease contract expires 7/2020 | | | | | |
| 9 | | lease expires 7/2017 | | | | | |
| 10 | | | Annual maintenance contract expires 10/6/16 | | | | |
| 11 | | | contact RDS re: contract renewal 2015 | | | | rate valid until 12/2015 |
| 12 | | | contact RDS re: contract renewal 2015 | | | | rate valid until 12/2015 |
| 13 | | | | | | | |
| 14 | | | | | | Submit CASGEM water level data | |
| 15 | | | | | 10/1/15 Mail CCR Certification form | | |
| 16 | | | | | Send to County DPLU by 10/31 | | |
| 17 | Occupancy report due | | | | | | |
| 18 | | | | | | | |
| 19 | | | | Annual fallow property check | | | |
| 20 | | | | | | | |
| 21 | | | Begin audit | Review of draft audit report | | | |
| 22 | | | | | | | |
| 23 | | New rates go into effect | | March 2015-Identify & Implement Mechanism to pay for GSP costs. March 2016- Update rate structure & water, sewer & WWT rates | | | |
| 24 | | | | | | | |
| 25 | | | | DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development | | | Agree on GSP funding mechanism; start GSP development |
| 26 | Investment polices restated | | | | | | |
| 27 | Special Assessments resolutions due | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |

ITEM III A

FINANCIALS

| | C | D | BP | BQ | BR | BS | BT |
|----|---|----------------|------------------|----------------|----------------|------------------|-------------------|
| 1 | BWD | | 5/27/2015 | | | | CASH FLOW |
| 2 | CASH FLOW | | ADOPTED | ACTUAL | PROJECTED | ACTUAL | YTD + PROJ MONTHS |
| 3 | 2015-2016 | | BUDGET | DECEMBER | DEC | YTD | PROJECTED |
| 4 | | | 2015-2016 | 2015 | 2015 | 2015-2016 | 2015-2016 |
| 5 | REVENUE | | | | | | |
| 6 | WATER REVENUE | | | | | | |
| 7 | Residential Water Sales | | 932,150 | 67,691 | 75,160 | 467,236 | 886,620 |
| 8 | Commercial Water Sales | | 128,750 | 9,440 | 8,486 | 63,920 | 126,474 |
| 9 | Irrigation Water Sales | | 143,170 | 8,998 | 8,351 | 77,313 | 137,933 |
| 10 | GWM Surcharge | | 117,420 | 8,329 | 7,830 | 58,717 | 112,671 |
| 11 | Water Sales Power Portion | | 373,890 | 26,948 | 25,372 | 190,105 | 357,619 |
| 12 | Drought Penalty-1% | | (9,045) | (1,214) | (1,207) | (8,573) | 0 |
| 13 | Drought Rates-5.5% | | (40,781) | | | - | (40,781) |
| 14 | TOTAL WATER COMMODITY REVENUE: | | 1,645,554 | 121,407 | 123,992 | 848,718 | 1,571,963 |
| 15 | | | | | | | |
| 16 | | | | | | | |
| 17 | Readiness Water Charge | | 1,335,180 | 112,209 | 112,880 | 654,220 | 1,331,500 |
| 19 | RH Golf Course surplus capacity lease | | 0 | 0 | 0 | 9,630 | 9,630 |
| 20 | Meter Installation | | 0 | 0 | 0 | 6,876 | 6,876 |
| 22 | Reconnect Fees | | 1,700 | 680 | 0 | 1,700 | 2,720 |
| 23 | Backflow Testing/installation | | 6,500 | 0 | 0 | - | 6,500 |
| 24 | Bulk Water Sales | | 0 | 8 | 0 | 249 | 249 |
| 25 | Penalty & Interest Water Collection | | 9,600 | (82) | 800 | 6,576 | 11,376 |
| 26 | TOTAL WATER REVENUE: | | 2,998,534 | 234,221 | 237,672 | 1,511,215 | 2,924,059 |
| 27 | | Receivables | | | | | |
| 28 | PROPERTY ASSESSMENTS/AVAILABILITY CHARGES | as of 1/12/16 | | | | | |
| 29 | 641500 1% Property Assessments | 30,622 | 64,000 | 21,205 | 21,205 | 26,095 | 59,053 |
| 30 | 641502 Property Assess wtr/swr/fld | 50,562 | 60,000 | 5,115 | 5,115 | 7,817 | 61,390 |
| 32 | 641501 Water avail Standby | 45,806 | 84,000 | 22,571 | 22,571 | 29,642 | 83,451 |
| 34 | 641504 ID 3 Water Standby (La Casa) | 16,236 | 34,000 | 3,922 | 3,922 | 4,805 | 34,172 |
| 35 | 641503 Pest standby | 9,347 | 17,000 | 2,936 | 2,936 | 3,444 | 16,415 |
| 36 | TOTAL PROPERTY ASSES/AVAIL CHARGES: | 152,572 | 259,000 | 55,749 | 55,749 | 71,803 | 254,481 |
| 37 | | | | | | | |
| 38 | SEWER SERVICE CHARGES | | | | | | |
| 39 | Town Center Sewer Holder fees | | 171,240 | 15,148 | 14,270 | 86,580 | 172,200 |
| 40 | Town Center Sewer User Fees | | 39,960 | 3,726 | 3,330 | 20,376 | 40,356 |
| 41 | Sewer user Fees | | 333,900 | 27,785 | 27,825 | 165,617 | 332,567 |
| 45 | TOTAL SEWER SERVICE CHARGES: | | 545,100 | 46,658 | 45,425 | 272,611 | 545,161 |
| 46 | | | | | | | |
| 47 | OTHER INCOME | | | | | | |
| 51 | Miscellaneous Income (net csd fee/JPIA rebate/check free) | | | 51 | 0 | 938 | 938 |
| 52 | Water Credits income | | | 0 | 0 | 1,000 | 1,000 |
| 56 | Interest Income | | 80 | 0 | 2 | 24 | 80 |
| 57 | TOTAL OTHER INCOME: | | 80 | 51 | 2 | 1,962 | 2,018 |
| 58 | | | | | | | |
| 59 | TOTAL INCOME: | | 3,802,713 | 336,679 | 338,848 | 1,882,919 | 3,751,047 |
| 60 | | | | | | | |
| 61 | CASH BASIS ADJUSTMENTS | | | | | | |
| 62 | Decrease (Increase) in Accounts Receivable | | | 41,345 | 0 | 13,507 | 13,507 |
| 64 | Other Cash Basis Adjustments-Tier 2 refund | | | (8,425) | 0 | (39,832) | (39,832) |
| 65 | TOTAL CASH BASIS ADJUSTMENTS: | | | 32,920 | 0 | (26,325) | (26,325) |
| 66 | | | | | | | |
| 67 | TOTAL INCOME RECEIVED: | | 3,802,713 | 369,599 | 338,848 | 1,856,594 | 3,724,722 |

| | BU | BV | BW | BX | BY | BZ |
|----|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | | | | | | |
| 2 | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED |
| 3 | JAN | FEB | MARCH | APRIL | MAY | JUNE |
| 4 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 |
| 5 | | | | | | |
| 6 | | | | | | |
| 7 | 58,801 | 54,142 | 56,555 | 84,844 | 67,841 | 97,201 |
| 8 | 10,002 | 9,023 | 10,208 | 12,902 | 10,324 | 10,096 |
| 9 | 7,704 | 6,663 | 7,425 | 12,736 | 11,672 | 14,420 |
| 10 | 6,942 | 6,993 | 7,366 | 10,876 | 10,888 | 10,888 |
| 11 | 22,514 | 22,672 | 23,874 | 33,590 | 31,743 | 33,122 |
| 12 | | | | | | |
| 13 | (5,621) | (5,265) | (5,592) | (8,315) | (7,079) | (8,910) |
| 14 | 100,341 | 94,228 | 99,837 | 146,632 | 125,389 | 156,817 |
| 15 | | | | | | |
| 16 | | | | | | |
| 17 | 112,880 | 112,880 | 112,880 | 112,880 | 112,880 | 112,880 |
| 19 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | 340 | 0 | 340 | 0 | 340 | 0 |
| 23 | 6,500 | 0 | 0 | 0 | 0 | 0 |
| 24 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | 800 | 800 | 800 | 800 | 800 | 800 |
| 26 | 220,861 | 207,908 | 213,857 | 260,312 | 239,409 | 270,497 |
| 27 | | | | | | |
| 28 | | | | | | |
| 29 | 10,235 | 1,906 | 2,102 | 18,015 | 500 | 200 |
| 30 | 49,490 | 1,018 | 693 | 1,072 | 1,000 | 300 |
| 32 | 26,716 | 2,438 | 3,015 | 4,363 | 15,277 | 2,000 |
| 34 | 14,464 | 346 | 889 | 1,046 | 12,132 | 490 |
| 35 | 7,044 | 329 | 416 | 2,063 | 2,597 | 523 |
| 36 | 107,949 | 6,038 | 7,114 | 26,558 | 31,506 | 3,513 |
| 37 | | | | | | |
| 38 | | | | | | |
| 39 | 14,270 | 14,270 | 14,270 | 14,270 | 14,270 | 14,270 |
| 40 | 3,330 | 3,330 | 3,330 | 3,330 | 3,330 | 3,330 |
| 41 | 27,825 | 27,825 | 27,825 | 27,825 | 27,825 | 27,825 |
| 45 | 45,425 | 45,425 | 45,425 | 45,425 | 45,425 | 45,425 |
| 46 | | | | | | |
| 47 | | | | | | |
| 51 | 0 | 0 | 0 | 0 | 0 | 0 |
| 52 | 0 | 0 | 0 | 0 | 0 | 0 |
| 56 | 16 | 3 | 2 | 16 | 2 | 16 |
| 57 | 16 | 3 | 2 | 16 | 2 | 16 |
| 58 | | | | | | |
| 59 | 374,252 | 259,375 | 266,398 | 332,311 | 316,342 | 319,451 |
| 60 | | | | | | |
| 61 | | | | | | |
| 62 | 0 | 0 | 0 | 0 | 0 | 0 |
| 64 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 | 0 | 0 | 0 | 0 | 0 | 0 |
| 66 | | | | | | |
| 67 | 374,252 | 259,375 | 266,398 | 332,311 | 316,342 | 319,451 |

| | C | D | BP | BQ | BR | BS | BT |
|-----|--|---|------------------|-----------------|------------------|------------------|--------------------------|
| 1 | BWD | | 5/27/2015 | | | | CASH FLOW |
| 2 | CASH FLOW | | ADOPTED | ACTUAL | PROJECTED | ACTUAL | YTD + PROJ MONTHS |
| 3 | 2015-2016 | | BUDGET | DECEMBER | DEC | YTD | PROJECTED |
| 4 | | | 2015-2016 | 2015 | 2015 | 2015-2016 | 2015-2016 |
| 68 | EXPENSES | | | | | | |
| 69 | | | | | | | |
| 70 | MAINTENANCE EXPENSE | | | | | | |
| 71 | R & M Buildings & Equipment | | 185,000 | 1,556 | 15,000 | 51,522 | 166,522 |
| 72 | R & M - WWTP | | 132,000 | 5,075 | 6,000 | 23,075 | 109,075 |
| 73 | Telemetry | | 10,000 | 4,660 | 850 | 5,711 | 10,000 |
| 74 | Trash Removal | | 4,000 | 287 | 350 | 1,782 | 3,882 |
| 75 | Vehicle Expense | | 18,000 | 1,904 | 1,500 | 15,504 | 24,504 |
| 76 | Fuel & Oil | | 25,000 | 3,088 | 2,500 | 12,986 | 24,986 |
| 77 | TOTAL MAINTENANCE EXPENSE: | | 374,000 | 16,570 | 26,200 | 110,580 | 338,969 |
| 78 | | | | | | | |
| 79 | PROFESSIONAL SERVICES EXPENSE | | | | | | |
| 80 | Tax Accounting (Taussig) | | 3,000 | 0 | 0 | 1,055 | 2,555 |
| 81 | Administrative Services (ADP/Bank Fees) | | 6,000 | 219 | 500 | 2,935 | 5,935 |
| 82 | Audit Fees | | 14,439 | 0 | 0 | 14,439 | 14,439 |
| 83 | Computer billing-TBD | | 9,900 | 0 | 825 | 3,380 | 8,330 |
| 84 | Consulting/Technical/Contract Labor | | 1,200 | 0 | 100 | 50 | 650 |
| 85 | Engineering | | 35,000 | (50,383) | 3,000 | 43,690 | 61,690 |
| 86 | District Legal Services | | 30,000 | 0 | 2,500 | 3,969 | 18,969 |
| 87 | Testing/lab work | | 12,000 | 30 | 1,000 | 3,951 | 9,951 |
| 88 | Regulatory Permit Fees | | 33,000 | 1,395 | 0 | 26,429 | 37,946 |
| 89 | TOTAL PROFESSIONAL SERVICES EXPENSE: | | 144,539 | (48,740) | 7,925 | 99,899 | 160,466 |
| 90 | | | | | | | |
| 91 | INSURANCE/DEBT EXPENSE | | | | | | |
| 92 | ACWA Insurance | | 59,000 | 0 | 0 | 24,670 | 59,670 |
| 93 | Workers Comp | | 16,000 | 4,287 | 4,000 | 8,303 | 16,303 |
| 94 | COP 2008 Installment | | 254,525 | | 0 | 198,838 | 254,525 |
| 95 | Viking Ranch Debt Payment | | 143,312 | | | 71,724 | 143,468 |
| 96 | TOTAL INSURANCE/DEBT EXPENSE: | | 472,837 | 4,287 | 4,000 | 303,534 | 473,966 |
| 97 | | | | | | | |
| 98 | PERSONNEL EXPENSE | | | | | | |
| 99 | Board Meeting Expense (board stipend/board secretary) | | 16,500 | 740 | 1,500 | 5,750 | 14,750 |
| 100 | Salaries & Wages (gross) | | 761,000 | 67,981 | 64,750 | 383,441 | 759,641 |
| 101 | Taxes on Payroll | | 20,000 | 1,031 | 1,050 | 7,429 | 21,309 |
| 102 | Medical Insurance Benefits | | 185,000 | 18,915 | 15,093 | 119,477 | 205,477 |
| 103 | Calpers Retirement Benefits | | 169,200 | 7,635 | 8,270 | 111,814 | 161,434 |
| 104 | Salaries & Wages contra account | | (14,520) | (810) | (1,320) | (6,994) | (14,914) |
| 105 | Conference/Conventions/Training/Seminars | | 7,000 | 1,399 | 479 | 5,673 | 7,837 |
| 106 | TOTAL PERSONNEL EXPENSE: | | 1,144,180 | 96,890 | 89,822 | 626,590 | 1,155,533 |
| 107 | | | | | | | |
| 108 | OFFICE EXPENSE | | | | | | |
| 109 | Office Supplies | | 18,000 | 1,299 | 1,500 | 9,003 | 18,003 |
| 110 | Office Equipment/ Rental/Maintenance Agreements | | 25,000 | 873 | 1,584 | 13,683 | 24,399 |
| 111 | Postage & Freight | | 13,000 | 2,026 | 2,100 | 6,113 | 12,613 |
| 112 | Taxes on Property | | 2,500 | 0 | 0 | 2,388 | 2,388 |
| 113 | Telephone/Answering Service | | 8,400 | 792 | 700 | 4,396 | 8,596 |
| 114 | Dues & Subscriptions | | 3,600 | 55 | 0 | 171 | 3,207 |
| 115 | Printing, Publications & Notices | | 1,000 | 0 | 94 | 816 | 1,479 |
| 116 | Uniforms | | 5,400 | 504 | 450 | 2,734 | 5,434 |
| 117 | OSHA Requirements/Emergency preparedness | | 4,000 | 85 | 400 | 663 | 2,463 |
| 118 | TOTAL OFFICE EXPENSE: | | 80,900 | 5,634 | 6,828 | 39,967 | 78,584 |
| 119 | | | | | | | |
| 120 | UTILITIES EXPENSE | | | | | | |
| 121 | Pumping-Electricity | | 430,000 | 26,986 | 33,813 | 181,250 | 354,437 |
| 122 | Office/Shop Utilities | | 19,000 | 1,642 | 1,030 | 14,746 | 22,430 |
| 123 | Cellular Phone | | 7,500 | 841 | 625 | 4,336 | 8,086 |
| 124 | TOTAL UTILITIES EXPENSE: | | 456,500 | 29,469 | 35,468 | 200,332 | 384,953 |
| 125 | | | | | | | |
| 126 | TOTAL EXPENSES: | | 2,672,956 | 104,110 | 170,242 | 1,380,902 | 2,592,471 |
| 127 | | | | | | | |
| 128 | CASH BASIS ADJUSTMENTS | | | | | | |
| 129 | Decrease (Increase) in Accounts Payable | | | (24,021) | 0 | 5,499 | 5,499 |
| 130 | Increase (Decrease) in Inventory | | | 2,944 | 0 | 15,926 | 15,926 |
| 131 | Other Cash Basis Adjustments-Loss on water credit sold | | | | 0 | - | 0 |
| 132 | TOTAL CASH BASIS ADJUSTMENTS: | | | (21,077) | 0 | 21,425 | 21,425 |
| 133 | | | | | | | |
| 134 | TOTAL EXPENSES PAID: | | 2,672,956 | 83,033 | 170,242 | 1,402,327 | 2,613,896 |
| 135 | | | | | | | |
| 136 | NET CASH FLOW (O&M) | | 1,129,758 | 286,566 | 168,605 | 454,266 | 1,110,826 |

| | BU | BV | BW | BX | BY | BZ |
|-----|----------------|----------------|-----------------|----------------|----------------|----------------|
| 1 | | | | | | |
| 2 | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED |
| 3 | JAN | FEB | MARCH | APRIL | MAY | JUNE |
| 4 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 |
| 68 | | | | | | |
| 69 | | | | | | |
| 70 | | | | | | |
| 71 | 15,000 | 15,000 | 15,000 | 15,000 | 40,000 | 15,000 |
| 72 | 6,000 | 6,000 | 56,000 | 6,000 | 6,000 | 6,000 |
| 73 | 0 | 850 | 800 | 800 | 800 | 1,039 |
| 74 | 350 | 350 | 350 | 350 | 350 | 350 |
| 75 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 76 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 77 | 24,850 | 25,700 | 75,650 | 25,650 | 50,650 | 25,889 |
| 78 | | | | | | |
| 79 | | | | | | |
| 80 | 0 | 0 | 0 | 0 | 0 | 1,500 |
| 81 | 500 | 500 | 500 | 500 | 500 | 500 |
| 82 | 0 | 0 | 0 | 0 | 0 | 0 |
| 83 | 825 | 825 | 825 | 825 | 825 | 825 |
| 84 | 100 | 100 | 100 | 100 | 100 | 100 |
| 85 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| 86 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| 87 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 88 | 0 | 1,250 | 4,722 | 422 | 3,000 | 2,123 |
| 89 | 7,925 | 9,175 | 12,647 | 8,347 | 10,925 | 11,548 |
| 90 | | | | | | |
| 91 | | | | | | |
| 92 | 0 | 0 | 35,000 | 0 | 0 | 0 |
| 93 | 0 | 0 | 4,000 | 0 | 0 | 4,000 |
| 94 | 0 | 0 | 55,688 | 0 | 0 | 0 |
| 95 | | 35,872 | | | 35,872 | |
| 96 | 0 | 35,872 | 94,688 | 0 | 35,872 | 4,000 |
| 97 | | | | | | |
| 98 | | | | | | |
| 99 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 100 | 61,750 | 61,750 | 64,650 | 61,750 | 63,150 | 63,150 |
| 101 | 5,000 | 2,390 | 1,078 | 1,612 | 2,200 | 1,600 |
| 102 | 17,200 | 17,200 | 17,200 | 17,200 | 17,200 | 0 |
| 103 | 8,270 | 8,270 | 8,270 | 8,270 | 8,270 | 8,270 |
| 104 | (1,320) | (1,320) | (1,320) | (1,320) | (1,320) | (1,320) |
| 105 | 48 | 790 | 500 | 100 | 600 | 126 |
| 106 | 92,448 | 90,580 | 91,878 | 89,112 | 91,600 | 73,326 |
| 107 | | | | | | |
| 108 | | | | | | |
| 109 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 110 | 1,665 | 1,552 | 2,000 | 2,000 | 1,500 | 2,000 |
| 111 | 50 | 2,100 | 75 | 2,100 | 75 | 2,100 |
| 112 | 0 | 0 | 0 | 0 | 0 | 0 |
| 113 | 700 | 700 | 700 | 700 | 700 | 700 |
| 114 | 248 | 134 | 200 | 2,360 | 50 | 45 |
| 115 | 353 | 94 | 116 | 0 | 0 | 100 |
| 116 | 450 | 450 | 450 | 450 | 450 | 450 |
| 117 | 400 | 250 | 250 | 300 | 300 | 300 |
| 118 | 5,366 | 6,780 | 5,291 | 9,410 | 4,575 | 7,195 |
| 119 | | | | | | |
| 120 | | | | | | |
| 121 | 27,000 | 25,554 | 25,633 | 30,000 | 32,000 | 33,000 |
| 122 | 1,543 | 1,165 | 1,286 | 1,079 | 1,100 | 1,511 |
| 123 | 625 | 625 | 625 | 625 | 625 | 625 |
| 124 | 29,168 | 27,344 | 27,544 | 31,704 | 33,725 | 35,136 |
| 125 | | | | | | |
| 126 | <u>159,757</u> | <u>195,451</u> | <u>307,697</u> | <u>164,222</u> | <u>227,347</u> | <u>157,094</u> |
| 127 | | | | | | |
| 128 | | | | | | |
| 129 | 0 | 0 | 0 | 0 | 0 | 0 |
| 130 | 0 | 0 | 0 | 0 | 0 | 0 |
| 131 | 0 | 0 | 0 | 0 | 0 | 0 |
| 132 | 0 | 0 | 0 | 0 | 0 | 0 |
| 133 | | | | | | |
| 134 | <u>159,757</u> | <u>195,451</u> | <u>307,697</u> | <u>164,222</u> | <u>227,347</u> | <u>157,094</u> |
| 135 | | | | | | |
| 136 | <u>214,495</u> | <u>63,923</u> | <u>(41,299)</u> | <u>168,089</u> | <u>88,995</u> | <u>162,357</u> |

| | C | D | BP | BQ | BR | BS | BT |
|-----|--|---|--------------------|--------------------|------------------|------------------------|--------------------------|
| 1 | BWD | | 5/27/2015 | | | | CASH FLOW |
| 2 | CASH FLOW | | ADOPTED | ACTUAL | PROJECTED | ACTUAL | YTD + PROJ MONTHS |
| 3 | 2015-2016 | | BUDGET | DECEMBER | DEC | YTD | PROJECTED |
| 4 | | | 2015-2016 | 2015 | 2015 | 2015-2016 | 2015-2016 |
| 137 | NON O & M EXPENSES | | | | | | |
| 138 | Water | | | | | | |
| 139 | Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016) | | 125,000 | | | - | 125,000 |
| 140 | Pickup | | 30,000 | | | 28,784 | 28,784 |
| 141 | Backhoe | | 150,000 | | | - | 150,000 |
| 142 | ID 5-5, 200 HP | | 10,000 | | 10,000 | - | 0 |
| 143 | Pipeline-Bending Elbow Road-Second Half | | 55,590 | | | - | 55,590 |
| 145 | Pump and Cleaning Well ID4-4 | | 70,000 | | | - | 70,000 |
| 146 | Booster Station Motors-Country Club & ID1 station 1 #2 30 hp | | 8,000 | | | 14,054 | 14,054 |
| 148 | Air Quality Compliance-Wilcox Well | | 37,000 | | | - | 37,000 |
| 151 | Sewer | | | | | | |
| 153 | WWTP-Portable engine driven trash pump/Backup generator | | 92,000 | | 92,000 | - | 0 |
| 155 | WWTP-Rehab grit chamber | | 6,000 | | | - | 6,000 |
| 157 | WWTP-Rehab Clarifier/pump/bearings | | 66,500 | | 20,000 | 6,709 | 46,500 |
| 159 | WWTP-Solar Project | | 205,088 | 83,912 | 63,531 | 202,532 | 202,532 |
| 163 | GWM | | | | | | |
| 165 | GWM -legal/Misc.-prop 1 grant/USGS | | 60,000 | 16,758 | 5,000 | 42,594 | 72,594 |
| 166 | District portion of GSP | | 80,000 | | 8,500 | 22,351 | 71,500 |
| 173 | 218 Process | | 110,000 | | 5,000 | - | 105,000 |
| 178 | OTHER | | | | | | |
| 182 | GPS Locating System | | 12,000 | | | - | 12,000 |
| 184 | New Computer for server and new Software system | | 85,500 | 2,540 | | 89,933 | 98,513 |
| 192 | New Scada System at WWTP/District | | | 11,630 | | 11,630 | 11,630 |
| 193 | TOTAL NON O&M EXPENSES | | 1,202,678 | 114,841 | 204,031 | 418,589 | 1,106,699 |
| 194 | | | | | | | |
| 195 | CASH RECAP | | | | | | |
| 196 | Cash beginning of period | | 2,611,448 | 2,716,341 | 2,716,341 | 2,852,387 | 2,852,387 |
| 197 | Net Cash Flow (O&M) | | 1,129,758 | 286,566 | 168,605 | 454,266 | 1,110,826 |
| 198 | Total Non O&M Expenses | | (1,202,678) | (114,841) | (204,031) | (418,589) | (1,106,699) |
| 199 | CASH AT END OF PERIOD | | 2,538,528 | 2,888,066 | 2,680,915 | 2,888,066 | 2,856,514 |
| 200 | | | | | | | |
| 201 | RESERVES | | | | | | |
| 202 | Debt Reserves | | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| 203 | Working Capital (4 months) | | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) |
| 205 | Contingency Reserves (10% O&M) | | (270,000) | (270,000) | (270,000) | (270,000) | (270,000) |
| 206 | Rate Stabilization Reserves | | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) |
| 207 | Available for Emergency Reserves | | 488,528 | 838,066 | 630,915 | 838,066 | 806,514 |
| 208 | Target Emergency Reserves | | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 209 | Emergency Reserves Deficit | | (1,511,472) | (1,161,933) | (698,427) | (1,161,934) | (1,193,486) |
| 210 | | | | | | | |
| 211 | | | | | | | |
| 212 | SIGNIFICANT ITEMS | | | ACTUAL | PROJECTED | | |
| 213 | | | | | | | |
| 214 | Total Maintenance Expense | | | 16,570 | 26,200 | R&M Down | |
| 215 | Engineering | | | (50,383) | 3,000 | Received RH repayment | |
| 216 | Salaries & Wages (gross) | | | 67,981 | 64,750 | Final check-retirement | |
| 217 | Pumping-Electricity | | | 26,986 | 33,813 | Less usage | |
| 218 | | | | | | | |

| | BU | BV | BW | BX | BY | BZ |
|-----|-------------|-------------|--------------|--------------|-------------|-------------|
| 1 | | | | | | |
| 2 | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED | PROJECTED |
| 3 | JAN | FEB | MARCH | APRIL | MAY | JUNE |
| 4 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 |
| 137 | | | | | | |
| 138 | | | | | | |
| 139 | | | | 125,000 | | |
| 140 | | | | | | |
| 141 | | | | | | 150,000 |
| 142 | | | | | | |
| 143 | | 35,000 | 20,590 | | | |
| 145 | 35,000 | | 35,000 | | | |
| 146 | | | | | | |
| 148 | 37,000 | | | | | |
| 151 | | | | | | |
| 153 | | | | | | |
| 155 | 6,000 | | | | | |
| 157 | | 6,500 | | 20,000 | | 13,291 |
| 159 | 0 | | | | | |
| 163 | | | | | | |
| 165 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 166 | 8,500 | 8,500 | 8,500 | 8,500 | 7,500 | 7,649 |
| 173 | 17,000 | 17,000 | 17,000 | 18,000 | 18,000 | 18,000 |
| 178 | | | | | | |
| 182 | 12,000 | | | | | |
| 184 | 5,720 | 2,860 | | | | |
| 192 | | | | | | |
| 193 | 126,220 | 74,860 | 86,090 | 176,500 | 30,500 | 193,940 |
| 194 | | | | | | |
| 195 | | | | | | |
| 196 | 2,888,066 | 2,976,341 | 2,965,405 | 2,838,016 | 2,829,604 | 2,888,099 |
| 197 | 214,495 | 63,923 | (41,299) | 168,089 | 88,995 | 162,357 |
| 198 | (126,220) | (74,860) | (86,090) | (176,500) | (30,500) | (193,940) |
| 199 | 2,976,341 | 2,965,405 | 2,838,016 | 2,829,604 | 2,888,099 | 2,856,514 |
| 200 | | | | | | |
| 201 | | | | | | |
| 202 | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| 203 | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) | (900,000) |
| 205 | (270,000) | (270,000) | (270,000) | (270,000) | (270,000) | (270,000) |
| 206 | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) |
| 207 | 926,341 | 915,405 | 788,016 | 779,604 | 838,099 | 806,514 |
| 208 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 209 | (506,450) | (401,877) | (575,451) | (1,220,396) | (1,161,901) | (1,193,486) |
| 210 | | | | | | |
| 211 | | | | | | |
| 212 | | | | | | |
| 213 | | | | | | |
| 214 | | | | | | |
| 215 | | | | | | |
| 216 | | | | | | |
| 217 | | | | | | |
| 218 | | | | | | |



BORREGO WATER DISTRICT

| | BALANCE SHEET December 31, 2015 (unaudited) | BALANCE SHEET November 30, 2015 (unaudited) | MONTHLY CHANGE (unaudited) |
|--|---|---|----------------------------------|
| ASSETS: | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 2,888,065.85 | \$ 2,716,340.40 | \$ 171,725.45 |
| Accounts receivable from water sales and sewer charges | \$ 337,138.22 | \$ 378,483.20 | \$ (41,344.98) |
| Inventory | \$ 133,209.12 | \$ 136,153.17 | \$ (2,944.05) |
| Prepaid expenses | \$ 33,692.09 | \$ 33,692.09 | \$ - |
| TOTAL CURRENT ASSETS | \$ 3,392,105.28 | \$ 3,264,668.86 | \$ 127,436.42 |
| RESTRICTED ASSETS | | | |
| Debt Service: | | | |
| Deferred amount of COP Refunding | \$ 122,550.33 | \$ 122,550.33 | \$ - |
| Unamortized bond issue costs | \$ 85,965.97 | \$ 85,965.97 | \$ - |
| Viking Ranch Refinance issue costs | \$ 56,000.00 | \$ 56,000.00 | \$ - |
| Deferred Outflow of Resources-calPERS | \$ 138,759.00 | \$ 138,759.00 | \$ - |
| Total Debt service | \$ 403,275.30 | \$ 403,275.30 | \$ - |
| Trust fund: | | | |
| Investments with fiscal agent -CFD 2007-1 | \$ 95,525.45 | \$ 88,507.65 | \$ 7,017.80 |
| Total Trust fund | \$ 95,525.45 | \$ 88,507.65 | \$ 7,017.80 |
| TOTAL RESTRICTED ASSETS | \$ 498,800.75 | \$ 491,782.95 | \$ 7,017.80 |
| UTILITY PLANT IN SERVICE | | | |
| Land | \$ 2,321,191.65 | \$ 2,321,191.65 | \$ - |
| Flood Control Facilities | \$ 4,319,603.58 | \$ 4,319,603.58 | \$ - |
| Capital Improvement Projects | \$ 566,578.26 | \$ 479,223.59 | \$ 87,354.67 |
| Sewer Facilities | \$ 5,533,268.63 | \$ 5,533,268.63 | \$ - |
| Water facilities | \$ 10,620,984.07 | \$ 10,620,984.07 | \$ - |
| Pipelines,wells and tanks | \$ 151,699.02 | \$ 151,699.02 | \$ - |
| General facilities | \$ 1,006,881.13 | \$ 1,006,881.13 | \$ - |
| Equipment and furniture | \$ 323,763.86 | \$ 312,133.38 | \$ 11,630.48 |
| Vehicles | \$ 591,420.89 | \$ 591,420.89 | \$ - |
| Accumulated depreciation | \$ (11,581,213.50) | \$ (11,581,213.50) | \$ - |
| NET UTILITY PLANT IN SERVICE | \$ 13,854,177.59 | \$ 13,755,192.44 | \$ 98,985.15 |
| OTHER ASSETS | | | |
| Water rights -ID4 | \$ 185,000.00 | \$ 185,000.00 | \$ - |
| TOTAL OTHER ASSETS | \$ 185,000.00 | \$ 185,000.00 | \$ - |
| TOTAL ASSETS | \$ 17,930,083.62 | \$ 17,696,644.25 | \$ 233,439.37 |

Balance sheet continued

| | BALANCE SHEET December 31, 2015 (unaudited) | BALANCE SHEET November 30, 2015 (unaudited) | MONTHLY CHANGE (unaudited) |
|---|--|--|---|
| LIABILITIES: | | | |
| CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS | | | |
| Accounts Payable | \$ 154,391.52 | \$ 130,370.12 | \$ 24,021.40 |
| Accrued expenses | \$ 113,983.36 | \$ 113,983.36 | \$ - |
| Deposits | \$ 22,943.75 | \$ 22,943.75 | \$ - |
| TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS | \$ 291,318.63 | \$ 267,297.23 | \$ 24,021.40 |
| CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS | | | |
| Debt Service: | | | |
| Accounts Payable to CFD 2007-1 | \$ 95,525.45 | \$ 88,507.65 | \$ 7,017.80 |
| Tier 2 Rate Refund Payable | \$ 131,512.67 | \$ 139,937.83 | \$ (8,425.16) |
| TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS | \$ 227,038.12 | \$ 228,445.48 | \$ (1,407.36) |
| LONG TERM LIABILITIES | | | |
| 2008 Certificates of participation | \$ 2,475,000.00 | \$ 2,475,000.00 | \$ - |
| BBVA Compass Bank Loan | \$ 1,082,237.81 | \$ 1,082,237.81 | \$ - |
| Net Pension Liability-calPERS | \$ 699,055.00 | \$ 699,055.00 | \$ - |
| Deferred Inflow of Resources-calPERS | \$ 160,113.00 | \$ 160,113.00 | \$ - |
| TOTAL LONG TERM LIABILITIES | \$ 4,416,405.81 | \$ 4,416,405.81 | \$ - |
| TOTAL LIABILITIES | \$ 4,934,762.56 | \$ 4,912,148.52 | \$ 22,614.04 |
| FUND EQUITY | | | |
| Contributed equity | \$ 9,611,814.35 | \$ 9,611,814.35 | \$ - |
| Retained Earnings: | | | |
| Unrestricted Reserves/Retained Earnings | \$ 3,383,506.71 | \$ 3,172,681.38 | \$ 210,825.33 |
| Total retained earnings | \$ 3,383,506.71 | \$ 3,172,681.38 | \$ 210,825.33 |
| TOTAL FUND EQUITY | \$ 12,995,321.06 | \$ 12,784,495.73 | \$ 210,825.33 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 17,930,083.62 | \$ 17,696,644.25 | \$ 233,439.37 |

GROUNDWATER MANAGEMENT
Accounting-FY 2016
01-5480

| MONTH | DOWNEY BRAND | UC REGENTS | CONFERENCE/ AT CONF/MEALS | USGS | RAFTELIS | DUDEK | WENDY QUINN MINUTES | MONTHLY TOTAL | FYE 2016 TOTAL |
|--------------|-----------------|------------------|---------------------------|-----------------|-----------------|------------------|---------------------|------------------|------------------|
| Jul-15 | 534.95 | 15,000.00 | | | | | | 15,534.95 | 15,534.95 |
| Aug-15 | | | 8.31 | | | | | 8.31 | 15,543.26 |
| Sep-15 | 1,312.50 | | 50.36 | | | | | 1,362.86 | 16,906.12 |
| Oct-15 | 1,900.67 | | 211.59 | 4,426.18 | | | | 6,538.44 | 23,444.56 |
| Nov-15 | 450.00 | | 6.94 | | 5,375.00 | 16,976.40 | | 22,808.34 | 46,252.90 |
| Dec-15 | 1,462.50 | | 27.96 | | | 14,285.00 | 80.00 | 15,855.46 | 62,108.36 |
| Jan-16 | | | | | | | | - | 62,108.36 |
| Feb-16 | | | | | | | | - | 62,108.36 |
| Mar-16 | | | | | | | | - | 62,108.36 |
| Apr-16 | | | | | | | | - | 62,108.36 |
| May-16 | | | | | | | | - | 62,108.36 |
| Jun-16 | | | | | | | | - | 62,108.36 |
| Total | <u>5,660.62</u> | <u>15,000.00</u> | <u>305.16</u> | <u>4,426.18</u> | <u>5,375.00</u> | <u>31,261.40</u> | <u>80.00</u> | <u>62,108.36</u> | <u>62,108.36</u> |



BORREGO WATER DISTRICT

TREASURER'S REPORT DECEMBER, 2015

| Bank Balance | Carrying Value | Fair Value | % of Portfolio | | | | Valuation Source |
|-----------------|-------------------|---------------|-------------------|---------------------|----------|--|---------------------|
| | | | Current Actual | Rate of Interest | Maturity | | |

Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

| | | | | | | | |
|--|---------------------|---------------------|---------------------|----------------|-------|-----|--------|
| WFB/UB General Account/Petty Cash | \$ 2,900,239 | \$ 2,819,878 | \$ 2,819,878 | 97.64% | 0.00% | N/A | WFB/UB |
| Payroll Account | \$ 49,225 | \$ 47,189 | \$ 47,189 | 1.63% | 0.00% | N/A | WFB |
| LAIF | \$ 20,999 | \$ 20,999 | \$ 20,999 | 0.73% | 0.22% | N/A | LAIF |
| Total Cash and Cash Equivalents | \$ 2,970,462 | \$ 2,888,066 | \$ 2,888,066 | 100.00% | | | |

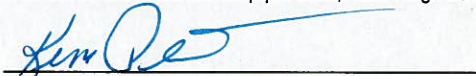
Facilities District No. 2007-1

| | | | | | | | |
|--|---------------------|---------------------|---------------------|--|--|--|--|
| First American Treas Obligation -US BANK | \$ 95,525 | \$ 95,525 | \$ 95,525 | | | | |
| Total Cash,Cash Equivalents & Investments | \$ 3,065,988 | \$ 2,983,591 | \$ 2,983,591 | | | | |

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 24, 2015.

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

Sources of valuations are Umpqua Bank, 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 December, 2015

Vendor disbursements paid during this period: **\$ 234,868.93**

Significant items:

| | |
|---|--------------|
| San Diego Gas & Electric | \$ 27,732.29 |
| CalPERS Payments | \$ 10,592.93 |
| Medical Health Benefits | \$ 20,734.26 |
| ACWA/JPIA Workers Compensation-4th quarter 2015 | \$ 4,287.00 |

Capital Projects/Fixed Asset Outlays:

| | |
|-----------------------------|--------------|
| Contron-Scada Computers | \$ 11,630.48 |
| Server upgrades | \$ 1,508.14 |
| LTS Solar Energy/WWTP Solar | \$ 83,602.00 |

Total Professional Services for this Period:

| | | |
|-------------------------|--------------|---------------------|
| Downey Brand, Attorneys | GWM | \$ 1,462.50 |
| Dudek-to be reimbursed | RHGC | \$ 5,893.61 |
| | GWM | \$ 8,758.75 |
| | Prop 1 Grant | \$ 902.50 |
| | | <u>\$ 15,554.86</u> |

Payroll for this Period:

| | |
|------------------------------------|----------------------------|
| Gross Payroll | \$ 67,980.00 |
| Employer Payroll Taxes and ADP Fee | \$ 1,210.52 |
| Total | <u>\$ 69,190.52</u> |

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
DECEMBER 31, 2016

GENERAL ACCOUNT

| CHECK# | DATE | PAYEE & DESCRIPTION | AMOUNT |
|--------|----------|---|-----------|
| 30256 | 01/05/16 | U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS | |
| | | SEE INVOICE FOR DETAILS | 2,647.93 |
| 30232 | 12/23/15 | ABILITY ANSWERING/PAGING SER ANSWERING SERVICE | 258.63 |
| 30195 | 12/16/15 | JEROME PERLSTROM ADJUSTABLE HEIGHT STOOL | 357.37 |
| 30196 | 12/16/15 | CB&T ACWA-JPIA MEDICAL COVERAGE JANUARY 2016 | 20,734.26 |
| 30257 | 01/05/16 | ACWA/JPIA WORKERS COMPENSATION FOR 10/1/15 - 12/31/15 | 4,287.00 |
| 30233 | 12/23/15 | AFLAC EMPLOYEE PAID SUPPLEMENTAL INS | 1,889.44 |
| 30197 | 12/16/15 | AIR POLLUTION DISTRICT FEES APCD2012-00924 EMISSION FEE RENEWAL, ELIGIBLE ENGINE | 309.00 |
| 30209 | 12/21/15 | ALAN KUEHN TIER 2 CONSERVATION RATE REFUND | 449.54 |
| 30265 | 01/15/16 | AMERICAN LINEN INC. UNIFORMS FOR CREW | 503.94 |
| 30210 | 12/21/15 | ANN NOURSE TIER 2 CONSERVATION RATE REFUND | 42.92 |
| 30211 | 12/21/15 | ARIAS, JOSE TIER 2 CONSERVATION RATE REFUND | 33.64 |
| 30234 | 12/23/15 | ASBURY ENVIRONMENTAL SERVICES EMPTY DRUMS USED OIL | 85.00 |
| 30245 | 01/04/16 | AT CONFERENCE CONFERENCE CALLS | 17.37 |
| 30246 | 01/04/16 | AT&T MOBILITY CELL PHONES FOR CREW | 612.66 |
| 30247 | 01/04/16 | AT&T-CALNET 2 PHONE SERVICE OFFICE, WWTP, SHOP | 345.56 |
| 30212 | 12/21/15 | BEHNKE, HANS J. TIER 2 CONSERVATION RATE REFUND | 25.84 |
| 30266 | 01/15/16 | BORREGO SPRINGS BOTTLED WATER WATER FOR CREW/DISPENSER RENT | 8.00 |
| 30198 | 12/16/15 | PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT | 5,158.70 |
| 30248 | 01/04/16 | PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE PAID SUPPLEMENTAL INS | 5,434.23 |
| 30199 | 12/16/15 | CMS BUSINESS FORMS, INC. BILLING SUPPLIES, ENVELOPES | 1,156.52 |

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 DECEMBER 31, 2016

| CHECK# | DATE | PAYEE & DESCRIPTION | AMOUNT |
|--------|----------|--|-----------|
| 30267 | 01/15/16 | COMMERCIAL VAN INTERIORS INSTALLATION OF LIGHTS, STROBES ON NEW TRUCK | 744.18 |
| 30200 | 12/16/15 | CONTRON REPAIR AT WWTP PANEL LIGHTS ADDITION TO SCADA SYSTEM AT WWTP | 1,716.68 |
| 30258 | 01/05/16 | CONTRON SCADA SERVICES AT RHWTF | 1,206.60 |
| 30268 | 01/15/16 | CONTRON SCADA SERVICES AT MAINTENANCE BUILDING SCADA SERVICES AT MAINTENANCE BUILDING SCADA SERVICES AT RHWTF | 13,367.34 |
| 30201 | 12/16/15 | COUNTY OF SAN DIEGO FACILITY PERMIT DEH2002-105388 MAINTENANCE | 1,077.00 |
| 30213 | 12/21/15 | DAVID CARMICHAEL TIER 2 CONSERVATION RATE REFUND | 19.37 |
| 30249 | 01/04/16 | JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS | 241.83 |
| 30202 | 12/16/15 | DEBBIE MORETTI PEST MANAGEMENT | 122.00 |
| 30235 | 12/23/15 | DOWNEY BRAND PROFESSIONAL SERVICES | 1,462.50 |
| 30203 | 12/16/15 | DUDEK PROFESSIONAL SERVICES | 522.50 |
| 30259 | 01/05/16 | DUDEK PROFESSIONAL SERVICES 10/31/15- 11/27/15 | 5,526.25 |
| 30269 | 01/15/16 | DUDEK PROFESSIONAL SERVICES DEVELOP BVGB GSP WATER SUPPLY FOR RHGC PROFESSIONAL SERVICES JANE GRAY REVIEW OF FINANCIALS | 15,032.36 |
| 30214 | 12/21/15 | ED STIGLIC TIER 2 CONSERVATION RATE REFUN REFUND | 645.23 |
| 30215 | 12/21/15 | ERNESTO LOZA TIER 2 CONSERVATION RATE REFUND | 32.49 |
| 30236 | 12/23/15 | FASTENAL COMPANY VOLTAGE TESTER FOR ROY AND PARTS FOR WWTP | 163.44 |
| 30270 | 01/15/16 | FASTENAL COMPANY BLUE LOCATE FLAGS | 24.97 |
| 30204 | 12/16/15 | FED EX SHIPPING CHARGES | 22.91 |
| 30216 | 12/21/15 | GHIO, CM TIER 2 CONSERVATION RATE REFUND | 128.66 |

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
DECEMBER 31, 2016

| CHECK# | DATE | PAYEE & DESCRIPTION | AMOUNT |
|--------|----------|--|-----------|
| 30217 | 12/21/15 | GOODWIN, DONALD TIER 2 CONSERVATION RATE REFUND | 157.81 |
| 30260 | 01/05/16 | GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE DEC | 4,770.00 |
| 30271 | 01/15/16 | HIDDEN VALLEY PUMP SYSTEMS INC WASTEWATER PLANT MAINTENANCE | 1,115.29 |
| 30272 | 01/15/16 | HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS | 370.26 |
| 30218 | 12/21/15 | JACQUELYN SPACEK TIER 2 CONSERVATION RATE REFUND | 647.62 |
| 30205 | 12/16/15 | BORREGO AUTO PARTS, INC. TIRE PRESSURE SENSOR 2007 GMC SIERRA | 265.49 |
| 30219 | 12/21/15 | JAY PRUITT REFUND OF TIER 2 CONSERVATION RATE | 110.33 |
| 30273 | 01/15/16 | JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES | 1,500.00 |
| 30220 | 12/21/15 | JEAN ODMARK TIER 2 CONSERVATION RATE REFUND | 142.80 |
| 30221 | 12/21/15 | JORDAN, JIM TIER 2 CONSERVATION RATE REFUND | 65.42 |
| 30206 | 12/16/15 | KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES FUEL FOR DISTRICT VEHICLES | 1,713.83 |
| 30237 | 12/23/15 | KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES FUEL FOR DISTRICT VEHICLES | 1,034.92 |
| 30250 | 01/04/16 | KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES | 280.37 |
| 30222 | 12/21/15 | DAVID LOCKHART TIER 2 CONSERVATION RATE REFUND | 598.56 |
| 30251 | 01/04/16 | LTS SOLAR ENERGY COMPLETION OF SOLAR PROJECT WWTP | 23,072.40 |
| 30274 | 01/15/16 | LTS SOLAR ENERGY FINAL BILL FOR SOLAR PROJECT AT WWTP | 60,530.14 |
| 30223 | 12/21/15 | MARKELL BROOKS TIER 2 CONSERVATION RATE REFUND | 85.41 |
| 30238 | 12/23/15 | McCALLS METERS, INC REPAIR CONSTRUCTION METER DAMAGED BY CUSTOMER SN:064894 REFURBISH 2 CONSTRUCTION METER SN: 3-09450-4 & 4-08956-4 | 898.48 |
| 30224 | 12/21/15 | RANDALL MEEKS TIER 2 CONSERVATION RATE REFUND | 536.87 |

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
DECEMBER 31, 2016

| CHECK# | DATE | PAYEE & DESCRIPTION | AMOUNT |
|--------|----------|--|-----------|
| 30261 | 01/05/16 | NAPA AUTO PARTS INC SEE INVOICE FOR DETAILS | 512.89 |
| 30275 | 01/15/16 | NORTH GARDENS MANAGEMENT, LLC ENGINEERING ASSISTANCE 11/1/15 - 1/1/16 | 1,890.00 |
| 30225 | 12/21/15 | GARY OTTO TIER 2 CONSERVATION RATE REFUND | 2,338.02 |
| 30262 | 01/05/16 | PACIFIC PIPELINE SUPPLY INC INVENTORY SPARE PARTS INVENTORY SPARE PARTS INVENTORY METER GASKETS INVENTORY SPARE PARTS INVENTORY SPARE PARTS | 2,944.05 |
| 30226 | 12/21/15 | PAUL & MARJORIE SCHUESSLER TIER 2 CONSERVATION RATE REFUND | 434.43 |
| 30239 | 12/23/15 | PITNEY BOWES/PURCHASE POWER POSTAGE | 2,000.00 |
| 30252 | 01/04/16 | QUILL CORPORATION OFFICE SUPPLIES | 122.98 |
| 30276 | 01/15/16 | QUILL CORPORATION OFFICE SUPPLIES OFFICE SUPPLIES | 365.47 |
| 30253 | 01/04/16 | RAMONA DISPOSAL SERVICE TRASH SERVICE CLUB CIRCLE TRASH SERVICE OFFICE TRASH SERVICE | 3,184.50 |
| 30240 | 12/23/15 | RECORDER/COUNTY CLERK'S OFFICE RELEASE LIEN J. ROWLAND 3-0028-0 | 13.00 |
| 30227 | 12/21/15 | RICHARD MERINO TIER 2 CONSERVATION RATE REFUND | 82.65 |
| 30228 | 12/21/15 | ROBERTS, SANDRA TIER 2 CONSERVATION RATE REFUND | 364.68 |
| 30241 | 12/23/15 | SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES | 27,732.29 |
| 30242 | 12/23/15 | SECAP FINANCE POSTAGE MACHINE LEASE | 137.49 |
| 30277 | 01/15/16 | SOUTHLAND WATER TECHNOLOGIES NEW BIO PLANT SET UP FOR LIFT STATION / ODOR CONTROL | 999.84 |
| 30229 | 12/21/15 | STEVE MELLOR TIER 2 CONSERVATION RATE REFUND | 128.20 |
| 30263 | 01/05/16 | TITO'S AUTO CARE TOW AND STARTER REPAIR ON 2008 FORD F150 | 373.99 |
| 30243 | 12/23/15 | TRAVIS PARKER BEGIN PROCESS OF TAKING OLD SERVER OUT OF SERVICE | 880.50 |
| 30278 | 01/15/16 | TRAVIS PARKER | |

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 DECEMBER 31, 2016

| CHECK# | DATE | PAYEE & DESCRIPTION | AMOUNT |
|--------|----------|--|------------------------------|
| | | BEGIN PROCESS OF TAKING OLD SERVER OUT OF SERVICE | 1,508.14 |
| 30264 | 01/05/16 | UNDERGROUND SERVICE ALERT DIG ALERTS | 9.00 |
| 30207 | 12/16/15 | VERIZON WIRELESS EMERGENCY PHONE | 114.25 |
| 30279 | 01/15/16 | VERIZON WIRELESS EMERGENCY PHONE | 114.25 |
| 30254 | 01/04/16 | VORTEX INDUSTRIES, INC SERVICE TO WWTP GATE REPAIRS TO SHOP GATE | 567.73 |
| 30230 | 12/21/15 | WARREN, ELAINE TIER 2 CONSERVATION RATE REFUND | 168.26 |
| 30255 | 01/04/16 | WENDY QUINN RECORDING SERVICES | 160.00 |
| 30244 | 12/23/15 | WILLOW INDUSTRIES, LLC BIOLOGIC FOR ODOR CONTROL | 1,848.17 |
| 30208 | 12/16/15 | XEROX FINANCIAL SERVICES COPIER LEASE PAYMENT | 377.88 |
| 30231 | 12/21/15 | ZIMMERMAN, DAWN TIER 2 CONSERVATION RATE REFUND | 1,186.41 |
| | | TOTAL | ----- 234,868.93 ===== |

Borrego Water District Management Report – January 2016

By: Jerry Rolwing

FEDERAL LEVEL

As per the Board request at the Workshop, two thank you letters were drafted for the U.S. Geological Survey and the U.S. Bureau of Reclamation (attachment A).

STATE LEVEL

The Dept. of Water Resources (DWR) has released Frequently Asked Questions on Groundwater Sustainability Agency (GSA) and formations (attachment B).

The Governor's 25% reduction mandate has been extended to August 2016, with small water agencies required to report by September 15th. As a "Small Water Agency", the District will be required to reduce the overall municipal pumping over the December 2015 - August 2016 from the baseline period of the same months in 2013 by 25% (attachment C).

I met with Senator Joel Anderson and his staff on December 22nd at his El Cajon office. We discussed the progress made by the District and the aspects of the Sustainable Groundwater Management Act (attachment D). The Senator offered his support when we apply for Proposition 1 grants.

COUNTY LEVEL

On January 6th, the San Diego County Board of Supervisors voted unanimously to approve a resolution to make application for Groundwater Sustainability Agency status for the portion of the Borrego Valley Groundwater Basin in their jurisdiction. This area overlaps the District's jurisdictional area. In order to proceed with GSA approval by the Department of Water Resources, the two overlapping agencies must create and submit an agreement on how the area will be managed. The District's Strategic Planning ad hoc committee is working with County Planning and Develop Services Staff on the GSA governance and anticipate having a plan by March 2016.

DISTRICT LEVEL

The Solar Project at the Wastewater Treatment plant construction is completed and is generating power (attachment E). We are still #4 on the rebate mailing list. If approved, \$61K will be reimbursed to the District over the next five years through the SDG&E invoicing process.

The District has recently upgraded the computer server and internet connection for both the SCADA system and the in-house workstations, preparing for the new billing software upgrade which is now expected in May of 2016.

The maintenance crew is presently laying a replacement pipeline along Circle J Drive and work is progressing well. The replacement of infrastructure is necessary to reduce pipeline breaks and the associated wasting of water.

In conjunction with the District's long-term capital improvement plan, an upcoming project will be requiring pre-construction attention. The Wilcox is slated for construction in the 2017-18 budget. This project will be needed to address future supply and water quality issues in the southern portion of the District's service area. The project will incorporate less expensive pumping time periods for either off-peak electric power costs, or possible future solar arrays. The Wilcox property is one of few areas in the Valley with enough elevation to supply all areas. The project was engineered to be part of an State Infrastructure Bank Loan in 2009. One of the key elements of this project will be the environmental review, which may need early investigations due to changing seasons and habitat routines. This environmental review will be a large expense and may need several years to complete in a cost effective manner. I bring this issue up to begin the planning stages and requests for proposals so we will have a good handle on expected costs for the 2016-17 budget.



BORREGO WATER DISTRICT

January 20, 2016

Mr. Eric Reichard, Director
U.S. Geological Survey
4165 Sprucance Rd. Ste. 200
San Diego, CA 92101

Dear Mr. Reichard:

On behalf of the Staff and Board of Directors of the Borrego Water District, we wish to express our extreme gratitude for the completion of the scientific investigations report entitled "Hydrology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California. This report will be the authoritative source for all future groundwater issues associated with the Borrego Valley Groundwater Basin. In addition, the report will be a key factor as the District works with the County of San Diego in building the Groundwater Sustainability Plan for our critically overdrafted basin. The amount of hard work that went into this report is reflected in all aspects of the document. The technical data is worded so that both scientist and laypersons alike can comprehend the large amount of data incorporated. In addition, the graphics and tables tie the data together, creating a complete picture of the groundwater basin.

Please commend the authors Christina Stamos, Lorraine Flint, Michael Wright, Matthew Burgess, Michelle Sneed, Justin Brandt, Peter Martin and especially Claudia Faunt, who I know for a fact, worked diligently to complete the report, despite my constant inquiries. I imagine this is an incomplete list of all involved in this project and we are equally appreciative of your staff and consultants who participated in this endeavor.

The community of Borrego Springs will benefit from this document for many years to come.

Thank you.

Sincerely,

Jerry Rolwing

Cc: Beth Hart, president of the Borrego Water District Board of Directors
Office of Congressman Duncan Hunter



BORREGO WATER DISTRICT

January 20, 2016

Mr. William Steele
Area Manager, Southern California Area Office
U.S. Department of the Interior
Bureau of Reclamation
27708 Jefferson Ave. Ste. 202
Temecula, CA 92590

Dear Mr. Steele:

On behalf of the Staff and Board of Directors of the Borrego Water District, we wish to express our extreme gratitude for the completion of the Southeast California Basin Study. This report will be the authoritative source for all future water conveyance issues associated with the Borrego Valley Basin. In addition, the report will be a key factor as the District works with the County of San Diego in building the Groundwater Sustainability Plan for our critically overdrafted groundwater basin. The amount of hard work that went into this report is reflected in all aspects of the document. The technical data is worded so that both scientist and laypersons alike can comprehend the large amount of data incorporated. In addition, the graphics and tables tie the data together, creating a complete picture of area basin study.

Please commend the authors Greg Krzys, Laura Condon, Subhrendu Gangopadhyay and Alan Harrison. I would especially like to thank Jack Simes, who despite my constant inquiries, was instrumental in bringing this report to fruition. I imagine this is an incomplete list of all involved in this project and we are equally appreciative of your staff and consultants who participated in this endeavor. You and your staff perform an excellent job in accomplishing your never ending task of "managing water in the west".

The community of Borrego Springs will benefit from this document for many years to come.

Thank you.

Sincerely,

Jerry Rolwing

Cc: Beth Hart, president of the Borrego Water District Board of Directors
Office of Congressman Duncan Hunter



GROUNDWATER SUSTAINABILITY AGENCY FREQUENTLY ASKED QUESTIONS

The 2014 Sustainable Groundwater Management Act (SGMA) requires the formation of groundwater sustainability agencies (GSAs) in high- and medium-priority groundwater basins and subbasins (basins) by June 30, 2017, in order to meet California Water Code requirements. The following responses to select frequently asked questions are intended to provide general guidance on GSA formation and are subject to change. This information incorporates the 2015 legislative changes to SGMA made by Senate Bill 13 and Assembly Bill 617. As discussed in this document, formation of a GSA is not necessary if a local agency plans to submit an Alternative Plan for an entire basin by January 1, 2017. Additional information about GSAs and the requirement to develop groundwater sustainability plans (GSPs) by 2020 or 2022, or Alternative Plans by 2017, is available on DWR's Sustainable Groundwater Management website included here: <http://water.ca.gov/groundwater/sgm/index.cfm>.

1. Are low- and very-low priority basins subject to the same GSA requirements and SGMA timelines as high- and medium-priority basins?

No. Low- and very-low priority basins are not required to form GSAs and develop GSPs, but local agencies in those basins are encouraged and authorized to do so, especially if they are highly-dependent upon groundwater. Intervention by the State Water Resources Control Board (State Board) does not apply to a basin designated as low- or very-low priority. Local agencies in low- and very-low priority basins can form GSAs and develop GSPs on their own schedule or can update existing (or prepare new) groundwater management plans. A map showing the priority ranking of California's 515 groundwater basins and subbasins is included as Figure 1. *Water Code References: §10720.7, §10723 et seq., §10750 et seq.*

2. Which local agencies are eligible to be GSAs?

Any local public agency that has water supply, water management, or land use responsibilities in a basin can decide to become a GSA. A single local agency can decide to become a GSA, or a combination of local agencies can decide to form a GSA by using either a joint powers authority (JPA), a memorandum of agreement (MOA), or other legal agreement. As discussed in this document, a local agency that submits a GSA formation notice to DWR will not become an exclusive GSA for the portion of a basin within its service area until the conditions of the Water Code are met. *Water Code References: §10721, §10723, §10723.6, §10723.8, §10726.8*

3. Upon deciding to become or form a GSA, what information must a local agency submit in order to have a complete GSA formation notice?

Within 30 days of deciding to become or form a GSA, the local agency or combination of local agencies shall inform DWR of its decision and its intent to undertake sustainable groundwater management. The notification shall contain all the information provided in Water Code §10723.8(a), which includes a description of the portion of the basin the local agency(s) intends to manage. The GSA formation notice will be reviewed for completeness by DWR staff and, if complete, will be posted on DWR's GSA

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Formation Table and included on DWR's GSA Interactive Map. Local agencies will have an opportunity to provide additional information, if applicable, to make a GSA formation notice complete. Additional information about GSAs and what constitutes a completeness review is available on DWR's GSA website: <http://water.ca.gov/groundwater/sgm/gsa.cfm>. *Water Code References: §10721, §10723 et seq.*

4. When does the decision to become a GSA take effect?

The decision to become a GSA will take effect if no other local agency has filed a GSA formation notice for all or a portion of the same area of a basin within 90-days of the initial posted notice, or if existing GSA overlap has been resolved and all applicable Water Code requirements have been met. Once these conditions have been met, the local agency, which has decided to become a GSA, will be identified by DWR as the exclusive GSA for the area described in its notice. DWR will be tracking GSA formation overlap and will recognize exclusive GSAs on its GSA Formation Table. Multiple local agencies or GSAs may, through a JPA or other legal agreement, combine their overlapping service areas to form a single GSA area – the roles and responsibilities of each local agency within the GSA area would be defined in the legal agreement. *Water Code References: §10723(c), §10723(d), §10723.8, §10726.8(b)*

5. What is an exclusive GSA?

An exclusive GSA is a local agency that has submitted its GSA formation notice to DWR and has not incurred, or has resolved, any service area overlap with another local agency that also intends to be a GSA. Only exclusive GSAs can coordinate to develop a GSP for a groundwater basin and submit that GSP to DWR for review. *Water Code References: §10723(c), §10723(d), §10723.8, §10726.8(b)*

6. What is GSA service area overlap and how is it created?

Service area overlap occurs when two or more local agencies decide to claim the same area of a basin (within 90 days of the initial posted notice) for the purposes of forming a GSA. GSA service area overlap may present as jurisdictional boundaries that do not align like adjoining puzzle pieces or service areas that are completely embedded, one within another (see Figure 2). If two or more local agencies separately decide to become GSAs in all or a portion of the same area of a basin (within an active 90-day period) then no exclusive GSA for that area will be designated by DWR until the overlap is resolved. Local agencies are strongly encouraged to collaborate and coordinate their GSA formation efforts prior to submitting a notice to DWR.

As shown on Figure 2, one instance of overlapping GSA service areas might include the jurisdictional boundaries of a city (GSA-1) and an irrigation district (GSA-2) – each local agency has its own legal boundaries within a basin, but some portions of those boundaries may not align seamlessly. A case of embedded service areas could include the jurisdictional boundaries of a county (GSA-1) and an irrigation district (GSA-2) – the county might have land use authority over the entire basin, but an irrigation district could have jurisdiction within the basin, too. As stated in Water Code §10723.8(c), where there is overlap in areas proposed to be managed by local agencies, *the local agencies shall seek to reach agreement to resolve the overlap to allow prompt designation of a GSA. Water Code References: §10723 et seq.*

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7. How is GSA overlap resolved?

GSA overlap can be resolved by withdrawal or modification of a posted GSA formation notice(s) to eliminate any overlap in the area(s) proposed to be managed. A GSA may withdraw from managing a basin by notifying DWR in writing of its intent to withdraw. According to Water Code §10723.8(c), *if agreement is reached involving a material change from the information in the posted notice, a new notification shall be submitted.* Material changes include, but are not limited to, significant GSA boundary changes made by a single local agency, and coordination by legal agreement to combine the boundaries of multiple local agencies or GSAs to form a common GSA area. In such cases, a public hearing and the process of filing a new GSA formation notice with DWR is again required, which will trigger a new 90-day period for that modified portion of the basin described in the notice. A GSA will not be recognized by DWR as an exclusive GSA until overlap in a basin is resolved. *Water Code References: §10723 et seq.*

8. Must the exclusive local agencies listed in Water Code §10723(c) file a GSA formation notice?

Yes. SGMA identifies 15 exclusive local agencies created by statute to manage groundwater within their respective statutory boundaries; however, these exclusive local agencies must still decide to become GSAs. The exclusive local agencies must follow the same public notification process as all other local agencies, although the decision to become a GSA will take effect immediately, as no other local agency can decide to become a GSA in those areas unless one of the exclusive local agencies opts out of its presumed role. *Water Code References: §10723(c), §10723.8*

9. Can a local agency form a GSA for a portion of a basin located outside its service area boundaries?

A local agency may make the decision to become a GSA for an entire basin, but that agency would not be the "exclusive" GSA for any portion of the basin beyond its service area boundaries. Furthermore, a local agency is not authorized to impose fees or regulatory requirements on activities outside the boundaries of the local agency. This regulatory limitation could make implementation of a basin's groundwater sustainability program problematic and achievement of a basin's sustainability goal unattainable. Because service area is not defined in SGMA, DWR will rely upon a local agency to define its service area in its GSA formation notice, which is part of Water Code §10723.8(a). *Water Code References: §10723 et seq., §10726.8*

10. If GSA overlap has not been resolved by June 30, 2017, will the county be presumed to be the GSA in the disputed area?

No. Water Code §10724(a) states, *in the event that there is an area within a high- or medium-priority basin that is not within the management area of a GSA, the county within which that unmanaged area lies will be presumed to be the GSA for that area.* An "unmanaged area" as used in Water Code §10724(a) is an area of a basin that has not yet had (or will not have) a local agency file a GSA formation notice with DWR – or, it is an area of a basin that is not within the service area of another GSA-eligible local agency. Water Code §10724 does not give the county exclusive authority to be the GSA in a basin if

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other local agencies (possibly including the county) have also declared their intent to sustainably manage groundwater but have not yet resolved their service area overlap.

In the unmanaged areas where the county is presumed to be the GSA because no other local agency has formed a GSA, the county must still follow the same public notification procedures described in §10723(b) and submit to DWR, prior to June 30, 2017, the information listed in §10723.8(a). Alternatively, the county can notify DWR in writing that it will not be the GSA for those unmanaged areas and those unmanaged areas shall be subject to groundwater extraction reporting on July 1, 2017, in accordance with Part 5.2 of Division 2 of the Water Code, and could be subject to State Board intervention. *Water Code References: §1529.5, §5200 et seq., §10723 et seq., §10724 et seq., §10735.2*

11. What happens if an entire basin is not covered by an exclusive GSA(s) by June 30, 2017?

Water Code §10735.2(a) says the State Board, after notice and a public hearing, may designate a high- or medium-priority basin as a probationary basin after June 30, 2017, if a local agency or a collection of local agencies has not decided to become a GSA(s) and develop a GSP(s) for the entire basin – or if a local agency has not submitted an Alternative Plan for the entire basin. If multiple local agencies have decided to become GSAs in a basin, but those decisions *have not taken effect* due to unresolved service area overlap, then those disputed areas would be considered unmanaged areas for the purposes of groundwater extraction reporting, as no exclusive GSA(s) for the entire basin has been established. The local agencies involved in the GSA formation dispute *shall seek to reach agreement to allow prompt designation of a GSA*, and the State Board could intervene if necessary. The groundwater extraction reporting requirements for unmanaged areas of a basin begin on July 1, 2017, and are described in Part 5.2 of Division 2 of the Water Code, commencing with §5200. The State Board's schedule of fees to recover costs associated with its intervention role is described in Water Code §1529.5. *Water Code References: §1529.5, §5200 et seq., §10723 et seq., §10724*

12. Can GSAs in a basin change or restructure after June 30, 2017?

Yes. While this scenario is not specifically addressed in SGMA, there is no reason why a basin's governance structure cannot adapt to either changing conditions or changing roles and responsibilities when developing and implementing a GSP. A clear and legally-concise explanation of a basin's GSA governance structure will be required as part of the GSP in order to determine if the basin's sustainability goal can be reached and its groundwater sustainability program can be implemented. If the governance structure in a basin needs to be modified, then a GSA would need to withdraw from managing its portion of a basin by notifying DWR in writing. As part of the annual reporting requirements for GSAs, the modified GSA governance structure would need to be explained and the legal agreement that coordinates GSAs in a basin would need to be updated, if necessary. In high- and medium-priority basins, if an exclusive GSA opted out of its management role and no other local agency was able to take its place following the GSA formation process, the basin could be subject to intervention by the State Board. *Water Code References: §10723 et seq., §10728, §10728.2, §10733 et seq., §10735.2*

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13. Must a GSA be formed if a local agency wants to prepare and submit an Alternative Plan, as described in Water Code §10733.6?

No, but a local agency, including the exclusive local agencies identified in SGMA, must be able to prepare an Alternative Plan for the *entire* basin and submit that Alternative Plan to DWR for review by January 1, 2017. Conversely, if so desired, a GSA can be formed in a basin and that GSA can submit an Alternative Plan rather than a GSP. *Water Code References: §10723(c), §10733.6*

14. What happens if the boundaries of my basin are modified and my basin is reprioritized as a medium- or high-priority basin?

If the priority of a basin changes from low or very-low to medium or high then a local agency(s) shall have two years from the date of reprioritization to either establish an exclusive GSA(s) or submit an Alternative Plan. An exclusive GSA(s) shall have five years from the date of reprioritization to develop and submit a GSP(s) to DWR for review. Revised basin boundaries will be published in DWR's Bulletin 118 in January 2017 and reprioritization of those new basins will be completed soon after. *Water Code References: §10722 et seq., §10933, §12924*

15. Must a GSA be formed if portions of a basin are not adjudicated?

Yes. If there are areas of a high- or medium-priority basin that are not part of an adjudicated action listed Water Code §10720.8, then a GSA should be formed in those areas by June 30, 2017. The response to this question does not address Alternative Plans where management pursuant to an adjudicated action could be used as an Alternative Plan submittal. The GSP emergency regulations will be adopted by June 1, 2016, which will provide additional GSP and Alternative Plan details. *Water Code References: §10720.8, §10721, §10727 et seq., §10733.2, §10733.6, §10735 et seq.*

16. Must a local agency exclude federal and tribal lands from its service area when forming a GSA?

No, federal lands and tribal lands need not be excluded from a local agency's GSA area if a local agency has jurisdiction in those areas; however, those areas are not subject to SGMA. But, a local agency in its GSA formation notice shall explain how it will consider the interests of the federal government and California Native American tribes when forming a GSA and developing a GSP. DWR strongly recommends that local agencies communicate with federal and tribal representatives prior to deciding to become a GSA. As stated in Water Code §10720.3, *the federal government or any federally recognized Indian tribe, appreciating the shared interest in assuring the sustainability of groundwater resources, may voluntarily agree to participate in the preparation or administration of a GSP or groundwater management plan through a JPA or other agreement with local agencies in the basin. Water Code References: §10720.3, §10723.2, §10723.8*

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17. What are the stakeholder outreach responsibilities for local agencies and GSAs?

Some public outreach requirements in SGMA are prescriptive but others are left to the discretion of the exclusive GSAs recognized in a basin. DWR strongly recommends that GSAs engage a broad range of stakeholders, both within a basin and from the larger hydrologic region if necessary, prior to making local decisions to help build trust and promote public acceptance and support. At a minimum, before deciding to become a GSA and after publication of notice pursuant to Government Code §6066, the local agency or agencies shall hold a public hearing in the county or counties overlying the basin. In its GSA formation notification to DWR, the local agency(s) shall include a list of interested parties developed pursuant to Water Code §10723.2, identify the beneficial uses and users of groundwater within a basin, and provide an explanation of how their interests will be considered in the development, operation, and implementation of the GSA and GSP. GSAs are encouraged to appoint and consult with an advisory committee consisting of interested parties and to facilitate the active involvement of diverse social, cultural, and economic elements of the population within the basin prior to and during the development and implementation of a GSP. *Water Code References: §10723 et seq., §10727.8, §10728.4, §10733 et seq.*

18. How can private entities participate in a GSA and help develop and implement a GSP?

Only local agencies can become or form a GSA, but a water corporation or a mutual water company may participate in a GSA through a MOA or other legal agreement – how the legal agreement is structured to allow participation by private water entities is left up to the GSA to determine. However, as stated in Water Code §10723.6(b), the authority provided to a private water entity through such a legal agreement does not confer any additional powers to that nongovernmental entity. A private water entity could be part of a GSA, but it would not receive any of the powers provided to a GSA. Also, as described in Water Code §10726.5, a GSA may enter into written agreements and funding arrangements with a private party to assist in, or facilitate the implementation of, a GSP or any elements of the plan. *Water Code References: §10723.6, §10725 et seq., §10726.5*

19. When does a GSA get the powers and authorities defined in SGMA?

An exclusive GSA will receive the powers and authorities defined in SGMA when it submits an adopted GSP or Alternative Plan to DWR. As stated in Water Code §10725, a GSA may exercise any of the powers described in Chapter 5, in addition to, and not as a limitation on, any existing authority, if the GSA adopts and submits to DWR a GSP or an Alternative Plan. If GSAs develop multiple GSPs for a basin, the submission to DWR shall not occur until the entire basin is covered by GSPs. When the entire basin is covered by GSPs, the GSAs shall jointly submit the following: the GSPs; an explanation of how the GSPs implemented together satisfy Sections 10727.2, 10727.4, and 10727.6 for the entire basin; and a copy of the coordination agreement between the GSAs that implements the GSPs for the entire basin. *Water Code References: §10725 et seq., §10733.4, §10733.6*

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To learn more about GSA formation and for water management planning tools, please visit DWR's GSA website: <http://water.ca.gov/groundwater/sgm/gsa.cfm>. Additional questions related to GSAs and DWR's role in posting complete GSA formation notices may be directed to Mark Nordberg at (916) 651-9673 or Mark.Nordberg@water.ca.gov, or by contacting one of DWR's Region Offices at http://water.ca.gov/irwm/resources/rc_finder.cfm.



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FIGURE 1: GROUNDWATER BASIN PRIORITY RANKING

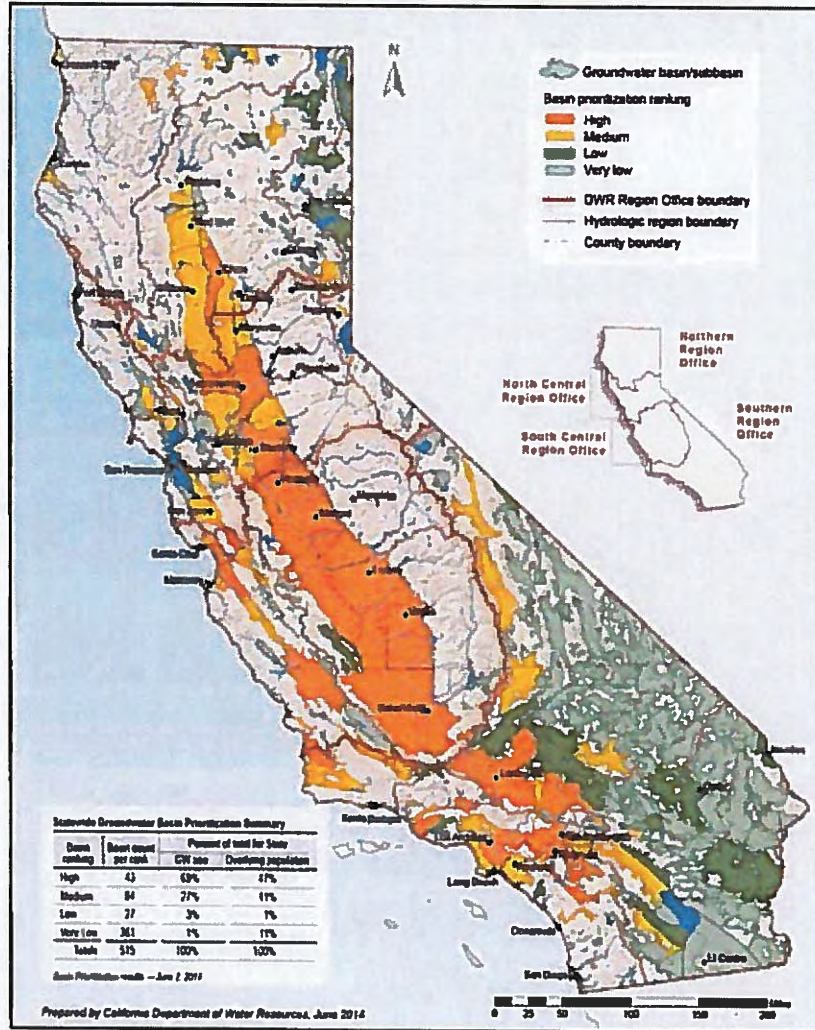
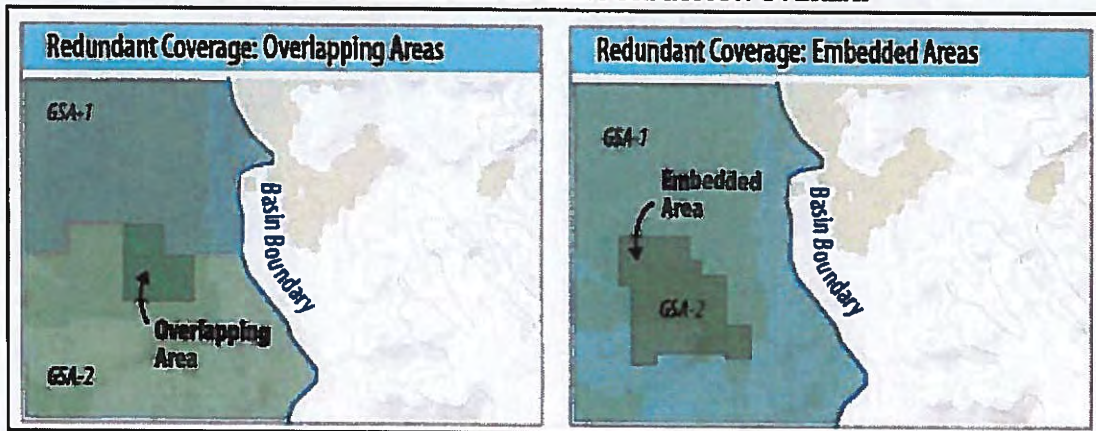


FIGURE 2: EXAMPLES OF GSA FORMATION OVERLAP



GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES



ACTIONS FOR LOCAL AGENCIES TO FOLLOW WHEN DECIDING TO BECOME OR FORM A GROUNDWATER SUSTAINABILITY AGENCY (GSA)

INTRODUCTION

The Sustainable Groundwater Management Act (SGMA), which became effective January 1, 2015, established a framework of priorities and requirements to help local agencies sustainably manage groundwater within a basin or subbasin (basin). The information in this document highlights the requirements that should be followed by a local agency in order to become or form a groundwater sustainability agency (GSA) and to be identified as an exclusive GSA by the Department of Water Resources (DWR or department). The GSA formation requirements are located in Division 6 of the Water Code, Part 2.74, Chapter 4, Section (§) 10723 *et seq.* and this document incorporates the amendments made to SGMA by Senate Bill (SB) 13 in September 2015. For reference, the definitions for GSA and local agency as defined in Water Code §10721 are as follows:

“Groundwater sustainability agency” means one or more local agencies that implement the provisions of this part [Part 2.74]. For purposes of imposing fees pursuant to Chapter 8 (commencing with [Water Code] Section 10730) or taking action to enforce a groundwater sustainability plan, “groundwater sustainability agency” also means each local agency comprising the groundwater sustainability agency if the plan authorizes separate agency action.

“Local agency” means a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

One local agency can decide to become a GSA or a combination of local agencies can decide to form a GSA by using either a joint powers authority (JPA), a memorandum of agreement (MOA), or other legal agreement. However, a local agency will only be presumed to be the exclusive GSA within their respective service area or combined service areas. A local agency must define its service area as part of its GSA formation process.

SUMMARY OF INFORMATION REQUIRED TO BE FILED WITH DWR

A local agency is required to file the following information with DWR in order to complete the GSA formation notification requirements of Water Code §10723.8(a). Effective January 1, 2016, a notice of GSA formation will not be determined complete until all applicable information is submitted – please see **Attachment A**.

- Information that clearly shows the GSA formation notice was submitted to DWR within 30 days of the decision to become or form a GSA – the decision date is generally the date the local agency signed the resolution or legal agreement that formed the GSA.
- A map and accompanying narrative indicating: (1) the local agency’s service area boundaries; (2) the boundaries of the basin or portion of the basin the agency intends to manage; and (3) any other agencies managing or proposing to manage groundwater within the basin.
 - Please include a hard-copy map and GIS shape files. The area of a basin claimed by a local agency in the GSA formation notice should match the area provided in the GIS shape files. DWR’s Region Office staff will contact local agencies if those areas do not match.
- A copy of the resolution or legal agreement forming the new agency.
- A copy of any new bylaws, ordinances, or new authorities developed by the local agency.
- A list of interested parties developed pursuant to Water Code §10723.2 and an explanation of how their interests will be considered in the development and operation of the GSA and the development and implementation of the GSA’s sustainability plan.

GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES

A representative of the local agency deciding to become a GSA, or a designated representative from the group of local agencies deciding to form a GSA, should include a statement in its notification that all applicable information listed in Water Code §10723.8(a) has been provided.

DWR recommends that the local agency submitting the GSA formation notice include a copy of its Government Code §6066 notice, as well as evidence demonstrating that a public hearing in accordance with Water Code §10723(b) was held in the county or counties overlying the basin.

Additional information related to a local agency's decision to be a GSA is welcomed and will help demonstrate to DWR, the State Water Resources Control Board (SWRCB), and other local agencies that a proposed GSA has the long-term technical, managerial, and financial capabilities to sustainably manage basin-wide groundwater resources and prepare a groundwater sustainability plan (GSP) or coordinated GSP for an entire groundwater basin.

FORMING A GSA AND PUBLIC NOTIFICATION REQUIREMENTS

The following summarizes the public notification and GSA formation requirements identified in SGMA. Relevant Water Code sections are excerpted for reference.

Step 1: Decision to Form a GSA

The first step in the GSA formation process is public notification that a local agency is either (1) deciding to become a GSA or (2) deciding to form a GSA together with other local agencies. Water Code §10723(b) requires that a local agency or group of local agencies hold a public hearing(s) in the county or counties overlying the groundwater basin.

SGMA identifies 15 exclusive local agencies created by statute to manage groundwater within their respective statutory boundaries; however, the 15 exclusive local agencies must still decide to become GSAs and follow the same public notification process as all other local agencies. The 90-day period described in Water Code §10723.8(c) does not apply to the 15 exclusive agencies, and no other local agency can decide to be a GSA in those areas unless one of the exclusive agencies opts out of its presumed role. The relevant Water Code sections are excerpted below.

WATER CODE §10723

- (a) *Except as provided in subdivision (c), any local agency or combination of local agencies overlying a groundwater basin may decide to become a GSA for that basin.*
- (b) *Before deciding to become a GSA, and after publication of notice pursuant to Section 6066 of the Government Code, the local agency or agencies shall hold a public hearing in the county or counties overlying the basin.*
- (c) *[Includes list of 15 "exclusive" local agencies – these agencies do not become a GSA until they submit a notification of GSA formation to DWR].*

GOVERNMENT CODE §6066

Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.

GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES

Step 2: Consideration of Interests of Beneficial Uses and Users of Groundwater

Water Code §10723.2 requires GSAs to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing GSPs. An explanation of how those interests will be considered by a GSA when developing and implementing a GSP is required as part of the GSA formation notification requirements. The details of the explanation will be considered by DWR staff when performing its completeness review. The relevant Water Code sections are excerpted below.

WATER CODE §10723.2

The GSA shall consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing GSPs. These interests include, but are not limited to all of the following:

- (a) Holders of overlying groundwater rights, including:
 - (1) Agricultural users.*
 - (2) Domestic Well owners.**
- (b) Municipal well operators.*
- (c) Public water systems.*
- (d) Local land use planning agencies.*
- (e) Environmental users of groundwater.*
- (f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies.*
- (g) The federal government, including, but not limited to, the military and managers of federal lands.*
- (h) California Native American Tribes.*
- (i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems.*
- (j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the GSA.*

GSAs are encouraged to engage additional stakeholders in order to develop the relationships and expertise necessary to develop and implement GSPs. As stated in Water Code §10727.8, *"The GSA shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the groundwater basin prior to and during the development and implementation of the GSP."*

Step 3: Submittal of GSA Formation Information to DWR for Completeness Review

A local agency or group of local agencies must notify DWR and document its intent to become or form a GSA. The requirement for DWR to post complete GSA notices was added by an amendment made by SB 13 and is included in the Water Code references below. DWR will not post GSA formation notifications on its website that are determined incomplete – please see Attachment A.

WATER CODE §10723.8

- (a) Within 30 days of deciding to become or form a GSA, the local agency or combination of local agencies shall inform the department of its decision and its intent to undertake sustainable groundwater management. The notification shall include the following information, as applicable:
 - (1) The service area boundaries, the boundaries of the basin or portion of the basin the agency intends to manage pursuant to this part, and the other agencies managing or proposing to manage groundwater within the basin.*
 - (2) A copy of the resolution forming the new agency.*
 - (3) A copy of any new bylaws, ordinances, or new authorities adopted by the local agency.*
 - (4) A list of interested parties developed pursuant to Section 10723.2 and an explanation of how their interests will be considered in the development and operation of the GSA and the development and implementation of the agency's sustainability plan.**

GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES

- (b) *The department shall post all complete notices received under this section on its Internet Web site within 15 days of receipt.*

EXCLUSIVE GSA FORMATION TIMELINE – OVERLAPPING GSA SERVICE AREAS

Water Code §10735.2(a) says the SWRCB, after notice and a public hearing, may designate a high- or medium-priority basin as a probationary basin after June 30, 2017, if a local agency or a collection of local agencies has not decided to become a GSA(s) and develop a GSP(s) for the entire basin – or if a local agency has not submitted an Alternative Plan for the entire basin. A local agency that decides to become a GSA within its service area, or a group of local agencies that decides to form a GSA within their combined service areas, does not effectively become the exclusive GSA for those areas until the provisions of Water Code §10723.8(c) and (d) are met – these provisions address overlapping GSAs and management within a service area. If multiple local agencies form separate GSAs in a basin within a 90-day period, and if any of those GSA formations result in a service area overlap in the areas proposed to be managed, then none of the local agencies will become the exclusive GSA unless the overlap is resolved, which could require making a material change to the posted notice(s). The relevant Water Code sections are excerpted below.

WATER CODE §10723.8

- (c) *The decision to become a GSA shall take effect 90 days after the department posts notice under subdivision (b) if no other local agency submits a notification under subdivision (a) of its intent to undertake groundwater management in all or a portion of the same area. If another notification is filed within the 90-day period, the decision shall not take effect unless the other notification is withdrawn or modified to eliminate any overlap in the areas proposed to be managed. The local agencies shall seek to reach agreement to allow prompt designation of a GSA. If agreement is reached involving a material change from the information in the posted notice, a new notification shall be submitted under subdivision (a) and the department shall post notice under subdivision (b).*
- (d) *Except as provided in subdivisions (e) and (f), after the decision to be a GSA takes effect, the GSA shall be presumed to be the exclusive GSA within the area of the basin within the service area of the local agency that the local agency is managing as described in the notice.*

WATER CODE §10726.8

- (b) *Nothing in this part shall be construed as authorizing a local agency to make a binding determination of the water rights of any person or entity, or to impose fees or regulatory requirements on activities outside the boundaries of the local agency.*

CONDITIONS FOR DETERMINING A GSA NOTIFICATION INCOMPLETE

A GSA formation notice could be determined incomplete if the provisions of Water Code §10723.8(a) are not clearly addressed. An incomplete notice will not be posted on DWR's GSA Formation Table – DWR staff will inform local agencies of the reason(s) for not posting. Local agencies will be given an opportunity to provide additional required information, if applicable. A complete notice will be posted within 15 days of being determined complete. Examples of what could deem a GSA formation notification to be incomplete include, but are not limited to, the following:

- Informing DWR of the decision to become a GSA more than 30 days after the decision was made.
- Submitting an incomplete map or insufficient information to clearly define the local agency's service area boundaries with respect to the area of the basin proposed to be managed as a GSA.
 - DWR must be able to determine if one GSA notice overlaps with another GSA notice, and a GIS shapefile may be required to make this determination. *Please submit an accurate shapefile.*
- No copy of a resolution or legal agreement forming the new agency.
- No copy of any new bylaws, ordinances, or new authorities adopted, if applicable.

GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES

- An incomplete list of interested parties developed pursuant to Water Code §10723.2 or an insufficient explanation of how their interests will be considered by the GSA when developing a GSP.
- Submitting a GSA formation notification for a basin or portion of a basin where a local agency is already presumed to be the exclusive GSA.
- Deciding to become or form a GSA for an area that is outside the service area boundary of the local agency(s) forming the GSA (without a legal coordination agreement).
- Forming a GSA outside the boundaries of a basin defined in DWR's Bulletin 118.

Questions related to GSA formation can be directed to DWR by contacting Mark Nordberg at Mark.Nordberg@water.ca.gov or calling 916-651-9673. Other information and responses to frequently asked questions are located on DWR's GSA webpage at: <http://water.ca.gov/groundwater/sgm/gsa.cfm>.

Please e-mail your GSA formation notification and GIS shape files, and send via postal mail a hardcopy, to the following DWR staff:

Mark Nordberg, GSA Project Manager
Sustainable Groundwater Management Program
California Department of Water Resources
901 P Street, Room 213-B
P.O. Box 942836
Sacramento, CA 94236

DWR Region Office Groundwater Contact
<http://water.ca.gov/groundwater/gwinfo/contacts.cfm>
Bill Ehorn, Northern Region
Bill Brewster, North Central Region
Mike McKenzie, South Central Region
Tim Ross, Southern Region

SELECT SGMA AND GSA RESOURCES

- Sustainable Groundwater Management Website: <http://water.ca.gov/groundwater/sgm/index.cfm>
- 2014 SGMA Legislation Text with 2015 Legislative Amendments: http://www.water.ca.gov/cagroundwater/docs/2014%20Sustainable%20Groundwater%20Management%20Legislation%20with%202015%20amends%2011-10-2015_clean-2.pdf
- GSA Frequently Asked Questions: see <http://water.ca.gov/groundwater/sgm/gsa.cfm>
- GSA Formation Table: http://www.water.ca.gov/groundwater/sgm/gsa_table.cfm
- GSA Interactive Map: http://water.ca.gov/groundwater/sgm/gsa_map.cfm.
- Water Management Planning Tool: <http://water.ca.gov/groundwater/boundaries.cfm>
- Basin Boundaries Assessment Tool: <http://water.ca.gov/groundwater/sgm/bbat.cfm>
- GIC Interactive Map (Data): http://water.ca.gov/groundwater/MAP_APP/index.cfm



GSA FORMATION NOTIFICATION GUIDELINES FOR LOCAL AGENCIES

ATTACHMENT A PROCESS FOR REVIEWING GSA FORMATION NOTICES AND ADDRESSING OVERLAPPING SERVICE AREA BOUNDARIES

1. DWR receives a GSA formation notification (notification or notice) from a local agency(s).
2. DWR reviews the notice for completeness.
 - a. If incomplete, the local agency(s) is contacted and the notice is not posted. DWR informs the local agency(s) of the reason(s) for being determined incomplete – the local agency will be given an opportunity to make the notification complete.
 - b. If complete, the notice is posted on DWR's GSA Formation Table within 15 days.
3. Complete GSA notifications are posted with (1) the posting date and (2) a date that indicates the posting-date-plus-90-calendar-days. This is the active 90-day period for that portion of the basin.
 - a. The GSA area submitted with the notice is included on DWR's GSA Interactive Map after DWR Region Office staff determines the suitability of the GIS shape files. The area included as a shape file must match the area depicted in the notice.
 - b. The 90-day period does not apply to the statutory boundaries of the exclusive local agencies listed in Water Code §10723(c).
4. If no other local agency(s) submits a notification within the 90-day period in all or a portion of the same basin area, the local agency(s) that submitted the notification will become the "exclusive" GSA for the area of the basin as described in the notice.
 - a. Status as "exclusive" GSA will be indicated on the GSA Formation Table and the area claimed by the GSA will be distinctly colored on the GSA Interactive Map.
 - b. If any other local agency(s) submits a notification for all or a portion of an area managed by an "exclusive" GSA, DWR will determine the notification to be incomplete and will contact that local agency(s).
5. If another local agency(s) submits a complete notification within an active 90-day period, and that notification results in an overlap in all or a portion of the same area of an existing notice, then:
 - a. The notification will be included on the GSA Formation Table with a posting date.
 - b. The column with the posting-date-plus-90-days date for all affected notifications will be labeled with "overlap" to indicate a GSA formation overlap.
 - c. The GIS shape files on the GSA Interactive Map for all affected notifications will be labeled with a color that clearly indicates the extent of the GSA formation overlap.
6. All local agencies that are affected by overlapping notifications will remain in overlap status until the conditions stated in Water Code §10723.8(c) are met.
 - a. "Exclusive" designation of a GSA will not proceed unless conflicting notifications are withdrawn or modified to eliminate any overlap in the areas proposed to be managed.
7. If agreement is reached involving a material change from the information in the posted notice, a new notification shall be submitted in accordance with Water Code §10723.8(a) and the new notification will be reviewed and posted by DWR as described in this process.
 - a. A material change includes, but is not limited to: a significant GSA boundary revision; a change of local agencies forming the GSA; or a consolidation of local agencies or proposed GSAs through a JPA or MOA or other legal agreement.
8. If overlapping GSA notifications exist in a basin after June 30, 2017, then that basin is subject to probationary status by the SWRCB per Water Code §10735.2(a). In addition, the groundwater extraction reporting requirements in Water Code §5200 *et seq.* apply to the portions of that basin where local agencies have not been determined "exclusive" GSAs.

PROPOSED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation.

Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) On November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage;

(45) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist; and

~~(5) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and~~

(6) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;

(7) The irrigation with potable water of ornamental turf on public street medians; and

(8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 865, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through ~~February~~ October 2016 as compared to the amount used from those sources for the same months in 2013.

(d) The taking of any action prohibited in subdivision (a) or (e), or the failure to take any action required in ~~subdivisions~~ subdivision (b) or (c), is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(e)(1) To prevent the waste and unreasonable use of water and to promote water conservation, any homeowners' association or community service organization or similar entity is prohibited from:

(A) Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivision (a) of the Civil Code; or

(B) Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil Code.

(2) As used in this subdivision:

(A) "Architectural or landscaping guidelines or policies" includes any formal or informal rules other than the governing documents of a common interest development.

(B) "Homeowners' association" means an "association" as defined in section 4080 of the Civil Code.

(C)“Common interest development” has the same meaning as in section 4100 of the Civil Code.

(D)“Community service organization or similar entity” has the same meaning as in section 4110 of the Civil Code.

(E) “Governing documents” has the same meaning as in section 4150 of the Civil Code.

(F) “Separate interest” has the same meaning as in section 4185 of the Civil Code.

(3) If a disciplinary proceeding or other proceeding to enforce a rule in violation of subdivision (e)(1) is initiated, each day the proceeding remains pending shall constitute a separate violation of this regulation.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this section:

(1) “Distributor of a public water supply” has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) “R-GPCD” means residential gallons per capita per day.

(3) “Total potable water production” means all potable water that enters into a water supplier’s distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outside the supplier’s service area.

(4) “Urban water supplier” means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user’s exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The

monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's ~~April 4~~ November 13, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available may, submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified in subdivision (c), as modified by subdivision (f).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis through October 2016.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Certify that the water subtracted from the potable water production total pursuant to this subdivision is served only to customers who produced at least \$1,000 of revenue in the previous year from agricultural commodities meeting the definition of Government Code section 51201, subdivision (a), or who would have but for circumstances beyond their control;

(E) Certify that potable water used for ornamental landscapes is not included in the amount of agricultural water subtracted; and

~~(F)~~ Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B), ~~(C)~~, ~~(D)~~ or ~~(E)~~ of this section that is found to be materially false by the ~~board~~ Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f) In consideration of the differences in climate affecting different parts of the state, growth experienced by urban areas and significant investments that have been made by some suppliers towards creating new, local, drought-resilient sources of potable water supply, an urban water supplier's conservation standard identified in subdivision (c) shall be reduced by an amount, not to exceed eight (8) percentage points total, as follows:

(1) For an urban water supplier whose service area evapotranspiration (ETo) for the months of July through September exceeds the statewide average evapotranspiration for the same months by five (5) percent or more, the supplier's conservation standard identified in subdivision (c) shall be reduced:

(A) By two (2) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by five (5) percent or more but less than ten (10) percent;

(B) By three (3) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by ten (10) percent or more but less than twenty (20) percent;

(C) By four (4) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by twenty (20) percent or more.

(D) Statewide average evapotranspiration is calculated as the arithmetic mean of all urban water suppliers' service area default evapotranspiration values for the months of July through September. Default service area evapotranspiration will be based on the California Irrigation Management System (CIMIS) ETo Zones Map zone for which the supplier's service area has the greatest area of overlap. In lieu of applying its default service area evapotranspiration, a supplier may use specific data from CIMIS stations within its service area that have at least a five-year continuous period of record to identify a more specifically-applicable evapotranspiration for its service area. To qualify for the in-lieu climate adjustment the supplier shall submit the following data to the Board by March 15, 2016 for each station: CIMIS station ID; station location; and monthly evapotranspiration, in inches per month, for July, August, and September for the five-year continuous period of record.

(2) To account for water efficient growth experienced in the state since 2013, urban water suppliers' conservation standards shall be reduced by the product of the percentage change in potable water production since 2013 and the percentage reduction in potable water use required pursuant to subdivision (c), rounded to the nearest whole percentage point. Change in potable water production since 2013 shall be calculated as the sum of the following:

(A) The number of additional permanent residents served since January 1, 2013, multiplied by 55 gallons per day, multiplied by 270 days;

(B) The area of new residential landscaping, in square feet, served by a supplier's service connections since 2013, multiplied by 55 percent of the total service area evapotranspiration, measured in inches, for the months of February through October, converted to gallons; and

(C) The number of new commercial, industrial and institutional connections since January 1, 2013, multiplied by the average commercial, industrial and institutional water use per connection for that supplier's service area during the months of February through October, 2015, in gallons.

(D) To qualify for the growth credit the supplier shall submit to the Board the following data by March 15, 2016: the number of additional connections served since January 1, 2013; the area of new residential landscaping, in square feet, served by a supplier's service connections since January 1, 2013; and the number of new commercial, industrial and institutional connections since January 1, 2013.

(3) For an urban water supplier that supplies four (4) or more percent of its total potable water production from a new local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, the conservation standard identified in subdivision (c) shall be reduced :

(A) By four (4) percentage points if the supplier's qualifying source of supply provides four (4) percent or more but less than five (5) percent of the supplier's total potable water production;

(B) By five (5) percentage points if the supplier's qualifying source of supply provides five (5) percent or more but less than six (6) percent of the supplier's total potable water production;

(C) By six (6) percentage points if the supplier's qualifying source of supply provides six (6) percent or more but less than seven (7) percent of the supplier's total potable water production;

(D) By seven (7) percentage points if the supplier's qualifying source of supply provides seven (7) percent or more but less than eight (8) percent of the supplier's total potable water production;

(E) By eight (8) percentage points if the supplier's qualifying source of supply provides eight (8) percent or more of the supplier's total potable water production;

(F) To qualify for this reduction the supplier must certify, and provide documentation to the Board upon request, demonstrating the percent of its total potable water production that comes from a local, drought-resilient source of supply developed after 2013 and that the use of that supply does not reduce the water available to another legal user of water or the environment. To qualify for this reduction a supplier shall submit the required certification to the Board by March 15, 2016;

(G) Certifications that do not meet the requirements of subdivision (f)(3)(F), including certifications for which documentation does not support that the source of supply is a local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, will be rejected. Submitting a certification or supporting documentation pursuant to subdivision (f)(3)(F) that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(4) No supplier's conservation standard shall drop below eight (8) percent as a consequence of the reductions identified in this subdivision. No reduction pursuant to this subdivision shall be applied to any urban water supplier whose conservation standard is four (4) percent based on subdivision (c)(2).

(fg)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall take one or more of the following actions:

(A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(B) Reduce by 25 percent reduction its total potable water production relative to the amount produced in 2013.

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by ~~December 15, 2015~~ September 15, 2016, on a form provided by the Board, that either confirms compliance with subdivision (fg)(1)(A) or identifies total potable water production, by month, from ~~June~~ December 2015 through ~~November~~ August, 2015/2016, and total potable water production, by month, for the same months in 2013.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the ~~board~~Board or an officer or employee of the ~~board~~Board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the California Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

(c) Orders issued under previous versions of this subdivision shall remain in effect and shall be enforceable as if adopted under this version.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.



BORREGO WATER DISTRICT

December 22, 2015

Senator Joel Anderson
500 Fesler St. Suite 201
El Cajon, CA 92020

Dear Senator Anderson:

I would like to take this opportunity to brief you on the progress made by the Borrego Water District (District) as we move forward with our plans to develop a Groundwater Sustainability Plan (GSP), as mandated by the Sustainable Groundwater Management Act of 2014 (SGMA). There are many steps associated with this process and it is the desire of our Board of Directors to adopt a defensible plan with broad support from the Borrego Valley community to achieve sustainability of the currently severely overdrafted Borrego Valley Groundwater Basin (BVGB) before the State deadline of January 2020.

As you know, the unincorporated community of Borrego Springs relies on the BVGB for its sole source water supply. The Basin has been in a state of overdraft (extracting more water than can be naturally replenished) for over 40 years. It is currently estimated that the BVGB extractions are shared with agriculture using 70% of the pumped water, 20% by recreation (golf courses) and 10% by the District customers. Prior to SGMA being enacted, the District began working with major pumpers to address the overdraft issue, but had no significant provision for enforcement until this legislation. One of the steps the District undertook was to contract with the United States Geological Survey (USGS) to determine, among other things, the extent of the overdraft and create a groundwater model to help address the situation. Recently, the USGS published its findings, providing a solid factual basis for addressing the rate of overdraft. The report can be found at www.borregowd.org.

The District is presently working with the Counties of Imperial and San Diego, collectively the three Groundwater Sustainability Agencies (GSAs), on the implementation and planning process for a Groundwater Sustainable Plan (GSP). Initially, we are collaborating to create a potential governance structure. In addition, we will be utilizing professional facilitation from the Department of Water Resources to assist us in coordinating our efforts to develop the GSP.

As we move forward, we anticipate the application for grant funding through recently approved California Proposition 1 funding mechanism. Grant opportunities are expected for GSP expenses after the first of the year. Your support for these grant opportunities will be necessary and greatly appreciated. In addition, as in the past, we would also like to help your office in support when requested.

Thank you for the opportunity to provide this brief update. As you can imagine, there are many moving parts as we bring this important plan for the economic well-being of the Borrego community to fruition.

Sincerely,

Jerry Rolwing
General Manager



BORREGO WATER DISTRICT

Key recent activities of the Borrego Water District

Achieved financial stability: The prior General Manager and Board of Directors spent a vast amount of the District's reserves on importation pipeline programs that have since been proved unfeasible. In 2010 the ratepayers elected a new majority of the Board and through a combination of budget cutting and rate increases, a financial catastrophe was avoided.

Formation of the Borrego Water Coalition: With the assistance of the Department of Water Resources, the Borrego Water Coalition was formed as groundwater pumpers/users stakeholder group. The group represents approximately 80% of the water users in the Valley and has been meeting monthly for over two years.

U.S. Geological Survey Report released: The results of a five-year geological study has been compiled in the publication entitled "Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California". The Report confirms the critical overdraft status of the Borrego Valley Groundwater Basin. Utilizing the new groundwater model, data shows that if the Basin continues existing extractions, the upper, and most prolific of three aquifers, could be depleted in less than 50 years from now.

U.S. Bureau of Reclamation Report released: As part of the Water Smart grant program, the Borrego Water District, Coachella Valley Water District, Imperial Water District sponsored the "Southeast California Basin Study". The Study was also supported by the San Diego County Water Authority. The Report studied various methods of transferring water around the desert areas of Southeastern California. At this time, the option of constructing an imported water pipeline to store water in the Borrego Valley Groundwater Basin is not feasible.

The two reports can be found on the District's website:http://borregowd.org/Home_Page.php

Reduction in Agricultural Water Use: Through the Borrego Valley Water Credit Program, approximately 12% of the agriculture has been fallowed over the past eight years to address the groundwater overdraft.

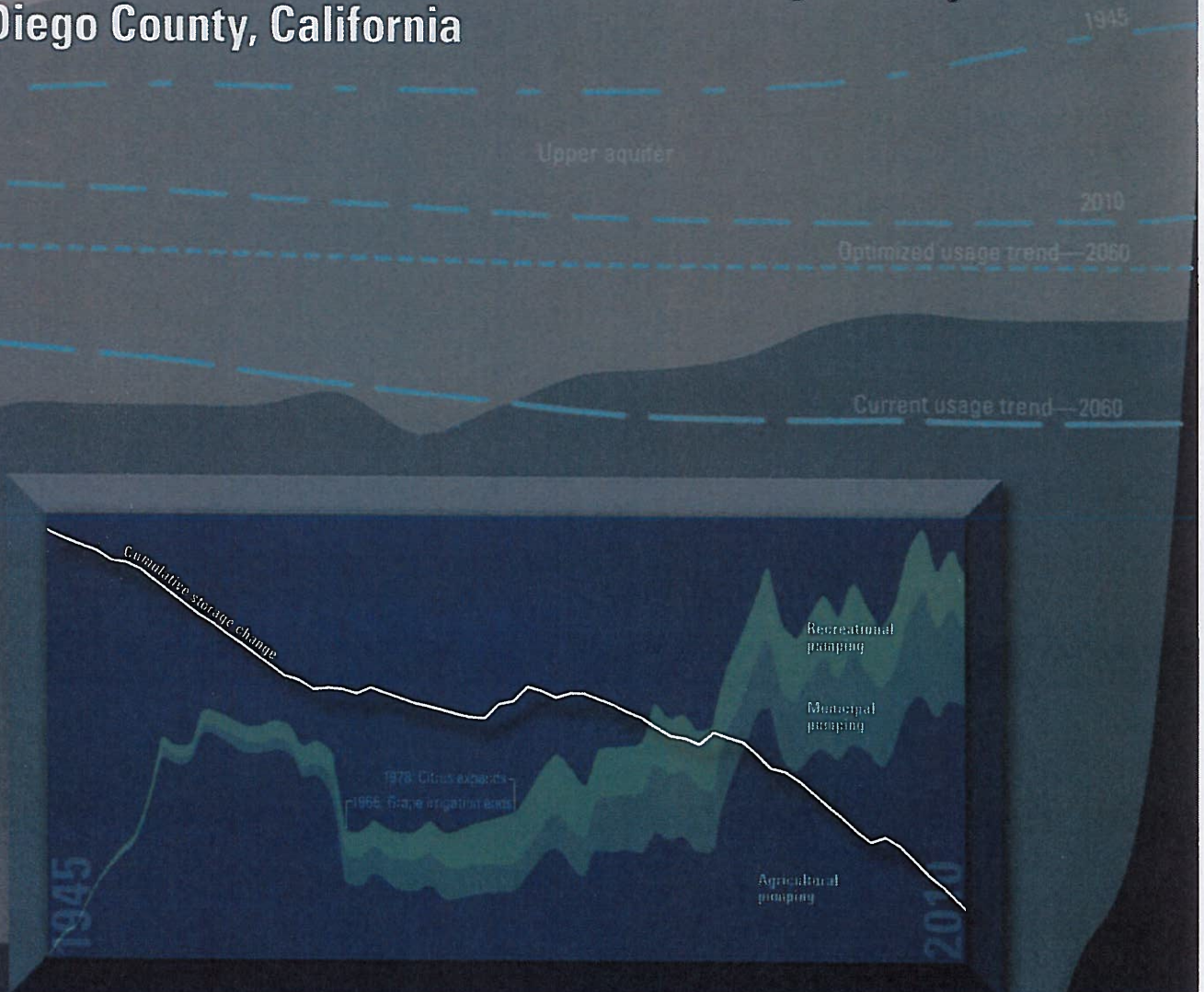
Reduction in Municipal Water Use: Over the same 8-year period of time, the municipal water use declined by 46%; however, only 8% was achieved under the Governor's 25% reduction from the years 2013 to 2015.

Groundwater Sustainability Agency status: On October 20, 2015 the Borrego Water District made application to the Department of Water Resources to be a Groundwater Sustainability Agency for the area of the Borrego Valley Groundwater Basin under the District's jurisdictional boundary.

Groundwater Sustainability Plan: Borrego Water District consultants estimate the remaining cost of developing a Groundwater Sustainability Plan that meets the requirements of the Sustainable Groundwater Management Act (SGMA) to be approximately \$1.3M. This cost must be shared with all pumpers in the Valley and a "blended share" cost distribution is being discussed to spread the costs among all water users in the Valley, not just the District's ratepayers, as has been the case in the past. The addition of Proposition 1 grants will greatly reduce the financial impact associated with the Plan.

Prepared in cooperation with the Borrego Water District

Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California



Scientific Investigations Report 2015-5150

U.S. Department of the Interior
U.S. Geological Survey

Hydrogeology, hydrologic effects of development, and simulation of groundwater flow in the Borrego Valley, San Diego County, California

Scientific Investigations Report 2015-5150

Prepared in cooperation with the Borrego Water District

By: Claudia C. Faunt, Christina L. Stamos, Lorraine E. Flint, Michael T. Wright, Matthew K. Burgess, Michelle Sneed, Justin Brandt, Peter Martin, and Alissa L. Coes

Executive Summary

The Borrego Valley is a small valley (110 square miles) in the northeastern part of San Diego County, California. Although the valley is about 60 miles northeast of city of San Diego, it is separated from the Pacific Ocean coast by the mountains to the west and is mostly within the boundaries of Anza-Borrego Desert State Park. From the time the basin was first settled, groundwater has been the only source of water to the valley. Groundwater is used for agricultural, recreational, and municipal purposes. Over time, groundwater withdrawal through pumping has exceeded the amount of water that has been replenished, causing groundwater-level declines of more than 100 feet in some parts of the basin. Continued pumping has resulted in an increase in pumping lifts, reduced well efficiency, dry wells, changes in water quality, and loss of natural groundwater discharge. As a result, the U.S. Geological Survey began a cooperative study of the Borrego Valley with the Borrego Water District (BWD) in 2009. The purpose of the study was to develop a greater understanding of the hydrogeology of the Borrego Valley Groundwater Basin (BVGB) and to provide tools to help evaluate the potential hydrologic effects of future development. The objectives of the study were to (1) improve the understanding of groundwater conditions and land subsidence, (2) incorporate this improved understanding into a model that would assist in the management of the groundwater resources in the Borrego Valley, and (3) use this model to test several management scenarios. This model provides the capability for the BWD and regional stakeholders to quantify the relative benefits of various options for increasing groundwater storage. The study focuses on the period 1945–2010, with scenarios 50 years into the future.

This report documents and presents (1) an analysis of the conceptual model, (2) a description of the hydrologic features, (3) a compilation and analysis of water-quality data, (4) the measurement and analysis of land subsidence by using geophysical and remote sensing techniques, (5) the development and calibration of a two-dimensional borehole-groundwater-flow model to estimate aquifer hydraulic conductivities, (6) the development and calibration of a three-dimensional (3-D) integrated hydrologic flow model, (7) a water-availability analysis with respect to current climate variability and land use, and (8) potential future management scenarios. The integrated hydrologic model, referred to here as the “Borrego Valley Hydrologic Model” (BVHM), is a tool that can provide results with the accuracy needed for making water-management decisions, although potential future refinements and enhancements could further improve the level of spatial and temporal resolution and model accuracy. Because the model incorporates time-varying inflows and outflows, this tool can be used to evaluate the effects of temporal changes in recharge and pumping and to compare the relative effects of different water-

management scenarios on the aquifer system. Overall, the development of the hydrogeologic and hydrologic models, data networks, and hydrologic analysis provides a basis for assessing surface and groundwater availability and potential water-resource management guidelines.

RECLAMATION

Managing Water in the West

Summary Report

Southeast California Regional Basin Study



U.S. Department of the Interior
Bureau of Reclamation

September 2015

Attachment D

AGENDA PAGE 65

Southeast California Regional Basin Study

Prepared by:

Southern California Area Office - U.S. Bureau of Reclamation
Greg Krzys, Water Resources Planner

Denver Technical Service Center
Laura Condon, Hydrologic Engineer
Subhrendu Gangopadhyay, Hydrologic Engineer
Alan Harrison, Environmental Engineer

Summary

The United States Department of the Interior's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Basin Study Program is a 21st Century approach to help address water supply challenges. The Southeast California Regional Basin Study (Study) takes a collaborative approach to solve local water supply and regional conveyance and storage issues. As part of this Study, the Bureau of Reclamation's Southern California Area Office cooperated with the Borrego Water District (BWD), Coachella Valley Water District (CVWD), Imperial Irrigation District (IID) and other interested regional stakeholders to assess water supply and demand challenges in the Southeast California region. This Study's report is comprised of seven chapters; they are: introduction, supply, demand, alternative strategies, alternative analysis, findings, and references. Three appendices provide additional details regarding climate change modeling results, engineering design and economic analysis.

The Study focuses on a regional area encompassing the Coachella, Borrego and Imperial Valleys. The Study addresses current and future supply and demand imbalances, provides an assessment of existing infrastructure resources, and develops options and alternatives to solve identified issues and help plan for an uncertain water supply future. The local stakeholders provided substantial informational resources on historical and projected supply and demand, and existing infrastructure. The water districts' background information includes numerous groundwater, urban water and integrated regional planning studies, all of which were produced and/or updated between 2010 and 2012. Extensive supply and demand studies for the Colorado River Basin and California's Central Valley – the two imported water supply sources for the Study area – also contributed data to this Study. Reclamation's *Colorado River Basin Water Supply and Demand Study* (Colorado River Basin Study) (Reclamation, 2012) and the California Department of Water Resources biennial State Water Project (SWP) report (State of California, 2012 a and b) were both completed in 2012. Reclamation's Colorado River Basin Study included several technical analyses related to optimal water utilization, conveyance and storage alternatives relative to climate change and future water supply uncertainty. Because the Southeast California Basin Study region is dependent on both Colorado River and SWP

imports, several sections of the Study reference and/or summarize both reports extensively. Existing data was used to develop structural and non-structural options to resolve supply-demand imbalances and future uncertainty. Non-structural options included governance, and regulatory or operational changes that could facilitate stakeholder processes to better conserve water or improve the use of existing facilities to convey and store water. Non-structural options were addressed qualitatively due to the complexity of interagency negotiations that would likely be involved. The structural options involved an appraisal level design effort to evaluate pipeline alignments to convey water supplies between the Study stakeholders. Both the structural and non-structural options were assessed in their capability to resolve regional water supply and demand relative to future climate uncertainties. Climate change scenarios analyzed the potential impacts increasing temperatures and changes in precipitation may have on supply and demand across the Study area. The analysis addressed both local and imported supply sources. Climate change is expected to result in increasing temperatures across the Study area and in the Colorado River and SWP basins over time. As temperatures continue to increase, annual precipitation will become more variable. Precipitation changes may affect recharge of the Study area's local groundwater aquifers and the Colorado River and SWP snow packs. The climate effects on imported supply have been extensively discussed in the Colorado River Basin Study and the biennial SWP report. Increasing temperatures will increase both supply and demand uncertainty. CVWD could see an increase in SWP supply deliveries under average or greater precipitation-snowpack conditions. Dry years or extended droughts could substantially decrease SWP deliveries. However, CVWD and IID receive the majority of their supply from the Colorado River. Future climate scenarios indicate an increased potential for lower basin shortages. As senior water right holders and under the Secretary of the Interior's *Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead*, IID and CVWD would not be impacted by short term shortage issues. The Colorado River Basin Study analysis indicates these shortage vulnerabilities could be mitigated by up to 50% through a variety of management actions and operational changes.

Each Study option was assessed as an adaptive strategy to climate change. The structural options to convey and store water in the Borrego Valley groundwater basin are not viable at the present time. A non-structural option may be more cost effective for the Study region, have the potential to meet the Study objectives, and may offset climate change uncertainty that is impacting available imported water supplies. Further study effort could include fostering groundwater sustainability in the Borrego Valley and promoting opportunities for additional groundwater banking between IID and CVWD in the Coachella Valley, per an October 2003 agreement. Other water and related resource options generated from discussions during the course of this Study include increasing storage opportunities at Lake Henshaw Dam, implementing best practices for flood control basins, and brackish desalination. These options may all play a greater role in diversifying the region's water supply in the future. However, additional study is required to assess these water resource options.

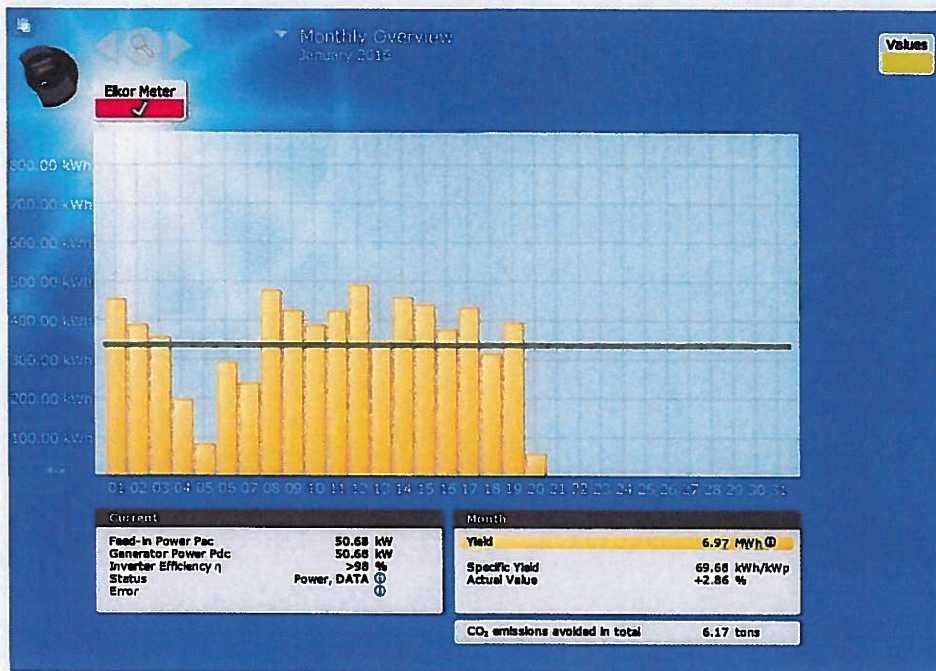


Farm the Sun

Plants

Borrego Water District WRT

Graphics



Join the Generaytor community!

My Energy Use

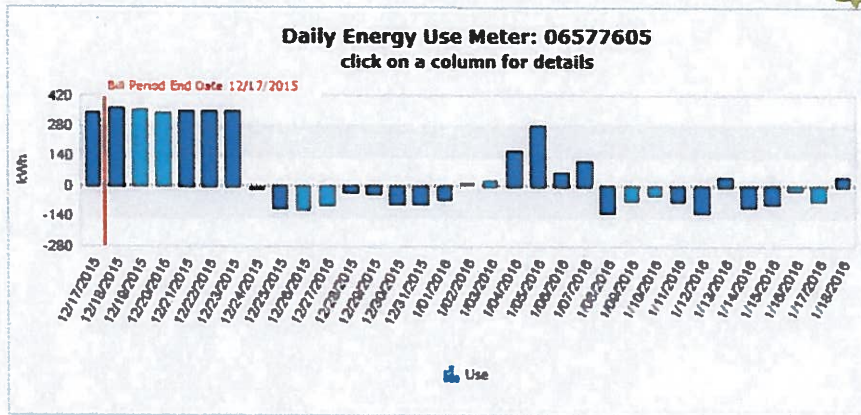


Use the charts below to analyze how much energy you use and when you use it.

Select Chart Create Custom Charts

Daily Energy Use Set As Default

Electric



Previous

Next

Columns shaded in a lighter color reflect energy use on weekends. Estimated v...[Show More](#)

Highlights

No highlights are available.



BORREGO WATER DISTRICT

December 2015

WATER OPERATIONS REPORT

| WELL | TYPE | FLOW RATE | STATUS | COMMENT |
|-------------|-------------|------------------|---------------|---------------------------------------|
| ID1-8 | Production | 350 | In Use | |
| ID1-10 | Production | 300 | In Use | |
| ID1-12 | Production | 950 | In Use | |
| ID1-16 | Production | 850 | In Use | |
| Wilcox | Production | 150 | In Use | Diesel backup well for ID-4 |
| ID4-4 | Production | 350 | In Use | |
| ID4-11 | Production | 1000 | In Use | Diesel engine drive exercised monthly |
| ID4-18 | Production | 250 | In Use | |
| ID5-5 | Production | 900 | In Use | |

System Problems: All Production Wells and reservoirs are in operating condition. Layfield is scheduled for the first part of February 2016 to make repairs on the 800 Tank.

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: 61,424 (gallons per day)

Peak flow: 127,000 gpd Saturday December 28, 2015



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY DECEMBER 2015

| DATE | ID-1 | ID-3 | ID-4 | DISTRICT-WIDE TOTALS |
|---------------------|---------------|--------------|----------------|----------------------|
| Dec-13 | 16.85 | 6.75 | 92.64 | 116.24 |
| Jan-14 | 12.51 | 7.44 | 103.25 | 123.20 |
| Feb-14 | 20.59 | 6.37 | 93.87 | 120.83 |
| Mar-14 | 38.28 | 6.90 | 93.46 | 138.64 |
| Apr-14 | 55.77 | 8.32 | 124.43 | 188.52 |
| May-14 | 64.47 | 8.46 | 116.31 | 189.24 |
| Jun-14 | 78.14 | 9.52 | 123.76 | 211.42 |
| Jul-14 | 100.19 | 9.13 | 141.45 | 250.77 |
| Aug-14 | 101.13 | 9.72 | 114.76 | 225.61 |
| Sep-14 | 89.33 | 10.49 | 142.82 | 242.64 |
| Oct-14 | 99.66 | 9.71 | 130.38 | 239.75 |
| Nov-14 | 71.94 | 10.32 | 123.00 | 205.26 |
| Dec-14 | 38.95 | 6.96 | 95.47 | 141.38 |
| Jan-15 | 32.95 | 6.38 | 85.84 | 125.17 |
| Feb-15 | 22.13 | 6.15 | 86.06 | 114.34 |
| Mar-15 | 16.78 | 5.94 | 86.54 | 109.26 |
| Apr-15 | 32.79 | 8.30 | 129.76 | 170.85 |
| May-15 | 29.25 | 7.28 | 104.29 | 140.82 |
| Jun-15 | 32.44 | 9.02 | 116.67 | 158.13 |
| Jul-15 | 29.94 | 10.04 | 108.89 | 148.87 |
| Aug-15 | 28.19 | 8.51 | 113.56 | 150.26 |
| Sep-15 | 29.17 | 9.63 | 132.98 | 171.78 |
| Oct-15 | 32.88 | 9.23 | 117.32 | 159.43 |
| Nov-15 | 25.27 | 8.24 | 113.84 | 147.35 |
| Dec-15 | 17.25 | 7.39 | 99.01 | 123.65 |
| 12 Mo. TOTAL | 329.04 | 96.11 | 1294.76 | 1719.91 |

Totals reflect individual improvement district usage. Interties from ID-3 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 |
|-----------------------|-------------|-------------|--------------|------------|-----------------------|
| Dec-15 | 4.82 | 2.44 | 15.94 | N/A | 7.73 |
| 12 Mo. Average | 4.70 | 1.94 | 16.63 | N/A | 7.76 |

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 1
 Month of December 2015

| ----- Water Production (Acre Feet) ----- | | | | | | | | | |
|--|--------|--------|--------|---------|---------|---------|-----------|-----------|-----------|
| Date | Well 1 | Well 2 | Well 8 | Well 10 | Well 12 | Well 16 | -Wells1&2 | =TotProdn | LessID3&4 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| DEC'14 | 4.60 | 1.60 | 0.00 | 0.00 | 20.47 | 25.44 | 6.20 | 45.91 | 38.95 |
| ----- | | | | | | | | | |
| JAN'15 | 0.00 | 4.02 | 0.04 | 0.00 | 16.31 | 22.98 | 4.02 | 39.33 | 32.95 |
| FEB'15 | 23.23 | 4.27 | 0.06 | 3.62 | 14.33 | 10.27 | 27.50 | 28.28 | 22.13 |
| MAR'15 | 19.16 | 14.36 | 0.02 | 1.81 | 14.00 | 6.89 | 33.52 | 22.72 | 16.78 |
| APR'15 | 31.57 | 9.59 | 0.02 | 0.00 | 22.01 | 19.06 | 41.16 | 41.09 | 32.79 |
| MAY'15 | 26.99 | 0.00 | 4.63 | 0.00 | 14.61 | 17.29 | 26.99 | 36.53 | 29.25 |
| JUN'15 | 29.81 | 13.05 | 0.03 | 0.26 | 20.84 | 20.33 | 42.86 | 41.46 | 32.44 |
| JUL'15 | 31.62 | 0.00 | 0.02 | 0.00 | 27.10 | 12.86 | 31.62 | 39.98 | 29.94 |
| AUG'15 | 29.12 | 0.00 | 8.17 | 2.56 | 18.88 | 7.09 | 29.12 | 36.70 | 28.19 |
| SEP'15 | 26.32 | 0.00 | 17.31 | 8.03 | 8.96 | 4.50 | 26.32 | 38.80 | 29.17 |
| OCT'15 | 22.39 | 0.00 | 0.03 | 3.93 | 24.16 | 13.99 | 22.39 | 42.11 | 32.88 |
| NOV'15 | 10.12 | 12.75 | 0.05 | 10.48 | 21.01 | 1.97 | 22.87 | 33.51 | 25.27 |
| DEC'15 | 9.77 | 10.22 | 0.02 | 7.65 | 16.96 | 0.01 | 19.99 | 24.64 | 17.25 |
| ----- | | | | | | | | | |
| TOTALS | 260.10 | 68.26 | 30.40 | 38.34 | 219.17 | 137.24 | 328.36 | 425.15 | 329.04 |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

| ----- Water Use (Acre Feet) ----- | | | | | | | | | | |
|-----------------------------------|----------|-----------|-----------|-------------|----------------|-------|-------|--------|------------|---------|
| Date | Domestic | Irrigat'n | Constrt'n | Golf Course | Golf Spare Cap | ID 3 | ID 4 | Total | Water Loss | % Loss |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |
| DEC'14 | 8.56 | 7.05 | 0.04 | 0.00 | 30.83 | 6.96 | 0.00 | 53.44 | -7.53 | -16.40% |
| ----- | | | | | | | | | | |
| JAN'15 | 7.85 | 6.82 | 0.00 | 0.00 | 17.00 | 6.38 | 0.00 | 38.05 | 1.28 | 3.24% |
| FEB'15 | 7.58 | 5.30 | 0.00 | 0.00 | 7.72 | 6.15 | 0.00 | 26.75 | 1.53 | 5.44% |
| MAR'15 | 7.41 | 6.18 | 0.00 | 0.00 | 3.03 | 5.94 | 0.00 | 22.56 | 0.16 | 0.65% |
| APR'15 | 9.63 | 10.38 | 0.00 | 0.00 | 9.29 | 8.30 | 0.00 | 37.60 | 3.49 | 8.51% |
| MAY'15 | 8.29 | 9.21 | 0.00 | 0.00 | 9.47 | 7.28 | 0.00 | 34.25 | 2.28 | 6.23% |
| JUN'15 | 8.72 | 10.93 | 0.00 | 0.00 | 10.82 | 9.02 | 0.00 | 39.49 | 1.97 | 4.76% |
| JUL'15 | 10.09 | 14.86 | 1.18 | 0.00 | 2.47 | 10.04 | 0.00 | 38.64 | 1.34 | 3.35% |
| AUG'15 | 10.71 | 13.84 | 1.16 | 0.00 | 0.00 | 8.51 | 0.00 | 34.22 | 2.48 | 6.79% |
| SEP'15 | 10.22 | 13.04 | 1.39 | 0.00 | 2.57 | 9.63 | 0.00 | 36.85 | 1.95 | 5.02% |
| OCT'15 | 10.67 | 11.10 | 1.34 | 0.00 | 8.19 | 9.23 | 0.00 | 40.53 | 1.58 | 3.76% |
| NOV'15 | 10.12 | 8.67 | 1.36 | 0.00 | 4.22 | 8.24 | 0.00 | 32.61 | 0.90 | 2.69% |
| DEC'15 | 8.03 | 6.95 | 1.09 | 0.00 | 0.00 | 7.39 | 0.00 | 23.46 | 1.18 | 4.82% |
| ----- | | | | | | | | | | |
| TOTALS | 109.32 | 117.28 | 7.52 | 0.00 | 74.78 | 96.11 | 0.00 | 405.01 | 20.14 | 4.74% |
| ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of December 2015

| 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 | | | |
| DEC'14 | 0.00 | 2.65 | 0.06 | 4.23 | 4.29 | 0.06 | 6.88 | 6.94 |
| JAN'15 | 0.00 | 2.63 | 0.11 | 3.47 | 3.58 | 0.11 | 6.10 | 6.21 |
| FEB'15 | 0.00 | 2.39 | 0.10 | 3.37 | 3.47 | 0.10 | 5.76 | 5.86 |
| MAR'15 | 0.00 | 2.26 | 0.10 | 3.54 | 3.64 | 0.10 | 5.80 | 5.90 |
| APR'15 | 0.00 | 3.03 | 0.14 | 4.98 | 5.12 | 0.14 | 8.01 | 8.15 |
| MAY'15 | 0.00 | 2.46 | 0.25 | 4.37 | 4.62 | 0.25 | 6.83 | 7.08 |
| JUN'15 | 0.00 | 3.32 | 0.24 | 5.17 | 5.41 | 0.24 | 8.49 | 8.73 |
| JUL'15 | 0.00 | 3.46 | 0.13 | 5.93 | 6.06 | 0.13 | 9.39 | 9.52 |
| AUG'15 | 0.00 | 3.43 | 0.16 | 5.28 | 5.44 | 0.16 | 8.71 | 8.87 |
| SEP'15 | 0.00 | 3.33 | 0.14 | 6.03 | 6.17 | 0.14 | 9.36 | 9.50 |
| OCT'15 | 0.00 | 3.36 | 0.22 | 5.49 | 5.71 | 0.22 | 8.85 | 9.07 |
| NOV'15 | 0.00 | 3.10 | 0.08 | 4.97 | 5.05 | 0.08 | 8.07 | 8.15 |
| DEC'15 | 0.00 | 2.91 | 0.07 | 4.23 | 4.30 | 0.07 | 7.14 | 7.21 |
| TOTALS | 0.00 | 35.68 | 1.74 | 56.83 | 58.57 | 1.74 | 92.51 | 94.25 |

| Date | Water Produced Acre Feet | Water Delivered Acre Feet | Wtr Loss | % Loss |
|--------|-----------------------------|------------------------------|----------|--------|
| DEC'14 | 6.96 | 6.94 | 0.02 | 0.29% |
| JAN'15 | 6.38 | 6.21 | 0.17 | 2.66% |
| FEB'15 | 6.15 | 5.86 | 0.29 | 4.72% |
| MAR'15 | 5.94 | 5.90 | 0.04 | 0.67% |
| APR'15 | 8.30 | 8.15 | 0.15 | 1.81% |
| MAY'15 | 7.28 | 7.08 | 0.20 | 2.75% |
| JUN'15 | 9.02 | 8.73 | 0.29 | 3.22% |
| JUL'15 | 10.04 | 9.52 | 0.52 | 5.18% |
| AUG'15 | 8.51 | 8.87 | -0.36 | -4.23% |
| SEP'15 | 9.63 | 9.50 | 0.13 | 1.35% |
| OCT'15 | 9.23 | 9.07 | 0.16 | 1.73% |
| NOV'15 | 8.24 | 8.15 | 0.09 | 1.09% |
| DEC'15 | 7.39 | 7.21 | 0.18 | 2.44% |
| TOTALS | 96.11 | 94.25 | 1.86 | 1.94% |

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of December 2015

| ----- 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 |
| DEC'14 | 0.00 | 0.00 | 50.05 | 5.20 | 9.88 | 27.86 | 2.48 | 0.00 | 0.00 | 95.47 | 95.47 |
| JAN'15 | 0.00 | 0.00 | 46.58 | 5.52 | 9.21 | 22.40 | 2.13 | 0.00 | 0.00 | 85.84 | 85.84 |
| FEB'15 | 0.00 | 0.00 | 45.03 | 5.35 | 8.85 | 24.24 | 2.59 | 0.00 | 0.00 | 86.06 | 86.06 |
| MAR'15 | 0.00 | 0.00 | 43.04 | 5.91 | 8.26 | 27.25 | 2.08 | 0.00 | 0.00 | 86.54 | 86.54 |
| APR'15 | 0.00 | 0.00 | 52.18 | 10.61 | 9.98 | 53.46 | 3.53 | 0.00 | 0.00 | 129.76 | 129.76 |
| MAY'15 | 0.00 | 0.00 | 44.16 | 9.57 | 6.91 | 40.55 | 3.09 | 0.01 | 0.00 | 104.29 | 104.29 |
| JUN'15 | 0.00 | 0.00 | 50.06 | 9.12 | 8.40 | 45.42 | 3.67 | 0.00 | 0.00 | 116.67 | 116.67 |
| JUL'15 | 0.00 | 0.00 | 40.26 | 18.80 | 0.00 | 46.40 | 3.43 | 0.00 | 0.00 | 108.89 | 108.89 |
| AUG'15 | 0.00 | 0.00 | 42.85 | 18.74 | 0.00 | 48.91 | 3.05 | 0.01 | 0.00 | 113.56 | 113.56 |
| SEP'15 | 0.00 | 0.00 | 47.84 | 22.20 | 0.00 | 59.16 | 3.74 | 0.04 | 0.00 | 132.98 | 132.98 |
| OCT'15 | 0.00 | 0.00 | 41.80 | 20.80 | 0.00 | 51.34 | 3.38 | 0.00 | 0.00 | 117.32 | 117.32 |
| NOV'15 | 0.00 | 0.00 | 42.96 | 18.46 | 0.00 | 49.35 | 3.07 | 0.00 | 0.00 | 113.84 | 113.84 |
| DEC'15 | 0.00 | 0.00 | 44.32 | 16.53 | 0.00 | 35.72 | 2.44 | 0.00 | 0.00 | 99.01 | 99.01 |
| TOTALS | 0.00 | 0.00 | 541.08 | 161.61 | 51.61 | 504.20 | 36.20 | 0.06 | 0.00 | 1294.76 | 1294.76 |

| Date | Water Produced Acre Feet | Water Use Acre Feet | Wtr Loss | % Loss | ID 5 Acre Feet |
|--------|-----------------------------|------------------------|----------|--------|-------------------|
| DEC'14 | 95.47 | 77.31 | 18.16 | 19.02% | 0.00 |
| JAN'15 | 85.84 | 66.24 | 19.60 | 22.83% | 0.00 |
| FEB'15 | 86.06 | 69.74 | 16.32 | 18.96% | 0.00 |
| MAR'15 | 86.54 | 73.17 | 13.37 | 15.45% | 0.00 |
| APR'15 | 129.76 | 106.38 | 23.38 | 18.02% | 0.00 |
| MAY'15 | 104.29 | 87.10 | 17.19 | 16.48% | 0.00 |
| JUN'15 | 116.67 | 99.06 | 17.61 | 15.09% | 0.00 |
| JUL'15 | 108.89 | 94.21 | 14.68 | 13.48% | 0.00 |
| AUG'15 | 113.56 | 96.54 | 17.02 | 14.99% | 0.00 |
| SEP'15 | 132.98 | 108.92 | 24.06 | 18.09% | 0.00 |
| OCT'15 | 117.32 | 100.23 | 17.09 | 14.57% | 0.00 |
| NOV'15 | 113.84 | 94.66 | 19.18 | 16.85% | 0.00 |
| DEC'15 | 99.01 | 83.23 | 15.78 | 15.94% | 0.00 |
| TOTALS | 1294.76 | 1079.48 | 215.28 | 16.63% | 0.00 |

Financial Shape of District in 2010

- + 2007 Board had been spending ~\$1M/yr more in O&M expenses than annual revenues
- + the previous GM had capitalized more than \$1M in costs that should have been expensed
- + the previous GM had overbooked more than \$1M in asset values that had to be written off
- + this Board had agreed to a \$1M subsidy of the Club Circle golf course over a period of 20-years
- + in other "deals" this Board had agreed to spend ~\$6M in the future that could not be paid for by projected revenues
- + this Board adopted a Cadillac pension program for District employees that cost ~\$300,000 cash in the short term and created a future liability of ~\$1.6M
- + this Board had added Tier 2 rates that did not meet Proposition 218 nexus requirements for cost-justification
- + Results:
 - + the District had consumed almost all of its ~\$6M+ cash reserves accumulated over ~20-years
 - + the District lost its good credit rating
 - + thus, the District was out of cash; it could not borrow to pay for necessary R&R expenses

X

2011 & 2015 Board & Management Actions Taken to Restore Financial Stability

- ✦ retained new legal advisors and consultants that had experience with such severe financial work-outs
- ✦ raised rates 100% over 5-years rather than over 1-year recommended by the District's advisors and financial consultants. Without the support of the community for these rate increases, the District would have been forced to cut-back water service [in some communities that were unwilling to support rate increases, property values fell, business revenues fell, and economic development ground to a standstill]
- ✦ revised the District's CIP to reflect least cost economic management of the District's \$62.5M infrastructure investment going forward, but deferred costly R&R until the District is creditworthy again
- ✦ held District salaries to small increases; management reduced staff from 17 to 11

X

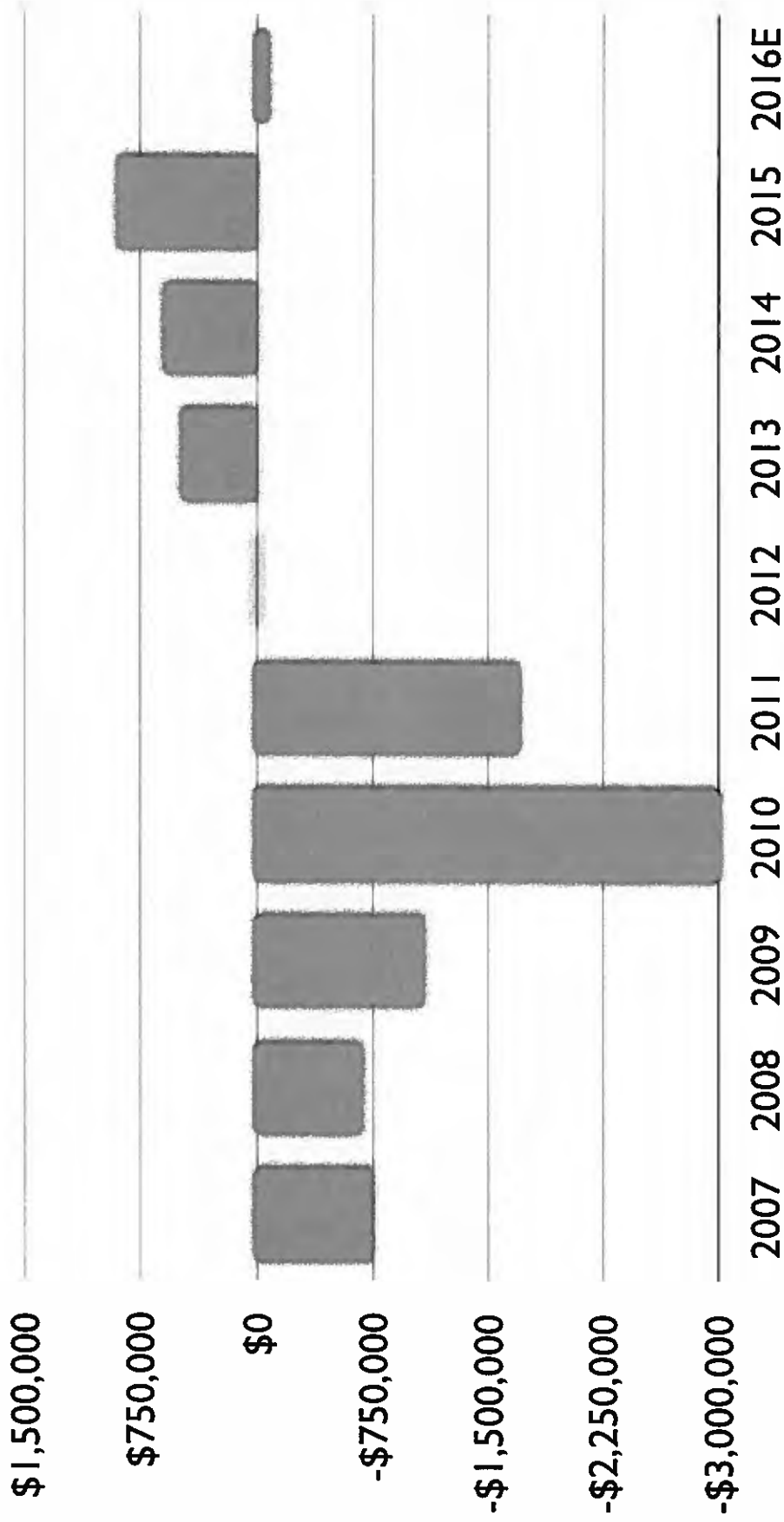
Longer-Term, Larger Financial Issues

- ✦ from past boards deferring necessary R&R into the future (allowing assets to operate past their economically useful lives), today, the District is facing ~\$15M-\$20M in catch-up infrastructure R&R expenditures to keep its ~\$62.5M in replacement cost system in top (least economic cost) operating shape
- ✦ but, by far the largest cost that can potentially be avoided or put off to the distant future is to solve the critical overdraft situation. If the overdraft is not eliminated soon, the potential cost to District ratepayers in the medium-future may be ~\$40M-\$70M in increased rates
- ✦ the Good News:
 - ✦ the future financial costs the District is facing are entirely addressable and much smaller on a per capita basis than many other water districts in California and other parts of the nation, *assuming the community has the willingness to tackle the overdraft in a timely fashion*
 - ✦ why are we potentially in good shape? Because, the District does not rely on any other water source other than the BVGB; we are surrounded by the ABDSP which protects the watershed from being destroyed or polluted; and most recently, the community has rallied to financially support the District in its work protecting water service to its customers!

X

Financial Health of the District

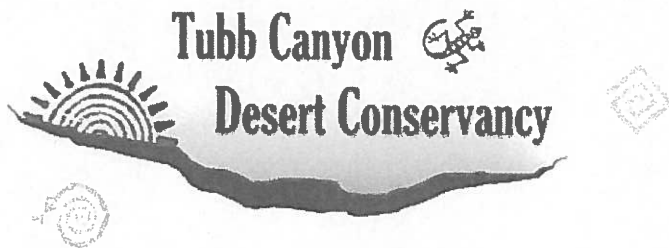
■ Net Increase (Decrease) In Cash & Cash Equivalents



ECONOMICS OF SGMA

- remaining GSP development costs are estimated at ~\$1.385M
- GSP development costs already spent are ~\$3.0M
- GSP implementation costs are presently estimated at ~\$20M-\$30M
- BWD must spend an estimated ~\$4.5M for treatment technology in next 2-3 years to meet drinking water quality standards due to declining water levels of BVGB from past years' inaction in addressing the BVGB overdraft
- BWD ratepayers will potentially need to spend an estimated additional ~\$40M-\$70M (PV basis) for advanced water treatment if basin overdraft continues for much longer. Additional USGS water quality study is necessary to know if 20-years to sustainability is too long to avoid these advanced treatment costs
- potential PV economic impact to present revenues from Anza-Borrego Desert State Park visitor spending if Borrego disappears as a gateway to the park due to the continuing overdraft are estimated at ~\$200M

X



December 17, 2015

Thomas Montgomery, Esq.
Office of County Counsel
1600 Pacific Highway, Room 355
San Diego, CA 92101

Dear Mr. Montgomery

I am writing in response to the Notice of Preparation (NOP) for the Subsequent Environmental Impact Report (SEIR) for the Property Specific Request (PSA) designated as DS24 (Borrego Springs Rd. and Country Club Dr. area). I enumerate below the specific reasons that San Diego County ("the County") cannot authorize the SEIR to proceed at this present time:

(1) The County may no longer make land use decisions within a California Department of Water Resources (DWR) designated critically overdrafted basin in contravention of an adopted Groundwater Management Plan (GSP) that is accepted by the State Water Resources Control Board (SWRCB).

In January 2015 the Sustainable Groundwater Management Act (SGMA) became law in the state of California. This law requires that all land use decisions must conform to the requirements of SGMA. **Because the General Plan of San Diego County and the Community Plan of Borrego Springs do not yet conform to the requirements of SGMA, it is not possible to complete a SIER that would conform to current legislative requirements as specified by SGMA that mandates an adopted GSP for groundwater basins in California.**

(2) DS24 is located within the Borrego Valley Groundwater Basin (BVGB). The BVGB has been designated by DWR as a critically overdrafted basin.

A study completed by the U.S. Geological Survey (USGS) indicates that in Borrego Valley, irrigated agricultural, residential, and commercial users, as well as the Anza-Borrego Desert State Park, use approximately four times more water than is replenished through annual average natural recharge of the BVGB underlying the Valley (Faunt 2015). The Department of Water Resources (DWR) has measured groundwater-level declines of more than 100 feet in some parts of the groundwater basin in response to anthropogenic activities, resulting in an increase in pumping lifts; reduced well efficiency; dry wells, changes in water quality; and loss of natural groundwater discharge, principally through reduced evapotranspiration from groundwater. Additionally, in 2015, the U.S.

Tubb Canyon Desert Conservancy

8899 University Center Lane #170, San Diego, CA 92122 ☎ 858.535.9121 ☎ Contact: info@TubbCanyonDesertConservancy.Org
www.TubbCanyonDesertConservancy.Org



Department of the Interior, Bureau of Reclamation (BR), published a study entitled "*Southeast California Regional Basin Study*." The BR study concluded that none of the three pipeline alternatives for the Borrego Valley analyzed were economically viable under current conditions, and that further study of the pipeline alternatives was not warranted.

It is therefore my belief that it would be a waste of taxpayer money to proceed with a SEIR that cannot conform to current legal requirements under SGMA. I am officially requesting a written opinion by County Counsel on this issue requiring an adopted GSP before any SEIR is attempted for DS24.

J. David Garmon, MD

J. David Garmon, MD

President, Tubb Canyon Desert Conservancy

Tubb Canyon Desert Conservancy

8899 University Center Lane #170, San Diego, CA 92122 ☎ 858.535.9121 ☎ contact: tcdc@tubbcanondesertconservancy.org
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DEPARTMENT OF PARKS AND RECREATION
COLORADO DESERT DISTRICT
200 PALM CANYON DRIVE
BORREGO SPRINGS, CA 92004
760-767-4037

Lisa Ann L. Mangat, Director

December 31, 2015

County of San Diego
Planning & Development Services
5510 Overland Avenue, Suite 310
San Diego, CA 92123

PROJECT NAME: Property Specific Requests General Plan Amendment and Rezone
PROJECT NUMBER(S): PDS2012-3800-12-005; PDS2014-REZ-14-006
ENV. REVIEW NUMBER: PDS2012-ER-12-00-003

To Peter Eichar and Relevant County of San Diego Staff:

As representative of the Colorado Desert District of California State parks, I would like to comment on the proposed Project changes to Land Use designations affecting the Anza-Borrego Desert State Park®. The Probable Environmental Effects listed in the Notice of Preparation, because of increased residential density, are of concern because of the negative impacts to lands adjacent and near State Park lands.

I would like the County of San Diego to reconsider increasing residential density and/or possible changes to commercial or industrial Land Use designation within the Desert Subregion (approximately 338 acres). Proposed changes may negatively affect State Park land aesthetics, air quality, biological resources, cultural resources, geology and soils, hydrology and water quality, noise, recreation, and traffic. In addition, affected land adjacent to State Park land west of Borrego Springs Road at the mouth of Tubb Canyon contain a rare Old Growth Ocotillo Forest of substantial and irreplaceable biological and aesthetic value.

Please keep me informed as the planning and review process continues for the Desert Subregion so that we can participate in the collective process.

Sincerely,

Dan Falat
District Superintendent



County of San Diego

MARK WARDLAW
DIRECTOR
PHONE (858) 694-2962
FAX (858) 694-2555

PLANNING & DEVELOPMENT SERVICES
5510 OVERLAND AVENUE, SUITE 310, SAN DIEGO, CA 92123
www.sdcountry.ca.gov/pds

DARREN GRETLER
ASSISTANT DIRECTOR
PHONE (858) 694-2962
FAX (858) 694-2555

January 13, 2016

Mark Nordberg, GSA Project Manager
Senior Engineering Geologist
Department of Water Resources
901 P Street, Room 213A
Post Office Box 942836
Sacramento, CA 94236

Delivery via E-Mail and US Mail
(MarkNordberg@water.ca.gov)

NOTICE OF ELECTION TO BECOME A GROUNDWATER SUSTAINABILITY AGENCY FOR THE BORREGO VALLEY GROUNDWATER BASIN

Dear Mr. Nordberg:

Pursuant to California Water Code Section 10723.8, the County of San Diego (County), a political subdivision of the State of California, gives notice to the California Department of Water Resources (DWR) of the County's decision to become a Groundwater Sustainability Agency (GSA) and to undertake sustainable groundwater management in the portion of the Borrego Valley Groundwater Basin (DWR Basin No. 7-24) within the boundary of San Diego County. The County overlies a portion of the basin as indicated on the attached map (Exhibit A of Attachment 1).

On January 6, 2016, the County Board of Supervisors held a public hearing in accordance with California Water Code Section 10723(b). The public hearing was noticed in the Daily Transcript in accordance with Government Code Section 6066 (Attachment 2).

After holding the public hearing, the County Board of Supervisors adopted Resolution Number 16-001 (Attachment 1) electing to become a GSA over the portion of the Borrego Valley Groundwater Basin within the boundary of San Diego County. No new bylaws, ordinances, or authorities were adopted by the County at that time.

The County is coordinating with Borrego Water District (BWD), which also submitted notice of election to DWR to become a GSA over the Borrego Valley Groundwater Basin within San Diego County. The County and BWD intend to work cooperatively to jointly manage groundwater in the basin. The County of Imperial and Imperial Irrigation District provided notice of election to DWR to become GSAs over the portion of the basin within

Imperial County. It should be noted that BWD and the County intend to submit a basin boundary adjustment under separate cover which will request that DWR adjust the basin boundaries in Bulletin 118-2003.

The County Board of Supervisors authorized the Director of Planning & Development Services to negotiate inter-agency agreements with BWD, the County of Imperial, Imperial Irrigation District, and/or other agencies or entities utilizing groundwater in the Borrego Valley Groundwater Basin, as necessary for the purpose of implementing a cooperative and coordinated governance structure to sustainably manage the basin.

Pursuant to California Water Code Section 10723.2, the County will consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing a Groundwater Sustainability Plan (GSP). An initial list of stakeholders and interested parties include, but are not limited to, the following:

- a) Holders of overlying groundwater rights, including:
 - 1) Agricultural users – 17 property owners encompassing about 3,976 acres.
 - 2) Domestic well owners – About 275 wells within the GSA boundary.
- b) Municipal well operators – No incorporated cities within the GSA boundary.
- c) Public water systems – Borrego Water District.
- d) Local land use planning agencies – County of San Diego and Borrego Springs Community Sponsor Group.
- e) Environmental users of groundwater – Anza-Borrego Desert State Park.
- f) Surface water users, if there is a hydrologic connection between surface and groundwater bodies – No hydrologic connection.
- g) The federal government, including, but not limited to, the military and managers of federal lands – None.
- h) California Native American tribes – None.
- i) Disadvantaged communities, including, but not limited to, those served by private domestic wells or small community water systems – Borrego Water District ratepayers and domestic well owners.
- j) Entities listed in Section 10927 that are monitoring and reporting groundwater elevations in all or a part of a groundwater basin managed by the groundwater sustainability agency – The BWD and County have filed and maintain California Statewide Groundwater Elevation Monitoring (CASGEM) monitoring data with the DWR.

The County intends to work cooperatively with stakeholders to develop and implement the GSP for the Borrego Valley Groundwater Basin and will maintain a list of interested parties to be included in the formation of the GSP. By this notification, the County has provided DWR with all applicable information in California Water Code Section

Mr. Nordberg
January 13, 2016
Page 3

10723.8(a). If you have any questions, or require additional information, please contact the County Groundwater Geologist, Jim Bennett, at (858) 694-3820.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Wardlaw". The signature is fluid and cursive, with the first name "Mark" being more prominent.

MARK WARDLAW, Director
Planning & Development Services

Attachments:

Attachment 1 – Resolution No. 16-001 (with Exhibit A – Borrego Valley Groundwater Basin Map)

Attachment 2 – Proof of Publication



County of San Diego

MARK WARDLAW
DIRECTOR
PHONE (858) 694-2962
FAX (858) 694-2555

PLANNING & DEVELOPMENT SERVICES
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DARREN GRETLER
ASSISTANT DIRECTOR
PHONE (858) 694-2962
FAX (858) 694-2555

December 8, 2015

Mr. Zaffar Eusuff
Program Manager
California Department of Water Resources
901 P Street
Sacramento, CA 94236

Subject: RESOLUTION TO APPLY FOR AND ACCEPT GRANT FUNDING

Dear Mr. Eusuff:

On January 6, 2016, the County of San Diego Department of Planning and Development Services (PDS) will submit a resolution to the Board of Supervisors of the County of San Diego (Board) requesting approval to apply for and accept grant funding to support sustainable groundwater management. This resolution (attached) will allow PDS to execute a grant agreement with California Department of Water Resources (DWR) for Proposition 1 funds including the *Counties with Stressed Basins* grant, which is due to DWR on December 8, 2015. Upon approval of the attached resolution, PDS will provide DWR with the Authorizing Final Resolution from our Board. The anticipated date for DWR to receive the final resolution is mid-January 2016. If you have any questions or require additional information, please contact the undersigned at (858) 694-3820.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Bennett".

Jim Bennett, Groundwater Geologist
Planning and Development Services

Attachment: RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO APPLY FOR AND ACCEPT GRANT FUNDING TO SUPPORT SUSTAINABLE GROUNDWATER MANAGEMENT

Table 4 – Project Budget

Project Title: San Diego County GSA Formation and GSP Task Development

| (a) | Tasks ¹ | (a) | (b) | (c) | (d) |
|-----|--|------------------------|--|------------------|-----------------|
| | | Requested Grant Amount | Local Cost Share: Non-State Fund Source ² | Other Cost Share | Total Cost |
| (a) | Task 1 – GSA Formation | \$ 150,000.00 | \$ 503,688.46 | | \$ 653,688.46 |
| (b) | Task 2 – Data Collection | \$ 60,000.00 | \$ 101,456.50 | | \$ 161,456.50 |
| (c) | Task 3 - Basin Analysis and Studies for Plan Development | \$ 25,000.00 | \$ 135,062.22 | | \$ 160,062.22 |
| (d) | Task 4 - GSP Task Development and Cost Analysis | \$ 10,000.00 | \$ 55,581.96 | | \$ 65,581.96 |
| (e) | Task 5 - Contract with GSP Development Engineer | \$ 5,000.00 | \$ 15,511.36 | | \$ 20,511.36 |
| (f) | Grand Total (Sum rows (a) through (e) for each column) | \$ 250,000.00 | \$ 811,300.50 | \$ - | \$ 1,061,300.50 |

¹ Refer to Statement of Work for description of tasks.

² Source of Funding - County of San Diego General Fund

| Title/Classification | Consultant Costs | | | | | | | | | | County Costs | | | | Consultant Total | | County Total | | Total | | | |
|---|---|-------|-------|-----|-------------|---------|--------------|--------|----------------|-----|--------------|-----|-----|-----|----------------------|----------|--------------|------------------|-------|------------------|--|-------------------|
| | Prm Mgr | PM PW | PM PW | GIS | Field Staff | Prm Mgr | GW Geologist | PLN II | County Counsel | hr | hr | hr | hr | hr | hr | hr | hr | \$ | | \$ | | |
| | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | hr | \$ | \$ | | | |
| 1 - GSA Formation | | | | | | | | | | | | | | | | | | | | | | |
| a - Stakeholder/Committee Meetings | | | | | | | | | | | | | | | | | | | | | | |
| i | Quarterly Stakeholder Mtg (6) - BV | 1 | | 48 | | 48 | | | | 48 | 96 | 96 | 96 | 32 | 385 | \$12,855 | 320 | \$25,212 | 705 | 38,067.40 | | |
| ii | Quarterly Stakeholder Mtg (10) - SLR | 1 | | 80 | | 80 | | | | 80 | 96 | 96 | 96 | 16 | 161 | \$21,299 | 304 | \$23,836 | 465 | 45,135.56 | | |
| iii | Quarterly Stakeholder Mtg (6) - SDR | 1 | | 48 | | 48 | | | | 48 | 48 | 48 | 48 | 12 | 241 | \$12,855 | 156 | \$12,262 | 397 | 25,117.32 | | |
| iv | Quarterly Stakeholder Mtg (6) - SP | 1 | | 48 | | 48 | | | | 48 | 48 | 48 | 48 | | 241 | \$12,855 | 192 | \$15,358 | 433 | 28,213.32 | | |
| v | Quarterly Committee Mtgs (6) - BV | 1 | | 48 | | 48 | | | | 48 | 80 | 80 | 80 | | 97 | \$12,855 | 240 | \$18,717 | 337 | 31,572.04 | | |
| vi | Quarterly Committee Mtg (24) - SLR | 4 | | 192 | | 192 | | | | 192 | 288 | 192 | 192 | | 388 | \$51,421 | 672 | \$53,162 | 1060 | 104,582.88 | | |
| vii | Quarterly Committee Mtgs (6) - SDR | 1 | | 48 | | 48 | | | | 48 | 48 | 48 | 48 | | 241 | \$12,855 | 144 | \$11,230 | 385 | 24,085.32 | | |
| viii | Quarterly Committee Mtgs (6) - SP | 1 | | 48 | | 48 | | | | 48 | 48 | 48 | 48 | | 241 | \$12,855 | 144 | \$11,230 | 385 | 24,085.32 | | |
| b - Board of Supervisors Hearing Reports | | | | | | | | | | | | | | | | | | | | | | |
| i | Board Letters/Resolutions (4 total) | | | | | | | | | | 96 | 120 | 120 | 24 | 0 | \$0 | 360 | \$28,089 | 360 | 28,088.64 | | |
| ii | Board Hearings Prep/Attend (4 total) | | | | | | | | | | 48 | 72 | 72 | 24 | 0 | \$0 | 216 | \$16,859 | 216 | 16,858.56 | | |
| c - Director/Chief/DCAO/BOS/Team Mtgs | | | | | | | | | | | | | | | | | | | | | | |
| i | Briefings/Material Prep (32) | | | | | | | | | | 192 | 224 | 192 | 90 | 0 | \$0 | 698 | \$55,408 | 698 | 55,407.52 | | |
| ii | Program Mgmt/Team Mtgs (35) | | | | | | | | | | 280 | 280 | 210 | 156 | 0 | \$0 | 926 | \$74,538 | 926 | 74,537.90 | | |
| d - Legal Agreement | | | | | | | | | | | | | | | | | | | | | | |
| i | MOU/MOA/JPA Preparation - BV | 2 | | 8 | | 8 | | | | | 24 | 40 | 40 | 40 | 10 | \$1,678 | 144 | \$11,431 | 154 | 13,109.44 | | |
| ii | MOU/MOA/JPA Prep - SLR (3 to 5) | 9 | 8 | 12 | | | | | | | 60 | 120 | 120 | 200 | 329 | \$4,951 | 500 | \$40,149 | 829 | 45,100.00 | | |
| iii | MOU/MOA/JPA Preparation - SDR | 2 | | 8 | | 8 | | | | | 60 | 120 | 120 | 80 | 10 | \$1,678 | 380 | \$29,829 | 390 | 31,506.88 | | |
| iv | MOU/MOA/JPA Preparation - SP | 2 | | 8 | | 8 | | | | | 24 | 40 | 40 | 40 | 10 | \$1,678 | 144 | \$11,431 | 154 | 13,109.44 | | |
| e - Website Development | | | | | | | | | | | | | | | | | | | | | | |
| i | Website Design Meetings | | | | | | | | | | 20 | 40 | 80 | | 0 | \$0 | 140 | \$10,156 | 140 | 10,156.40 | | |
| ii | Website Dev/Maintenance | | | | | | | | | | 16 | 96 | 564 | | 0 | \$0 | 676 | \$44,955 | 676 | 44,954.52 | | |
| | | | | | | | | | | | | | | | <i>Task Subtotal</i> | | | \$159,837 | | \$493,851 | | 653,688.46 |
| 6 - Data Collection | | | | | | | | | | | | | | | | | | | | | | |
| f - Data Research (All Basins) | | | | | | | | | | | | | | | | | | | | | | |
| i | Historical GW Investigations | | 10 | 40 | | | | | 80 | | | 16 | 40 | | 130 | \$16,235 | 56 | \$3,880 | 186 | 20,115.50 | | |
| ii | Well Inventory/Production records | | 8 | 20 | 96 | | | 144 | | | | | 24 | | 268 | \$32,632 | 24 | \$1,504 | 292 | 34,135.80 | | |
| iii | Groundwater elevations | | 8 | 20 | | | | 80 | | | | | 40 | | 108 | \$12,660 | 40 | \$2,507 | 148 | 15,166.68 | | |
| iv | Groundwater Quality | | 8 | 20 | | | | 80 | | | | | 16 | | 108 | \$12,660 | 16 | \$1,003 | 124 | 13,662.60 | | |
| v | Surface Water Quality/Reservoir Records | | 16 | 27 | | | | 86 | | | | | 16 | | 129 | \$15,706 | 16 | \$1,003 | 145 | 16,708.47 | | |

| | | | | | | | | | | | | | | | | |
|--|---|--|--|--|--|--|--|--|--|--|----------------------|----------|-----|------------------|-----|-------------------|
| vi | Precipitation records | | | | | | | | | | 19 | \$2,599 | 8 | \$501 | 27 | 3,099.93 |
| vii | Stream Gauging Records | | | | | | | | | | 58 | \$6,980 | 24 | \$1,504 | 82 | 8,484.06 |
| viii | Subsidence | | | | | | | | | | 42 | \$5,358 | 8 | \$501 | 50 | 5,859.42 |
| b - Data Compilation (All Basins) | | | | | | | | | | | | | | | | |
| i | Data organization/evaluation for GSP compliance | | | | | | | | | | 220 | \$31,209 | 184 | \$13,015 | 404 | 44,224.04 |
| | | | | | | | | | | | Task Subtotal | | | \$136,038 | | 161,456.50 |

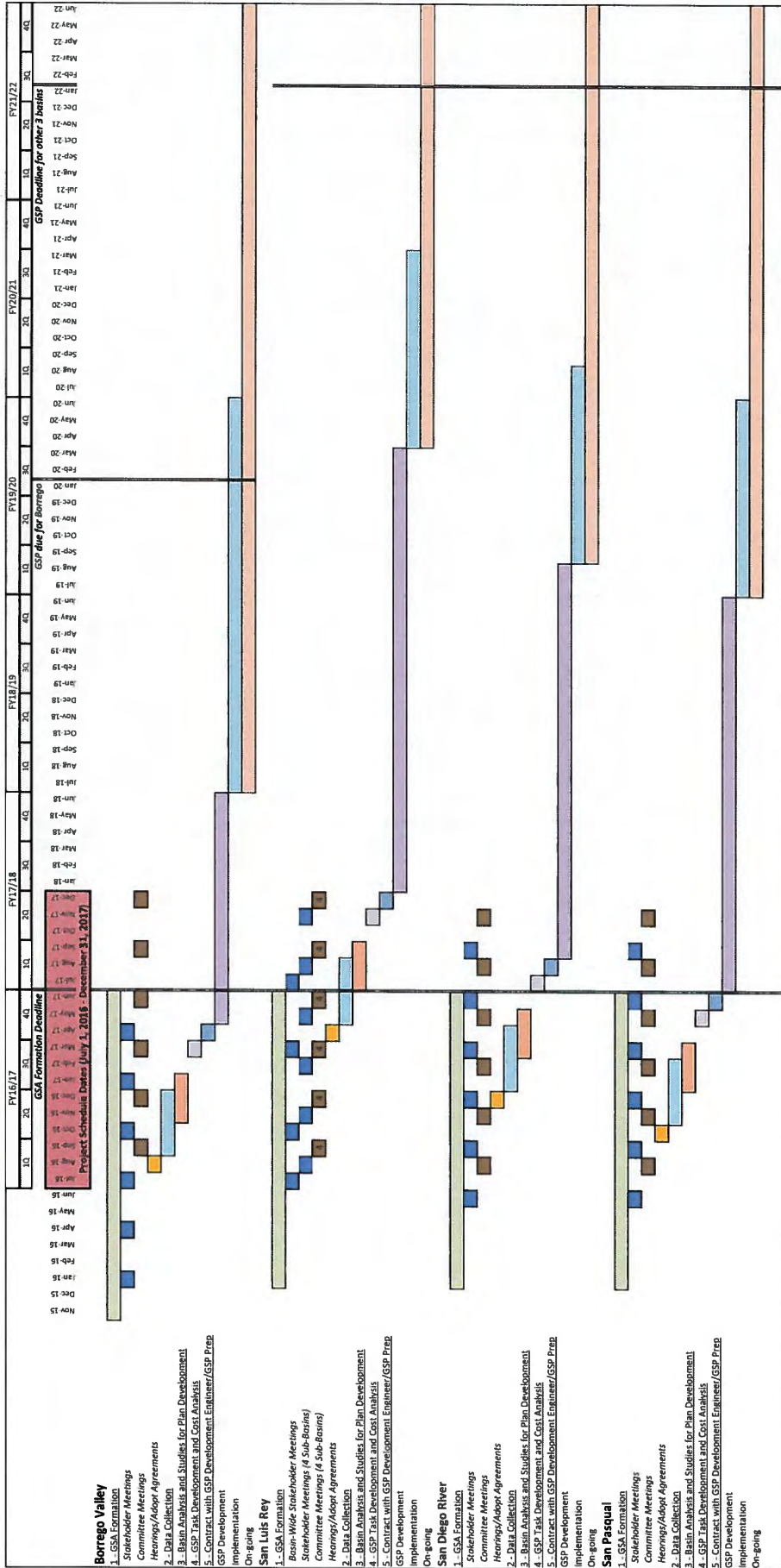
| | | | | | | | | | | | | | | | | |
|--|---|--|--|--|--|--|--|--|--|--|----------------------|----------|-----|------------------|-----|-------------------|
| 3 - Basin Analysis and Studies for Plan Development | | | | | | | | | | | | | | | | |
| a - Document Review (All Basins) | | | | | | | | | | | | | | | | |
| i | Reports, Plans and Studies for Basin Conditions | | | | | | | | | | 160 | \$19,154 | 160 | \$11,882 | 320 | 31,035.52 |
| ii | Existing Wells | | | | | | | | | | 76 | \$9,416 | 40 | \$2,507 | 116 | 11,922.84 |
| iii | Historic Water Quality Data | | | | | | | | | | 64 | \$7,466 | 40 | \$2,507 | 104 | 9,972.72 |
| iv | Overdraft Status | | | | | | | | | | 30 | \$3,653 | 8 | \$501 | 38 | 4,153.86 |
| v | Available Pumping Records | | | | | | | | | | 58 | \$6,735 | 32 | \$2,005 | 90 | 8,740.86 |
| vi | Estimate of Undocumented Pumping | | | | | | | | | | 140 | \$17,371 | 24 | \$1,504 | 164 | 18,875.16 |
| vii | Monitoring | | | | | | | | | | 98 | \$12,747 | 120 | \$8,448 | 218 | 21,194.30 |
| viii | Technical Memo Summarizing Basin Analyses | | | | | | | | | | 206 | \$27,233 | 120 | \$8,448 | 326 | 35,680.40 |
| b - Data Gap Analysis (All Basins) | | | | | | | | | | | | | | | | |
| i | List of Data Gaps | | | | | | | | | | 58 | \$7,979 | 144 | \$10,508 | 202 | 18,486.56 |
| | | | | | | | | | | | Task Subtotal | | | \$111,753 | | 160,062.22 |

| | | | | | | | | | | | | | | | | |
|---|----------------------------------|--|--|--|--|--|--|--|--|--|----------------------|----------|-----|-----------------|-----|------------------|
| 4 - GSP Task Development and Cost Analysis | | | | | | | | | | | | | | | | |
| a - Scope GSP Components | | | | | | | | | | | | | | | | |
| i | Scope GSP Components | | | | | | | | | | 112 | \$14,712 | 204 | \$15,633 | 316 | 30,344.76 |
| ii | Develop Estimated Costs | | | | | | | | | | 68 | \$9,200 | 144 | \$10,872 | 212 | 20,072.48 |
| iii | Technical Memo Summarizing Tasks | | | | | | | | | | 44 | \$6,034 | 128 | \$9,131 | 172 | 15,164.72 |
| | | | | | | | | | | | Task Subtotal | | | \$29,946 | | 65,581.96 |

| | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------------|--|--|--|--|--|--|--|--|--|----------------------|-----------|--------------|-----------------|--------------|------------------|--------------|--------------|------------|------------------|------------------|---------------------|
| 5 - Contract with GSP Development Engineer | | | | | | | | | | | | | | | | | | | | | | |
| a - GSP Contractor Procurement | | | | | | | | | | | | | | | | | | | | | | |
| i | Industry Day/Prep | | | | | | | | | | 0 | \$0 | 56 | \$4,248 | 56 | 4,248.00 | | | | | | |
| ii | Prepare RFP and Solicitation | | | | | | | | | | 0 | \$0 | 64 | \$4,567 | 64 | 4,567.20 | | | | | | |
| iii | Bid Evaluation/Prepare Contracts | | | | | | | | | | 0 | \$0 | 160 | \$11,696 | 160 | 11,696.16 | | | | | | |
| | | | | | | | | | | | Task Subtotal | | | \$20,511 | | 20,511.36 | | | | | | |
| Total | | | | | | | | | | | 82 | 89 | 1,229 | 1,572 | 1,818 | 168 | 2,492 | 3,350 | 762 | \$437,574 | \$603,215 | 1,061,300.50 |

Notes: BV=Borrogo Valley, SDR=San Diego River, SLR=San Luis Rey, SP=San Pasqual

**San Diego County GSA Formation and GSP Task Development
Project Schedule**



S:\Geology Program\PROGRAM MANAGEMENT\SGMA\Grants\Courtesy with Stressed Basins_120815\Grant_SGMA_FY_calendar_2015.1202_1c.xlsx
Updated: 12/8/2015

Resolution No. xxx
Meeting Date: 1/6/2016

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO
APPLY FOR AND ACCEPT GRANT FUNDING TO SUPPORT SUSTAINABLE
GROUNDWATER MANAGEMENT
XXX**

WHEREAS, the California Department of Water Resources (DWR) has implemented the Sustainable Groundwater Planning (SGWP) Grant Program to provide funds for projects that develop and implement sustainable groundwater planning and projects consistent with groundwater planning requirements outlined in Division 6 of the California Water Code, commencing at §10000.

WHEREAS, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.), which was approved on November 4, 2014, authorized the California State Legislature to appropriate funds to the DWR to establish the SGWP Grant Program.

WHEREAS, The County of San Diego, as a public agency, is eligible to apply for Proposition 1 grant funding ((Water Code §97917.(a-b)).

WHEREAS, the County of San Diego intends to comply with the Sustainable Groundwater Management Act (SGMA) that was adopted into the California Water Code, commencing with Section 10720, and requires that groundwater basins and sub-basins defined by the DWR be sustainably managed.

WHEREAS, the County of San Diego recognizes the importance of sustainable groundwater management in order to protect groundwater resources and achieve long-term groundwater sustainability; and

WHEREAS, the SGWP Grant Program funding is essential if the County is to comply with the SGMA; then therefore

NOW, BE IT RESOLVED by the Board of Supervisors of the County of San Diego that the Director, Department of Planning and Development Services, is hereby authorized for and on behalf of the County of San Diego, a public entity established under the laws of the State of California, to prepare the necessary data, conduct investigations, file a grant application, and execute a grant agreement with the California Department of Water Resources.

PASSED AND ADOPTED by County of San Diego Board of Supervisors this January 6, 2016

Ayes: _____

Nays: _____

Absent/Abstention: _____

Signature of Governing Board's Chair/Director

ATTEST:

Clerk or Secretary of the Governing Board of Name of Organization

Resolution No. xxx
Meeting Date: 1/6/2016

Approved as to form and legality
County Counsel
By: Justin Crumley

Borrego Valley Groundwater Basin (7-24)

Basin Location and Area

The Borrego Valley Groundwater Basin (BVGB) underlies Borrego and Lower Borrego Valleys in the western Imperial and eastern San Diego Counties. The basin is bounded by the Santa Rosa Mountains on the north, the San Ysidro Mountains on the west, Coyote Creek and Superstition Mountain faults on the northeast, and the Fish Creek and Coyote Mountains on the southwest. The southeastern boundary is a surface drainage divide from the Coyote Mountains northeast to Superstition Mountain. Coyote Creek and San Felipe Creek drain the valley southwestward. Borrego Sink, overlying the northern portion of the basin, is a major collection point for runoff in Borrego Valley (DWR 1984). Average annual precipitation is about 5 inches. [DWR, 2004].

Geology and Hydrology

The United States Geological Survey (USGS) estimates that Borrego Valley is underlain with up to 2,400 feet of consolidated to unconsolidated sediments resting on basement granitic rocks. In 1982, the USGS estimated at steady-state groundwater conditions (in the year 1945), the BVGB contained approximately 5.5 million acre-feet (AF) of water in storage. Further, the USGS identified three Hydrogeologic units: an upper, middle, and lower aquifer. In 1988, the USGS prepared a numerical model of the aquifer. The results of the model suggest that the specific yield of the upper, middle, and lower aquifers are 14%, 7%, and 3%, respectively. The amount of groundwater within the upper and middle aquifers was estimated to be approximately 2,131,000 AF in 1945 and 1,900,500 AF in 1979. The remaining water located within the lower aquifer is more difficult and costly to extract due to its low specific yield (estimated to be approximately 3%), its depth, and low specific capacity (estimated to be 5 gallons per minute/foot of drawdown or less). The Borrego Water District estimated that in 1999 the water remaining in the upper and middle aquifers was approximately 1,685,000 AF [San Diego, 2010].

Annual recharge to the BVGB was initially estimated by the USGS to be approximately 4,800 AF per year. The source of recharge was estimated to come primarily from Coyote Creek (approximately 65%) and the Borrego Palm Canyon and San Felipe Creek (approximately 35% combined) drainages. Little recharge, if any, from San Felipe Creek benefits users in Borrego Springs, as the majority exits Borrego Valley and flows toward Ocotillo Wells. In a thesis by Netto in 2001, it was estimated that from 1945 to 2000, recharge from groundwater underflow, stream recharge, and bedrock recharge averages approximately 5,670 AF per year. In 2015, the USGS estimated that over a 66 year period, on average, the natural groundwater recharge is approximately 5,700 AF per year. This value fluctuates between 1,000 to more than 25,000 AF per year.

Groundwater Uses and Users

Communities within Borrego Valley include Borrego Springs and Ocotillo Wells, where land uses primarily consist of residential, agricultural, recreational, and commercial uses. A groundwater management study conducted in 2001 estimated 70% of the groundwater extracted from the basin was being used for approximately 4,000 acres of agriculture, 20% for golf courses and commercial landscaping, and the remaining 10% for residential and commercial use [Borrego Water District, 2001]. As of January 2007, there were approximately 3,725 existing private un-built parcels in Borrego Valley. The significant inventory of existing un-built lots could possibly provide up to an additional 3,000+ future residences without any additional subdivision, corresponding to further increases in groundwater withdraw from the basin as long as the import of water remains unfeasible [San Diego, 2010]. The USGS estimated approximately 19,600 AF per year of groundwater was being used between 2005 and 2010.

Summary of Stressed Basin Conditions

DWR ranks the Basin as Medium status in regard to overall basin priority, with an overall basin ranking of 15.3. The *DWR Update: Critically Overdrafted Basins 2015 Draft List*, classifies the BVGB as a Critically Overdrafted Basin due to the steady groundwater elevation decline of about two to three feet per year for the previous 50+ years.

Groundwater Levels

Unlike most of San Diego County, communities within Borrego Valley lack an economically feasible means of importing water, resulting in essentially complete reliance on groundwater. The USGS estimated approximately 19,600 AF per year of groundwater was being used between 2005 and 2010 while average groundwater recharge

averages 5,700 AF per year (USGS, 2015). Groundwater levels in Borrego Valley have been declining since 1945, indicating long-term overdraft conditions. Between 1945 and 1980, more groundwater was being extracted than was being replenished, resulting in groundwater level declines of as much as 100 feet. From 1998 to 2006, groundwater level declines averaged 2.4 feet per year, roughly twice the rate of the 1980s. In 2013, the average water level decline was estimated to have increased to 2.7 feet per year [USGS, 2013]. These increases are likely due to more groundwater extraction compared to the 1980s related to growths in population, commercial establishments, and agriculture, combined with a prolonged drought. It has also been estimated that the volume of groundwater in storage decreases with depth in Borrego Valley. Thus, it is estimated that basin-wide rates of water level decline will increase with ongoing groundwater mining, even without any change in groundwater extraction [San Diego, 2010].

The Borrego Water District estimated that in 1999 the water remaining in the upper and middle aquifers was about 1,685,000 acre-feet. If the overdraft condition continues at the estimated rate of 14,300 acre-feet of water per year, the upper and middle aquifers may be 50% depleted in approximately 50 years, and completely depleted in about 100 years [San Diego, 2010]. These estimates are conservative compared to those within a previous 2001 groundwater management study, in which an estimated average overdraft of 17,500 AF per year would result in depletion of 50% of the upper and middle aquifers in as little as 35 years [Borrego Water District, 2001].

Water Quality

There are several areas within Borrego Valley with documented nitrate impacts, which resulted in several wells being taken out of service after high nitrate water moved laterally due to groundwater level declines [Borrego Water District, 2001]. Other than that, water quality has historically been good within Borrego Water District's wells with total dissolved solids (TDS) at concentrations of less than 500 mg/L. However, high salinity, poor quality connate water is thought to occur in deeper formational materials of the aquifer as well as in shallow groundwater in the vicinity of the Borrego Sink in the southern portion of the Borrego Valley. A dual screened monitoring well advanced by DWR in the southern portion of Borrego Valley (northeast of Borrego Sink) provides evidence of the existence of poor quality water intervals in shallow (45 to 155 feet below ground surface [bgs]) and deep (200 to 345 feet bgs) portions of the aquifer, with TDS concentrations of 1,300 and 2,300 mg/L, respectively. The high TDS (and high sulfate) content in both screened intervals make the water unsuitable for a drinking water supply without expensive treatment [San Diego, 2010]. Overdraft conditions and a continuous decline in groundwater levels may induce flow of this poor quality water from deeper intervals, resulting in impacts to the quality of the remaining potable water. Increasing trends in TDS corresponding to decreasing groundwater levels have already been observed [USGS, 2013]. Declines in water quality may eventually necessitate additional expensive treatment of groundwater to make the water suitable as a drinking water supply.

Land Subsidence

According to the USGS, declining water levels in BVGB have resulted in up to 0.329 feet of land subsidence in the past 40 years [USGS, 2013]. Subsidence is expected to continue as long as water levels continue to decline.

References

Borrego Water District, 2001. *Groundwater Management Study: Report of the Technical Committee*. 2 February.

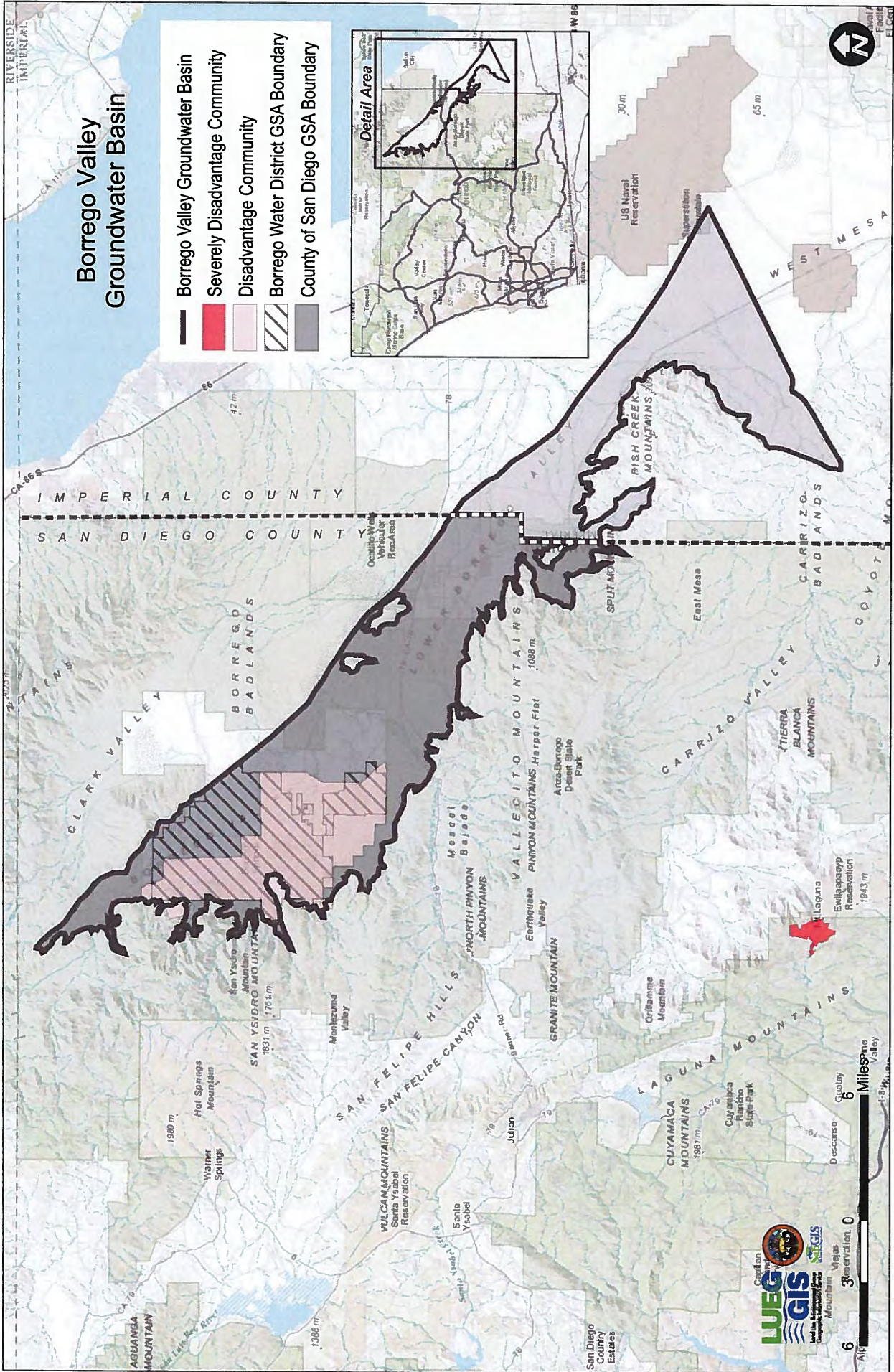
California Department of Water Resources (DWR), 2014. *Final CASGEM Basin Prioritization Results - June 2014* http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm, accessed 13 November 2015

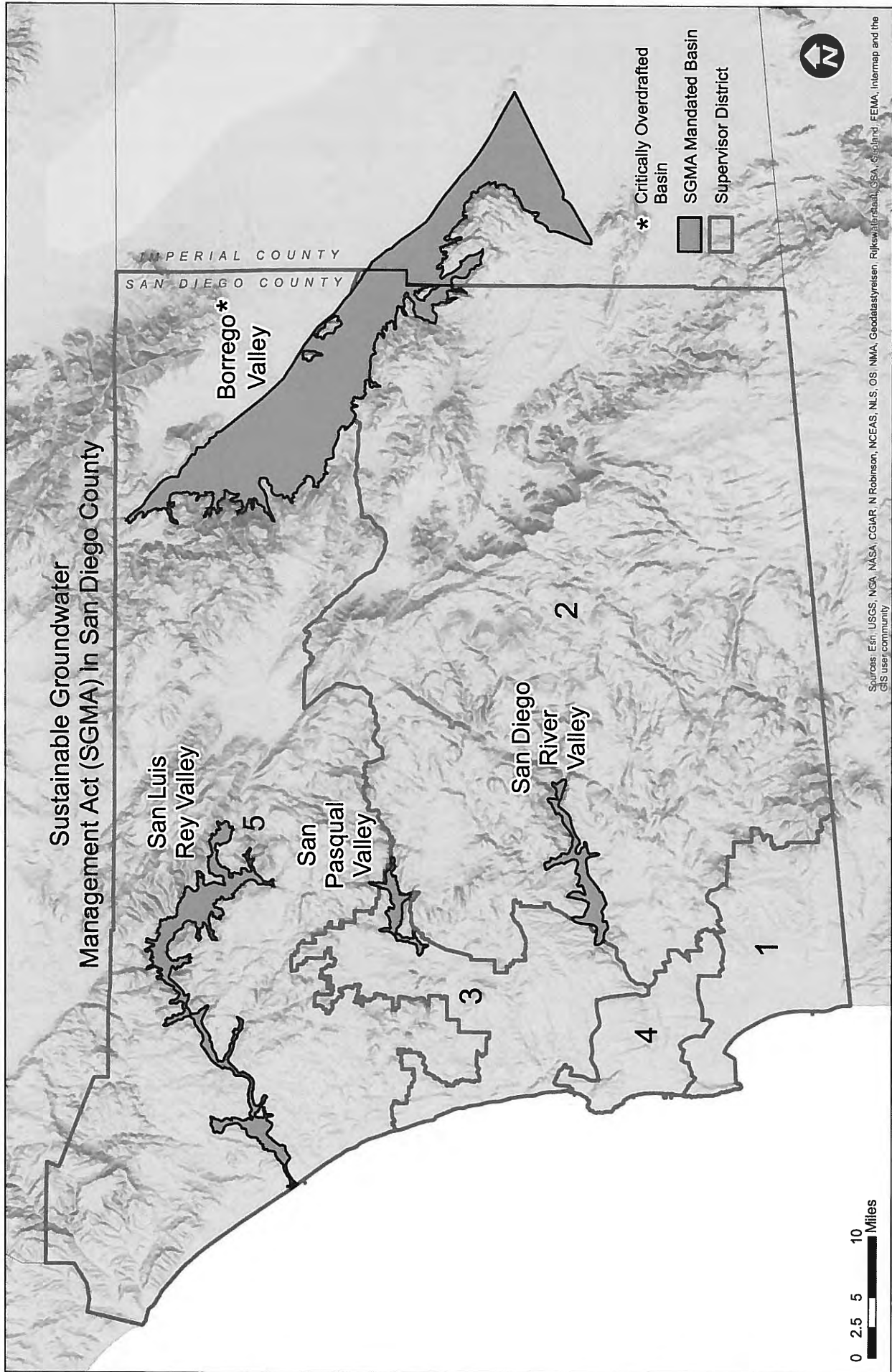
California Department of Water Resources (DWR) 2004, *California's Groundwater Bulletin 118: San Luis Rey Valley Groundwater Basin*, 27 February 2004

County of San Diego, Department of Planning and Land Use (County), 2010. *General Plan Update Groundwater Study; Appendix A Evaluation of Groundwater Conditions In Borrego Valley*. April 2010

United States Geological Survey, 2013. *Evaluation of Groundwater Conditions and Land Subsidence in the Borrego Valley, California*.

United States Geological Survey, 2015. *Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California*.





With the ultimate objective of preparing groundwater plans to sustainably manage groundwater use and protect beneficial uses throughout San Diego County, the County will be forming Groundwater Sustainability Agencies (GSAs) with other stakeholders within the boundaries of non-adjudicated, medium-priority basins, as designated by DWR Bulletin 118. These basins include Borrego Valley, San Luis Rey Valley, San Diego River Valley, and San Pasqual Valley. With the creation of inter-agency agreements, the objective of each GSA will be to address groundwater sustainability in each community by restoring balance to regional water resources within approximately 20 years. This will include eliminating the critically over-drafted status of the Borrego Valley Groundwater Basin (BVGB) [Basin Number 7-24] in addition to ensuring that a sustainable and reliable groundwater source exists for all basins. With the development and completion of inter-agency agreements that further GSA formation, the County will complete basin assessments of each of the aforementioned basins. Each basin assessment will include a determination of data gaps along with the preparation of Groundwater Sustainability Plan (GSP) development tasks to address the creation of a legally-defensible and technically-sound GSP. Finally, the County will review the land use element of the General Plan and the Groundwater Ordinance and make recommendations to modify both documents based on anticipated restrictions in groundwater extraction. By restricting land use to less water-intensive use projects, the County intends to prevent additional storage reduction and water quality degradation, as well as mitigate against dewatering of aquifers and land subsidence.

Currently less than 20% of the water used in San Diego County is locally sourced, and reliance on imported water continues to increase. Ongoing drought conditions have further increased reliance on imported water, while the availability of imported water declines. Local surface water and groundwater supplies have diminished and groundwater basins display evidence of worsening stressed conditions. Due to these conditions, it is essential for local government agencies, water districts, and other stakeholders to cooperatively develop ways to sustainably manage existing local groundwater resources and address stressed basin conditions. Each groundwater basin is unique, and will require basin-specific assessment, planning, and optimization methods.

Four non-adjudicated, medium-priority groundwater basins exist within San Diego County, each of which exhibit stressed conditions. Summaries of stressed basin conditions for each basin are as follows:

- **Borrego Valley Groundwater Basin:** Historical overdraft conditions, declining groundwater levels, land subsidence, and deteriorating water quality.
- **San Luis Rey River Groundwater Basin:** Declining/fluctuating groundwater levels, potential seawater intrusion, threatening/degrading water quality, and surface water depletion.
- **San Diego River Groundwater Basin:** Declining groundwater levels and reservoir storage, and threatened/degrading water quality.
- **San Pasqual Valley Groundwater Basin:** Declining groundwater levels and water quality, including increased nitrate and TDS concentrations, and exceedances of other primary and secondary Maximum Contaminant Levels (MCLs) for drinking water.

Formation of GSAs and development of GSPs will address stressed basin conditions using the following measures:

- **Fluctuation/Decline of Groundwater Levels**
 - Evaluation/implementation of land use measures and restrictions.
 - Evaluation/implementation of aquifer recharge options.
 - Optimized management by monitoring groundwater elevations and regulating extraction.
 - Effective utilization of non-potable sources for landscape irrigation and recreational uses.
- **Threatening/Degrading Water Quality**
 - Identification of pollutant sources and implementation of effective source control measures.
 - Remediation of active releases in-situ (as necessary).
 - Exploration of well-head treatment options for impacted groundwater for potable use.
- **Surface Water Depletion:**
 - Possible use of indirect potable reuse of recycled water.
- **Seawater Intrusion/Increasing Salinity:**
 - Monitoring salinity parameters in near-shore production wells and threatened inland basins.
 - Optimized management of groundwater extraction.
 - Implementation of improved technologies for water treatment.

GSA formation will facilitate exploration and identification of alternatives for optimization of groundwater use, replenishment, and mitigation of impacts to groundwater extraction. Additional emerging management and treatment options yet to be identified, as well those discussed above, could be used to protect basins county-wide.

In order to accomplish the formation of GSAs in the four non-adjudicated, medium-priority basins in San Diego County and to determine what information is available and what data will be required to complete GSPs for each basin, the following tasks will be required.

Task 1 GSA Formation

This task includes attending briefings, hearings, and stakeholder meetings in each basin to determine appropriate governance structures and cost sharing agreements for the formation of each GSA. This will include exploring options of single or joint governance amongst local agencies; collaborating with stakeholder groups in each basin; creating inter-agency agreements (e.g., Joint Powers Agreement [JPA], Memorandum of Agreement [MOA], and Memorandum of Understanding [MOU]) for each GSA; and submitting Groundwater Sustainability Applications to form GSAs for each basin. Essential components of each governance structure may include, but not be limited to, the following:

1. Goals and objectives;
2. Advisory committee structure;
3. GSA membership requirements and terms;
4. Defined powers of agencies and members/voting powers;
5. Policies and by-laws;
6. Defined quorum;
7. Operating agreements;
8. Procedures for policy development;
9. Fee assessment;
10. Provisions to designate alternates;
11. Cost-sharing ideas; and
12. Provisions for GSA member withdrawal.

There will also be a public outreach component to this task, which will provide the public with the opportunity to share information, answer questions, and receive feedback throughout the GSA formation process and GSP development. In addition, the County will involve coordinating committees to guide the preparation of a GSP.

Deliverables:

- MOU/MOA/JPA
- Meeting Minutes
- Resolution to become GSA

Percent Complete: 10%

Task 2 Data Collection

Data will be collected from all available sources and compiled into a repository of technical information for each basin. Data may include historical groundwater investigations, basin-wide well inventory and well production records, groundwater elevations, groundwater and surface water quality, precipitation records, stream gaging data, and reservoir records. As part of this effort, it will be confirmed that the data collected corresponds with the data requirements list developed for the GSP.

Deliverables:

- Digital library of data

Percent Complete: 5%

Task 3 Basin Analyses and Studies for Plan Development

Review available data obtained during the *Data Collection* task, including reports, plans, studies, and papers on basin conditions, existing wells, historical water quality data, overdraft status, available pumping records, estimate of additional undocumented pumping, water level and water quality monitoring, and other pertinent information for GSP development. Identify data gaps and need for additional data collection.

Deliverables:

- Technical Memorandum summarizing Basin Analyses and Studies
- Develop list of data gaps identified

Percent Complete: 0%

Task 4 GSP Task Development and Cost Analysis

A comprehensive description of the GSP process will be developed by identifying the tasks and products required to develop, approve, and implement the GSP. This will include defining the dependencies and linkages among the tasks/products and estimates of the schedule and budget necessary to complete each task/product. A table of tasks and products will be prepared along with a chart depicting the process and a table listing the anticipated schedule and budget for each major product. Detailed descriptions of the subtasks and products will also be developed.

Deliverables:

- Technical Memorandum summarizing GSP Development Tasks

Percent Complete: 0%

Task 5 Contract with GSP Development Engineer

Upon formation of each GSA for the four basins and after the GSP development tasks have been identified, a contract with an engineer/geologist, who will be preparing the GSP, will be finalized. This task includes preparing a Request for Proposal (RFP) from qualified subconsultants, participating in an Industry Day for subconsultants and a review of solicitation packages and costs for each GSP.

Deliverables:

- RFP
- Subcontracting Agreement

Percent Complete: 0%

Attachment 5 – Schedule

San Diego County GSA Formation and GSP Task Development

To ensure the successful formation of GSAs for each of the four SGMA-mandated basins in San Diego County, the County has begun initial discussions with stakeholders and the public to ensure that the **GSA Formation (Task 1)** phase will be as seamless as possible. Since Borrego Valley is a critically-overdrafted basin resulting in an earlier GSP deadline, GSA formation has progressed as planned with a scheduled board hearing date of January 6, 2016 to elect to become a GSA. A subsequent hearing to adopt an agreement is anticipated to occur during late spring/summer 2016. The County intends to utilize facilitation services and form advisory committees to aid in the GSA Formation task as well as implement “lessons learned” from the Borrego Valley GSA formation to the other basins. By staggering meeting dates, utilizing consultants when appropriate and approaching each basin as a separate area with individual issues, the County will make certain that tasks for each basin are adequately resourced. The County intends to utilize existing contracts to outsource much of **Tasks 2 and 3, Data Collection and Basin Analysis and Studies for Plan Development**, respectively. By completing the **GSP Task Development and Cost Analysis (Task 4)** at different times for each basin, and utilizing local groundwater experts for the **Contract with GSP Development Engineer (Task 5)**, the County can make certain that the development of each GSP will be completed within the required timeframes – January 31, 2020 for Borrego Valley and January 31, 2022 for all other basins.

Attachment 6 – Program Preferences

In order to prepare groundwater plans to sustainably manage groundwater use and protect beneficial uses throughout San Diego County, the County of San Diego (County) will be **forming or participating in the formation of GSAs** with other stakeholders within the boundaries of medium-priority basins, as designated by DWR Bulletin 118. These basins include Borrego Valley, San Luis Rey Valley, San Diego River Valley, and San Pasqual Valley. With the creation of inter-agency agreements, the objective of each GSA will be to address groundwater sustainability in each community by restoring balance to regional water resources within approximately 20 years. This will include eliminating the critically over-drafted status of the Borrego Valley Groundwater Basin (BVGB) [Basin Number 7-24] in addition to ensuring that a sustainable and reliable groundwater source exists for all basins. With the development and completion of inter-agency agreements that further GSA formation, the County will complete basin assessments of each of the aforementioned basins. Each basin assessment will include a determination of data gaps along with the preparation of Groundwater Sustainability Plan (GSP) development tasks to address the creation of a legally-defensible and technically-sound GSP. Once fully implemented, this project will **enhance local water supply reliability** for Borrego Valley, in particular. Unlike most of San Diego County, communities within Borrego Valley lack an economically feasible means of importing water, resulting in essentially complete reliance on groundwater. This reliance on groundwater coupled with the **Disadvantaged Community (DAC)** status of portions of Borrego Valley make sustainably managing groundwater especially important for residents in Borrego Valley. To ensure the successful formation of a GSA and an effective GSP for Borrego Valley, the County has begun discussions with the Borrego Water District (BWD) to work cooperatively in ensuring that all of Borrego Valley is managed by a GSA and to **leverage funds** primarily from local sources to accomplish the requirements of the Sustainable Groundwater Management Act.

Attachment 7 – Disadvantaged Community

The San Diego County GSA Formation and GSP Task Development Proposal includes the creation of Groundwater Sustainability Agencies (GSAs) to address groundwater sustainability in four basins in the County including Borrego Valley. Unlike most of San Diego County, communities within Borrego Valley lack an economically feasible means of importing water, resulting in essentially complete reliance on groundwater. This reliance on groundwater coupled with the Disadvantaged Community (DAC) status of Borrego Valley make sustainably managing groundwater especially important for residents in Borrego Valley.

Disadvantaged Communities (DACs) are defined in California Water Code Section 79505.5 as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. According to DWR's DAC Mapping Tool, much of the populated areas of Borrego Valley are classified as a DAC. The DAC Mapping Tool depicts data from the US Census American Community Survey (ACS) 2009-2013 where 80 percent of the Statewide median household income (MHI) is \$48,875. Refer to the attached map for DAC areas in Borrego Valley.

The situation is dire as Borrego Water District's aquifer is being rapidly depleted



Borrego Springs — completely surrounded by Anza-Borrego Desert State Park — is home to about 3,500 residents. (Don Bartletti / Los Angeles Times)

J. Harry Jones

A study recently completed by the U.S. Geological Survey confirms what people in this tiny desert town have suspected for some time: Their only source of water, deep underground, is being depleted roughly four times faster than it is being replenished.

The six-year study, done in conjunction with the Borrego Water District, puts hard numbers to a dire situation. Complicating matters further, the Borrego Water District recently was forced to enter into an agreement with the state saying it will find a way to stop over-drawing the aquifer within 20 years.

"We have no choice," said Borrego Water District General Manager Jerry Rowling. "If we don't, the state is going to come in and do it for us. That's what scares everybody."

The study involved hundreds of groundwater level tests throughout the basin and the examination of records dating back 60 years, to a time when virtually nobody lived in the desert. The town — about 85 miles northeast of San Diego and completely surrounded by Anza-Borrego Desert State Park — is now home to about 3,500 residents.

Golf courses play into the leisure lifestyle and tourist appeal that many believe is key to Borrego Springs' future, but keeping the fairways green is a formidable challenge in a town where there's not enough water to go around.

On average, roughly 5,600 acre-feet of water sinks into the aquifer each year from rainfall and other sources, replenishing the relatively small series of underground basins that stretch from north of Borrego Springs southeasterly into eastern Imperial County.

That doesn't come close to the roughly 20,000 acre-feet of water that has been pumped out of the ground each year for at least two decades. An acre-foot is defined as the volume of one acre of surface area to a depth of one foot. One acre-foot equals about 326,000 gallons.

"Water levels are dropping about 2 feet per year over the past 20 years," said Claudia Faunt, a Geological Survey supervisory hydrologist and program chief. "Groundwater is the only source of water in Borrego. The annual pumping far exceeds the natural resource, on average."

The result is that wells are drying up, and in some cases are being deepened to access the water. In certain parts of the basin, the water level has declined more than 100 feet, Faunt said.

The deeper the pumps go, the worse the water becomes, and the more electricity it takes to get it out of the ground, Faunt said. Older water contains sediment. It's saltier and contains compounds such as arsenic.

The study also confirmed where the water is going: about 70% is being used for agriculture, 20% for recreation (primarily golf courses) and 10% for residential use.

The obvious solution is to get rid of agriculture in the valley, but to do so could cause severe damage to the town's economy. The study includes various computer simulations that can be applied to multiple groundwater-management scenarios as far as 50 years in the future.



Most of the water the Borrego Water District draws from the aquifer goes to agriculture. Above, citrus farms blanket the northern Borrego Valley.

The study and models will help Borrego Valley water managers meet requirements put in place by the new California Sustainable Groundwater Management Act signed by Gov. Jerry Brown in 2014. They have 20 years to make it happen.

Agriculture is by necessity going to be front and center of any future plans.

The study found there are about 2,000 acres of citrus trees in the northern Borrego Valley that consume about 43% of all the groundwater pumped out of the aquifer system. Palm tree farms and ornamental shrubbery nurseries make up much of the rest of the agricultural product.

Jim Seley, whose family has grown citrus in the valley since the 1950s, said the survey results are alarming. He said his 370-acre grapefruit, lemon and tangerine ranch has been trying to conserve water ever since the 1960s when the first drip irrigation system at a desert farm was installed.

Over the years, all sorts of other measures have been taken to prevent over-watering, Seley said, and the farm is now experimenting with planting fewer trees but ones they hope will yield more fruit.

"We constantly are changing to become more efficient," he said.

Looking ahead 20 years, Seley said he imagines a 70% reduction of agriculture in the valley with many of the farmers giving up, partly because the cost of the electricity to pump water will become prohibitive.

"I think you'll still have smaller farms, but not as many," he said, noting that will affect the economy of the town. Agriculture in the valley employs hundreds of people at harvest time and probably about 100 year-round — people who often shop in the small community and who send their kids to the local schools.

"It impacts everything," he said.

For the last four years, a group called the Borrego Water Coalition, which brings together water users from all over the valley, has been meeting monthly to discuss and plan for the future.

"We need to create a sustainability plan," Rowling said. "We need to figure out what has to happen. We're just at the very beginning of that. We want to make sure everybody in the community has a say in this, because we're the ones who have to deal with this. This is our valley. This is our groundwater basin."

jharry.jones@utsandiego.com

Borrego Valley Quickly Depleting Its Only Water Supply

Wednesday, January 20, 2016

By Megan Burke, Maureen Cavanaugh



Credit: Borrego Springs Chamber

The Borrego Water District offices appear in this undated photo.

Aired 1/20/16 on KPBS Midday Edition.

Borrego Valley Quickly Depleting Its Only Water Supply

GUEST:

Jerry Rolwing, General Manager, Borrego Water District

Transcript

The community of Borrego Valley is using four times more water than is being naturally replenished in its underground aquifer according to a six-year study by the U.S. Geological Survey. The study was first reported by The San Diego Union-Tribune.

"We have a very large aquifer here and we are working together as a community to create a sustainable resource that our future would depend on," said Jerry Rolwing, General Manager of the Borrego Water District. "We are one of the few areas in the state that have our destiny in our hands and that's what we are working for to solve this problem for the future of the Borrego Valley basin."

Rolwing said the aquifer is the community's only source of water, and if they continue drawing it down at the current rate, they'll be out of water in 50 years.

But, he said, he doesn't think it's likely the community will run out of water. That's because as the aquifer gets to lower levels, it will become too expensive to clean the water.

About 3,500 people live in the northeastern San Diego County community. Rolwing said the residents are making significant water cutbacks through rebate programs and irrigation audits.

But, he said, 70 percent of the water use goes to agriculture and 20 percent goes to golf courses. He said new state laws will for the first time give his water district authority over agriculture and other areas besides residential use.

Study: Borrego water woes dire

Pumping is depleting underground source far faster than replenishment



(/staff/j-harry-jones/)

By J. Harry Jones (/staff/j-harry-jones/) | 2:41 p.m. Jan. 18, 2016



Citrus farms blanket the northern Borrego Valley — *Photo courtesy WorldWater and Power Corporation*

BORREGO SPRINGS — A study recently completed by the U.S. Geological Survey confirms what people in the tiny desert town of Borrego Springs have suspected for some time: Their only source of water, deep below the earth, is being depleted at a rate roughly four times faster than it is being replenished.

The six-year study, done in conjunction with the Borrego Water District, puts hard numbers to a situation that can only be described as dire. Complicating matters further, the Borrego Water District recently was forced to enter into an agreement with the state saying it will find a way to stop over-drawing the aquifer within 20 years.

"We have no choice," said Borrego Water District General Manager Jerry Rowling. "If we don't, the state is going to come in and do it for us. That's what scares everybody."

The study involved hundreds of groundwater level tests throughout the basin and the examination of historical records dating back 60 years, to a time when virtually nobody lived in the desert. Borrego Springs — about 85 miles northeast of San Diego and completely surrounded by Anza-Borrego Desert State Park — is now home to about 3,500 residents, including snowbirds and retirees drawn to the mild winters, if not the scorching summers.

Golf courses play into the leisure lifestyle and tourist appeal that many believe is key to the town's future, but keeping the fairways green is a formidable challenge in an area where there's not enough water to go around.

On average, roughly 5,600 acre-feet of water sinks into the aquifer each year from rainfall and other sources, replenishing the relatively small series of underground basins that stretch from north of Borrego Springs southeasterly beneath the unpopulated state park and into eastern Imperial County.

That doesn't come close to the roughly 20,000 acre-feet of water that has been pumped out of the ground each year for at least two decades. An acre-foot is defined as the volume of one acre of surface area to a depth of one foot. One acre-foot equals about 326,000 gallons.

"Water levels are dropping about 2 feet per year over the past 20 years," Geological Survey supervisory hydrologist and program chief Claudia Faunt said. "Groundwater is the only source of water in Borrego. The annual pumping far exceeds the natural resource on average."

The result is that existing wells are drying up, and in some cases are being deepened to access the water. In certain parts of the basin, the water level has declined more than 100 feet, Faunt said.

The deeper the pumps go, the worse the water becomes, and the more electricity it takes to get it out of the ground, Faunt said. Older water contains sediments. It's saltier and contains compounds such as arsenic.

The study also confirmed where most of the water is going: about 70 percent is being used for agriculture, 20 percent for recreational reasons (primarily golf courses) and 10 percent for residential use.

The obvious quick solution is to get rid of agriculture in the valley, but to do so could cause severe damage to the town's economy. Borrego Springs has always hoped to become a tourism mecca much like Palm Springs but has never come close to such economic success.

The study includes various computer simulations that can be applied to multiple groundwater-management scenarios up to 50 years in the future.

"We're over-drafting the basin by more than four times," Rowling said. "The process to resolve this had to come with hard data. We now have a geological model of our basin that can be used for planning as we move forward."

The study and models will also help Borrego Valley water managers meet requirements put in place by the new California Sustainable Groundwater Management Act. Signed by Gov. Jerry Brown in 2014, the act directs water agencies and districts in the state that rely on groundwater as their only source to assess their basin's hydrological conditions, and to plan, monitor and use groundwater sustainably. They have 20 years to make it happen.

Agriculture is by necessity going to be at the front and center of any future plans.

The study found there are about 2,000 acres of citrus trees in the northern Borrego Valley that consume about 8,600 acre-feet, or 43 percent, of all the groundwater pumped out of the aquifer system. Palm tree farms and ornamental shrubbery nurseries make up much of the rest of the agricultural product in the valley.

Jim Seley, whose family has been growing citrus in the valley since the 1950s, said the survey results are alarming. He said his 370-acre grapefruit, lemon and tangerine ranch has been trying to conserve water ever since the 1960s when they installed the first-ever drip irrigation system at a desert farm.

Over the years, all sorts of other measures have been taken to prevent over watering, he said, and the farm is now experimenting with planting fewer trees but ones that will hopefully yield more fruit.

"We constantly are changing to become more efficient," he said.

Looking ahead 20 years, Seley said he imagines a 70 percent reduction of agriculture in the valley with many of the farmers giving up, partly because the cost of the electricity to pump water will become prohibitive.

"I think you'll still have smaller farms, but not as many," he said, noting that will impact the economy of the town. Agriculture in the valley employs hundreds of people at harvest time and probably about 100 year-round — people who often shop in the small community and who send their kids to the local schools.

"It impacts everything," he said.

For the past four years, a group called the Borrego Water Coalition, which brings together water users from all over the valley, has been meeting monthly to discuss and plan for the future.

"We're all in this together," Seley said, and the water district's Rowling agrees.

"We need to create a sustainability plan," Rowling said. "We need to figure out what has to happen. We're just at the very beginning of that. We want to make sure everybody in the community has a say in this, because we're the ones who have to deal with this. This is our valley. This is our groundwater basin."

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[Print](#) | [Close Window](#)**Subject:** Notice of Violation for Failure to Meet Small Water Supplier Water Conservation Requirements**From:** "Oaxaca, Jasmine@Waterboards" <Jasmine.Oaxaca@Waterboards.ca.gov>**Date:** Fri, Jan 22, 2016 2:48 pm**To:** "Oaxaca, Jasmine@Waterboards" <Jasmine.Oaxaca@Waterboards.ca.gov>**Cc:** "Buffleben, Matthew@Waterboards" <Matthew.Buffleben@waterboards.ca.gov>**Attach:** image001.png

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State Water Resources Control Board

January 22, 2016

Sent via Electronic Mail

SUBJECT: NOTICE OF VIOLATION FOR FAILURE TO MEET SMALL WATER SUPPLIER WATER CONSERVATION REQUIREMENTS

On May 5, 2015, the State Water Resources Control Board (State Water Board) adopted Resolution 2015-0032, an Emergency Regulation for Statewide Urban Water Conservation (Emergency Regulation) pursuant to Water Code section 1058.5. The Emergency Regulation became effective on May 18, 2015. Among other things, the Emergency Regulation is designed to achieve the 25 percent statewide potable water usage reduction through February 2016 ordered by Governor Brown in his April 1, 2015 executive order.

Section 865 (f)(1) of the Emergency Regulation requires that each public water supplier that supplies less than 3,000 customers, or supplies less than 3,000 acre feet annually to take one or both of the following actions:

- (A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or
- (B) Reduce by 25 percent its total potable water production relative to the amount produced in 2013.

Water Code section 1846(a)(2), provides that any person or entity that violates a regulation adopted by the State Water Board may be liable for up to five hundred dollars (\$500) for each day the violation occurs.

We have reviewed your submitted small water supplier report and have determined that you have not met the requirements of the Emergency Regulation specified in Section 865(f)(1)(A) and/or (B). The Notice of Violation is an informal enforcement action intended to bring your attention to the violation and to give you an opportunity to return to compliance as soon as possible. The State Water Board requires that you comply with the Emergency Regulation. Failure to comply with the Emergency Regulation may subject you to formal enforcement action and subject to civil liability of up to \$500 per day, for each day the violation continues.

As required by Governor Brown's executive order B-36-15, the State Water Board is in the process of modifying and extending the Emergency Regulation until October 31, 2016. Therefore, you should immediately evaluate your water

conservation program to ensure that the impending extended Emergency Regulation is met in future months.

If you have any questions or need assistance regarding this matter, please contact me at (916) 322-5327 or Jasmine.Oaxaca@waterboards.ca.gov, or Dr. Matthew Buffleben at (916) 341-5891 or Matthew.Buffleben@waterboards.ca.gov.

Sincerely,

Jasmine Oaxaca, PE
Water Resource Control Engineer, Special Investigations Unit
Office of Enforcement
State Water Resources Control Board

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