

AGENDA
Borrego Water District Board of Directors
Special Meeting
March 15, 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
- E. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

II. CURRENT BUSINESS MATTERS

- A. Discussion of Club Circle Golf Course
- B. Discussion and possible approval of New Development Policy revisions.
- C. Review of Town Hall Agenda
- D. Review of FY 2017 Budget
- E. Review of Raftelis business plan & rate model

III. CLOSING PROCEDURE

The next Regular Meeting of the Board of Directors is scheduled for March 23, 2016 at the Borrego Water District
Town Hall Meeting March 30, 2016 at the Performing Arts Center

Borrego Water District

P.O.Box 1870

Borrego Springs, Ca. 92004

Subject: The future status of the Club Circle Golf Course lease.

CC: The Borrego Sun Newspaper.

To whom it may concern,

My name is Rolly Johnson, I am the Owner of a home at Club Circle West and the Owner of Borrego Springs RV Storage. I have been a customer of the District for over twenty-five years.

The reason I am contacting the District is to bring about my concerns on the future of the Club Circle Golf Course.

For years my family and I have felt that the Golf course was one of Borrego's greatest assets. The Course was a major factor in the purchase and ownership of our home in Borrego.

Also My Son and I are active members of "The Borrego Open Golf Tournament" The event is held every year at The Club Circle Resort. A tradition that was organized fifty years ago by our Fathers and now involves over fifty members annually. The organization is made up of friends, the Founding Fathers and their Sons from all over the continental United States and Hawaii.

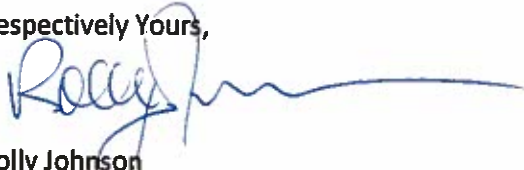
The tournament to the best of our knowledge is the oldest running Golf event in Borrego Springs.

The tournament is a Certified 501 Charity with the proceeds benefiting the Borrego Springs Childrens Center. In the past we have donated over \$30,000 dollars to the Center, along with a significant amount of money spent (over the three days of the tournaments) to our local businesses.

Recently it has come to my attention that the lease and the future of the Course is in jeopardy.

I just want the District, The future new owners and the people of Borrego Springs to know that we are concerned and are willing to back any reasonable solution that insures that we can play golf and enjoy the beauty of the Club Circle experience or many years to come.

Respectively Yours,



Rolly Johnson

BORREGO WATER DISTRICT

POLICY STATEMENT

SUBJECT: Policy on New Development

NO. 2005-6-1

ADOPTED: June 22, 2005

AMENDED: December 27, 2006

AMENDED: February 20, 2013

POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

February 20, 2013

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

1. Application of Policy

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

2. Application for Water and Sewer Service

(a) The developer must obtain an Application for Water and Sewer Service from the District. With the Application the developer shall submit a preliminary plat of the development which shall include the number of lots to be served, the type of units to be built within the

development, the size of the lots in the development, the estimated build-out of the new development and any other information that will assist the District in determining the water and sewer needs of the new development.

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

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by the District's Manager at the time the Application is submitted. The Application Fee shall cover the anticipated cost to the District of reviewing the project, obtaining any engineering report on the feasibility of the water and sewer service requested for the project and making a preliminary determination of the on-site and off-site system improvements necessary to provide the water and sewer service requested. The Application Fee is non-refundable. The Application Fee shall be credited against the Administrative Fee set forth in Section 6(a) of this Policy.

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

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

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

3. Conditions on Availability of Water and Sewer Service

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

(b) The District may issue its Water and Sewer Availability Letter with limitations on the maximum amount of water that can be provided to the new development and the maximum amount of wastewater that can be collected and treated for the development. Any maximum

limits on water and sewer service for the development shall be included in the water service contract with the developer under Section 4.

4. Water and Sewer Service Contract

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

(b) The District may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by the District. In the event the developer's demand for water and sewer service exceeds the developer's projection of demand during the build out of the development, the District shall have no obligation to furnish water or provide wastewater collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

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

5. Installation of Improvements

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

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

(c) **Inspections.** All water and sewer system improvement projects shall be subject to inspection during construction and upon completion of the construction by an authorized representative of the District. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the District. The presence or absence of an inspector during construction does not relieve the developer from adherence to approved plans and specifications.

Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer's expense.

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

(e) **Final Acceptance.** When the water and sewer system improvements pass the District's final inspection, the District will accept ownership of the completed improvements. The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to the District at the end of each phase of water and sewer system construction and prior to final acceptance of water and sewer system improvements by the District. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submitting "as-built" drawings, payment of all fees due, and the placing of all water and sewer system improvements into service by the District. The District will notify the developer in writing of the date of its acceptance of the completed facilities.

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

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

(h) **Conveyance of Water and Sewer System Improvements.** Upon completion of the construction of the water and sewer improvements, upon final approval by the District, and upon

the water and sewer system improvements being placed into service, the water and sewer system improvements shall immediately become the property of the District regardless of whether or not a formal written conveyance has been made. The developer and any other persons paying the cost of constructing such improvements shall execute all written instruments requested by the District necessary to provide evidence of the District's title to such improvements, including obtaining any lien releases from the material suppliers and subcontractors of the developer and/or its contractor. The water and sewer system improvements shall become the property of the District free and clear of the claims of any persons, firms, or corporations.⁶ Assessments and Collection of Fees and Charges:

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

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

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

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

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

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

7. Approval of Final Plat

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

8. Easements

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

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

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

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

9. Real Property Acquisition

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

10. Meters

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

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than ¾ inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

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

12. Resolution of Disputes

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

submitted to arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. All water and sewer service contracts shall contain a dispute resolution clause which requires that any controversy or claim arising out of or relating to the Water and Sewer Service Contract, or the breach thereof, shall be settled using the process set forth in this Section 12.

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

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

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

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

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

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

run. When not installed, the customer is tempted to turn-off the District angle meter stop (forbidden by the administration code) or contact the "duty operator" to turn off and turn back on after plumbing/irrigation repairs are complete. If the angle meter stop is compromised, the water main has to be excavated and the customer can be charged for the repairs. After hours duty operator "call outs" are costly to the District in overtime expense. Many water Districts found cost savings by installing the customer shut-off valve free of charge, but we found it more prudent to only charge for the part and install the valve free of charge.

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

The monthly rates are listed as follows:

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

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

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

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

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

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

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

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

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

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

Water Credit Policy

The Water Credit Policy was first established as a 3:1 groundwater mitigation in 2005. In 2007 the 3:1 was reduced to a 2:1 with the premise that one would satisfy the County of San Diego requirements and one for the Borrego Water District. On February 24, 2016, the District enacted Resolution 16 - 01.01 requiring all new development to address the regulatory restrictions and requirements of the Sustainable Groundwater Management Act of 2014 and adopted a 4:1 groundwater mitigation policy. The water credit policy for new development consists of 4:1 to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. Unless and until San Diego County adopts a parallel policy, all new subdivisions must comply with the County's current policy of 1:1. The Water Credit Policy will be administered as follows:

New Development requiring San Diego County approval:

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

New Single Family Residence construction on existing lot:

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

4 Total Credit

The Proposed Structure for New Development

Proposed New Water and Sewer Connection Fees for New Subdivisions:

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

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

3/4" meter	x 1.5 meter factor	= \$2,775
1" meter	x 2.5 meter factor	= \$4,625
1-1/2" meter	x 5 meter factor	= \$9,250
2" meter	x 8 meter factor	= \$14,800
3" meter	x 15 meter factor	= \$27,750
4" meter	x 32 meter factor	= \$59,200
6" meter	x 85 meter factor	= \$157,250

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

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

Subdivisions:

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

Commercial:

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

Water Credits:

The water credit policy for new development and subdivisions consists of a 4:1 policies, one water credit to satisfy the County New Subdivision Policy and three credits to satisfy the Borrego Water District Demand Offset Mitigation Water Credit Policy. For existing platted lots in the area, 4 water credits are required to fulfill the District's policy

A list of approved water credits at time of policy adoption is included in attachment C.

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

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

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

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

Total 3/4" Charge = \$795.00

Total 1" Charge = \$930.00

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

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

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

Total Fees due District \$762.80/EDU

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

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

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

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

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

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

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

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

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

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

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

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

Policy: Who pays for growth?

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

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

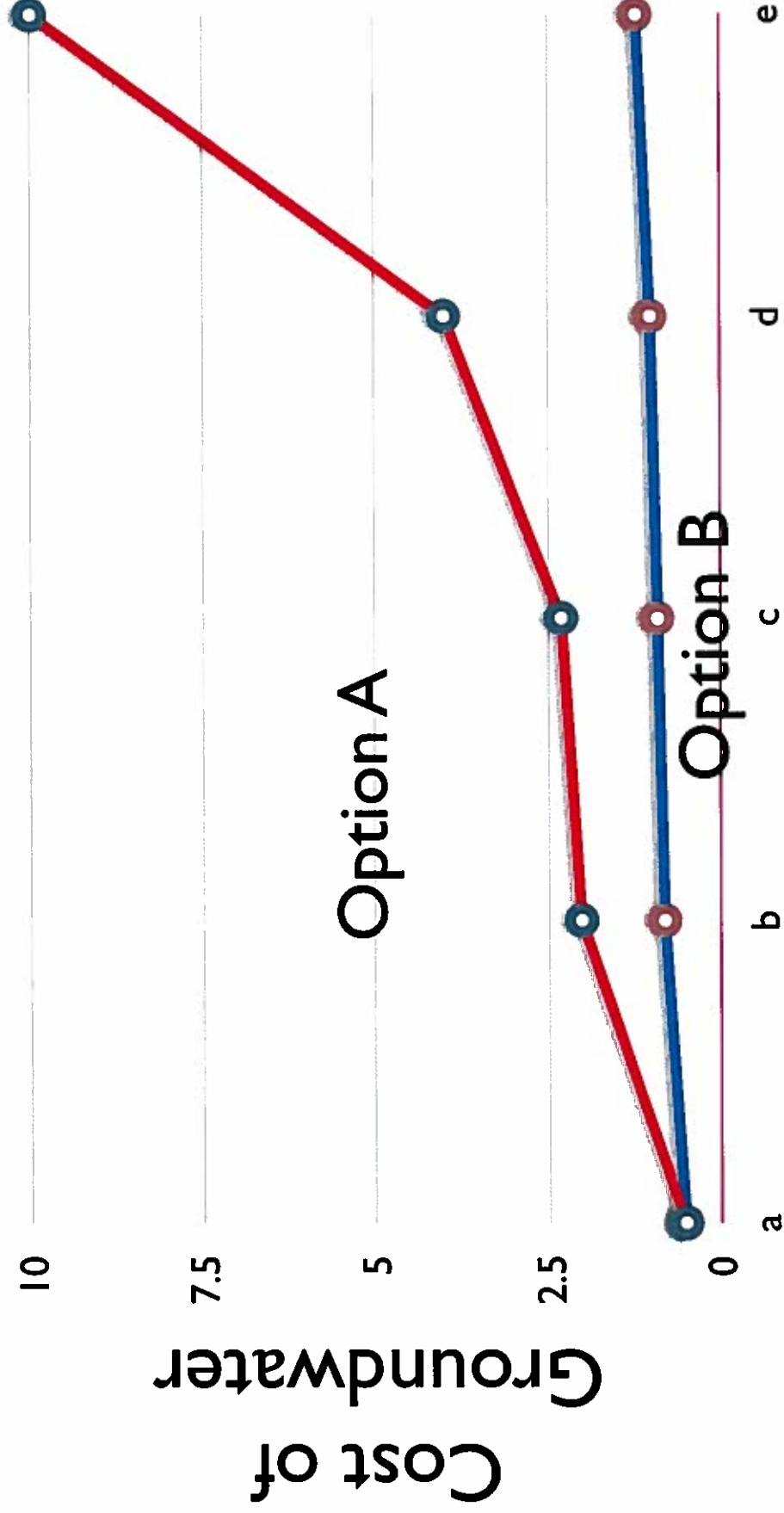
BORREGO WATER DISTRICT 2016 TOWN HALL
Sustainable Groundwater Management for the Borrego Valley Groundwater Basin
MARCH 30, 2016 4:00PM - 5:30PM
PERFORMING ARTS CENTER
590 Palm Canyon Drive
Borrego Springs, CA 92004

DRAFT AGENDA

- 1) Video Presentation: "Will this desert community survive its overdraft problem?", part of a "Worth of Water" series for High Country News, by Zoe Meyers
- 2) Greetings and Introductions: Beth Hart, President of the Board of Directors, Borrego Water District
- 3) "Groundwater Overdraft - Just the Facts": Jerry Rolwing, General Manager, Borrego Water District
- 4) "Addressing Infrastructure for Future Water Quality": Greg Holloway, Operations Manager, Borrego Water District
- 5) Overview of the Sustainable Groundwater Management Act and Borrego Valley Groundwater Basin Boundary Adjustment. Trey Driscoll, Principal Hydrogeologist, Dudek (California-based environmental and engineering consulting firm with more than 300 planners, scientists, engineers, licensed contractors, and technical staff).
- 6) "How Planning for Water Quality Changes Due to the Overdraft will Impact Water Rates": Lyle Brecht, Vice-president of the Board of Directors
- 7) "How Overdraft Planning will Impact the Community": Board President Beth Hart
- 8) Moderated, written questions from the audience for specific presenters
- 9) Comments from the audience

Economics of Unsustainable vs Sustainable Management of the Groundwater Basin

Option A - Unsustainable Option B - Sustainable



Time Period

Well, Booster Station, Reservoirs and Associated Transmission Mains	Growths/R/R	Priority	Reason	2013 COST	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Environmental review for Wilson Reservoir, forebay and transmission lines	G	1a	1	\$ 2,000,000	\$ 100,000	\$ 2,300,000								
Wilson Reservoir, 2.0 MG	G	1b	1	\$ 2,000,000		\$ 2,300,000								
Wilson Related Transmission Mains	G	1c	1	\$ 400,000		\$ 460,000								
Wilson Booster Station/Forebay	G	2a	2	\$ 600,000				\$ 762,000						
New wells north end of Valley	R	2b	2	\$ 375,000				\$ 250,000	\$ 250,000					
Transmission mains for new well	G	3a	3	\$ 800,000				\$ 992,000						
Indianhead Reservoir, 0.5 MG	R	3b	3	\$ 500,000				\$ 620,000						
Indianhead Transmission Mains	R	4	4	\$ 500,000				\$ 635,000	\$ 635,000					
Water Treatment Facility (phase 1)	R	4	4	\$ 500,000				\$ 650,000	\$ 650,000					\$ 250,000
Water Treatment Facility (phase 2)	R	4	4	\$ 800,000				\$ 1,064,000	\$ 1,064,000					\$ 500,000
New Reservoir ID-4	R	5	5	\$ 40,000	\$ 72,500	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
Transmission mains for new reservoir	R	5	5	\$ 100,000	\$ 112,000	\$ 112,000		\$ 200,000						\$ 200,000
Wastewater plant upgrades	R	1	1	\$ 205,088										
for main replacement/upgrades	R	1	1	\$ 200,000										
Solar Project	G	7	7	\$ 20,000				\$ 28,000						
Conversion to Tertiary Treatment - Study needed to determine cost	G	8	8	\$ 25,000				\$ 28,750						
Pressure Reducing Stations	G	9	9	\$ 25,000										\$ 25,400
ID-4, Reducing Sta. design and installation	R	9	9	\$ 25,000										
ID-5, Reducing Sta. design and installation	R	9	9	\$ 25,000										
ID-5, Reducing Sta. design and installation, Borrego Valley Rd.	R	9	9	\$ 25,000										
Pipelines	G	10	10	\$ 25,000										
Environmental review for Borrego Springs Pipeline	G	10	10	\$ 56,250										
Borrego Springs Rd, Weatherstone Dr. to Barrel Dr.	G	10	10	\$ 81,375				\$ 91,140						
Borrego Springs Rd, Wailing H Dr. to Tilling T Dr.	G	10	10	\$ 71,250					\$ 81,675					
Borrego Springs Rd, Tilling T Dr. to Country Club Rd. First half	G	10	10	\$ 39,000						\$ 48,360				
Borrego Springs Rd, Tilling T Dr. to Country Club Rd. Second half	G	10	10	\$ 39,000										
Borrego Springs Rd, Christmas Circle to Diamond Bar Dr.	G	10	10	\$ 59,250										
Borrego Springs Rd, Diamond Bar Dr. to T Anchor Dr.	G	10	10	\$ 30,825										
Borrego Springs Rd, Christmas Circle loop	G	10	10	\$ 82,500										
Borrego Springs Rd, Upgrade 6" to 10" Country Club Rd. to San Pablo Rd.	G	10	10	\$ 24,750										
Borrego Springs Rd, Upgrade 8" to 10" 660' north of Weatherstone Dr.	G	10	10	\$ 77,000										\$ 109,725
Country Club Road from Booster Sta #3 south to Slash M Rd.	G	10	10	\$ 86,740										\$ 33,660
Borrego Valley Rd, South of Tilling T - Hold for engineering study	G	10	10	\$ 54,000										
Circle J Dr.	R	10	10	\$ 51,000										
Bending Elbow Rd. Second half	R	10	10	\$ 90,000										
Quail O	R	10	10	\$ 42,000										
Club Circle East	R	10	10	\$ 42,000										
Club Circle West	R	10	10	\$ 42,000										
De Anza Dr. 1600 block	R	10	10	\$ 46,890										
Pointing Rock Dr/Montezuma Rd Loop Second half	R	10	10	\$ 37,500										
Pointing Rock Dr/Montezuma Rd Loop First half	R	10	10	\$ 46,920										
Country Club Road from Tilling T Dr. south to Booster Sta #3	R	10	10	\$ 84,000										
Environmental review for new conveyance pipelines	G	10	10	\$ 666,000										
Conveyance pipeline down Borrego Valley Rd. from Palm Cyn to well ID-1	G	10	10	\$ 25,000										\$ 109,200
Pipeline installation to convey well water directly to reservoirs ID-1	R	10	10	\$ 300,000										\$ 865,800
Pipeline installation to convey well water directly to reservoirs ID-4	R	10	10	\$ 84,000										\$ 97,500
Relocate alley water mains to streets in southern ID-4	R	10	10	\$ 75,000										\$ 102,000
Other Infrastructure	R	10	10	\$ 5,000										
Repairs to Strip Road commercial property	R	10	10	\$ 5,000										
Groundwater Management	G	11	11	\$ 60,000										
Viking Ranch Following	G	11	11	\$ 110,000										
Viking Ranch Purchase Reserve	G	11	11	\$ 126,000										
Groundwater Management Legal	G	11	11	\$ 12,000										
Prop 218 Process	G	11	11	\$ 12,000										
GSP basin wide development costs	G	11	11	\$ 12,000										
District portion of GSP	G	11	11	\$ 12,000										
TOTAL - CAPITAL IMPROVEMENTS PROGRAM														
TOTAL - SHORT LIVED ASSETS (FROM SHEET 2)														
Total CIP and Short Lived Assets														

Borrego Water District

- ❖ the water district operates and maintains a 24x7 positive pressure system to supply *potable* water to its customers
- ❖ the *potability* of the District's public water supply is regulated by state and federal drinking water standards and is tested regularly to make certain these standards are met
- ❖ by delivering *potable* water on demand 24/7 to its customers, the district helps support the public health and economic well-being of the community



District Economics

- * assuming the district is being well-managed and properly governed by a responsible Board
- * from a *public health* perspective, most of the district's costs are non-discretionary. Costs are primarily driven by safe drinking water regulations and *potable* water supply economics
- * from an *economic development* perspective, most of the district's costs are non-discretionary. Water quality and supply uncertainty constrains *sustainable* economic development



Financial Health of the District

■ Net Increase (Decrease) In Cash & Cash Equivalents



Proposed Rate Changes for FY 2017 - FY 2021

- ✦ assumptions
- ✦ ratepayers continue to want potable water delivered to their homes and businesses for public health reasons and to support property values
- ✦ best engineering analysis at this time is that this will cost ~6.0M in new infrastructure and spending will be necessary within the next 3-4 years
- ✦ instead of assessing ratepayers this cost all at once, it is most advantageous to borrow this amount and spread this cost over 30-40-years
- ✦ to borrow the funds for this new infrastructure will require improvements to existing annual cash flow and reserves
- ✦ proposed rate changes in the base rate; commodity water rates, and sewer rates are designed to primarily meet the financial needs of the District's current period (next 5-years) borrowing needs
 - ✦ base rates will decrease
 - ✦ water commodity rates will increase for both Tier 1 and Tier 2 users (Tier 2 use is fully cost-justified for Proposition 218 purposes)
 - ✦ sewer rates will decrease for some; increase for others, stay the same for some

	C	BR	BU	BV	CB	CC
1	BWD	5/27/2015		CASH FLOW		
2	BUDGET CASH FLOW	ADOPTED	ACTUAL	YTD + PROJ MONTHS	PROPOSED	BUDGET
3	2016-2017	BUDGET	YTD	PROJECTED	BUDGET	ADJUSTMENTS
4		2015-2016	2015-2016	2015-2016	FY 2017	
5	REVENUE					
6	WATER REVENUE					
7	Residential Water Sales	932,150	577,418	883,859	878,453	
8	Commercial Water Sales	128,750	81,175	124,705	124,660	
9	Irrigation Water Sales	143,170	89,128	135,381	135,363	
10	GWM Surcharge	117,420	72,279	112,297	111,887	
11	Water Sales Power Portion	373,890	233,981	356,309	355,029	
14	TOTAL WATER COMMODITY REVENUE:	1,645,554	1,032,623	1,561,298	1,605,391	
15						
16	Readiness Water Charge	1,335,180	877,855	1,329,375	1,330,424	
21	Reconnect Fees	1,700	1,700	2,380	2,380	
22	Backflow Testing/Installation	6,500	5,600	5,600	6,500	
24	Penalty & Interest Water Collection	9,600	9,278	12,478	10,000	
25	TOTAL WATER REVENUE:	2,998,534	1,927,057	2,911,132	2,954,695	
26						
27	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
28	641500 1% Property Assessments	64,000	37,438	58,254	58,254	
29	641502 Property Assess wtr/swr/fld	60,000	57,901	60,966	60,966	
31	641501 Water avail Standby	84,000	58,900	83,554	83,554	
33	641504 ID 3 Water Standby (La Casa)	34,000	19,420	33,977	33,977	
34	641503 Pest standby	17,000	10,799	16,397	16,397	
35	TOTAL PROPERTY ASSES/AVAIL CHARGES:	259,000	184,457	253,148	253,148	
36						
37	SEWER SERVICE CHARGES					
38	Town Center Sewer Holder fees	171,240	114,972	172,052	172,922	
39	Town Center Sewer User Fees	39,960	26,956	40,276	40,726	
40	Sewer user Fees	333,900	220,842	332,142	332,370	
44	TOTAL SEWER SERVICE CHARGES:	545,100	363,197	544,897	546,387	
45						
46	OTHER INCOME					
55	Interest Income	80	24	60	68	
56	TOTAL OTHER INCOME:	80	24	60	68	
57						
58	TOTAL INCOME:	3,802,713	2,522,882	3,757,384	3,754,298	

	C	BR	BU	BV	CB	CC
1	BWD	5/27/2015		CASH FLOW		
2	BUDGET CASH FLOW	ADOPTED	ACTUAL	YTD + PROJ MONTHS	PROPOSED	BUDGET
3	2016-2017	BUDGET	YTD	PROJECTED	BUDGET	ADJUSTMENTS
4		2015-2016	2015-2016	2015-2016	FY 2017	
68	EXPENSES					
69						
70	MAINTENANCE EXPENSE					
71	R & M Buildings & Equipment	185,000	69,081	154,081	185,000	
72	R & M - WWTP	132,000	30,710	104,710	150,000	
73	Telemetry	10,000	8,082	11,521	10,000	
74	Trash Removal	4,000	2,069	3,469	4,000	
75	Vehicle Expense	18,000	17,030	23,030	18,000	
76	Fuel & Oil	25,000	14,869	22,869	25,000	
77	TOTAL MAINTENANCE EXPENSE:	374,000	141,842	319,681	392,000	
78						
79	PROFESSIONAL SERVICES EXPENSE					
80	Tax Accounting (Taussig)	3,000	1,055	2,555	3,000	
81	Administrative Services (ADP/Bank Fees)	6,000	3,098	5,098	3,600	
82	Audit Fees	14,439	14,439	14,439	14,995	
83	Computer billing	9,900	3,760	7,060	9,900	
84	Consulting/Technical/Contract Labor	1,200	50	450	1,200	
85	Engineering	35,000	23,339	35,339	35,000	
86	District Legal Services	30,000	6,072	16,072	30,000	
87	Testing/lab work	12,000	5,986	9,986	12,000	
88	Regulatory Permit Fees	33,000	30,336	40,603	40,000	
89	TOTAL PROFESSIONAL SERVICES EXPENSE:	144,539	88,135	131,602	149,695	
90						
91	INSURANCE/DEBT EXPENSE					
92	ACWA Insurance	59,000	24,670	59,670	60,000	
93	Workers Comp	16,000	8,303	16,303	16,800	
94	COP 2008 Installment	254,525	198,838	254,525	253,113	
95	Viking Ranch Debt Payment	143,312	85,071	120,943	143,312	
96	TOTAL INSURANCE/DEBT EXPENSE:	472,837	316,881	451,441	473,225	
97						
98	PERSONNEL EXPENSE					
99	Board Meeting Expense (board stipend/board secretary)	16,500	8,725	14,725	18,500	
100	Salaries & Wages (gross)	761,000	511,207	763,907	775,000	
101	Taxes on Payroll	20,000	15,991	22,480	23,000	
102	Medical Insurance Benefits	185,000	150,454	202,054	210,400	
103	Calpers Retirement Benefits	169,200	121,419	154,499	171,540	
104	Salaries & Wages contra account	(14,520)	(13,176)	(18,456)	(18,500)	
105	Conference/Conventions/Training/Seminars	7,000	6,373	7,699	7,000	
106	TOTAL PERSONNEL EXPENSE:	1,144,180	800,992	1,146,908	1,186,940	
107						
108	OFFICE EXPENSE					
109	Office Supplies	18,000	10,661	16,661	18,000	
110	Office Equipment/ Rental/Maintenance Agreements	25,000	16,008	23,508	25,000	
111	Postage & Freight	13,000	8,129	12,479	15,000	
112	Taxes on Property	2,500	2,388	2,388	2,388	
113	Telephone/Answering Service	8,400	5,430	8,230	8,400	
114	Dues & Subscriptions	3,600	369	3,024	3,600	
115	Printing, Publications & Notices	1,000	1,030	1,246	3,000	
116	Uniforms	5,400	3,104	4,904	5,400	
117	OSHA Requirements/Emergency preparedness	4,000	750	1,900	4,000	
118	TOTAL OFFICE EXPENSE:	80,900	47,869	74,340	84,788	
119						
120	UTILITIES EXPENSE					
121	Pumping Electricity	430,000	228,139	348,772	350,000	
122	Office/Shop Utilities	19,000	17,095	22,071	25,000	
123	Cellular Phone	7,500	5,051	7,551	7,500	
124	TOTAL UTILITIES EXPENSE:	456,500	250,285	378,393	382,500	
125						
126	TOTAL EXPENSES:	2,672,956	1,646,005	2,502,366	2,669,147	
135						
136	NET CASH FLOW (O&M)	1,129,758	657,933	1,036,074	1,085,152	

	C	BR	BU	BV	CB	CC
1	BWD	5/27/2015		CASH FLOW		
2	BUDGET CASH FLOW	ADOPTED	ACTUAL	YTD + PROJ MONTHS	PROPOSED	BUDGET
3	2016-2017	BUDGET	YTD	PROJECTED	BUDGET	ADJUSTMENTS
4		2015-2016	2015-2016	2015-2016	FY 2017	
137	NON O & M EXPENSES					
138	Water					
139	Twin Tanks. 1970's-inside coating	125,000	-	125,000	125,000	
140	Pickup \$35,000/Big Truck \$50,000	30,000	28,784	28,784	85,000	
143	Pipeline replacements	55,590	7,137	55,590	323,000	
145	Pump and Cleaning Well ID4-4-Wells	70,000	-	70,000	120,000	
146	Booster Station Motors	8,000	14,054	14,054	30,000	
148	Air Quality Compliance-Wells	37,000	-	37,000	50,000	
151	Environmental review for Wilcox Well				100,000	
152	Sewer					
158	WWTP-Rehab Clarifier/pump/bearings	66,500	6,709	66,500	66,500	
164	Forcemain replacement @ La Casa/collection repairs				150,000	
165	Sewer Main replacement/upgrades				200,000	
166	GWM					
188	GWM -legal/Misc.-prop 1 grant/USGS	60,000	51,823	71,823	0	
189	District portion of GSP	80,000	22,351	54,500	0	
176	218 Process/Rate Study	110,000	5,538	76,538	0	
181	OTHER					
187	Air Photo Map				20,000	
197	TOTAL NON O&M EXPENSES	1,202,678	440,954	1,060,347	1,269,500	
198						
199	CASH RECAP					
200	Cash beginning of period	2,611,448	2,852,387	2,852,387	2,828,114	
201	Net Cash Flow (O&M)	1,129,758	657,933	1,036,074	1,085,162	
202	Total Non O&M Expenses	(1,202,678)	(440,954)	(1,060,347)	(1,269,500)	
203	CASH AT END OF PERIOD	2,538,528	3,069,368	2,828,114	2,643,766	
204						
205	RESERVES					
206	Debt Reserves	(400,000)	(400,000)	(400,000)	(400,000)	
207	Working Capital (4 months)	(900,000)	(900,000)	(900,000)	(900,000)	
209	Contingency Reserves (10% O&M)	(270,000)	(270,000)	(270,000)	(270,000)	
210	Rate Stabilization Reserves	(480,000)	(480,000)	(480,000)	(480,000)	
211	Available for Emergency Reserves	488,628	1,019,368	778,114	593,766	
212	Target Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000	
213	Emergency Reserves Deficit	(1,511,472)	(980,632)	(1,221,886)	(1,406,234)	