

**Borrego Water District Board of Directors**  
**Regular Meeting**  
**April 25, 2018 @ 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes
  - 1. March Special Meeting March 20, 2018
  - 2. March Regular Meeting March 28, 2018
  - 3. 2018 Town Hall Meeting March 28, 2018
  - 4. February 28, 2018 Special Meeting (Include Shindler Comments)
- F. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- G. Comments from Directors

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION (SEE ADDITIONAL ITEMS AFTER CLOSED SESSION)**

- A. Adopting Ordinance No. 18-01 Water Shortages and Water Shortages Emergencies – S. Anderson
- B. Adopting Ordinance No. 18-02 Declaring a Water Shortage Emergency and Hold PUBLIC HEARING – S Anderson
- C. Resolution No. 2018-04-01 Revising Developers Policy and Hold PUBLIC HEARING – S Anderson
- D. AT&T Cell Tower Adjacent to Rams Hill – G Poole
- E. Support for Ed Sprague on Local Agency Formation Commission Consolidated Redevelopment Oversight Board- G Poole/H Ehrlich

**III. CLOSED SESSION**

- A. **CONFERENCE WITH LEGAL COUNSEL**-Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (two (2) potential cases)

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION: CONTINUED**

- F. Suspension of Club Circle Golf Course Fee – B Hart/S Anderson
- G. Fats, Oils and Grease Policy Revisions – G Poole

**III. INFORMATIONAL ITEMS – NONE**

AGENDA: April 25, 2018

All Documents for public review on file with the District's secretary located at 806 Palm Canyon Drive, Borrego Springs CA 92004

Any public record provided to a majority of the Board of Directors less than 72 hours prior to the meeting, regarding any item on the open session portion of this agenda, is available for public inspection during normal business hours at the Office of the Board Secretary, located at 806 Palm Canyon Drive, Borrego Springs CA 92004. The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole – Board Secretary at (760) 767 – 5806 at least 48 hours in advance of the start of this meeting, in order to enable the District to make reasonable arrangements to ensure accessibility.

If you challenge any action of the Board of Directors in court, you may be limited to raising only those issues you or someone else raised at the public hearing, or in written correspondence delivered to the Board of Directors (c/o the Board Secretary) at, or prior to, the public hearing.

#### **IV. STANDING AND AD-HOC BOARD COMMITTEE REPORTS**

##### **A. STANDING:**

1. Operations and Infrastructure – Delahay & Tatusko

##### **B. AD-HOC:**

1. GSP Preparation – Hart & Brecht
2. BWD Bond Financing – Brecht & Ehrlich
3. Rams Hill Operating Agreement – Hart & Brecht
4. 2018 Water Bond Proceeds – Hart & Tatusko
5. GSA Organizational Capacity Analysis – Tatusko & Ehrlich
6. Cyber Security – Tatusko/Ehrlich

#### **V. STAFF REPORT**

##### **A. Financial Reports: March 2018**

##### **B. Water and Wastewater Operations Report: March 2018**

##### **C. Water Production/Use Records: March 2018**

1. 900 Tank Update – Verbal: G Holloway
2. Meter Replacement and Testing Program -G Holloway

##### **D. General Manager – VERBAL**

#### **VI. CLOSED SESSION:**

A. Conference with Legal Counsel, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, or a threat to the public's right of access to public services or public facilities." Pursuant to Government Code 54957(a)

B. Public Employee Performance Evaluation - Title: General Manager Employee Performance Review

C. Conference with legal counsel: Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one (1) potential case)

#### **VII. CLOSING PROCEDURE**

##### **A. Suggested Items for Next/Future Agenda**

B. The next Meeting of the Board of Directors is scheduled for May 15, 2018 at the Borrego Water District Office.

AGENDA: April 25, 2018

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**Borrego Water District Board of Directors**  
**MINUTES**  
**Special Meeting**  
**Tuesday, March 20, 2018 @ 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,  
Ehrlich**

**Staff:**                      Geoff Poole, General Manager  
Steve Anderson, Best Best & Krieger (via teleconference)  
Wendy Quinn, Recording Secretary

**Public:**                      Ray Shindler, Independent      Rebecca Falk, Advisory  
Ratepayers                      Committee  
Diane Johnson, Advisory      Suzanne Lawrence  
Committee                      Dick Walker  
Dennis Dickenson              Kathy Dice  
Susan Percival, Club              Bill Berkley, Rams Hill  
Circle East HOA

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

**E. Approval of Minutes:** None

**F. Comments from the Public and Requests for Future Agenda Items:** Ray Shindler cited a Bureau of Reclamation prediction from 1968 that agriculture in the Borrego Valley would need to be reduced to 1,000 acres by 2020 to sustain continued growth. Subsequent findings over the years echoed this theme. Mr. Shindler went on to speak about return flow, which he contended was not an issue because farmers are not going to change the safe yield due to return flow without importing water. He further opined that effects on the economy and local schools should not preclude water reduction. Loss of an affordable water supply would impact these areas as well.

Dave Duncan reported that some ratepayers had asked whether the Borrego Water Coalition was still functioning and if so, whether the District was a participant. Geoff Poole replied that it still functioned, but District Board members ceased to participate when the GSP Core Team was established. He still attended about half the meetings to answer questions. In response to an inquiry from Rebecca Falk, Mr. Poole confirmed that he receives BWC agendas, and Ms. Falk announced her intention to request them under the Freedom of Information Act. She expressed concern regarding possible sequential information passing between the BWC and the Advisory Committee in violation of the Brown Act. Director Tatusko asked Mr. Poole to check with the BWC to see if they would provide Ms. Falk copies of their agendas and minutes. Director Brecht asked Suzanne Lawrence whether the Stewardship Council meetings were public and whether they had a website. Ms. Lawrence replied that the meetings are public, but the Council does not yet have a formal meeting structure. This is evolving now that the AC is in place.

**G. Correspondence Received**

1. AAWARE Letter – J. Seley

Mr. Poole invited the Board's attention to Jim Seley's letter in the Board package. Director Brecht pointed out that it supported Mr. Shindler's contention regarding return flow.

2. Revised Community Sponsor Group Letter – Rebecca Falk

Ms. Falk explained that the letter she and Linda Haddock had previously submitted had not been approved by the Sponsor Group, so it had been revised to emphasize issues that Ms. Haddock had not presented at the original meeting. Primarily, the Sponsor Group was asking what Borrego Springs would look like under the GSP, and suggested looking at possible scenarios.

**H. Comments from Directors:** Director Tatusko referred to Mr. Seley's letter on behalf of the Agricultural Alliance for Water and Resource Education, and pointed out that they are looking for a specific scientific method to measure recharge. That would require metering of all wells. Director Tatusko stated he was satisfied with existing reports on recharge from USGS and Dudek.

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION**

**A. Consideration of District Baseline Pumping Allocation (BPA) and Inclusion of Human Right to Water Component:** Director Brecht reported that the GSA had asked the District for a recommendation regarding the inclusion of a Human Right to Water component in the baseline allocation. The Legislature has adopted a Human Right to Water law (Water Code section 106.3), and if it is included in the GSP, it would provide an amount of water which would not be subject to future reductions. The law has not yet been tested in court, and would not apply to irrigation water (recreation and agriculture). President Hart added that water cannot be set aside for future use; the law applies only to current use. Dudek calculated the amount for the community at 380 acre-feet per year.

Ms. Falk pointed out that visitors have not been included in calculating Borrego's water use, although they drink water, use the toilet, take showers and eat in restaurants. Diane Johnson shared her concern, noting that an estimated 500,000 visitors come to Borrego Springs each year. Director Brecht assured them that the issue was still under discussion. Ms. Lawrence asked what the District's responsibility or policy was regarding the right to water for people with vacant lots. President Hart explained that the District owns most of the water rights, and Director Brecht added that this issue is addressed in the New Development Policy, which will be the subject of a public hearing along with two water shortage ordinances. The District is also looking at possible special rates for disadvantaged ratepayers. Ray Shindler, representing independent ratepayers, reported that attorney Tom Bunn favors the Human Right to Water Law.

**B. Proposal for Additional Groundwater Extraction Wells for the Borrego Water District:** Mr. Poole announced that the Proposition 1 grant application is close to final approval. It is on the recommended list and should receive final approval by month end. A socioeconomic community workshop was held last week, the first of a series as part of the socioeconomic component of the grant. Also included are modeling and an investigation into sites for new BWD production wells, among other things. Trey Driscoll has submitted a \$35,000 proposal for investigative work and the beginning stages of the well siting study. Director Ehrlich recommended that action on the proposal be continued to the next workshop, based on his concerns regarding sufficient water quality testing. President Hart suggested putting it on next week's agenda and having Mr. Driscoll available to answer questions. Director Brecht explained that he was satisfied with the proposal but had questions regarding the economic risk.



C. Public Hearing Schedule for Developers Policy and Emergency Declaration: Mr. Poole reported that staff had missed the public hearing publication deadline by one day, so the date must be delayed. After discussion, the Board agreed to hold it on April 17.

### III. INFORMATIONAL ITEMS

A. Discussion of GSP imposed Reductions Period: Is 2040 too long? Director Brecht explained that although SGMA provides a 20-year period to correct an overdrafted basin, this is a maximum. If we choose a shorter period, DWR regulations require a defensible justification. Every five years the time frame will be reevaluated. Director Brecht pointed out, however, that if we decide that 20 years is too long too late, there are water quality and rate issues. Dr. Jones' model will help to look at this question from an economic perspective. Director Ehrlich suggested asking him to include five and ten-year alternatives in the model.

B. Sector Reductions: Director Brecht explained that the GSA has flexibility under SGMA but cannot alter or abridge water rights without risking adjudication. The GSA is currently trying to reach agreement on baseline pumping allocations among the sectors and individual pumpers, then will address reductions. At the Town Hall Meeting Steve Anderson and Tom Bunn will address these issues. Mr. Shindler recommended that the Board consider a negotiated settlement process on allocations and reductions. Discussion followed regarding reliance on case law, and the fact that this always looks into the past. Director Ehrlich pointed out that all sectors need to be accommodated, and the Human Right to Water is important. If any sector is destroyed, all will suffer. Rebecca Falk asked whether settlement negotiations would be public, and Director Brecht predicted that negotiations would be in closed session, but once the outcome became part of the GSP it would be public. Mr. Anderson pointed out that any number of landowners could reach an agreement, but it would not be much use unless the majority of the basin is involved.

C. Discussion of Anthropogenic Climate Disruption (Climate Change) Impacts on USGS's Sustainable Yield of 5,700 AF for the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin: Director Brecht referred to the National Center for Atmospheric Research climate change study, which included 30 pilot models and regional models. Looking to the future, there is a huge variability in terms of climate change. The GSA anticipates selecting a couple of models applicable to this particular basin, and Dudek is currently making decisions as to what those models will be. They are looking at a 60-year time frame in 20-year segments, and effects on water, recharge, watershed, and air and soil temperatures. Economics are important. Mr. Shindler suggested asking Dudek to look into effects on the aquifer from the drying up of our streams. Director Brecht replied that there are differing opinions, and the State Park has not yet weighed in. Ms. Lawrence pointed out that there is a large movement in environmental services, and a lot of literature is available.

D. Discussion of Agricultural Return Flows Impacts on USGS's Sustainable Yield of 5,700 AF for the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin: Director Brecht reported that Bill Mills had studied return flows, and they do not affect reduction amounts. Mr. Shindler asked Mr. Anderson if he agreed that pumpers do not get credit for return flows, and Director Brecht advised him not to answer at this time. It will be addressed at the Town Hall Meeting. Ms. Falk expressed concern regarding water quality in return flows, and Director Brecht replied that Dudek was investigating.

E. Discussion of Fallowing and Land Restoration Standards Research: Director Brecht referred to Dudek's statement of work, which is oriented to creating standards to do more detailed work for an EIR. He recommended sitting down with the County, Dudek and whoever does the fallowing research.

F. Discussion of Water Transfers: 35MM Earmark Public Bond Initiative Rules: Director Brecht reported that we have a fair amount of information about what will be required for water transfers, but there are major gaps. He looked at water right trading in basins that have been adjudicated, and there are rules. Trades must be public, for example through a website, and an independent entity will probably need to facilitate them. Traders must agree to the system. Some basins allow trades of pumping rights, but under our bond provisions we can't have lease trades. Only trades of consumptive use are permitted, not return flows. Director Brecht hoped to have a draft for discussion with pumpers to see what their issues are.

#### IV. CLOSED SESSION:

A. Conference with legal counsel – anticipated litigation. Initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 54956.9: two (2) cases:

B. Conference with Real Property Negotiators:

Property: (APN: 140-010-03, 06 and 09)

Agency Negotiator: (Geoff Poole)

Negotiating Parties: (Dennis Jensen of Oasis Ranch)

Under Negotiation: (Price and Terms of Payment)

The meeting adjourned to closed session at 11:40 a.m., and the open session resumed at 1:20 p.m. There was no reportable action.

#### V. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: The public hearing on the New Development Policy and the two Water Shortage Ordinances will be scheduled in April. Next week, the agenda will include the cyber security policy and the AT&T cell tower lease status.

B. The next Meeting of the Board of Directors is scheduled for March 28, 2018 at the Borrego Water District: There being no further business, the Board adjourned at 12:35 p.m.



water in the Borrego Valley aquifer at an alarming rate, and adjudication should begin right away. Mr. Sachs recommended two attorneys, one of which was Mr. Bunn.

G. Comments from Directors: None

## II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Proposal for Additional Groundwater Extraction Wells for the Borrego Water District: Mr. Poole reported that the Proposition 1 grant application was very close to approval. The funds will be used for public outreach, modeling, metering and investigation of potable water well sites. The outreach began with approval of the LeSar contract, and the modeling with approval of the Jones contract. The Dudek proposal under consideration today would initiate the first \$40,000 of a \$140,000 well site study. Director Ehrlich reported that he had received satisfactory answers to his questions regarding scheduling and the County reimbursement agreement. *MSC: Ehrlich/Brecht approving Dudek's proposal for additional groundwater extraction wells, not to exceed \$35,420.*

B. Capital Improvement Plan Update to support Planned BWD Bond Financing: Mr. Poole invited the Board's attention to the updated CIP in the Board package, which he compiled working with the Operations and Infrastructure Committee and the BWD Bond Financing Committee. Three potential projects had been added for possible bond financing.

C. Compliance Agreement and Release with SD Air Pollution Control District for Replacement of the Wilcox Well Motor: Mr. Poole explained that the County had allowed the District to continue operating the Wilcox well motor while awaiting grant funds for its replacement from the State. Although the motor is used for emergencies, it does not comply with the Air Pollution Control District's standards. The latest proposed agreement between the APCD and BWD extends the grace period to November. *MSC: Brecht/Delahay approving the compliance agreement and release with SD Air Pollution Control District for replacement of the Wilcox well motor.*

## III. STANDING AND AD-HOC BOARD COMMITTEE REPORTS

A. Standing:

1. Operations and Infrastructure. Director Tatusko reported that the Committee plans to meet in the next week or two to discuss Rams Hill flood control. Director Delahay asked that the agenda include reports by Greg Holloway and Mr. Poole, and Director Tatusko added that he would also like to discuss the CIP and the well site study. Director Delahay reported that Roy Martinez was working with restaurants on the new Fats, Oils and Grease regulations, and Mr. Poole reported that the District now has barrels available for disposal. In April staff will come back to the Board with the final rules and regulations, after gathering comments from the restaurants.

B. Ad-Hoc:

1. GSP Preparation. President Hart announced that there would be an Advisory Committee meeting tomorrow. LeSar will hold another community meeting in April, and in May, the AC will meet again. Director Brecht pointed out that there is a GSP process, a CEQA/EIR process and a public bond rules process. There has been difficulty getting people on the same page, and the pumpers may need to meet to address the issues.

2. BWD Bond Financing.

a. Updated Bond Issuance Schedule. Director Ehrlich invited the Board's attention to the bond issuance schedule in the Board package. Fieldman/Rolapp has received proposals from underwriters, and the Committee will discuss them on Monday. Hopefully the bond will be funded in July. Director Brecht noted that a decision has not yet been made as to

whether there will be a public or private placement. A public bond could extend beyond 20 years, but it would cost more. Director Brecht pointed out that the Board had previously authorized the Committee to handle the bond-related financing, a part of which is retaining an underwriter. He asked whether the other Board members wanted to be involved in this. Director Tatusko wanted to hear the legal opinion and the Committee's recommendation. After discussion, it was agreed to leave the decision to the Committee and Fieldman/Rolapp.

3. Rams Hill Operating Agreement. President Hart reported that the Committee had not met recently but would probably do so in the near future.

4. 2018 Water Bond Proceeds. President Hart reported that the Committee had decided not to take action until the Secretary of State has approved the Water Bond's inclusion on the 2018 ballot.

5. GSA Organizational Capacity Analysis. Director Ehrlich reported that the Committee would be meeting with consultants next week.

A new Committee, Following (Brecht and Ehrlich), was formed and will be included on the next Agenda.

#### **IV. STAFF REPORTS**

**A. Financial Reports, January and February 2018:**

1. 2018-19 Budget Development Schedule. Kim Pitman suggested meeting with the Operations and Infrastructure Committee soon to discuss the projected budget, then bringing it to the Board on April 17 for review, back on April 25 and finalize it May 23. President Hart asked staff to arrange a Committee meeting. Mr. Poole will identify the GSP costs.

**B. Water and Wastewater Operations Report, January and February 2018:** The Water and Wastewater Operations Report was included in the Board package.

**C. Water Production/Use Records, January and February 2018:** Director Ehrlich recommended using a term other than "water loss," for example "unaccounted-for water" or "non-revenue-producing water." Mr. Poole will discuss it with Mr. Holloway.

**D. General Manager:** Mr. Poole reported that the 900 tank is now in operation. His other reports were covered during previous agenda items.

**V. CLOSED SESSION:** Conference with legal counsel –anticipated litigation: Initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 54956.9: two (2) cases

Conference with legal counsel on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, or a threat to the public's right of access to public services or public facilities, pursuant to Government Code section 54957(a)

The Board adjourned to closed session at 10:00 a.m., and the open session reconvened at 12:15 p.m. There was no reportable action.

#### **VI. CLOSING PROCEDURE**

**A. Suggested Items for Next/Future Agenda:** The public hearing on the New Development Policy and the two water shortage ordinances was scheduled for April 17. Also on the agenda will be the County reimbursement agreement.

**B. The next Meeting of the Board of Directors is scheduled for March 28, 2018 at the Performing Arts Center.** There being no further business, the Board adjourned at 12:15 p.m.



**C. Water Supply System Needs: Joe Tatusko.** Director Tatusko, who serves with Director Delahay on the Operations and Infrastructure Committee, explained that the Committee works closely with General Manager Geoff Poole, Operations Manager Greg Holloway and District Engineer Carlos Beltran of Dynamic Engineering. They develop a Capital Improvement Plan looking eight years into the future. Projects include fresh water protection, distribution and storage and wastewater treatment. The District has an excellent safety records and has won awards from its insurance carrier. For the past three years, the Committee and staff have been working to secure Proposition 1 grants. The most recent includes funding for new well location studies, meter installation, and socioeconomic impact studies and modeling. Director Tatusko summarized the current CIP, which was presented to the Board in February. He reported that work was recently completed on the new 900 tank on Yaqui Pass Road, and final testing is underway. Two engineering assessments were recently undertaken, one for odor assessment at Yaqui Pass and Borrego Springs Road and one for a tertiary treatment study for possible recycling. The District will continue to pursue grants, low interest loans and bond financing to minimize future rate increases.

**D. Present Water Quality: Trey Driscoll, Dudek.** Mr. Driscoll, consultant to BWD and the County for technical assistance on the Groundwater Sustainability Plan and water quality, narrated a slide presentation. A map depicted the Borrego Springs Subbasin, the area that is critically overdrafted. The aquifer includes an upper, middle and lower level, and they differ as to water quality. Coyote Creek is the primary source of recharge, which is variable. Water in the agricultural areas and golf courses tends to be high in nitrates. Mr. Driscoll showed levels of contaminants in various areas of the basin, most of which are within safe drinking water levels. All BWD wells currently meet drinking water standards and are closely monitored.

**E. Water Rates Will Increase Under SGMA: Lyle Brecht.** Director Brecht pointed out that few economic and financial issues are unique to Borrego Springs; they are occurring worldwide. Climate change, water quality degradation and rising costs due to deferred repairs and replacement and higher drinking water standards are common issues. Many communities have violated water quality standards for years, and the point of setting appropriate water rates is to prevent this and support public health. Director Brecht predicted a six percent rate increase in July 2018, and noted that the BWD budget was available on their website. Compared to other similar communities, BWD's rates are about in the middle. Director Brecht reported that the District hopes to borrow \$2.2 million to finance improvements, which will provide lower interest rates and enable the District to spread the cost over 15 to 20 years. If we wait until a well fails, for example, it would cost three times as much to replace it as to implement preventive maintenance ahead of time. Under SGMA, all pumpers will be required to pay for use of the groundwater. The greatest impact on future rates will be from the potential decline in water quality due to years of overpumping. On the good side, our municipal water does not currently contain many chemicals or toxins that need to be removed, and our prime water sources are in protected areas of the State Park. The monitoring program has been increased, and the Groundwater Sustainability Agency (BWD and the County) is analyzing a 20-year reduction period to reach sustainability while keeping rates down to the extent possible.

**F. Legal Issues: Steve Anderson, Best Best & Krieger and Tom Bunn, Lagerlof Senecal Gosney & Kruse.** Mr. Anderson, attorney for BWD, and Mr. Bunn,



an attorney who addressed the District several years ago regarding adjudication, spoke to the group regarding water-related legal issues. Dramatic changes have occurred in water law with the enactment of SGMA, and the issues are not unique to Borrego Springs. Mr. Anderson explained various types of water rights: overlying rights associated with property ownership, appropriative rights (drilling a well and producing water to be used outside of the piece of property where the well is located, i.e. public and private water systems), and prescriptive rights (if pumping exceeds a safe yield, the overlying rights of the landowner are being invaded; once the safe yield is exceeded, a water district could establish prescriptive rights).

Mr. Bunn explained that safe yield is the same as sustainability. Domestic use is considered the “highest use of water,” followed by irrigation. Nearly all adjudication is resolved among the parties and never goes to court. The outcome of court proceedings is uncertain. Mr. Bunn added that groundwater adjudications can be very lengthy; he knew of one that had been going on for 19 years.

Mr. Anderson described the negotiations leading to the enactment of SGMA by the State Legislature. Initially, the State was going to take over all basins, but local agencies resisted, so legal authority was entrusted to the GSAs. GSAs can enact allocation plans and compel pumpers to reduce extraction. However, if the parties cannot agree on the reduction amounts, the court may have to step in.

Mr. Bunn pointed out that SGMA does not provide allocation standards; that is in the discretion of the GSA, and will involve negotiation. However, SGMA does say that sustainability cannot change water rights. So how is this reconciled? Adjudication can determine water rights, but forced adjudication should be avoided. Mr. Anderson explained that a stipulated adjudication can avoid going to court by facilitating agreement among the pumpers. This is a much shorter and cheaper process. Mr. Bunn pointed out that if agreement cannot be reached, the other option is a contested adjudication, which takes time and money and can be risky and complicated.

Mr. Anderson reviewed past appellate court cases involving water. Mr. Bunn noted that one of them, Los Angeles vs. San Fernando, held that landowners’ overlying rights may be prescribed by public agencies, but landowners can protect their rights by continuing to pump during the prescribed period. In Barstow vs. Mojave, Mr. Anderson explained that the court held that water rights have been established in California and cannot be set aside. Mr. Bunn pointed out, however, that the issue of overlying versus prescriptive rights was not addressed in that case. Overlying rights are not transferable, and no court has ever prevented a municipal water district from pumping. Mr. Anderson went on to discuss the State’s new Human Right to Water law, which could protect a certain amount of water per household from reductions under SGMA, but noted it has not been tested in court.

In conclusion, Mr. Anderson suggested a proportionate reduction to safe yield or safe yield with prescriptive rights. Adjudication is not worth the money. Mr. Bunn added that despite recent claims from community members, irrigators are not entitled to credit for return flows when their water is native (not imported), as all water in Borrego Springs is.

**G. Closing: Beth Hart.** President Hart announced the question and answer portion of the meeting.

**H. Written/Verbal Q and A: All.** The first question, directed to Mr. Bunn, was what kind of reason do we need to change the 2040 deadline for reaching sustainability to

an earlier date. Mr. Bunn explained that 2040 is the maximum, and the GSA can set an earlier date provided the decision is reasonable and consequences are considered.

Another question for Mr. Bunn was given the uncertainties in water law regarding irrigation, wouldn't it be good to use Mr. Bunn's analysis in negotiations. Mr. Bunn understood the reference to be to something he wrote several months ago, and he was rejecting another opinion with which he disagreed. He was hired by some of the ratepayers.

For both attorneys, the next question was how do we reconcile a stipulated adjudication with the SGMA requirement for stakeholder input. Mr. Bunn thought SGMA should come first, and stakeholders must be involved. With stipulated adjudication, everyone's interest must be taken into consideration.

John Delaney pointed out that a long court battle would not be in our best interest. However, he stated he had been coming to water-related meetings for 15 years, no water has been saved and farmers are continuing to put chemicals into the aquifer. He was concerned about secret negotiations among attorneys, agriculture and the GSA and would rather have a judge make the decisions. He was also concerned that farmers would have 20 more years to continue polluting the groundwater, and asked how that could be negotiated. Mr. Bunn explained that SGMA provides the opportunity for direct public input, while adjudication does not. The GSP will be finalized within two years, and after that, an adjudication can still be filed; so he suggested waiting to see how it works out. Mr. Anderson explained that SGMA requires the GSA to deal with water quality, so now there is a local agency with the power to do something about it, whereas there wasn't before.

The next question was, are there meters on every pumper in the valley, and is the data independently verified. Mr. Driscoll replied that presently only District wells and golf courses are metered. Agriculture has provided data. SGMA allows mandatory metering if specified by the GSA.

Another attendee noted that a 2017 DWR document drafted best management practices for sustainability, and opined that sustainability indicators under SGMA should not be confused with any other water management plans. What does this mean? Mr. Bunn explained that DWR publishes an estimate of what reliable water supplies will be under their projects. Each agency has an amount they can get from the State aqueduct, but they never get that much. He surmised that quote meant that is not what they are talking about when they refer to groundwater sustainability. Mr. Driscoll pointed out that the best management practices were released in draft form for guidance, and SGMA takes precedence. The final best management practices have not yet been released.

Next, a question was asked whether it is reasonable to assume that the longer we are in overdraft, the more water quality will suffer, so the sooner we can resolve it the better. Mr. Driscoll noted that the water quality is poorer in the lower aquifer, including arsenic and nitrates. As pumping occurs further down, there is more likelihood of impacts. Data is being collected as the plan progresses.

Another participant noted that BWD reported earlier this month that they are proposing a Human Right to Water estimate of 400 acre-feet per year, which would not be subject to reduction from its baseline allocation. He urged the maximum allowable. Mr. Driscoll replied that the flows at the wastewater treatment plant were used to develop this estimate. This was close to the State's figure of 55 gallons per day per person.

The next comment was that farmers have been consuming 70 percent of the water and are a major cause of the overdraft. Ratepayers have already reduced and only use ten percent. Mr. Anderson stated that the court has the power to allow that, and also has the power to require equal reduction from everyone.

It was noted that the court cases referenced were pre-SGMA, and the ratepayers should reduce less. Mr. Anderson replied that SGMA doesn't address water rights priority. It is up to the GSA to develop an allocation plan. Mr. Bunn added that SGMA doesn't change water rights law.

A question for Mr. Anderson and Mr. Bunn was to please discuss self-help as a response to prescription. Mr. Bunn explained that when someone is acquiring prescriptive rights, it means taking rights away from another. In water rights, you can't take away the right to pump. The courts have said that a prescriptive right award doesn't necessarily take away water rights if pumping continues during a five-year period. As to self-help rights, the San Fernando case implies that when the overdraft exceeds safe yield, all pumpers reduce equally; but it is not entirely clear.

Next, a question was posed regarding whether the GSP would be legally defensible. Mr. Bunn replied that SGMA provides that a GSP may not conflict with water rights, but what water rights are can be unclear. Mr. Anderson agreed. The GSP has to be reasonable to be legally defensible.

Finally, an attendee commented that all pumpers need to negotiate, but some are more motivated than others. What if agreement cannot be reached by 2020? Mr. Anderson explained that the GSP will be submitted by the due date whether or not all issues are settled. Otherwise, the State will take over management of the basin, and it will be very expensive.

### **III. CLOSING PROCEDURE**

**A. Suggested Items for Next Agenda:** None

**B. The next Meeting of the Board of Directors is scheduled for April 17, 2018 at the Borrego Water District:** There being no further comments, the meeting was adjourned at 6:00 p.m.



G. Comments from Directors: None

## II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. DISCUSSION OF ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RELATING TO WATER SHORTAGES AND WATER SHORTAGE EMERGENCIES:

B. DISCUSSION OF DRAFT ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT DECLARING A WATER SHORTAGE EMERGENCY: Director Brecht explained that the District's municipal advisors, Feldman/Rolapp, had determined that the County's land use decisions could have a major impact on Borrego Springs and the GSP development. In the past, the County has made major land use decisions without regard to water supply. To address this issue, the BWD Bond Financing Committee has developed a three-part plan. First, the New Developers Policy is being updated, making it clear that County approval of development does not guarantee the availability of water. Second and third are the two ordinances on the Agenda today.

Jeff Ballinger explained that the first ordinance sets forth a framework and establishes the Board's authority to declare a water shortage or water shortage emergency. In such an instance, the ordinance creates requirements such as prohibitions against using potable water for irrigation or hosing driveways and sidewalks. The second ordinance would be used at such time as the Board actually elects to declare a water shortage emergency. Mr. Poole announced that two public hearings would be scheduled, one for the New Developers Policy and one for the ordinances. He is working with Esmeralda Garcia to schedule them and will take care of the notification requirements. Director Brecht recommended deleting Exhibit A to the second ordinance, Policy Statement Regarding Emergency Water Shortage Declaration, for now, in order to save time and have the ordinances in place before the District issues its bonds.

C. 2018 Town Hall Agenda: Mr. Poole announced that the Town Hall Meeting is scheduled for March 28. A draft Agenda was included in the Board package. There may be a change to include information on the current socioeconomic study associated with GSP development. Mr. Poole will work with President Hart and Director Brecht to accommodate this presentation. After discussion, the Board decided to include the Proportional vs. Non Proportional item under the District Finances/Rates section.

## III. STAFF REPORTS

A. Financial Reports, December 2017: President Hart offered to answer questions regarding the Financial Reports.

B. Water and Wastewater Operations Report, December 2017:

C. Water Production/Use Records, December 2017:

Greg Holloway reported that the reports had been delayed due to implementation of a new computer system. Mr. Poole reported that at the next Regular Meeting, January and February will be included. Mr. Holloway reported that he was continuing to change out old meters. In December, the 900 Tank was filled so a larger than usual water loss occurred. Mr. Holloway is currently coordinating with the State on the inspection, and it appears the tank will be in service in March or April. The water used to fill the tank is being used on site. Removal of the berm from the 800 Tank has begun. The first quarter water quality results were well below the degradation level.

D. General Manager: Mr. Poole announced a joint meeting of the BWD Board and the Advisory Committee regarding the GSP socioeconomic study, Monday, March 5, 5:30 to 7:30.

There was nothing new to report regarding the AT&T cell tower. Bill Berkley stated that Rams Hill continues to oppose it.

The State Water Resources Control Board has made initial comments on the wastewater treatment plant discharge permit, and so far the news is good; only minor changes, including increased monitoring on some contaminants.

Mr. Poole reported he was continuing to work with Ray Burnand and the County regarding the fallowing of Mr. Burnand's citrus grove. The County has requested that the District submit Mr. Burnand's application to them for processing.

Kim Pitman has volunteered to work on the District's cyber policy. After review by the Risk Management Committee, it will come to the Board.

Director Ehrlich reported he received a complimentary letter from JPIA and thanked the staff for their efforts.

Mr. Holloway announced that Friday at 10:00 a major server update will begin, so there will be no computer service.

#### **IV. COMMITTEE REPORTS**

##### **A. Standing:**

1. Operations and Infrastructure. Director Tatusko reported that Mr. Poole gave an excellent presentation at the last Committee meeting, and Carlos Beltran participated by teleconference. Minutes from the December and February Committee meetings were distributed.

##### **B. Ad-Hoc:**

1. GSP Preparation. President Hart reported that the Committee was continuing to meet with the County. The March 5 BWD/AC socioeconomic study meeting will replace the February AC meeting. The next AC meeting will be March 29. Tentatively there will be another joint meeting in April, and a regular AC meeting in May. Mr. Poole reported that the public comment period for the Proposition 1 grant had been extended for a week.

2. BWD Bond Financing. Director Ehrlich reported that the Committee had a conference call with Feldman/Rolapp. Their study should be done in July, which hopefully will coincide with the budget.

3. Rams Hill Operating Agreement. Mr. Poole reported he had talked with Cathy Milkey at Rams Hill, and she is putting together a list of items to be addressed. Director Tatusko referred to a handout at the last meeting regarding flood control, and noted that the Operations and Infrastructure Committee had volunteered to deal with it.

4. 2018 Water Bond Proceeds. President Hart reported that the Committee was working with counsel on guidelines for powers and prohibitions for public agencies.

a. Water Bond Status Update. Director Brecht reported the status had not changed. The State is in the process of determining whether enough signatures have been gathered. Ways to raise money for marketing are under discussion. There is still no organized opposition. It is still possible that this bond measure will be merged with another.

**V. CLOSED SESSION:** Conference with legal counsel –anticipated litigation: Initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 54956.9: two (2) cases

Conference with legal counsel for Public Employee Performance Evaluation – Title: General Manager Employee Performance Review – anticipated litigation: Initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 54957

The Board adjourned to closed session at 10:15 a.m., and the open session reconvened at 12:00 p.m. There was no reportable action.

**VI. CLOSING PROCEDURE**

**A.** Suggested Items for Next/Future Agenda: None

**B.** The next Meeting of the Board of Directors is scheduled for March 20, 2018 at the Borrego Water District. There being no further business, the Board adjourned at 12:00 p.m.



BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING – APRIL 25, 2018  
AGENDA BILL 2.A

April 18, 2018

TO: Board of Directors, Borrego Water District  
FROM: Geoff Poole, GM  
SUBJECT: Adopting the Emergency Water Shortage Ordinance No. 18-01

**RECOMMENDED ACTION:**

Approve Ordinance No 18-01

**ITEM EXPLANATION:**

Prior to holding the Public Hearing on the Emergency Shortage Declaration, the Board needs to adopt the Emergency Water Shortage Ordinance. This item does not require a Public Hearing.

**FISCAL IMPACT**

N/A

**ATTACHMENTS –**

1. Ordinance No. 18-01 RELATING TO WATER SHORTAGES AND WATER SHORTAGE EMERGENCIES

ORDINANCE NO. 18-01 OF THE BOARD OF DIRECTORS OF THE  
BORREGO WATER DISTRICT RELATING TO WATER  
SHORTAGES AND WATER SHORTAGE EMERGENCIES

WHEREAS, California Constitution article X, section 2 and California Water Code section 100 provide that because of conditions prevailing in the state of California (the “State”), it is the declared policy of the State that the general welfare requires that the water resources of the State shall be put to beneficial use to the fullest extent of which they are capable, the waste or unreasonable use of water shall be prevented, and the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and the public welfare; and

WHEREAS, the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin (the “Basin”) serves as the sole source of water supply to Borrego Water District (the “District”) and its customers; and

WHEREAS, the State Department of Water Resources (“DWR”) has declared the Basin to be in a state of critical overdraft (DWR Bulletin 118, Basin No. 7-24); and

WHEREAS, under the Sustainable Groundwater Management Act (“SGMA”), a groundwater sustainability plan (“GSP”) for the Basin must be adopted and submitted to DWR no later than January 31, 2020 and the sustainability goals for the Basin must be achieved within twenty (20) years of implementation of the GSP; and

WHEREAS, pursuant to California Water Code section 106, it is the declared policy of the State that the use of water for domestic use is the highest use of water and that the next highest use is for irrigation; and

WHEREAS, under Water Code sections 377.5, 35423, and 35424, the District has authority to adopt rules and regulations for the sale and distribution of water, including provisions for terminating the service of and imposing fines and penalties upon water users who do not comply with such rules and regulations; and

WHEREAS, pursuant to California Water Code section 375 through 378, the District is authorized to adopt and enforce a water conservation program to reduce the quantity of water used by persons within its jurisdiction for the purpose of conserving the water supplies of the District and impose civil administrative and volumetric penalties for the violation of any such conservation program rules and regulations; and

WHEREAS, the total water supply available to the District is dependent upon rainfall in higher elevations; and

WHEREAS, in periods of insufficient natural groundwater recharge it may be necessary for the District to declare a water shortage or a water shortage emergency; and

WHEREAS, pursuant to Water Code sections 350 through 359, the Board of Directors (“Board”) of the District is authorized to declare a water shortage emergency whenever the Board finds and determines that the ordinary demands and requirements of water users cannot be satisfied without

depleting the water supply of the District to the extent that there would be insufficient water for human consumption, sanitation and fire protection; and

WHEREAS, in the event the District determines that it is necessary to declare that a water shortage or a water shortage emergency exists, the District will be authorized to implement certain water shortage response and demand management measures and a water conservation and regulatory program to regulate water consumption activities within the District and ensure that the water delivered in the District is put to beneficial use for the greatest public benefit, with particular regard to domestic use, including human consumption, sanitation, and fire protection, and that the waste or unreasonable use of water is prevented; and

WHEREAS, the District is authorized to prescribe and define by ordinance or resolution restrictions, prohibitions, and exclusions for the use of water during a threatened or existing water shortage and adopt and enforce a water conservation and regulatory program to: (i) prohibit the waste of District water or the use of District water during such period; (ii) prohibit the use of water during such periods for specific uses that the District may from time to time determine nonessential; and (iii) reduce and restrict the quantity of water used by those persons within the District for the purpose of conserving the water supplies of the District; and

WHEREAS, it has been estimated that more than half of residential water use in many parts of California is used to irrigate lawns and outdoor landscaping; and

WHEREAS, the District has determined that during water shortages, the use of outdoor water for irrigating lawns and certain other outdoor landscaping is not essential to public health and safety, and may be an unreasonable use, an unreasonable method of use, or a waste of water; and

WHEREAS, during a water shortage the greatest reductions in water usage may best be achieved by single-family residential customers and customers with dedicated irrigation meters by reducing the amount of discretionary, nonessential use of potable water to irrigate lawns and landscaping; and

WHEREAS, water use by commercial and industrial customers is generally non-discretionary in that the water used is almost exclusively used for purposes such as product development, production processes and other market conditions, and as such, penalties are not likely to result in increased conservation for non-essential uses; and

WHEREAS, commercial and industrial customers water use varies across all business types and industries, and such customers ordinarily have limited discretionary water use; and

WHEREAS, to secure compliance with the rules and regulations that may be established during a water shortage emergency, and assure important public policy objectives are achieved for the reduction of water usage during such severe and critical water shortages, the District is proposing to establish and impose penalties for excessive water usage by single-family residential customers and customers with dedicated irrigation meters when the District has declared a water shortage emergency, as such term is defined herein; and

WHEREAS, to protect the water resources of the District, the District has and will continue to: (i) implement any supply augmentation measures that are economically feasible; and (ii)

reduce any leaks to its municipal distribution system that are technically and economically warranted in order to reduce the potential impact on ratepayer's End User Requirements under this Ordinance.

NOW, THEREFORE, the Board of Directors of Borrego Water District does ordain as follows:

Section 1. Water Shortage Conditions. A water supply shortage ("Water Shortage") is deemed to exist within the District when the Board determines that the water supply conditions within the District are insufficient to meet normal municipal water demands, potential future municipal water demands based on San Diego County (the "County") zoning and/or subdivision approvals within the District's service area, or when the State mandates water use reductions within the District's municipal service boundaries. A water shortage emergency ("Water Shortage Emergency") is deemed to exist within the District whenever the Board finds and determines that the ordinary demands and requirements of water users cannot be satisfied without depleting the available water supply of the District to the extent that there may be insufficient water for human consumption, sanitation, and fire protection. A Water Shortage Emergency includes both an immediate emergency, in which the District is unable to meet the current water needs of persons within the District, as well as a threatened water shortage, in which the Board determines that the District's supply cannot meet an increased future demand.

Section 2. Demand Management.

(a) This Ordinance provides permanent water conservation and demand management measures that shall be in effect at all times within the District and temporary water conservation and demand management measures that may be implemented during a Water Shortage and/or a Water Shortage Emergency. The rules and regulations are necessary to respond to any significant reductions to the District's water supply as a result of drought, natural disasters, regulatory action, and a planned or unplanned Water Shortage or Water Shortage Emergency. The Board may by the resolution or ordinance declaring a Water Shortage or Water Shortage Emergency implement any other water conservation or demand management measure or measures it deems appropriate based on the water shortage conditions prevailing in the District or as directed or ordered by the State. The longer a Water Shortage or Water Shortage Emergency persists, or the more severe the Water Shortage or Water Shortage Emergency becomes, the more stringent the water conservation and demand management measures may become.

(b) Additional water conservation and demand management measures may be based on the amount and availability of water, as well as operational considerations. Operational considerations include, but are not limited to, the District's ability to meet actual and anticipated customer demands, sanitation, and fire-fighting demands, as well as State-mandated reductions in water use within the District.

(c) When the Board has determined that it is necessary to declare a Water Shortage Emergency, the Board shall hold a public hearing in accordance with Water Code sections 350 through 352. At the hearing, users of District water will have an opportunity to be heard relative to the proposed declaration by the Board that a Water Shortage Emergency exists within the District. Following the public hearing and upon a Board declaration, in the form of a resolution or ordinance, that a Water Shortage Emergency exists, all water users within the District shall restrict their use of water supplied by the District in accordance with the applicable water

conservation and demand management measures set forth herein and in the ordinance or resolution declaring the Water Shortage emergency, as determined by the Board. Upon the adoption of the Water Shortage Emergency ordinance or resolution, the District's General Manager shall be authorized to implement and enforce the water conservation and demand management measures set forth therein.

(d) To ensure that landscape projects are not unduly water-needy and to conserve regional water resources, the District strongly encourages the installation of vegetation meeting Water Use Classifications of Landscape Species with low or very low watering needs for low desert regions for any new or rehabilitated landscaping within the District.

#### Section 4. Mandatory End User Requirements.

(a) As required by water conservation regulations adopted by the State Water Resources Control Board, to prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited at all times, 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;
- (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;
- (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; and

(9) Any other activity that constitutes a waste of water.

(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.

Section 5. Water Shortages.

(a) Upon the declaration of a Water Shortage:

- (1) Users of District water shall eliminate water leaks on their property.
- (2) Users of District water will be requested to voluntarily limit the quantity of water used to that amount absolutely necessary for domestic and commercial purposes. Users should take all steps necessary to prevent the waste of water and to assure that all water is beneficially used to the maximum extent possible.
- (3) If voluntary conservation measures do not produce the District's conservation goals, additional mandatory municipal water conservation and demand management measures may be applicable based on the actual or potential Water Shortage conditions prevailing in the District or as directed or ordered by the State.

Section 6. Water Shortage Emergencies.

(a) Upon the declaration of a Water Shortage Emergency:

- (1) Users of District water shall eliminate water leaks on their property within seventy-two (72) hours of when the leak is detected.
- (2) Users of District water may be required to limit the quantity of water used to that amount absolutely necessary for domestic, commercial, and irrigation purposes.
- (3) Users should take all steps necessary to prevent the waste of water and to assure that all water is beneficially used to the maximum extent possible.
- (4) If mandatory limitations in the quantity of water are implemented and do not produce the District's conservation goals or State-mandated water use reduction goals or restrictions, additional mandatory water conservation and demand management measures may be applicable based on the actual or potential Water Shortage Emergency conditions prevailing in the District or as directed or ordered by the State. Additional mandatory limitations may include, but are not limited to:

(A) Prohibiting the issuance of construction meters and the use of potable water for earth work, road construction purposes, dust control, compaction, or trench jetting;

(B) Limiting the time of day and the period of time that water users may irrigate outdoor landscaping, or prohibiting all outdoor watering and irrigation of lawns and ground cover, and landscaping with potable water; and

(C) Prohibiting the filling or refilling of swimming pools, spas, ponds, streams, and artificial lakes.

(b) Upon the declaration of a Water Shortage Emergency, the General Manager shall implement the provisions of such declaration as well as any additional rules and regulations that accompany such declaration. The Board may also deny applications for new or additional water service connections, subject to any rules, regulations or policies adopted by the Board.

#### Section 7. Violations and Penalties.

(a) Failure to comply with any mandatory water conservation and demand management measure, restriction, rule, or regulation set forth in this Ordinance, or as adopted by the Board by a resolution or ordinance declaring a Water Shortage or Water Shortage Emergency, shall result in a volumetric penalty or an administrative penalty.

(b) If mandatory limitations in the quantity of water that may be used by water users are implemented, the District may impose volumetric penalties for violations of the water use limitations.

(c) Violations of the water use restrictions and prohibitions set forth herein may result in the following actions.

(1) Violations of any of the water use restrictions set forth in Sections 4, 5, and 6 shall be cumulative.

(2) All notices of violation shall be directed to the customer of record and property owner for the premises where the violation was observed.

(3) Notice of Violation. The General Manager is authorized and directed to issue a written notice of violation to any person who fails or refuses to comply with any water use restriction set forth herein. The notice shall specify the nature of the violation and whether an administrative penalty or volumetric penalty is being imposed.

(A) Administrative Penalties. The administrative penalty shall be a fine in the amount of \$200 for each violation, which shall be added to the water bill for the period in which the violation occurred. Failure to make payment of the entire amount due, including the administrative penalty, shall subject the person to the



normal consequences for failure to timely pay a water bill as set forth in the District's Rules and Regulations.

- (B) Volumetric Penalties. Volumetric penalties shall be imposed in an amount based on the formula adopted by an ordinance or resolution of the Board and shall be added to the water bill for the billing cycle in which the violation occurred. Failure to make payment of the entire amount due, including the volumetric penalty, shall subject the person to the normal consequences for failure to timely pay a water bill as set forth in the District's Rules and Regulations

Section 8. Appeal Provisions. A water user may file a request for relief from any provision of this Ordinance, which request shall be submitted in writing to the General Manager and shall include all information necessary for resolution of the request.

(a) The General Manager may grant relief from the provisions of this Ordinance if he or she determines that the requested relief is necessary to protect public health, sanitation, safety or the welfare of the water user requesting relief of the District. The General Manager may deny or approve, in whole or in part, the request for relief. Within a reasonable period of time, the water user will be notified of the General Manager's decision in writing.

(b) A water user has the right to appeal the General Manager's decision to the Board. The appeal must be in writing and received by the District within ten (10) days of the date of delivery of the General Manager's decision. The appeal shall be considered by the Board within a reasonable period of time from the date the timely appeal is filed. The water user shall have the right to personally appear before the Board as part of the appeals process. The Board may, at its discretion, affirm or modify the General Manager's decision and impose any conditions it deems proper. Written notice of the Board's decision shall be furnished to the water user. The decision of the Board shall be final.

Section 9. Conflicting Provisions. If provisions of this Ordinance are in conflict with each other, other rules and regulations of the District, any other resolution or ordinance of the District, or any State law or regulation, the more restrictive provisions shall apply.

Section 10. Severability. If any provision, section, subsection, sentence, clause or phrase or sections of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the invalidity of the remaining portions of sections of this Ordinance shall not be affected, it being the intent of the Board in adopting this Ordinance that no portions, provisions, or regulations contained herein shall become inoperative, or fail by reason of the unconstitutionality of any other provision hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

THIS ORDINANCE shall become effective immediately upon adoption.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Borrego Water District held on the 25th day of April 2018, by the following vote:

**Ayes:**

**Noes:**

**Absent:**

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**Board President**

**ATTEST:**

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**Board Secretary**

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING – APRIL 25, 2018  
AGENDA BILL 2.B

April 18, 2018

TO: Board of Directors, Borrego Water District  
FROM: Geoff Poole, GM  
SUBJECT: PUBLIC HEARING: Ordinance Declaring Water Shortage Emergency- S Anderson

**RECOMMENDED ACTION:**

Hold public hearing and receive comment on Ordinance Declaring Water Shortage Emergency

**ITEM EXPLANATION**

The detailed language has been discussed at a number of previous BWD Board Meetings and the attached Ordinance No. 18-02 declares a Water Shortage Emergency within BWD.

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

1. Ordinance 18-02 Declaring Water Shortage Emergency

ORDINANCE NO 18-02 OF THE  
BOARD OF DIRECTORS OF BORREGO WATER DISTRICT DECLARING  
A WATER SHORTAGE EMERGENCY

WHEREAS, Borrego Water District (“District”) adopted Ordinance No. 18-01 regarding water conservation and water shortages (“Water Shortage Ordinance”) on April 25, 2018; and

WHEREAS, Water Code, section 350 et seq. and Section 5 of the Water Shortage Ordinance authorize the District Board of Directors to declare a water shortage emergency, upon the Board making certain findings; and

WHEREAS, Water Code, sections 35453 et seq. provide the District Board of Directors with flexibility to determine water service priorities in the event of a water shortage; and

WHEREAS, the Borrego Springs Subbasin of the Borrego Valley Groundwater Basin (the “Basin”) serves as the sole source of supply to the District and its customers; and

WHEREAS, the State Department of Water Resources (“DWR”) has declared the Basin to be in a state of critical overdraft (DWR Bulletin 118, Basin No. 7-24); and

WHEREAS, under the Sustainable Groundwater Management Act (“SGMA”), a groundwater sustainability plan (“GSP”) for the Basin must be adopted and submitted to DWR no later than January 31, 2020 and the sustainability goals for the Basin must be achieved within twenty (20) years of implementation of the GSP; and

WHEREAS, numerous reports and studies, including the United States Geological Survey (USGS) study: *Hydrogeology, Hydrogeologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County* (2015), have concluded that the Basin is in a state of overdraft and that far more water is extracted from the Basin on a short-term and long-term basis than recharges the Basin;

WHEREAS, given the above circumstances, the District Board of Directors has concluded that the ordinary demands and requirements of water consumers within the District cannot be satisfied without depleting the District’s water supply, to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, the Board of Directors has concluded that there exists a Water Shortage Emergency.

NOW, THEREFORE, be it ordained by the Board of Directors of the Borrego Water District, as follows:

**Section 1.** The Board of Directors finds and determines that the ordinary demands and requirements of District water consumers as well as expected future demands cannot be satisfied without depleting the water supply of the District to the extent that there would be insufficient water for human consumption, sanitation, and fire protection. In addition, portions of the Basin’s water supply are adversely affected by poor water quality.

**Section 2.** The Board of Directors hereby declares a water shortage emergency under Sections 3(c), 5 and 6 of the Water Shortage Ordinance and Water Code section 350 et seq.

**Section 3.** The Board of Directors hereby directs the General Manager to implement the conservation measures identified in Sections 4, 5, 6 and 7 of the Water Conservation Ordinance.

**Section 4.** The Board of Directors hereby adopts the policy statement attached hereto as Exhibit “A” and the guidelines attached hereto as Exhibit A.1 regarding water supply availability for new development.

**Section 5.** This Declaration has been adopted, following a Public Hearing, which was noticed at least seven (7) days prior to the date of the Public Hearing in the *Borrego Sun* newspaper. This Declaration is effective as of April 25, 2018.

**Section 6.** The Board of Directors has determined that future changes to Exhibits A and A.1 may be made by duly adopted resolutions or ordinances.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Borrego Water District held on the 25th day of April 2018, by the following vote:

**Ayes:**

**Noes:**

**Absent:**

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**Beth Hart**

**Board President**

**ATTEST:**

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**Joe Tatusko**

**Board Secretary**

## EXHIBIT A

### BORREGO WATER DISTRICT POLICY STATEMENT REGARDING EMERGENCY WATER SHORTAGE DECLARATION

The Borrego Water District (“District”) and the County of San Diego (“County”), acting as members of the groundwater sustainability agency (“GSA”) for the critically overdrafted Borrego Springs Subbasin of the Borrego Valley Groundwater Basin (“Basin”), are currently preparing a groundwater sustainability plan to meet the requirements of the Sustainable Groundwater Management Act (“SGMA”) for the Basin. SGMA requires that a groundwater sustainability plan (“GSP”) for the Basin be adopted and submitted to the California Department of Water Resources no later than January 31, 2020.

As part of the GSP preparation process, the GSA members are acting very closely with numerous citizens and constituencies within the Borrego Springs community. For many years, the focus of discussion has been on establishing mechanisms to bring Basin pumping more into balance with the volume of water that naturally recharges the Basin. All parties concerned recognize the very significant challenges and multiple interests associated with this effort.

One aspect of a potential solution has been the idea that conservation and efficiency of use of water resources by all sectors of the community should be paramount. With the adoption of the District’s Water Shortage Ordinance and the Ordinance Declaring a Water Shortage Emergency, the District Board of Directors is forcefully proclaiming its commitment to water conservation and efficiency, consistent with the California Constitution and California law.

Another aspect of a potential solution to the community’s and new development’s water supply needs is the voluntary transfer, over the longer term, of verifiable, documented water supplies from the agricultural community to serve new development, for the benefit of domestic and other users.

Concerns have also been raised that Basin groundwater levels, supplies and quality (in some locations) will further and potentially irretrievably diminish before the GSP is adopted and fully implemented.

Under California law, in its role as a public water agency, the District’s primary role is to provide water supplies to its existing customers. At the same time, in its role as a water agency, the District intends to encourage and facilitate responsible new development. In its role as one of two members of the Borrego Valley Basin GSA, the District is also required to bring the Basin into sustainability by no later than 2040.



The District Board of Directors believes that the most efficient and appropriate mechanism for ensuring sufficiency of water supplies for new development is for a voluntary, market-based system to be established to facilitate the transfer of water from overlying uses to municipal or other uses associated with new development. The transfer of such supplies must be verifiable conveyances of “wet” water, rather than transfer of paper water or water supplies beyond the safe yield of the Basin.

In the view of the District, it is incumbent upon new development to acquire sufficient water supplies for transfer and use by the District to establish that such new development will not have an adverse impact upon the Basin or water supplies available to the District and its existing customers. This fundamental requirement flows from the basic mandates of California law related to water supply availability, environmental impacts (i.e., the California Environmental Quality Act (“CEQA”)), and the Water Code.

In the view of the District, one significant hurdle to establishing a market for water rights relates to legal uncertainties related to transferring water/water rights from landowners (i.e., overlayers) to new development (i.e., municipal uses).

The District anticipates that the GSP will attempt to address a potential water market as a mechanism to try to reach Basin sustainability. However, the structure of such a market will be a product of collective decision-making. Only if attempts to reach a mutually beneficial resolution are not reached does the District anticipate that the GSA would be obligated to consider resolving the issues as a regulatory matter or as a last resort to rely on the State Water Resources Control Board to enforce SGMA regulations.

One important factor is determining how the community can ensure that Basin water rights are both verified and freely transferrable. One potential avenue the District encourages the community to explore is establishing and confirming the transferability of water rights through available legal means, such as through validation of the ultimately approved GSP and/or having a court approve a stipulated judgment among Basin water rights holders directly recognizing water rights transferability.

The District further believes that land use decisions undertaken by the County must more fully and directly recognize the challenging water supply situation faced by the Borrego Springs community and the District. This recognition is required not only by common sense, but also by CEQA and other applicable law. The District desires to act compatibly with the County on water supply issues related to new development. This aim can be best achieved through deeper collaboration between the two parties, with the understanding that consideration of new development applications and other land use decisions by the County in the Borrego Springs region must be undertaken with a keen eye toward water supply availability issues.

To attempt to address a few of the above concerns in regards to how the District intends to review applications for Water and Sewer Service Availability Letters (“Will Serve Letters”) during the water supply

emergency period, the District adopts the following Guidelines Regarding Water Supply Availability for New Development (attached hereto as Exhibit A.1).

EXHIBIT A.1.

GUIDELINES REGARDING  
WATER SUPPLY AVAILABILITY FOR NEW DEVELOPMENT

Under Water Code, section 353, upon the adoption of an ordinance declaring an emergency condition of water shortage within its service area, the District is required to “adopt such regulations and restrictions on the delivery of water and the consumption within said area of water supplied for public use as will in the sound discretion of the [District Board of Directors] conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.” The District has determined that the Updated Policy on New Development will govern the District’s review of water and sewer service availability.

In its discretion, the District Board of Directors may add further regulations to enforce the emergency water shortage declaration, as it deems appropriate.

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BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING – APRIL 25, 2018  
AGENDA BILL 2.C

April 18, 2018

TO: Board of Directors, Borrego Water District  
FROM: Geoff Poole, GM  
SUBJECT: PUBLIC HEARING: Ordinance Adopting Developers Policy – S Anderson

**RECOMMENDED ACTION:**

Hold public hearing and receive comment on BWD Developers Policy

**ITEM EXPLANATION**

The detailed language has been discussed at a number of previous BWD Board Meetings and the attached Resolution No. 18-02 adopts an updated BWD Developers Policy

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

1. Resolution No. 2018-04-01 Adopting Developers Policy
2. Proposed Developers Policy

RESOLUTION NO 2018-04-01 OF THE  
BOARD OF DIRECTORS OF BORREGO WATER DISTRICT APPROVING THE DISTRICT'S  
UPDATED POLICY ON NEW DEVELOPMENT

WHEREAS, Borrego Water District (“District”) originally adopted the District’s Policy on New Development (the “Policy”) in 2005;

WHEREAS, since 2005 the Policy has been updated from time to time by the District Board of Directors in view of changing circumstances and changes in the law; and

WHEREAS, the District has determined it is appropriate to update the Policy once again in view of various events, including but not limited to progress made regarding the preparation of the groundwater sustainability plan for the Borrego Springs Subbasin.

NOW, THEREFORE, be it resolved by the Board of Directors of the Borrego Water District, as follows:

The Board of Directors hereby adopts the updated Policy on New Development attached hereto as Exhibit “A” .

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Borrego Water District held on the 25th day of April 2018, by the following vote:

**Ayes:**

**Noes:**

**Absent:**

\_\_\_\_\_  
**Beth Hart**

**Board President**

**ATTEST:**

\_\_\_\_\_  
**Board Secretary**

# 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

AMENDED: March 23, 2016

AMENDED: March 14, 2017

AMENDED: April 25, 2018

**Background:** The Borrego Water District (“District”) requires new development to pay its own way, so that current ratepayers are not asked to subsidize development projects. Sometimes, however, the District desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the system that benefits current and future ratepayers. Because these are differing directions, the differences can sometimes become blurred. The District therefore has attempted to resolve the issues with its updated 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 District to encourage responsible growth by requiring developers to install water and sewer transmission, distribution and collection lines at the developer’s expense, in addition to the assessment of capacity charges and connection fees for each new connection to pay for any improvements required to connect to the existing District system and the use of existing system capacity and any necessary expansion of available capacity, consistent with the most current District rate setting ordinance and rate study.

## **POLICY FOR WATER AND SEWER INFRASTRUCTURE FOR NEW DEVELOPMENTS**

*April 25, 2018*

This Policy outlines the procedures and obligations for any developer, contractor, property owner, and others (hereinafter “developers”) proposing new development of any size to meet the infrastructure requirements attendant to obtaining water and sewer service from the Borrego Water District (hereinafter “District”). The term “new development” includes: (i) any existing property currently connected to the District’s water or sewer system that increases its 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; and (ii) development requesting to connect to the District’s water or sewer system), whether or not approved by the County of San Diego (the “County”) under its land use authority.

This Policy addresses issues related to connection fees, capacity charges, exactions, and other District charges for new development. However, developers should primarily review the District’s most current rate-setting resolution / ordinance and rate study for the most up to date information on fees.

The District has adopted separate policies related to water supply for new development, including but not limited to the Borrego Water District Demand Offset Mitigation Water Credits Policy, as updated through District Resolution No. 2016-01-01 (WCP). The District’s review of requests for will serve letters for water and sewer service for proposed new development as well as related issues regarding ensuring water supply sufficiency for new development (collectively, “Water and Sewer Availability Letters”) will continue to be informed by the most updated version of the WCP, as well as other applicable laws and policies. The District also expects that the WCP and this Policy will be updated as necessary to comply with the finally approved groundwater sustainability plan for the Borrego Valley—Borrego Springs Subbasin (“Basin”).

### **1. Application of Policy**

This Policy provides information and general guidelines regarding the procedures for the District to process requests for Water and Sewer Availability Letters for new development. Water and Sewer Availability Letter requests will be reviewed for compliance with the requirements of the WCP and this Policy, including as to how such requests relate to infrastructure needed to serve new development. However, any request for a Water and Sewer Availability Letter may be subject to review on a case-by-case basis, in the sole discretion of the District. The District Board of Directors reserves the right to review and approve/disapprove all requests for Water and Sewer Availability

Letters. The District Board of Directors also reserves the right to process requests for Water and Sewer Availability Letters by way of separate agreement between the District and the any developer.

When a developer requests a commitment for water and sewer service for 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”, or any other residential, commercial or other project 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 production, treatment, collection or distribution systems and/or to the District’s sewer treatment plant or collection system, such requests will always be considered on a case-by-case basis. The District may modify or add to the provisions of this Policy in reviewing an application from any new development project. It is also suggested that developers review any applicable County of San Diego requirements related to water, including but not limited to the County Groundwater Ordinance, with the understanding that the District’s requirements are distinct from (though in many cases consistent with) those imposed by the County. Developers should also be aware that the District is and will not be under any obligation to provide sewer or water service to new development unless and until all District requirements are met, to the satisfaction of and with written approval of the District.

## 2. Application for Water and Sewer Service

(a) To begin the process of seeking District water/sewer service, the developer must obtain an Application for Water and Sewer Service (the “Application”) from the District. With the Application the developer shall submit a preliminary plat of the new development which shall include the number of lots to be served, the type of units to be built within the new development, the size of the lots in the new 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. The developer shall provide any other information requested by the District that the District deems necessary to determine the District facilities needed for or impacted by the new development.

(c) When the Application requests water and sewer service for a major subdivision or larger new development, the developer shall pay a deposit (the “Deposit”) based upon a fee schedule set by the Board of Directors. The District General Manager also has the discretion to seek a Deposit from new development smaller than a major subdivision seeking District service. The District General Manager shall have discretion to modify the amount of the Deposit, depending upon the size, nature, and any other circumstances affecting the proposed new development project. The



Deposit shall cover the anticipated cost to the District of reviewing the new development project, obtaining any engineering report on the feasibility of the water and sewer service requested for the new development 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 Deposit shall be replenished by the developer in the event it is fully utilized by the District. The District may refuse to continue processing the Application until the Deposit is replenished. Any unused Deposit shall be refunded to the developer within 60 days after the developer gives written notice to the District that the subject new development has been completed or is no longer going forward. The Deposit will be utilized to offset all District expenses related to the Application, including, but not limited to, staff, consultant, and legal costs.

(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 Deposit is paid, the District will determine, with the assistance of the District's engineer as necessary, 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 serving the developer's new development and the infrastructure required to provide water and sewer service to the new development. Further information about the process for the District to accept developer improvements into the District water and/or sewer system is described in Sections 4 and 5, below. As noted above, the District may condition the provision of water / sewer service on the developer entering into a separate agreement with the District regarding such service.

### 3. Conditions on Availability of Water and Sewer Service

(a) The District, in its sole discretion, has the right to issue, or not issue, a Water and Sewer Availability Letter to any new development. If issued, such letters shall be valid for a maximum of 2 (two) years; provided, however, that unexpired Water and Sewer Availability Letters may be extended for further periods of no more than two years, upon request of the developer and approval of the District Board of Directors. If a Water and Sewer Availability Letter expires, the developer will be required to begin the Application process anew, unless otherwise determined by the District Board of Directors. A Water and Sewer Availability Letter may be revoked or not honored

unless and until the developer enters into any required contracts with the District and timely pays all applicable District fees and charges related to the new development.

(b) The District's consideration of a request for a Water and Sewer Availability Letter shall be subject to actual availability of groundwater supply to serve the new development per the WCP and other applicable policies, the developer's commitments to enter into needed agreements with the District, the developer and the District agreeing as to the infrastructure needed to serve the proposed new development, any other District policies or ordinances in place at the time the Application / request for Water and Sewer Availability Letter is submitted, and any other matter deemed applicable by the District, including the existence of a water shortage or water shortage emergency being declared by the District, including any related regulations, policies or guidelines adopted by the District Board of Directors.

(c) Under no circumstances will a County of San Diego Planning and Development Services PROJECT FACILITY AVAILABILITY – WATER form or comparable form or forms, whether or not signed by the District, constitute a Water and Sewer Availability Letter that is binding upon the District. Only a Water and Sewer Availability Letter issued by the District under the process guidelines described herein will be honored by the District.

(d) In determining whether water and sewer service is available for a particular proposed new development, the District may require that the developer provide an accurate projection of the water demand and sewer demand and treatment needs, by a registered engineer, for the entire new development or any phase thereof requested to be served by the District within the Application.

(e) The District may issue any Water and Sewer Availability Letter with limitations or conditions on the maximum amount of water that may be provided to the new development and the maximum amount of (estimated) wastewater that can be collected and treated for the new development. Any maximum limits on water and sewer service for the new development shall be included in the Water and Sewer Availability Letter or water service contract with the developer..

#### 4. Water and Sewer Service Contract

(a) Before water and sewer system improvements are installed for any new development, the District, with the assistance of the District's legal counsel if necessary, prepare a contract regarding developer-funded improvements needed to serve the new development as further described in Section 5, below, or incorporate such requirements into the District-developer agreement referenced in Section 2(f), above.

(b) The District may incorporate in such District-developer contract the maximum amount of water that can be furnished and the maximum amount of wastewater from the project/new development 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 projected demand during the build out of the new development, the District shall have no obligation to furnish water or provide wastewater collection and treatment services in excess of the amounts set forth in the water and sewer service contract / Water and Sewer Service Availability Letter. Any request for water and sewer service in excess of the amounts projected by the developer and included in the such contract shall be treated as a new request for water and sewer service under this Policy.

(c) Any District-developer 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. All construction and installation work shall be performed by qualified contractors licensed in the State of California. The developer shall execute an agreement with the District establishing its obligations related to the water and/or sewer system improvements, as described herein. In addition, the developer shall indemnify and hold the District free and harmless from any claims, demands, losses, damages, or expenses that may directly or indirectly result from the developer's construction, maintenance, use, or repair of water and sewer system improvements, including any loss, damage or expense arising out of (1) loss of or damage to property; and (2) injury to or death of persons, except for any loss, damage, or expense resulting from the sole negligence or willful misconduct of the District, its directors, officers, agents, or employees.

(b) Notification of Construction. The District shall be notified at least forty-eight (48) hours before construction is to begin regarding developer installation of water or sewer improvements sought to be later dedicated to the District. 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. The District's review of plans and inspection of such

facilities during instruction shall, as with all other costs absorbed by the District in acting upon an Application, be reimbursable to the District through the Deposit arrangement described above.

(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 ordinarily accept dedication of the completed improvements, subject to the developer completing all necessary legal documentation to transfer ownership of such facilities as well as any attendant easements or access rights. Permanent monuments previously installed which are removed, altered, or destroyed during construction of the improvements shall be properly reinstalled by the developer prior to the District's acceptance of the 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 not accept any facilities that are subject to any liens or other legal or financial constraints. 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, prepared 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 acceptance of such facilities, and any separately approved 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 at least 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. Notwithstanding the foregoing, the developer's warranty obligations shall not be construed to limit the rights and remedies available to the District at law or in equity, including but not limited those prescribed by Code of Civil Procedure section 337.15.

(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, unless otherwise determined by the District. 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

New development shall be responsible for paying all applicable District fees and charges before water or sewer service will commence. These fees and charges are set out in the most current District resolution or ordinance establishing fees, including but not limited to sewer and

water connection and capacity fees, meter fees, and impact fees for sewer and wastewater treatment infrastructure.

7. Approval of Final Plat

The District will not sign a “Final Plat” of the development for submission to the County 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, any District-required 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 to these requirements must be specifically approved by the District 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.

(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, grading, constructing on and recording the acquisition documents for the real property will be paid by the developer, including, but without limitation, the consideration paid to the land owner.

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) inch.

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than  $\frac{3}{4}$  inch in size, except where prior arrangements have been made with the District for apartment complexes, other types of multi-family dwellings, or businesses.

(c) Consistent with Senate Bill 7 (2016), as a condition of new water service, each newly constructed multi-unit residential structure or newly constructed mixed-use residential and commercial structure for which an application for one or more water service connections is submitted after January 1, 2018, shall measure the quantity of water supplied to each individual residential dwelling unit, unless exempt under applicable law. The measurement may be by individual water meters or submeters. The owner of the structure shall install individual meters or submeters that comply with all laws and regulations governing the approval of meter types or the installation, maintenance, reading, billing, and testing of meters, including, but not limited to, the California Plumbing Code and California Water Code. Except as otherwise provided by law or District policy, the owner shall read submeters.

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 the State of California and the county highway department for San Diego County.

12. Bonds

Before beginning construction, the developer or its contractor shall furnish the District with a performance bond in an amount equal to the cost of construction of District-required improvements and, if the project is more than \$25,000, a labor and material payment bond in an amount equal to one hundred percent (100%) of the performance bond. The bonds shall be on forms provided by the District and secured from an admitted surety company as defined in Code of Civil Procedure section 995.120, authorized to do business in the State of California and acceptable to the District. To the extent permitted by law, the District, in its sole discretion, at any time may reject any bond or require the developer or its contractor to replace any bond or surety at the developer's or its contractor's own cost if the surety fails to meet the requirements of Code of Civil Procedure section 995.660. The bonds shall remain in effect throughout the duration of the work and expire by operation of law in accordance with California law.

13. 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, not resolvable informally shall be governed by the developer's agreement with the District and submitted to the Board of Directors, which may appoint a subcommittee of the board to negotiate the controversy or claim.



BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING – APRIL 25, 2018  
AGENDA BILL 2.D

April 18, 2018

TO: Board of Directors, Borrego Water District  
FROM: Geoff Poole, GM  
SUBJECT: Fats, Oils and Grease Policy Update – G Poole

**RECOMMENDED ACTION:**

Adopt FOG Policy

**ITEM EXPLANATION**

In late 2018, the BWD Board reviewed a Draft revised FOG program for BWD sewer customers. Prior to taking action on the Policy, the Board directed staff to develop the program and meet with the Food Service Establishment (FSE) operators and explain the Program.

In an effort to prevent sewer collection system blockages due to FOG build up, the most significant change to the program is the new requirement that all fats oils and grease must be collected, stored on site in approved barrels and disposed of properly with the appropriate paperwork. In addition, the grease traps must be inspected by the FSE on a daily basis. BWD will continue to inspect/monitor the FSEs to ensure the quantities of grease found in the traps and storage barrels is reflective of the amount of FOG produced. Roy Martinez has met with all FSE and informed them of the new requirements.

**FISCAL IMPACT**

TBD: Prevention of FOG related impacts

**ATTACHMENTS**

Fats, Oils and Grease Program

## **6. FOG CONTROL PROGRAM**

**Section (6.0.1):** The BWD controls fats, oils and grease (FOG) in its collection system through the implementation of the requirements contained in Section 7.4.4.D of the Administrative Code which prohibits the discharge of FOG from entering the District's collection system. The District implements this provision through monthly inspection of all grease traps located within the District. Any violators are given orders to have their grease trap pumped if it is found to be overloaded or causing a discharge in violation of the aforementioned Code.

The legal authority for the Borrego Water District (BWD) to operate and maintain the sanitary sewer is contained generally in the California Water Code, and mandated by both the State Water Resources Control Board and Regional Water Quality Control Boards of California. The orders and mandates of these authorities stipulate several waste discharge requirements for sanitary sewer systems. These orders and mandates are documented in the BWD Sewer System Management Plan (SSMP). The following is general information regarding grease traps in food service establishments. In general, the BWD has not experienced any problems with these substances under the present method of inspection and through coordination with the San Diego Department of Environmental Health, which also regulates the restaurants that are the primary source of these contaminants.

### **Program Background**

The District's Wastewater Division will permit and inspect grease and oil generating facilities to ensure control of discharges that may cause blockages. A Fats, Oil and Grease Control Program (FOG) is to be implemented by the District. It will include discharger education on the control of fats, oil and grease, and specific guidelines food facilities must follow. The program will be implemented by a District designated Industrial Waste Inspector. The California Regional Water Quality Control Board will require annual inspections and implementation of FOG control measures as a part of this recommended program as food service establishments are the largest non-domestic contributors of fats, oil and grease to the District's wastewater collection system.

Under the FOG program, the Food Service Establishment (FSE) is to document that each grease trap/interceptor is maintained to prevent FOG from entering the District's collection system. Inspections are to be conducted using an inspection form which addresses best management practices for the prevention of FOG discharges to the sewer. FSEs must maintain records of FOG program maintenance and disposal. Restaurant protocols that eliminate FOG from entering inside drains are considered including employee training and documentation of grease trap/interceptor cleaning. Inspections of FOG program and maintenance records may be completed on-site during any hour of operation.

Additionally, less preventive maintenance and fewer sanitary sewer overflows caused by fats, oil and grease allow the District to perform other required infrastructure work.

### **(6.0.2) Guidelines for the Control of Fats, Oil & Grease**

As part of the District's FOG Program FSE's are provided the following guidelines as part of an inspection.

#### **General Measures**

- Train all restaurant/food service establishment staff on best management practices related to fat, oil and grease. Staff will be more willing to support an effort if they understand its basis. Trained staff will be more likely to implement best management practices and work to reduce grease discharges to the sewer.
- Train all staff how to properly dispose of grease or oils from cooking equipment and grease traps into a grease barrel or drum without spilling.
- Post "No Grease" signs above sinks. Signs serve as a constant reminder to staff of proper grease disposal practices. Reduction of grease entering the drain reduces the cleaning frequency of the grease removal device.
- "Dry wipe" pot, pans and kitchen equipment before cleaning. "Dry wiping" will reduce the amount of grease going into the grease removal devices and the sewer. This will reduce the cleaning frequency and maintenance costs for grease removal devices and reduce the amount of grease entering the drain.
- Use absorbents such as paper towels to pick up oil and grease spills prior to mopping. Decreases the amount of grease that will be put down the drain. This reduces the amount of grease entering the drain and protects sewers from grease blockages and overflows.
- Dispose of food waste as solid waste. Dispose of food waste to the trash. Solid waste disposal of food waste will reduce the frequency and cost of grease removal device cleaning.
- Use screens in sinks and floor drains to capture food waste and dispose of properly into the trash. Food waste can cause sewer lateral blockages. Proper disposal of food waste will protect laterals and sewer mains from blockages and overflows.
- Collect and recycle waste cooking oil. Excess oil is prevented from entering the grease removal device and the sewer. Reduction in the cleaning frequency of the grease removal device and less grease being passed to the sewer.

#### **(6.0.3) Grease Trap/Interceptor Maintenance/General**

- Complete grease trap or interceptor maintenance log to document cleaning intervals. Maintenance log can help your facility determine if cleaning frequency of the grease removal device is sufficient. A proper cleaning frequency will result in less grease accumulating in the lateral, fewer blockages and less pass through to the sewer lines.
- Inspect the Grease Trap daily and clean as needed using the appropriate equipment and place grease into barrel or drum. Contact barrel supplier when it is reaching 75% full for replacement.
- Clean grease traps at a frequency that will prevent the accumulation of grease or pass through to the sewer. Routine cleaning of the grease removal device ensures efficient

operations. Routine cleaning will prevent grease from passing through to the sewer lateral and from accumulating in the sewer mains.

- Use water temperatures less than 140° F in all sinks, especially in the pre-rinse sink. Temperatures above 140° F will dissolve grease, which will re-solidify in the sewer lines. Reduces costs for the energy to heat the water. Sewer lateral remains free of grease.
- Have a manager present during grease trap/interceptor cleaning to ensure the unit is properly serviced. The manager can ensure that the grease removal device is properly cleaned and no shortcuts are taken. Proper cleaning ensures that the grease removal device will function properly and efficiently.
- Do not store anything on or around the grease removal device that will block access. Proper maintenance is easier to complete if access to the grease removal device is not blocked. Routine maintenance is more likely to be performed if the grease removal device is easily accessible.
- Decanting or discharging of removed waste back into the grease interceptor from which the waste was removed or into any other grease interceptor, for the purpose of reducing the volume to be hauled is prohibited.

#### **(6.0.4) Outdoor Housekeeping/Storm Water Best Management Practices**

- Clean floor mats and exhaust filters and other equipment inside. Cleaning greasy equipment outside is one of the most common sources of fat, oil and grease in our storm drains. Grease and food waste will be properly disposed of and will not enter the storm drain where it will de-grade surface channel water quality.
- Sweep or mop outdoor surfaces. Sweeping and mopping outdoor surfaces will reduce non-storm water runoff and will save water. Elimination of non-storm water discharges that degrade water quality.
- Any water used to clean outside surfaces by contractors must be vacuumed up and properly disposed of to the sewer.
- Keep the area around the dumpster/trash storage clear of trash, debris, and grease. Debris, trash, and grease can be washed into the storm drain during the rainy season. Loose debris and trash will not enter the storm drain causing blockages and will not enter the waterways.

#### **(6.0.5) FOG Program Education**

Information on proper disposal of FOG and other SSO prevention measures, including house lateral maintenance, etc. is to be disseminated through brochures and flyers. The District would also utilize personal contacts with business owners by the District's appointed Industrial Waste Inspector. These methods have been proven to be very effective in relaying information on proper disposal of FOG and SSO prevention methods to FSEs. Expanded use of radio and television announcements and other aggressive means should be explored in the future, as well as a District website. A more aggressive public education and outreach program will be considered, if warranted.

**Section (6.1.0):**

**GREASE TRAPS/INTERCEPTORS IN FOOD SERVICE ESTABLISHMENTS/FACILITIES**

**Sub-Sections:**

**(6.1.1) Purpose.**

**(6.2.1) Conflict between these provisions and Uniform Plumbing Code.**

**(6.3.1) Definitions.**

**(6.4.1) Requirement for grease trap, grease interceptor, or other device.**

**(6.5.1) General regulations and procedures.**

**(6.0.1) Purpose.**

The purpose of this section is to set forth policies, procedures, and requirements for food service establishments governing the installation, maintenance, and use of grease traps, grease interceptors or other comparable devices which represent the best practicable control technology for fat, oil, and grease (FOG) removal, to control discharge of grease into the wastewater collection system and to establish procedures regarding implementation and enforcement of the regulations set forth in this chapter.

**(6.2.1) Conflict between these provisions and Uniform Plumbing Code.**

All new grease trap/interceptor installations shall be located outside the footprint of the food facility wherever possible. No garbage disposal connections are allowed. A separate grease trap interceptor is recommended for each dishwasher. All rules of the Uniform Plumbing Code must be followed. In the event of any conflict between the provisions of this chapter and the Uniform Plumbing Code, the provisions of this order shall prevail.

**(6.3.1) Definitions.**

“Fats, Oils, Grease” (FOG) means the collective fats, oils, and grease generated by an FSE. “Food service establishment” (FSE) ; means an establishment that prepares and/or sells food for consumption either on or off the premises, including, but not limited to, restaurants, sandwich shops, delicatessens, bakeries, or pizzerias. The term, as used in this chapter,

does not refer to food stores or establishments that do not prepare food on premises or process food in a manner so as to contribute grease to the sewer system.

“BWD” or “District” means the Borrego Water District.

“BWDSSMP” means Borrego Water District Sewer System Management Plan

“Gravity Grease Interceptor” (GGI) is a larger volume gravity grease removal system usually between 200-2000 gpm that is installed underground outside of a facility.

“Grease interceptor” means a device designed and installed to separate and retain deleterious, hazardous, or undesirable matter from normal wastes and to permit normal sewage or liquid wastes to discharge into the disposal terminal by gravity.

“Grease trap” means a device designed to retain grease from grease generating fixtures and piping.

“Hydro-mechanical Grease Interceptor” (HGI) previously referred to as a “grease trap” is a smaller volume grease removal system usually between 20 gpm and 100 gpm. Can be located inside or preferably outside the building and the food preparation areas.

#### **(6.4.1) Requirement for grease trap, grease interceptor, or other device.**

(a) A food service establishment, restaurant or any other business discharging grease, oil or other similar material shall have an operable Hydro-mechanical Grease Interceptor (HGI) or Gravity Grease Interceptor (GGI) as determined by the BWD and the County of San Diego (DEH for location outside of the building footprint of an FSE if logistically possible and Building Division for sizing on building permits). A properly sized interceptor or (HGI) shall be considered first, in conformity with the sizing guidelines set forth in the BWD grease trap policy. Should space limitations or other exceptional circumstances prevent their installation, BWD may grant exceptions to the requirement of grease traps or grease interceptors in this section. Generally, the BWD prohibits installation of a (GGI) unless exceptional circumstances require installation of a large volume gravity grease Interceptor (GGI). Jurisdiction for this requirement is mandated in the BWD Sewer Rules and Regulations Article VII section 7.4.5 titled Restaurant Grease Traps, which states: “Each restaurant connected to the sewer system shall properly install and maintain one or more grease traps to prevent prohibited substances, such as those described in Subsection 7.4.4 (the discharge of FOG in a concentration greater than 100 mg/l or containing substances which may solidify or become viscous at temperatures between 32 and 150 degrees Fahrenheit) from being discharged into the system. The District Engineer, (General Manager), or his authorized

representative shall determine (1.) the number, size, type and capacity of the grease traps for each restaurant (FSE), and (2) the method and frequency of cleaning of the traps to assure their proper working condition.

(b) All drains from food preparation and cleanup areas including, but not limited to, prewash sinks, floor drains, food waste disposal units, pots and pans sinks, scullery sinks, and garbage can wash areas shall be connected to such trap or interceptor. If the District determines it is not practical to install trap or interceptors on any of the aforementioned drains, disposal of any FOG is prohibited.

(c) Sizing Formula-The size of the grease trap/interceptor shall be as determined by the BWD on a case by case basis. Grease traps required by this chapter shall be no smaller than a **(75-gallon per minute flow rate and 150 lb capacity)**. The BWD uses the Plumbing and Drainage Institute (PDI) sizing method which calculates actual drainage loads, flow rates, drainage periods and maximum total capacity for all fixtures. A small volume tank (75 gpm/150 lb) installed outside of the building footprint with a barrel for professional sanitary disposal of the grease is ideal. If this cannot occur it must be placed outside of the food preparation area. The location will be determined by the District (BWD) as directed by the General Manager and the San Diego County Department of Environmental Health

(d) Existing grease traps, grease interceptors or similar devices.

(1) Any food service establishment or other business that, on or after January 1, 1999, installed grease traps, grease interceptors, or other grease pretreatment equipment to comply with the requirements of the BWDSSMP, shall not be required to upgrade such equipment until January 1, 2016, so long as such equipment remains in good working order. Should the grease trap, grease interceptor or other grease pretreatment equipment become nonoperational or fail to operate in good working order, a grease trap or interceptor meeting the standards set forth in this chapter shall be immediately installed.

(2) Notwithstanding the foregoing subsection (a)(1) of this section, any food service establishment or other business that, on or after, January 1, 1999, installed grease traps, grease interceptors, or other grease pretreatment equipment to comply with the requirements of the BWDSSMP, shall upgrade such equipment to meet the standards set forth in this chapter upon the change of ownership of the business in which the equipment is located, or upon the remodeling of the business in which the equipment is located. Remodeling of the business not requiring a building permit shall be exempted from the upgrade requirement. The remodeling shall not

be separated into phases for the purpose of avoiding the requirement of a building permit.

(e). Maintenance. The District will allow for in house maintenance however in cases where it has been determined maintenance is not adequate on more than one occasion, the District may require that the grease trap be cleaned professionally as needed.

**(6.5.1) General regulations and procedures.**

(a) When waste treatment is required pursuant to this chapter, an approved grease trap or grease interceptor complying with the provision of this chapter shall be installed in the waste line leading from sinks, drains, and other fixtures or equipment.

(b) A plumbing permit shall be obtained from the County of San Diego (Building Division) prior to the installation of a grease trap or grease interceptor. The food establishment must also obtain approval from the County of San Diego (Department of Environmental Health Food and Housing Division) to operate a food establishment in the County of San Diego.

(c) Each trap, interceptor, or comparable device required by this chapter shall have an approved volume not less than required by this chapter. Each new installation shall be required to install a sampling box. As stipulated in Section 7.4.4 D of the BWD administrative code the discharge of FOG in a concentration greater than 100 mg/l (ppm) is prohibited.

(d) Toilets, lavatories, and other sanitary fixtures shall not be connected to any grease trap, grease interceptor, or comparable device. Disposal of FOG or food waste into any toilet, lavatory and other sanitary fixture is prohibited.

(e) Location of Grease Traps, and Grease Interceptors.

(1) They shall be located outside buildings, unless a finding is made by the County of San Diego building inspector that the location of the building on the site or some other aspect of the use prevents an outside location and that placement within a building is not hazardous to public health and safety;

(2) They shall be located and maintained at all times so as to prevent electrical shock to workers/inspectors or electrical shorts in the FSE structure

(3) They shall also be located and maintained at all times so as to prevent the entrance of foreign materials, shall be easily accessible for cleaning inspection and removal of intercepted grease, and shall pose no hazard to public health or safety;



(3) If they are not designed in accordance with Uniform Plumbing Code (UPC) Section 711, they must be designed by a professional engineer, must be consistent with the standards of this chapter, and must be approved by BWD.

(f) Related Equipment.

(1) They shall be fitted with a standard service access cover or manhole. If a manhole is required, it shall be brought to grade and finished with standard manhole cover and ring;

(2) A sampling box shall be located on the discharge side.

(g) All discharging fixtures shall be individually trapped and vented in accordance with the UPC.

(h) They shall be constructed of durable materials and shall have a full-size gas-tight cover which can easily be removed.

(i) They shall not be installed until the type and/or model has been subjected to, and has fully complied with, tests acceptable to the chief building inspector. Where an existing grease trap or grease interceptor is found acceptable by the chief building inspector, such equipment will be allowed to remain in use. Whenever a grease trap or grease interceptor does not comply with the provisions of this chapter, the chief building inspector shall require corrective measures.

(j) Prohibited and/or Restricted Equipment.

(1) The installation and use of garbage grinders (disposals) in commercial-food establishments is prohibited;

(2) The connection of high-temperature/high-flow dishwashers to a grease trap or grease interceptor is prohibited; water temperature cannot exceed 140F. High water temperatures will enable dissolved grease to pass through the interceptor and solidify in the BWD wastewater collection system causing a potential blockage and/or a decreased flow rate.

(3) The use of enzymes or bacterial cultures designed to disperse grease is prohibited unless specifically approved in writing by the BWD.

(4) The use of degreasing chemicals and solvents entering the collecting system must be environmentally sustainable approved and will be monitored by BWD staff.

(k) After the effective date of the ordinance codified in this chapter, all establishments covered by this chapter shall install an approved grease trap or grease interceptor of sufficient size to prevent discharges into the sewer system.

(l) Maintenance-

(1) Traps and interceptors shall be maintained in efficient operating condition by periodic removal of the accumulated grease. No collected grease shall be introduced into any public or private drainage piping.

(2) Any grease trap or grease interceptor required by this chapter shall be readily accessible for inspection and properly maintained to assure that accumulations of grease or oil do not impair its efficiency or transport grease or oil into the sewer system.

(3) All food service establishments or businesses required under this chapter to install and maintain a grease trap or grease interceptor shall maintain a maintenance record for the grease trap or grease interceptor, which shall be transmitted to the BWD on a quarterly basis. This record shall include the date, quantity of FOG removed from the FSE, name of the person/company who performed cleaning and the disposal site of the waste. All FSE owners must sign a waste manifest form before having a waste load transported by a permitted hauler. The FSE owner shall also keep copies of the manifest form for a period of at least three years, and make all manifest records available for inspection by the District during normal business hours. Licensed haulers or an approved recycling facility must be used to dispose of waste cooking oil.

Grease traps shall be maintained free of all food residues and any FOG waste removed during the cleaning and scraping process. Grease traps shall be inspected periodically to check for leaking seams and pipes, and for effective operation of the baffles and flow regulating device. Grease traps and their baffles shall be maintained free of all caked-on FOG and waste. Removable baffles shall be removed and cleaned during the maintenance process.

All waste cooking oil and grease shall be collected and stored properly in recycling barrels or drums. Such recycling barrels or drums shall be maintained appropriately to ensure they do not leak.

The District will allow for in house maintenance however in cases where it has been determined maintenance is not adequate on more than one occasion, the District may require that the grease trap be cleaned professionally as needed.

Representatives from the FSE must be present to open and close the Grease Trap(s) during District inspections.

The record shall be posted in a conspicuous location and be available for review by the BWD's inspector at each routine inspection and at such other time as necessary to determine whether a particular establishment may be performing maintenance contrary to the provisions of this chapter.

(4) The BWD or its designee shall perform grease trap and grease interceptor inspections bi-annually, or more often at the discretion of the BWD should maintenance reports not be received or should a grease trap or grease interceptor fail to operate properly.

(5) In the event the BWD determines that a food service establishment or business required to install and maintain a grease trap either fails to maintain the maintenance record required by this section, or fails to maintain the grease trap as required by this section, the BWD may require the immediate installation of a grease interceptor.

(6) In the event a sewer spill, sewer main blockage or odor problem is reported and is determined to be caused by excessive grease generation BWD inspectors will investigate facilities contributing to the incident. A determination will be made as to which facilities contributed to the blockage, spill or odor problem. Subsequently more in-depth inspections of those facilities will be conducted where appropriate and additional requirements and/or procedures will be put in place. Where requirements are made for additional grease removal equipment or maintenance the facility (FSE) is given a date to comply. A notice of violation is issued once a facility has passed the final due date for compliance. Administrative hearings, permit revocation and termination of sewer service may occur for facilities who fail to comply.

(7) The District may require a FSE to construct and maintain in proper operating condition at the Food Service Establishment's sole expense, monitoring facilities and practices. The District may require a FSE to inspect and sample wastewater discharges of any Food Service Establishment to ascertain whether the intent of this Article is being met. The District may require the Food Service Establishment to submit waste analysis plans, contingency plans, and meet other necessary requirements to ensure proper operation and maintenance of the grease control device or grease interceptor and compliance with this Article.(m) Suspension or Termination of Health Permit- The BWD shall have the discretion

to request the County of San Diego Department of Environmental Health to terminate or cause to be terminated the health permit of any user if a violation of any provision of this chapter is found to cause a condition of contamination, pollution, nuisance, or other threat to public health or safety.

(n) Request for Ruling - If an applicant for a permit or the owner of a grease trap or grease interceptor disputes the interpretation or application of this chapter, he/she may request a written ruling from the General Manager of the BWD. The decision of the BWD General Manager shall be final for all purposes.

**\*\*End FOG Control Program\*\***

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING – APRIL 25, 2018  
AGENDA BILL 2.E

April 18, 2018

TO: Board of Directors, Borrego Water District  
FROM: Geoff Poole, GM  
SUBJECT: AT&T Cell Tower Adjacent to Rams Hill Development – G Poole

**RECOMMENDED ACTION:**

Discuss and direct staff as deemed appropriate

**ITEM EXPLANATION**

BWD has been working with AT&T and Rams Hill on the installation of the cell tower. As the project has evolved, the position of Rams Hill has also and they currently are opposing the project. BWD is still waiting for AT&T Legal review of BWD's proposed contract.

Staff is requesting direction from the Board on how to proceed.

**FISCAL IMPACT**

Compensation proposed by BWD in aforementioned Agreement is \$3,000/month

**ATTACHMENTS**

None

**BORREGO WATER DISTRICT**  
**BOARD OF DIRECTORS MEETING – APRIL 25, 2018**  
**AGENDA BILL 2.F**

April 18, 2018

**TO:** Board of Directors, Borrego Water District  
**FROM:** Geoff Poole, GM  
**SUBJECT:** Support for Ed Sprague on Local Agency Formation Commission Consolidated  
Redevelopment Oversight Board- G Poole/H Ehrlich

**RECOMMENDED ACTION:**

Authorize President Hart to cast a vote for Ed Sprague

**ITEM EXPLANATION**

The Local Agency Formation Commission Consolidated Redevelopment Oversight Board has openings and a request was received from Olivenhain MWD to support Ed Sprague. Directors Ehrlich is familiar with Ed's experience and he feels would make him a good choice.

**FISCAL IMPACT**

N/A

**ATTACHMENTS**

1. Info from OMWD and LAFCO

April 3, 2018

TO: Independent Special Districts in San Diego County

FROM: Tameron Luckett, Executive Assistant  
Special District Advisory Committee, Nominating Committee

SUBJECT: Revised Nominating Committee Report and Redevelopment  
Recommendations | San Diego County Consolidated Oversight  
Board Appointments

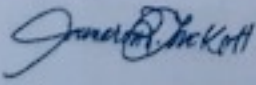
This is a corrected letter summarizing a letter that was sent on March 26, 2018 regarding the recommended nominations to the Special districts appointments to the San Diego County Consolidated Redevelopment Oversight Board (RDA). The changes are limited to correcting the special district name of one of the candidates.

- Hal Martin – ~~Valleeties Water District~~ (Vallecitos Water District)
- Julie Nygaard – Tri-City Healthcare District
- Bill Pommering – Padre Dam Municipal Water District
- Patrick Sanchez – Vista Irrigation District
- Edmund K. Sprague – Olivenhain Municipal Water District

The Nominating Committee's recommendation for each category follows:

- The Nominating Committee recommended **Edmund K. Sprague** (Olivenhain Municipal Water District) as the regular member.
- The Nominating Committee recommended **Hal Martin** (~~Valleeties Water District~~) (Vallecitos Water District) as the alternate member.

Should you have any questions, please contact me at (858) 614-7755.



Tameron Luckett  
Executive Assistant



**Board of Directors**  
Lawrence A. Watt, President  
Christy Guerin, Vice President  
Edmund K. Sprague, Treasurer  
Gerald E. Varty, Secretary  
Robert F. Topolovac, Director



**General Manager**  
Kimberly A. Thorner, Esq.  
**General Counsel**  
Alfred Smith, Esq.

March 9, 2018

To: Board Members and General Managers of Independent Special Districts in San Diego County

RE: Vote for Ed Sprague for the Consolidated Redevelopment Oversight Board

Dear Borrego Water District,

At its February 7, 2018 regular meeting, Olivenhain Municipal Water District's board unanimously nominated Mr. Edmund (Ed) K. Sprague for the Consolidated Redevelopment Oversight Board (Redevelopment Oversight Board) Special District Representative.

As a lifetime resident of northern San Diego County, Mr. Sprague has dedicated his entire career to advocating the needs of the public as well as serving his local community. He earned a bachelors and a masters degree in public administration from San Diego State University. Mr. Sprague has over 30 years of public service starting as a cadet firefighter for the City of Escondido in 1986. He ascended through the fire service ranks all the way up to Fire Battalion Chief for the Carlsbad Fire Department. He then transitioned into the role of Deputy Fire Chief for the North County Fire Protection District where he retired in 2015. After his dedicated career as a firefighter, Mr. Sprague has been able to focus on his passion of teaching and leading others as a Fire Technology Assistant Professor at Palomar College.

Mr. Sprague's support and commitment to special districts is perhaps most evident from the ten years that he has been actively involved with Olivenhain Municipal Water District (OMWD). He served as president of the Board and currently holds the position of Treasurer.

In 2010, Mr. Sprague earned the Recognition in Special District Governance certification from the Special District Leadership Foundation and served on the Board of Directors of the Special District Risk Management Authority in 2011. In addition, he also served on the California Special District Association's Education Committee.

His tenure with OMWD has provided Mr. Sprague with a great deal of experience governing water, wastewater, and parks and recreation services to over 80,000 customers. He is currently serving as the Vice Chair of San Diego Local Agency Formation Commission and would bring a unique perspective to the Redevelopment Oversight Board.

OMWD believes that it is vitally important for special districts to be represented on the Redevelopment Oversight Board, as it will complete all remaining redevelopment projects and restore incremental property tax revenue, which is more than \$130 billion in San Diego County. Mr. Sprague's experience and dedication will ensure that the important voice of special districts is advocated for and well represented on the Redevelopment Oversight Board. We encourage you to vote for Ed Sprague to the Redevelopment Oversight Board.

Sincerely,

A handwritten signature in blue ink that reads "Lawrence A. Watt".

Lawrence A. Watt  
Board President  
Olivenhain Municipal Water District

A handwritten signature in blue ink that reads "Kimberly A. Thorner".

Kimberly A. Thorner  
General Manager  
Olivenhain Municipal Water District



1966 Olivenhain Road • Encinitas, CA 92024 • Phone 760-753-6466 • [www.olivenhain.com](http://www.olivenhain.com)





**Chair**

Jo MacKenzie, Director  
Vista Irrigation District

**BALLOT FORM**

**Vice Chair**

Ed Sprague, Director  
Olivenhain Municipal Water

March 19, 2018

**Members**

Catherine Blakespear, Mayor  
City of Encinitas

**TO:** Independent Special Districts of San Diego County

**FROM:** Tameron R. Lockett, Executive Assistant   
San Diego Local Agency Formation Commission

Bill Horn, Supervisor  
County of San Diego

**SUBJECT:** San Diego County Consolidated Redevelopment Oversight  
Board Call for Ballots – Certified Mail

Dianne Jacob, Supervisor  
County of San Diego

Andrew Vanderlaan  
Public Member

This notice serves as a call for ballots pursuant to California Government Code 56332(f) with respect to electing two special district representatives – one regular and one alternate – among eligible nominees to serve on the San Diego County Consolidated Redevelopment Oversight Board. All independent special districts in San Diego County are eligible to cast one vote through their presiding officers or their alternates as designed by the governing bodies.

Bill Wellis, Mayor  
City of El Cajon

Lorie Zapf, Councilmember  
City of San Diego

**Alternate Members**

Lorie Bragg, Councilmember  
City of Imperial Beach

The Special Districts Advisory Committee has formed a Nominating Committee to review all five nominees' qualifications and to make recommendation therein. LAFCO will separately transmit the recommendations of the Nominating Committee to all independent special districts by Tuesday, April 3, 2018.

Chris Cate, Councilmember  
City of San Diego

Greg Cox, Supervisor  
County of San Diego

Judy Hanson, Director  
Leucadia Wastewater District

Ballots must be returned to San Diego LAFCO no later than **Monday, April 30, 2018**. Should LAFCO receive a quorum of **30** ballots by the Monday, April 30<sup>th</sup> deadline the nominee with the most votes will be appointed as the regular representative on the Consolidated Redevelopment Oversight Board. The nominee with the second most votes will be the alternate. (Attachment A)

Harry Mathis  
Public Member

**Executive Officer**

Keene Simonds

**Counsel**

Michael G. Colantuono

Should LAFCO not receive a quorum of **30** ballots by the Monday, April 30<sup>th</sup> deadline an automatic 60 day extension is triggered under State law to Friday, June 29, 2018. Should a quorum of **30** still not be achieved by this extended deadline the Governor is authorized under State law to make the appointment starting July 1<sup>st</sup>.

State law specifies only the presiding officer or their alternates as designated by the governing board must take action on the ballot. Accordingly, if time constraints prevent the item getting placed on an agenda for full board discussion and action, the presiding officer or alternate should complete and return the ballot to LAFCO in order to make the election deadline. A ballot received without a signature will not be counted. The ballot can be emailed to [Tamaron.luckett@sdcounty.ca.gov](mailto:Tamaron.luckett@sdcounty.ca.gov).

Should you have any questions, please contact me at (858) 614-7755. Thank you.

Attachment:  
Ballot Form

2018 SPECIAL DISTRICTS REGULAR AND ALTERNATE MEMBER  
ELECTION BALLOT and VOTE CERTIFICATION  
FOR THE REDEVELOPMENT OVERSIGHT BOARD

VOTE FOR ONLY ONE NOMINEE

- Hal Martin (Vallecitos Water District) [    ]
- Julie Nygaard (Tri-City Healthcare District) [    ]
- Bill Pommering (Padre Dam Municipal Water District) [    ]
- Patrick Sanchez (Vista Irrigation District) [    ]
- Edmund K. Sprague (Olivenhain Municipal Water District) [    ]

I hereby certify that I cast the votes of the \_\_\_\_\_  
(Name of District)

for the Consolidated Redevelopment Oversight Board Election as:

- [    ] the presiding officer, or
- [    ] the duly-appointed alternate board member.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Return Ballot and Vote Certification Form to:  
San Diego LAFCO  
Tameron Lockett  
9335 Hazard Way, Suite 200  
San Diego, CA 92123  
(858) 614-7755 (office) · (858) 614-7766 (FAX)  
Email: [tameron.lockett@sdcounty.ca.gov](mailto:tameron.lockett@sdcounty.ca.gov)

# IV

## AD-Hoc Committee Reports



# V.A

## FINANCIALS

### MARCH 2018



	C	S	T	U	V
1	<b>BWD</b>	<b>5/23/2017</b>			
2	<b>CASH FLOW</b>	<b>ADOPTED</b>	<b>Actual</b>	<b>Projected</b>	<b>Actual</b>
3	<b>2017-2018</b>	<b>BUDGET</b>	<b>March</b>	<b>March</b>	<b>YTD</b>
4		<b>FY 2018</b>	<b>2018</b>	<b>2018</b>	<b>2017-2018</b>
5					
6	<b>REVENUE</b>				
7	<b>WATER REVENUE</b>				
8	Residential Water Sales	949,885	55,297	64,000	695,817
9	Commercial Water Sales	302,856	29,837	24,783	317,812
10	Irrigation Water Sales	210,597	11,971	11,000	179,448
11	GWM Surcharge	160,274	10,649	9,118	130,612
12	Water Sales Power Portion	457,206	29,385	25,693	361,800
13	<b>TOTAL WATER COMMODITY REVENUE:</b>	<b>2,080,818</b>	<b>137,140</b>	<b>134,594</b>	<b>1,685,489</b>
14					
15	Readiness Water Charge	1,114,240	90,843	92,000	810,492
18	Meter Install/Reconnect Fees	1,360	340	-	50,745
19	Backflow Testing/installation	7,000	0	-	400
20	Bulk Water Sales	600	9,017	22	21,233
21	Penalty & Interest Water Collection	19,000	6,023	1,500	41,356
22	<b>TOTAL WATER REVENUE:</b>	<b>3,223,018</b>	<b>243,362</b>	<b>228,117</b>	<b>2,639,634</b>
23					
24	<b>PROPERTY ASSESSMENTS/AVAILABILITY CHARGES</b>				
25	641500 1% Property Assessments	62,303	0	2,102	39,602
26	641502 Property Assess wtr/swr/fld	106,212	0	693	59,013
28	641501 Water avail Standby	82,445	0	3,015	65,869
30	641504 ID 3 Water Standby (La Casa)	33,722	0	889	20,428
31	641503 Pest standby	17,882	0	416	10,125
32	<b>TOTAL PROPERTY ASSES/AVAIL CHARGES:</b>	<b>302,563</b>	<b>0</b>	<b>7,114</b>	<b>195,036</b>
33					
34	<b>SEWER SERVICE CHARGES</b>				
35	Town Center Sewer Holder fees	226,391	18,772	18,798	164,682
36	Town Center Sewer User Fees	85,015	7,085	7,107	62,870
37	Sewer user Fees	267,460	22,482	22,360	203,562
39	Penalty Interest-Sewer	3,000	0	250	520
40	Sewer Capacity Fees	0	0	-	-
41					
42	<b>TOTAL SEWER SERVICE CHARGES:</b>	<b>581,866</b>	<b>48,339</b>	<b>48,515</b>	<b>431,634</b>
43					
44	<b>OTHER INCOME</b>				
47	Fire Hydrant Installation		0	-	6,000
48	Miscellaneous Income -Solar application fee rebate		0	-	2,500
49	Water Credits income		0	-	69,250
54	Interest Income	6,600	1,796	1,600	14,537
55	<b>TOTAL OTHER INCOME:</b>	<b>6,600</b>	<b>1,796</b>	<b>1,600</b>	<b>92,287</b>
56					
57	<b>TOTAL INCOME:</b>	<b>4,114,047</b>	<b>293,497</b>	<b>285,346</b>	<b>3,358,592</b>
58					
59	<b>CASH BASIS ADJUSTMENTS</b>				
60	Decrease (Increase) in Accounts Receivable		(258)		49,693
62	Deposits				17,225
63	Other Cash Basis Adjustments				16,755
64	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>		<b>(258)</b>		<b>83,673</b>
65					
66	<b>TOTAL INCOME RECEIVED:</b>	<b>4,114,047</b>	<b>293,239</b>	<b>285,346</b>	<b>3,442,265</b>

	C	W	X	Y	Z	AA
1	<b>BWD</b>					
2	<b>CASH FLOW</b>	<b>Actual YTD</b>	<b>PROJECTED</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
3	<b>2017-2018</b>	<b>and Projected</b>		<b>April</b>	<b>May</b>	<b>June</b>
4		<b>2017-2018</b>	<b>2017-2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
5						
6	<b>REVENUE</b>					
7	<b>WATER REVENUE</b>					
8	Residential Water Sales	914,417	218,600	67,600	73,000	78,000
9	Commercial Water Sales	401,812	84,000	25,000	29,000	30,000
10	Irrigation Water Sales	227,944	48,496	13,000	16,000	19,496
11	GWM Surcharge	174,759	44,147	14,705	14,721	14,721
12	Water Sales Power Portion	494,910	133,110	45,414	42,916	44,780
13	<b>TOTAL WATER COMMODITY REVENUE:</b>	<b>2,213,841</b>	<b>528,352</b>	<b>165,718</b>	<b>175,637</b>	<b>186,997</b>
14						
15	Readiness Water Charge	1,082,038	271,546	90,273	90,273	91,000
18	Meter Install/Reconnect Fees	51,085	340	0	340	0
19	Backflow Testing/installation	7,400	7,000	0	0	7,000
20	Bulk Water Sales	21,233	0	0	0	0
21	Penalty & Interest Water Collection	43,846	2,490	830	830	830
22	<b>TOTAL WATER REVENUE:</b>	<b>3,449,363</b>	<b>809,728</b>	<b>256,821</b>	<b>267,080</b>	<b>285,827</b>
23						
24	<b>PROPERTY ASSESSMENTS/AVAILABILITY CHARGES</b>					
25	641500 1% Property Assessments	62,315	22,714	13,292	9,222	200
26	641502 Property Assess wtr/swr/fld	106,465	47,453	891	46,262	300
28	641501 Water avail Standby	86,227	20,358	3,537	14,821	2,000
30	641504 ID 3 Water Standby (La Casa)	34,463	14,035	1,018	12,527	490
31	641503 Pest standby	16,634	6,509	489	5,498	523
32	<b>TOTAL PROPERTY ASSES/AVAIL CHARGES:</b>	<b>306,104</b>	<b>111,068</b>	<b>19,226</b>	<b>88,329</b>	<b>3,513</b>
33						
34	<b>SEWER SERVICE CHARGES</b>					
35	Town Center Sewer Holder fees	220,998	56,316	18,772	18,772	18,772
36	Town Center Sewer User Fees	84,125	21,255	7,085	7,085	7,085
37	Sewer user Fees	271,008	67,446	22,482	22,482	22,482
39	Penalty Interest-Sewer	520	0	-	-	-
40	Sewer Capacity Fees	-	0	0	0	0
41						
42	<b>TOTAL SEWER SERVICE CHARGES:</b>	<b>576,651</b>	<b>145,017</b>	<b>48,339</b>	<b>48,339</b>	<b>48,339</b>
43						
44	<b>OTHER INCOME</b>					
47	Fire Hydrant Installation	6,000		0	0	0
48	Miscellaneous Income -Solar application fee rebate	2,500	0	-	-	-
49	Water Credits income	69,250	0	0	0	0
54	Interest Income	19,637	5,100	1,700	1,700	1,700
55	<b>TOTAL OTHER INCOME:</b>	<b>97,387</b>	<b>5,100</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>
56						
57	<b>TOTAL INCOME:</b>	<b>4,429,505</b>	<b>1,070,913</b>	<b>326,086</b>	<b>405,448</b>	<b>339,379</b>
58						
59	<b>CASH BASIS ADJUSTMENTS</b>					
60	Decrease (Increase) in Accounts Receivable	49,693				
62	Deposits	17,225				
63	Other Cash Basis Adjustments	16,755				
64	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>	<b>83,673</b>				
65						
66	<b>TOTAL INCOME RECEIVED:</b>	<b>4,513,178</b>	<b>1,070,913</b>	<b>326,086</b>	<b>405,448</b>	<b>339,379</b>

	C	S	T	U	V
1	<b>BWD</b>	5/23/2017			
2	<b>CASH FLOW</b>	ADOPTED	Actual	Projected	Actual
3	<b>2017-2018</b>	BUDGET	March	March	YTD
4		FY 2018	2018	2018	2017-2018
67	<b>EXPENSES</b>				
68					
69	<b>MAINTENANCE EXPENSE</b>				
70	R & M Buildings & Equipment	185,000	15,859	15,500	136,552
71	R & M - WWTP	185,000	2,830	15,500	61,984
72	Telemetry	8,000	1,050	1,000	9,847
73	Trash Removal	4,200	418	350	6,325
74	Vehicle Expense	18,000	1,801	1,500	9,374
75	Fuel & Oil	23,000	3,423	2,000	19,656
76	<b>TOTAL MAINTENANCE EXPENSE:</b>	<b>423,200</b>	<b>25,381</b>	<b>35,850</b>	<b>243,737</b>
77					
78	<b>PROFESSIONAL SERVICES EXPENSE</b>				
79	Tax Accounting (Taussig)	3,000	0	-	2,115
80	Administrative Services (ADP)	3,000	217	250	2,345
81	Audit Fees (Squarmliner)	15,995	0	-	15,996
82	Computer billing (Accela/Parker)	13,500	10	100	15,116
83	Financial/Technical Consulting (Raftelis) (Fieldman) (Holt Group)	41,000	0	3,417	30,044
84	GSP Project Management				
85	Engineering (Dynamic/Dudek)	50,000	0	4,000	48,704
86	District Legal Services (Downey Brand/BBK)	20,000	9,221	2,000	87,139
87	Testing/lab work (Babcock Lab)	8,400	1,130	700	8,410
88	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	27,160	1,434	5,000	19,437
89	<b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b>	<b>182,055</b>	<b>12,011</b>	<b>15,467</b>	<b>229,306</b>
90					
91	<b>INSURANCE EXPENSE</b>				
92	ACWA/JPIA Program Insurance	57,000	32,564	31,000	54,682
93	ACWA/JPIA Workers Comp	16,000	3,945	4,000	11,679
94	<b>TOTAL INSURANCE EXPENSE:</b>	<b>73,000</b>	<b>36,509</b>	<b>35,000</b>	<b>66,361</b>
95					
96	<b>DEBT EXPENSE</b>				
97	Citizens Bank-COP 2008 Debt Payment	251,475	49,050	49,050	251,475
98	BBVA-Viking Ranch Debt Payment	143,312	0		107,446
99	New Water Debt				
100	New Sewer Debt				
101	<b>TOTAL DEBT EXPENSE:</b>	<b>394,787</b>	<b>49,050</b>	<b>49,050</b>	<b>358,921</b>
102	<b>EXPENSES</b>				
103	<b>PERSONNEL EXPENSE</b>				
104	Board Meeting Expense (board stipend/board secretary)	22,000	1,815	2,070	15,507
105	Salaries & Wages (gross)	826,000	70,329	66,207	601,522
106	Salaries & Wages offset account (board stipends/staff project salaries)	(55,000)	(8,206)	(5,000)	(70,526)
107	Consulting services/Contract Labor	24,000	0	2,000	10,339
108	Taxes on Payroll	22,000	1,442	1,734	17,480
109	Medical Insurance Benefits	220,100	18,780	18,863	181,145
110	Calpers Retirement Benefits	179,200	6,454	6,500	134,079
111	Conference/Conventions/Training/Seminars	8,000	945	400	15,641
112	<b>TOTAL PERSONNEL EXPENSE:</b>	<b>1,246,300</b>	<b>91,558</b>	<b>92,773</b>	<b>905,186</b>
113					
114	<b>OFFICE EXPENSE</b>				
115	Office Supplies	18,000	943	1,500	16,078
116	Office Equipment/ Rental/Maintenance Agreements	35,000	6,883	2,217	35,411
117	Postage & Freight	15,000	367	175	8,737
118	Taxes on Property	2,331	0	-	2,334
119	Telephone/Answering Service/Cell	19,000	2,671	1,657	14,114
120	Dues & Subscriptions (ACWA/CSDA)	21,526	249	200	19,069
121	Printing, Publications & Notices	3,000	0	300	1,253
122	Uniforms	5,400	500	550	4,474
123	OSHA Requirements/Emergency preparedness	4,000	108	300	2,221
124	<b>TOTAL OFFICE EXPENSE:</b>	<b>123,257</b>	<b>11,721</b>	<b>6,899</b>	<b>103,693</b>
125					
126	<b>UTILITIES EXPENSE</b>				
127	Pumping-Electricity	300,000	21,488	22,618	237,279
128	Office/Shop Utilities	20,000	2,330	850	6,573
130	<b>TOTAL UTILITIES EXPENSE:</b>	<b>320,000</b>	<b>23,818</b>	<b>23,468</b>	<b>243,852</b>
131					
132	<b>GROUNDWATER MANAGEMENT EXPENSE</b>				
133	GWM -legal/Misc -prop 1 grant/USGS	120,000	41,996	10,000	170,352
134	Conservation incentive program	30,000		3,334	-
135	District portion of GSP	120,000		10,000	-
136	<b>TOTAL GWM EXPENSE:</b>	<b>270,000</b>	<b>41,996</b>	<b>23,334</b>	<b>170,352</b>
137					
138	<b>TOTAL EXPENSES:</b>	<b>3,032,600</b>	<b>292,044</b>	<b>281,841</b>	<b>2,321,408</b>
139					
140	<b>CASH BASIS ADJUSTMENTS</b>				
141	Decrease (Increase) in Accounts Payable		(3,818)		54,927
142	Increase (Decrease) in Inventory		(3,888)		(3,162)
143	Other Cash Basis Adjustments				-
144	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>		<b>(7,705)</b>		<b>51,765</b>
145					
146	<b>TOTAL EXPENSES PAID:</b>	<b>3,032,600</b>	<b>284,338</b>	<b>281,841</b>	<b>2,373,173</b>
147					
148	<b>NET CASH FLOW (O&amp;M)</b>	<b>1,081,447</b>	<b>8,900</b>	<b>3,505</b>	<b>1,069,092</b>



	C	W	X	Y	Z	AA
1	<b>BWD</b>					
2	<b>CASH FLOW</b>	<b>Actual YTD</b>	<b>PROJECTED</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
3	<b>2017-2018</b>	<b>and Projected</b>		<b>April</b>	<b>May</b>	<b>June</b>
4		<b>2017-2018</b>	<b>2017-2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
67	<b>EXPENSES</b>					
68						
69	<b>MAINTENANCE EXPENSE</b>					
70	R & M Buildings & Equipment	182,052	45,500	15,500	15,000	15,000
71	R & M - WWTP	152,484	90,500	15,500	60,000	15,000
72	Telemetry	10,941	1,094	0	1,094	0
73	Trash Removal	7,585	1,260	420	420	420
74	Vehicle Expense	13,874	4,500	1,500	1,500	1,500
75	Fuel & Oil	25,656	6,000	2,000	2,000	2,000
76	<b>TOTAL MAINTENANCE EXPENSE:</b>	<b>392,591</b>	<b>148,854</b>	<b>34,920</b>	<b>80,014</b>	<b>33,920</b>
77						
78	<b>PROFESSIONAL SERVICES EXPENSE</b>					
79	Tax Accounting (Taussig)	3,000	885	0	0	885
80	Administrative Services (ADP)	3,000	655	218	218	219
81	Audit Fees (Squamilner)	15,996	0	0	0	0
82	Computer billing (Accela/Parker)	15,521	405	205	200	-
83	Financial/Technical Consulting (Rafellis) (Fieldman) (Holt Group)	38,465	8,421	3,417	2,502	2,502
84	GSP Project Management					
85	Engineering (Dynamic/Dudek)	60,704	12,000	4,000	4,000	4,000
86	District Legal Services (Downey Brand/BBK)	102,139	15,000	5,000	5,000	5,000
87	Testing/lab work (Babcock Lab)	11,410	3,000	1,000	1,000	1,000
88	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	21,237	1,800	500	800	500
89	<b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b>	<b>271,472</b>	<b>42,166</b>	<b>14,340</b>	<b>13,720</b>	<b>14,106</b>
90						
91	<b>INSURANCE EXPENSE</b>					
92	ACWA/JPIA Program Insurance	54,682	0	0	0	0
93	ACWA/JPIA Workers Comp	15,679	4,000	0	0	4,000
94	<b>TOTAL INSURANCE EXPENSE:</b>	<b>70,361</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>4,000</b>
95						
96	<b>DEBT EXPENSE</b>					
97	Citizens Bank-COP 2008 Debt Payment	251,475	0	0	0	0
98	BBVA-Viking Ranch Debt Payment	143,274	35,828		35,828	
99	New Water Debt					
100	New Sewer Debt					
101	<b>TOTAL DEBT EXPENSE:</b>	<b>394,749</b>	<b>35,828</b>	<b>-</b>	<b>35,828</b>	<b>-</b>
102	<b>EXPENSES</b>					
103	<b>PERSONNEL EXPENSE</b>					
104	Board Meeting Expense (board stipend/board secretary)	22,000	6,493	1,820	2,853	1,820
105	Salaries & Wages (gross)	807,205	205,683	67,475	70,734	67,475
106	Salaries & Wages offset account (board stipends/staff project salaries)	(85,526)	(15,000)	(5,000)	(5,000)	(5,000)
107	Consulting services/Contract Labor	10,339	0	-	-	-
108	Taxes on Payroll	22,882	5,402	1,534	2,134	1,734
109	Medical Insurance Benefits	218,871	37,726	18,863	18,863	
110	Calpers Retirement Benefits	153,579	19,500	6,500	6,500	6,500
111	Conference/Conventions/Training/Seminars	17,000	1,359	500	500	359
112	<b>TOTAL PERSONNEL EXPENSE:</b>	<b>1,166,349</b>	<b>261,163</b>	<b>91,691</b>	<b>96,584</b>	<b>72,888</b>
113						
114	<b>OFFICE EXPENSE</b>					
115	Office Supplies	18,609	2,531	1,531	500	500
116	Office Equipment/ Rental/Maintenance Agreements	36,561	1,150	500	500	150
117	Postage & Freight	15,000	6,263	2,100	2,063	2,100
118	Taxes on Property	2,334	0	-	0	0
119	Telephone/Answering Service/Cell	19,000	4,886	1,629	1,629	1,628
120	Dues & Subscriptions (ACWA/CSDA)	20,663	1,594	1,449	0	145
121	Printing, Publications & Notices	3,000	1,747	583	582	582
122	Uniforms	6,000	1,526	508	508	510
123	OSHA Requirements/Emergency preparedness	4,000	1,779	600	600	579
124	<b>TOTAL OFFICE EXPENSE:</b>	<b>125,169</b>	<b>21,476</b>	<b>8,900</b>	<b>6,382</b>	<b>6,194</b>
125						
126	<b>UTILITIES EXPENSE</b>					
127	Pumping-Electricity	307,279	70,000	22,500	23,000	24,500
128	Office/Shop Utilities	8,073	1,500	500	500	500
130	<b>TOTAL UTILITIES EXPENSE:</b>	<b>315,352</b>	<b>71,500</b>	<b>23,000</b>	<b>23,500</b>	<b>25,000</b>
131						
132	<b>GROUNDWATER MANAGEMENT EXPENSE</b>					
133	GWM -legal/Misc -prop 1 grant/USGS	200,352	30,000	10,000	10,000	10,000
134	Conservation incentive program	-	0	-	-	-
135	District portion of GSP	-	0	-	-	-
136	<b>TOTAL GWM EXPENSE:</b>	<b>200,352</b>	<b>30,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
137						
138	<b>TOTAL EXPENSES:</b>	<b>2,936,395</b>	<b>614,987</b>	<b>182,851</b>	<b>266,028</b>	<b>166,108</b>
139						
140	<b>CASH BASIS ADJUSTMENTS</b>					
141	Decrease (Increase) in Accounts Payable	54,927				
142	Increase (Decrease) in Inventory	(3,162)				
143	Other Cash Basis Adjustments	-				
144	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>	<b>51,765</b>				
145						
146	<b>TOTAL EXPENSES PAID:</b>	<b>2,988,160</b>	<b>614,987</b>	<b>182,851</b>	<b>266,028</b>	<b>166,108</b>
147						
148	<b>NET CASH FLOW (O&amp;M)</b>	<b>1,525,018</b>	<b>455,926</b>	<b>143,235</b>	<b>139,420</b>	<b>173,271</b>

	C	S	T	U	V
1	<b>BWD</b>	5/23/2017			
2	<b>CASH FLOW</b>	ADOPTED	Actual	Projected	Actual
3	<b>2017-2018</b>	BUDGET	March	March	YTD
4		<u>FY 2018</u>	<u>2018</u>	<u>2018</u>	<u>2017-2018</u>
149					
150	<b>CIP PROJECTS</b>				
151	<b>Water</b>				
162	10" Bypass at ID 1 Booster Station 2	15,000			16,140
163	Emergency water pipeline repairs	25,000			-
167	New 900 Reservoir	525,000	14,781		554,781
171	Replace Twin Tanks-(prop 1 grant)	579,000			-
172	Replace Wilcox Diesel Motor-(Prop 1 grant)	59,000		59,000	-
173	Replace Indianhead Reservoir-(Prop 1 grant)	294,000			-
174	Rams Hill#2, 1980 balv. 0.44 MG recoating-(Prop 1 grant)	161,000			-
177	Transmission line to convey Well 5 water to C.C. Reservoir (pipeline 2)	83,000		37,658	18,844
178	T Anchor Dr., Frying Pan Rd. to Double O Rd (Pipeline 6)	34,000			-
179	Weathervane Dr., Frying Pan Road to Double O Road (Pipeline7)	34,000			-
184	ID 5-5, 200 HP	80,000		30,000	-
185	Well 12 pump and casing cleaning	50,000			90,849
187	Emergency Generator Mobile Trailer	12,000			-
189	Mail machine inserter				10,548
190					
191					
192					
193					
194	<b>TOTAL WATER CIP:</b>	<b>2,001,000</b>	<b>14,781</b>	<b>126,658</b>	<b>755,935</b>
195	<b>Sewer</b>				
205	Plant-Grit removal at the headworks-(Prop 1 grant)	100,000			-
209	WTF-Rehab Clarifier (Prop 1 grant)	118,500			-
218					
219	<b>TOTAL SEWER CIP:</b>	<b>218,500</b>	<b>0</b>	<b>-</b>	<b>-</b>
253					
254	<b>TOTAL CIP EXPENSES:</b>	<b>2,219,500</b>	<b>14,781</b>	<b>126,658</b>	<b>755,935</b>
255					
256	<b>CASH RECAP</b>				
257	Cash beginning of period	4,589,663	4,468,694	4,468,694	4,149,656
258	Net Cash Flow (O&M)	1,081,447	8,900	3,505	1,069,092
259	Total Non O&M Expenses	(2,219,500)	(14,781)	(126,658)	(755,935)
260	<b>CASH AT END OF PERIOD</b>	<b>3,451,611</b>	<b>4,462,813</b>	<b>4,355,125</b>	<b>4,462,813</b>
261					
262	<b>RESERVES</b>				
263	Working Capital-Water (4 months)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
264	R & R Reserves	(532,000)	(532,000)	(532,000)	(532,000)
265	Contingency Reserves (8% O&M)	(240,000)	(240,000)	(240,000)	(240,000)
266	Rate Stabilization Reserves	(800,000)	(800,000)	(800,000)	(800,000)
267	Available for Emergency Reserves	1,411,611	1,890,813	1,783,125	1,890,813
268	<b>Target Emergency Reserves</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
269	<b>Emergency Reserves Deficit</b>	<b>(588,389)</b>	<b>(109,187)</b>	<b>(216,875)</b>	<b>(109,187)</b>
270					
271	<b>EXPLANATION</b>				
272		ACTUAL	PROJECTED		
273	New 900 Reservoir	14,781	0	14,781	Tractor rental/grading
274					

	C	W	X	Y	Z	AA
1	<b>BWD</b>					
2	<b>CASH FLOW</b>		<b>Actual YTD</b>	<b>PROJECTED</b>	<b>Projected</b>	<b>Projected</b>
3	<b>2017-2018</b>		<b>and Projected</b>		<b>April</b>	<b>May</b>
4		<b>2017-2018</b>	<b>2017-2018</b>	<b>2018</b>	<b>2018</b>	<b>June</b>
149						<b>2018</b>
150	<b>CIP PROJECTS</b>					
151	<b>Water</b>					
162	10" Bypass at ID 1 Booster Station 2	16,140	0			
163	Emergency water pipeline repairs	15,000	15,000	5,000		10,000
167	New 900 Reservoir	554,781	0			
171	Replace Twin Tanks-(prop 1 grant)	-	0	0		
172	Replace Wilcox Diesel Motor-(Prop 1 grant)	-	0			
173	Replace Indianhead Reservoir-(Prop 1 grant)	-	0			0
174	Rams Hill#2, 1980 balv. 0.44 MG recoating-(Prop 1 grant)	-	0			
177	Transmission line to convey Well 5 water to C.C. Reservoir (pipeline 2)	18,844	0			
178	T Anchor Dr., Frying Pan Rd. to Double O Rd. (Pipeline 6)	-	0			
179	Weathervane Dr., Frying Pan Road to Double O Road (Pipeline7)	34,000	34,000		34,000	
184	ID 5-5, 200 HP	-	0			
185	Well 12 pump and casing cleaning	90,849	0			
187	Emergency Generator Mobile Trailer	12,000	12,000			12,000
189	Mail machine inserter	10,548	0			
190						
191						
192						
193						
194	<b>TOTAL WATER CIP:</b>	<b>816,935</b>	<b>61,000</b>	<b>5,000</b>	<b>34,000</b>	<b>22,000</b>
195	<b>Sewer</b>					
205	Plant-Grit removal at the headworks-(Prop 1 grant)	-	0		0	
209	WTF-Rehab Clarifier (Prop 1 grant)	-	0			0
218						
219	<b>TOTAL SEWER CIP:</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>
253						
254	<b>TOTAL CIP EXPENSES:</b>	<b>816,935</b>	<b>61,000</b>	<b>5,000</b>	<b>34,000</b>	<b>22,000</b>
255						
256	<b>CASH RECAP</b>					
257	Cash beginning of period	4,149,656	4,462,813	4,462,813	4,601,048	4,706,468
258	Net Cash Flow (O&M)	1,525,018	455,926	143,235	139,420	173,271
259	Total Non O&M Expenses	(816,935)	(61,000)	(5,000)	(34,000)	(22,000)
260	<b>CASH AT END OF PERIOD</b>	<b>4,857,739</b>	<b>4,857,739</b>	<b>4,601,048</b>	<b>4,706,468</b>	<b>4,857,739</b>
261						
262	<b>RESERVES</b>					
263	Working Capital-Water (4 months)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
264	R & R Reserves	(532,000)	(532,000)	(532,000)	(532,000)	(532,000)
265	Contingency Reserves (8% O&M)	(240,000)	(240,000)	(240,000)	(240,000)	(240,000)
266	Rate Stabilization Reserves	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
267	Available for Emergency Reserves	2,285,739	2,285,739	2,029,048	2,134,468	2,285,739
268	<b>Target Emergency Reserves</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
269	<b>Emergency Reserves Deficit</b>	<b>285,739</b>	<b>285,739</b>	<b>29,048</b>	<b>134,468</b>	<b>285,739</b>
270						



## TREASURER'S REPORT March, 2018

% of Portfolio

Bank Balance	Carrying Value	Fair Value	Current Actual	Rate of Interest	Maturity	Valuation Source
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### Cash and Cash Equivalents:

Demand Accounts at UB/LAIF

General Account/Petty Cash	\$ 2,269,868	\$ 2,191,107	\$ 2,191,107	49.10%	0.00%	N/A	UB
Payroll Account	\$ 134,201	\$ 134,201	\$ 134,201	3.01%	0.00%	N/A	UB
MMA	\$ 2,116,154	\$ 2,116,154	\$ 2,116,154	47.42%	1.00%	N/A	UB
LAIF	\$ 21,350	\$ 21,350	\$ 21,350	0.48%	1.20%	N/A	LAIF

<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,541,573</b>	<b>\$ 4,462,813</b>	<b>\$ 4,462,813</b>	<b>100.00%</b>
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### Facilities District No. 2017-1A-B

Special Tax Bond- Rams Hill -US BANK	\$ 40,972	\$ 40,972	\$ 40,972
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<b>Total Cash, Cash Equivalents &amp; Investments</b>	<b>\$ 4,582,544</b>	<b>\$ 4,503,784</b>	<b>\$ 4,503,784</b>
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Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 26, 2017

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, LAIF and US Trust Bank.

Kim Pitman, Administration Manager



To: BWD Board of Directors  
 From: Kim Pitman  
 Subject: Consideration of the Disbursements and Claims Paid  
 Month Ending March, 2018

**Vendor disbursements paid during this period:** **\$ 179,464.30**

Significant items:

San Diego Gas & Electric	\$	23,817.75
Medical Health Benefits -March and April	\$	36,509.16
CalPERS	\$	4,699.13
Citizens Bank-Debt Service COP	\$	49,050.00
Automated Water Treatment-Chlorine (quarterly)	\$	10,828.91
In-Situ Inc.-Well Water Recorder (GWM)	\$	10,465.34

**Capital Projects/Fixed Asset Outlays:**

**Total Professional Services for this Period:**

The Rick Alexander Company	GWM	\$	5,355.00
On Eleven Services	GWM	\$	4,280.00
	Misc	\$	380.00
Downey Brand, Attorneys	GWM		
Dudek Professional Services	GSP	\$	1,490.00

**Payroll for this Period:**

Gross Payroll	\$	70,328.00
Employer Payroll Taxes and ADP Fee	\$	1,642.06
<b>Total</b>	<b>\$</b>	<b>71,970.06</b>



# Accounts Payable

Board Report, March 2018



<b>Vendor No</b>	<b>Vendor Name</b>	<b>Check Amount</b>
3035	ACWA / JPIA PROGRAM INSURANCE	36,509.16
1266	AFLAC	1,551.62
1001	AMERICAN LINEN INC.	499.60
61	AT&T MOBILITY	1,569.33
9529	AT&T-CALNET 3	373.96
83	AUTOMATED WATER TREATMENT	10,828.91
1481	BAY CITY ELECTRIC WORKS	684.36
88	BORREGO AUTO PARTS. INC.	529.36
1003	BORREGO SPRINGS BOTTLED WATER	51.85
1196	CASH	560.00
9418	CITIZENS BUSINESS BANK	49,050.00
9054	COUNTY OF SAN DIEGO DEPT ENVIRONMENTAL HEALTH	1,434.00
10882	CSC ENGINEERING	2,000.00
1222	DEBBIE MORETTI	122.00
96	DISH	75.72
9801	DLT SOLUTIONS, LLC.	2,665.60
9640	DUDEK	1,490.00
1048	GRAINGER	395.81
9579	GREEN DESERT LANDSCAPE	4,770.00
1136	HOME DEPOT CREDIT SERVICES	766.72
9177	IN-SITU.INC.	10,465.34
1022	JAMES HORMUTH DE ANZA TRUE VALUE	46.58
65	JC LABS & MONITORING SERVICE	1,500.00
10873	KESSLINGS KITCHEN	348.14
10899	LOUIS ALEXANDER THE RICK ALEXANDER COMPANY	5,355.00
1216	McCALLS METERS.INC	1,411.53
10891	NEOPOST USA INC	991.83
10898	NORTH COUNTY BUICK CADILLAC-GMC	734.84
10852	ONE ELEVEN WATER SERVICES. LLC.	4,660.00
9633	RAMONA DISPOSAL SERVICE	3,431.51
10900	RICARDO L. GARCIA BORREGO AUTO PARTS & SUPPLY CO	536.48
1114	ROGELIO MARTINEZ	107.74
1065	SAN DIEGO GAS & ELECTRIC	23,817.75
1059	STAPLES CREDIT PLAN	834.50
9046	STATE WATER RESOURCE CONTROL DRINKING WATER OPERATOR CERT	220.00
10885	THE SOCO GROUP. INC.	3,422.80
1626	THOMSON REUTERS/WEST	163.24
3000	U.S.BANK CORPORATE PAYMENT SYS	2,141.02
9666	UC REGENTS	60.00
1023	UNDERGROUND SERVICE ALERT	89.40
10847	USA COMMUNICATIONS	680.45
9439	USABLUEBOOK	749.90
1100	VERIZON WIRELESS	145.65
1027	VICTOR VALENTI CONTRON SCADA SYSTEMS	1,050.40

Report Total (55 checks): 179,464.30



<b>ASSETS</b>	<b>BALANCE SHEET March 31, 2018 (unaudited)</b>	<b>BALANCE SHEET February 28, 2018 (unaudited)</b>	<b>MONTHLY CHANGE (unaudited)</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 4,462,812.75	\$ 4,468,693.56	\$ (5,880.81)
Accounts receivable from water sales and sewer charges	\$ 375,661.06	\$ 375,403.06	\$ 258.00
Inventory	\$ 121,957.45	\$ 125,845.12	\$ (3,887.67)
Prepaid expenses	\$ 30,655.73	\$ 30,655.73	\$ -
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 4,991,086.99</b>	<b>\$ 5,000,597.47</b>	<b>\$ (9,510.48)</b>
<b>RESTRICTED ASSETS</b>			
<b>Debt Service:</b>			
Deferred amount of COP Refunding	\$ 102,542.17	\$ 102,542.17	\$ -
Deferred Outflow of Resources-CalPERS	\$ 356,748.00	\$ 356,748.00	\$ -
<b>Total Debt service</b>	<b>\$ 459,290.17</b>	<b>\$ 459,290.17</b>	<b>\$ -</b>
<b>Trust fund:</b>			
Investments with fiscal agent -CFD 2017-1	\$ 40,971.68	\$ 42,767.70	\$ (1,796.02)
<b>Total Trust fund</b>	<b>\$ 40,971.68</b>	<b>\$ 42,767.70</b>	<b>\$ (1,796.02)</b>
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 500,261.85</b>	<b>\$ 502,057.87</b>	
<b>UTILITY PLANT IN SERVICE</b>			
Land	\$ 2,251,663.65	\$ 2,251,663.65	\$ -
Flood Control Facilities	\$ 4,287,340.00	\$ 4,287,340.00	\$ -
Capital Improvement Projects	\$ 900,178.71	\$ 885,397.41	\$ 14,781.30
Sewer Facilities	\$ 5,992,778.56	\$ 5,992,778.56	\$ -
Water facilities	\$ 11,010,716.48	\$ 11,010,716.48	\$ -
General facilities	\$ 1,016,229.37	\$ 1,016,229.37	\$ -
Equipment and furniture	\$ 574,974.27	\$ 574,974.27	\$ -
Vehicles	\$ 622,357.41	\$ 622,357.41	\$ -
Accumulated depreciation	\$ (12,760,530.47)	\$ (12,760,530.47)	\$ -
<b>NET UTILITY PLANT IN SERVICE</b>	<b>\$ 13,895,707.98</b>	<b>\$ 13,880,926.68</b>	<b>\$ 14,781.30</b>
<b>OTHER ASSETS</b>			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
<b>TOTAL OTHER ASSETS</b>	<b>\$ 185,000.00</b>	<b>\$ 185,000.00</b>	
<b>TOTAL ASSETS</b>	<b>\$ 19,572,056.82</b>	<b>\$ 19,568,582.02</b>	<b>\$ 3,474.80</b>



Balance sheet continued

	<b>BALANCE SHEET</b> March 31, 2018 (unaudited)	<b>BALANCE SHEET</b> February 28, 2018 (unaudited)	<b>MONTHLY</b> <b>CHANGE</b> (unaudited)
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>			
Accounts Payable	\$ 128,520.46	\$ 124,702.71	\$ 3,817.75
Accrued expenses	\$ 123,110.45	\$ 123,110.45	\$ -
Deposits	\$ 17,303.26	\$ 17,303.26	\$ -
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>	<b>\$ 268,934.17</b>	<b>\$ 265,116.42</b>	<b>\$ 3,817.75</b>
<b>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</b>			
Debt Service:			
Accounts Payable to CFD 2017-1	\$ 40,971.68	\$ 42,767.70	\$ (1,796.02)
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 40,971.68</b>	<b>\$ 42,767.70</b>	<b>\$ (1,796.02)</b>
<b>LONG TERM LIABILITIES</b>			
2008 Certificates of participation	\$ 2,180,000.00	\$ 2,180,000.00	\$ -
BBVA Compass Bank Loan	\$ 869,616.21	\$ 869,616.21	\$ -
Net Pension Liability-CalPERS	\$ 819,059.00	\$ 819,059.00	\$ -
Deferred Inflow of Resources-CalPERS	\$ 163,076.00	\$ 163,076.00	\$ -
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ 4,031,751.21</b>	<b>\$ 4,031,751.21</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 4,341,657.06</b>	<b>\$ 4,339,635.33</b>	<b>\$ 2,021.73</b>
<b>FUND EQUITY</b>			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 5,618,585.41	\$ 5,617,132.34	\$ 1,453.07
<b>Total retained earnings</b>	<b>\$ 5,618,585.41</b>	<b>\$ 5,617,132.34</b>	<b>\$ 1,453.07</b>
<b>TOTAL FUND EQUITY</b>	<b>\$ 15,230,399.76</b>	<b>\$ 15,228,946.69</b>	<b>\$ 1,453.07</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 19,572,056.82</b>	<b>\$ 19,568,582.02</b>	<b>\$ 3,474.80</b>





**GROUNDWATER MANAGEMENT  
ACCOUNTING  
FY 2018  
Acct #10154800**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Month	Downey Brand	BBK	DUDEK	Wendy Quinn Minutes	Town Hall/ Advertising/Postage	One Eleven Water Services	TRAC	Staff Allocation	Ellen Wehr	Water Advisory Committee-Lunches	Babcock Lab Water Testing	Equipment	CSU-GSP	Monthly Total	FYE 2018 Total
18	Jul-17								3,415.68	9,645.00	480.88				13,541.56	13,541.56
19	Aug-17						1,710.00		4,002.75		9.99				5,722.74	19,264.30
20	Sep-17	1,115.25			262.50	100.90	760.00		3,202.20		345.20				5,786.05	25,050.35
21	Oct-17	2,691.00	7,892.50		212.50				4,500.60		353.32			6,948.62	22,598.54	47,648.89
22	Nov-17		13,209.25		250.00		3,805.00		4,345.20		350.25				21,959.70	69,608.59
23	Dec-17								4,846.80		3,017.38	3,230.00			11,094.18	80,702.77
24	Jan-17	858.00	19,162.97						5,077.60		324.44	350.00			25,773.01	106,475.78
25	Feb-17		5,396.19		262.51		1,615.00		4,246.64						11,520.34	117,996.12
26	Mar-17		14,833.23	1,490.00			4,280.00	5,355.00	5,164.40		408.14		10,465.34		41,996.11	159,992.23
27	Apr-17															
28	May-17															
29	Jun-17															
31	<b>Total</b>	<b>4,664.25</b>	<b>60,494.14</b>	<b>1,490.00</b>	<b>987.51</b>	<b>100.90</b>	<b>12,170.00</b>	<b>5,355.00</b>	<b>38,801.87</b>	<b>9,645.00</b>	<b>5,289.60</b>	<b>3,580.00</b>		<b>6,948.62</b>	<b>159,992.23</b>	<b>149,526.89</b>

**V.B**

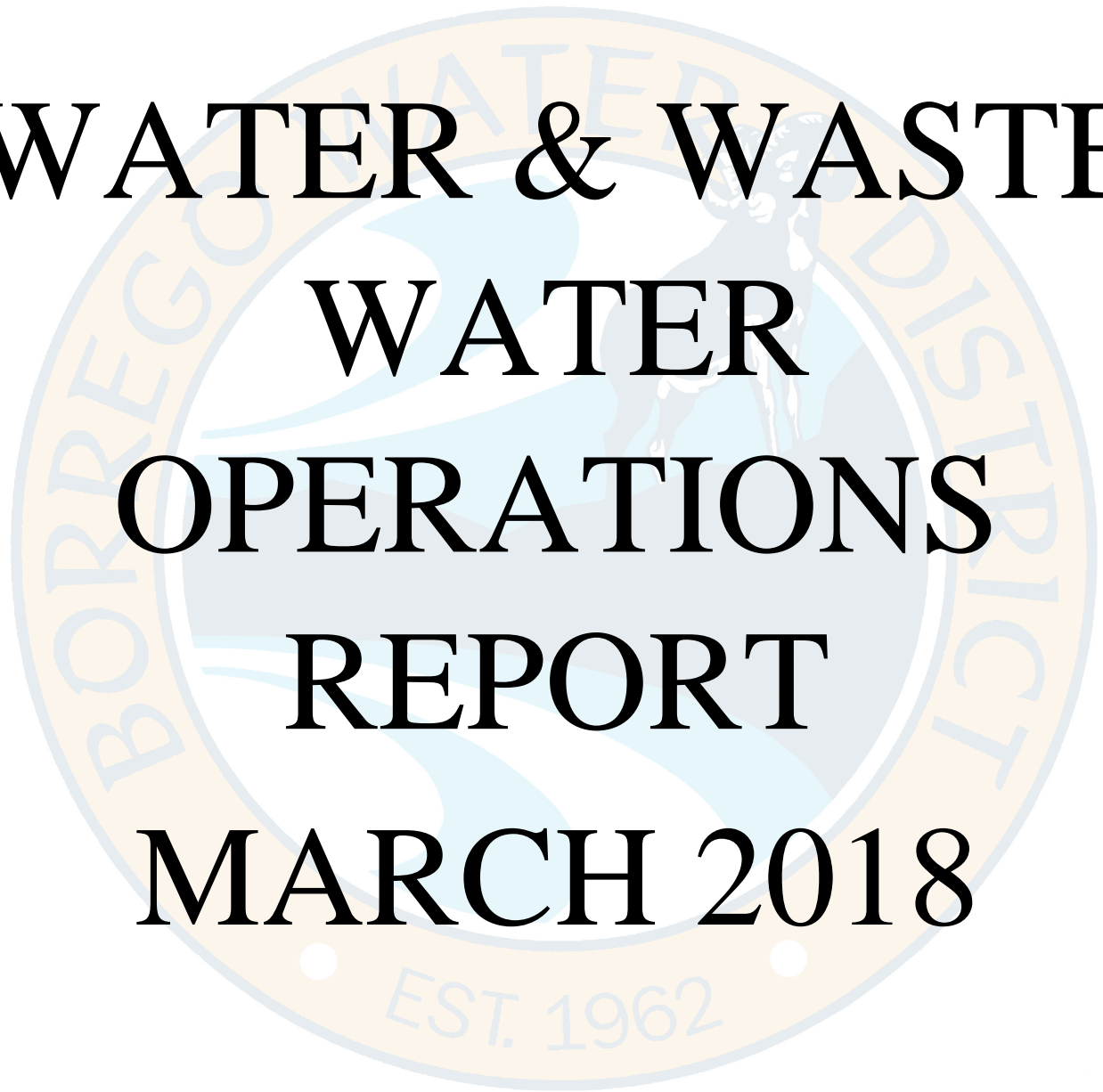
**WATER & WASTE**

**WATER**

**OPERATIONS**

**REPORT**

**MARCH 2018**



**March 2018**

***WATER OPERATIONS REPORT***

<b>WELL</b>	<b>TYPE</b>	<b>FLOW RATE</b>	<b>STATUS</b>	<b>COMMENT</b>
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	900	In Use	
ID1-16	Production	750	In Use	
Wilcox	Production	80	In Use	Diesel backup well for ID-4
ID4-4	Production	400	In Use	
ID4-11	Production	900	In Use	Diesel engine drive exercised monthly
ID4-18	Production	150	In Use	
ID5-5	Production	850	In Use	


**System Problems:** All production wells are in service. All reservoirs are in operating condition.

***WASTEWATER OPERATIONS REPORT***

**Rams Hill Wastewater Treatment Facility serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):**

**Average flow:** 103,720 (gallons per day)

**Peak flow:** 218,200 gpd Saturday March 3, 2018

A large, faint watermark of the Waterbury University logo is centered on the page. The logo is circular with a yellow border and contains a blue figure of a person holding a staff. The text 'WATERBURY UNIVERSITY' is written in a circular path around the figure, and 'EST. 1962' is at the bottom.

**V.C  
WATER  
PRODUCTION/  
USE RECORDS  
MARCH 2018**



# BORREGO WATER DISTRICT

## WATER PRODUCTION SUMMARY

### FEBRUARY 2017

DATE	WATER USE	WATER PROD	WATER %NRW	ID4 USE	ID4 PROD	ID4 %NRW	TOTAL USE	TOTAL PROD
Mar-16	18.98	20.38	6.86	73.79	86.65	14.84	92.77	107.03
Apr-16	23.53	25.03	5.98	78.79	94.30	16.45	102.32	119.33
May-16	22.54	22.99	1.96	78.02	92.54	15.69	100.56	115.53
Jun-16	30.90	33.34	7.31	96.77	114.10	15.19	127.67	147.44
Jul-16	35.02	35.74	2.01	97.17	115.18	15.63	132.19	150.91
Aug-16	41.77	43.61	4.21	115.77	141.88	18.40	157.54	185.48
Sep-16	43.67	46.58	6.25	119.76	118.50	-1.06	163.43	165.09
Oct-16	34.51	37.64	8.31	102.51	122.73	16.48	137.02	160.37
Nov-16	31.55	31.58	0.10	102.59	112.11	8.50	134.14	143.70
Dec-16	27.15	27.95	2.87	73.25	82.85	11.59	100.40	110.81
Jan-17	17.49	16.18	-8.10	51.59	59.32	13.02	69.08	75.50
Feb-17	11.72	14.64	19.93	63.23	73.40	13.85	74.95	88.04
Mar-17	17.15	18.48	7.17	63.65	68.34	6.86	80.81	86.82
Apr-17	25.02	26.02	3.83	90.17	99.02	8.94	115.18	125.03
May-17	28.18	29.45	4.30	98.06	113.48	13.58	126.25	142.93
Jun-17	29.25	33.42	12.48	96.28	106.02	9.19	125.52	139.44
Jul-17	32.84	34.17	3.90	107.37	122.38	12.26	140.21	156.55
Aug-17	35.64	40.65	12.32	127.56	141.43	9.81	163.19	182.07
Sep-17	40.98	43.11	4.93	102.46	114.72	10.69	143.44	157.83
Oct-17	29.35	31.05	5.48	108.42	119.22	9.06	137.77	150.28
Nov-17	26.03	27.67	5.92	107.09	120.15	10.87	133.12	147.82
Dec-17	23.23	26.28	11.60	80.91	89.46	9.55	104.14	115.73
Jan-18	19.40	19.95	2.74	86.60	95.01	8.85	106.01	114.96
Feb-18	19.77	21.14	6.49	78.55	87.58	10.31	98.32	108.72
Mar-18	19.90	20.26	1.77	73.56	80.32	8.42	93.46	100.58
<b>12 Mo. TOTAL</b>	<b>346.75</b>	<b>371.64</b>	<b>6.38</b>	<b>1220.68</b>	<b>1357.13</b>	<b>9.88</b>	<b>1567.43</b>	<b>1728.76</b>

Totals reflect Water (ID1 & ID3) and ID4 (ID4 & ID5) . Interties to SA3 are no longer needed to be separated. ID4 and SA5 are combined because all water production is pumped from ID4. All figures are in Acre Feet of water pumped.

### NON-REVENUE WATER SUMMARY (%)

DATE	WATER	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Feb-18	1.77	8.42	N/A	5.09
<b>12 Mo. Average</b>	<b>6.38</b>	<b>9.88</b>	<b>N/A</b>	<b>8.13</b>

The seal of the Borrego Valley Water District is a circular emblem. It features a central figure of a person in a field, possibly a farmer or a worker, with a plow. The text "BORREGO VALLEY WATER DISTRICT" is written around the perimeter of the seal, and "EST. 1962" is at the bottom. The seal is light blue and yellow.

# V. D GENERAL MANAGER REPORT

1. Verbal - Poole