

Borrego Water District Board of Directors
Special Meeting
May 15, 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. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- F. Comments from Directors

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. PUBLIC HEARING CONTINUATON – BWD Developers Policy – S Anderson (2-14)
- B. Viking Ranch Fallowing Proposal – T Driscoll (15-25)
- C. BWD Comment Letter on County of San Diego Property Specific Requests process– G Poole (26-29)
- D. Fiscal Year 2018-19 Draft Budget and CIP – K Pittman (30-57)

III. INFORMATIONAL ITEMS

- A. Prop One Grant Applications Update – Waste Water and Water Projects – Rick Alexander (58-60)
- B. BWD Groundwater Sustainability Plan Advisory Committee Representative Report – D Duncan, Verbal (61)

IV. STAFF REPORT (62)

- A. General Manager
 - 1. ATT Cell Tower
 - 2. Meeting with SD County re: Emergency Shortage Declaration & Developers Policy – June 1st
 - 3. Club Circle Trash Contract Update
 - 4. Water Quality Sampling Expansion
 - 5. Well Siting Study

V. CLOSED SESSION:

- A. CONFERENCE WITH LEGAL COUNSEL- Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (four (4) potential cases)

VI. CLOSING PROCEDURE

- A. Suggested Items for Next/Future Agenda
- B. The next Meeting of the Board of Directors is scheduled for May 23rd, 2018 at the Borrego Water District

AGENDA: May 15, 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.

. BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 15, 2018
AGENDA BILL II.A

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: PUBLIC HEARING – BWD Developers Policy

RECOMMENDED ACTION:

Re-convene Public Hearing, receive comment and direct staff accordingly

ITEM EXPLANATION:

The Developers Policy Public Hearing was continued from the April 25th to May 15th to allow for comment to be received from the County of San Diego. At this time, no comments have been received from the County and staff has asked me to give them until tomorrow morning for comment. If the County provides comment, they will be included in the next Draft of the packet.

FISCAL IMPACTS

N/A

ATTACHMENTS:

1. BWD Resolution and 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 15th day of May 2018, by the following vote:

Ayes:

Noes:

Absent:

Beth Hart, President

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: May 15, 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

May 15, 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 – MAY 15, 2018
AGENDA BILL II.B

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Viking Ranch Fallowing Proposal – T Driscoll

RECOMMENDED ACTION:

Receive report from Trey Driscoll and direct staff accordingly

ITEM EXPLANATION:

Dudek has completed an assessment of the Viking Ranch property and prepared proposed scope of work and cost estimate to perform preliminary environmental site assessment and agricultural land fallowing analysis and restoration potential of the Viking Ranch.

FISCAL IMPACTS

\$17,800

ATTACHMENTS:

Dudek Proposal

DUDEK

May 1, 2018

Geoff Poole, General Manger
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Subject: Proposal – Viking Ranch Preliminary Environmental Site Assessment and Agricultural Land Fallowing Analysis and Restoration Potential

Dear Mr. Poole:

Dudek is pleased to present this proposed scope of work and cost estimate to perform preliminary environmental site assessment and agricultural land fallowing analysis and restoration potential of the Viking Ranch located in Borrego Springs, California.

BACKGROUND

The Viking Ranch consists of two water credits land fallowing sites referred to as Viking 1 and Viking 2. The Viking 1 site comprises 62.5 acres located on assessor's parcel number (APN) 140-030-09, which is owned by the Borrego Water District (BWD). Sixty acres of citrus were fallowed on Viking 1 and the site received 294 AG-1 approved water credits in September 2013. The Viking 2 site comprises 97.25 acres located on APN 140-030-08, which is owned by Lundavid, LLC. Sixty acres of citrus were fallowed on Viking 2 and the site received 294 AG-1 approved water credits in December 2014.

When the Viking 1 and 2 water credits land fallowing was performed in 2013-2014, limited due diligence was completed as part of the transaction. This included review of historical groundwater quality collected from the well located on APN 140-030-08 in 2005 and documentation of the drillers' well completion report.¹ No Phase 1 environmental site assessment (ESA) was completed as part of the purchase of APN 140-030-09 by the Borrego Water District (BWD).² As no Phase 1 ESA was performed, the BWD inherited all environmental liability associated with historical use of APN 140-030-09, such as potential use of pesticides when the property was farmed. The potential occurrence of residual pesticides has not been documented on either Viking Ranch parcels.

¹ The 2005 groundwater quality sample indicates an elevated nitrate as nitrate (as NO₃) concentration of 26.7 milligrams per liter (mg/L) [6.0 mg/L as nitrogen (as N)] detected in the well located on APN 140-030-08. For comparison, the California drinking water maximum contaminant level for nitrate as N is 10 mg/L.

² A Phase 1 ESA is performed to in accordance with ASTM Standard E 1527-13, which conforms to the All Appropriate Inquiry standards, acceptable to the U.S. Environmental Protection Agency (USEPA) for provision of certain defenses against Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly known as Superfund) liability.

Additionally, specific land fallowing standards to stabilize site soils and minimize potential for wind-blown dust were not developed or implemented other than chipping the former citrus grove located on both site parcels and spreading the chipped mulch over portions of the property.

Dudek recommends the following tasks to document existing site conditions and to assist with development of a site restoration framework and associated costs that would be applied to Viking Ranch and more broadly to other potential land fallowing sites in the Borrego Springs Groundwater Subbasin (Subbasin). The site restoration frame work will include recommendations such as converting the on-site water well to a monitoring well and provide associated costs to complete the work.

Task 1 Preliminary Environmental Site Assessment

Dudek will conduct a preliminary environmental site assessment (ESA) for the 150-acre Viking Ranch property (site), currently owned by the BWD and Lundavid, LLC. The preliminary ESA will include review and evaluation of past and current uses of the site for indications of the manufacture, generation, use, storage and/or disposal of hazardous substances, and evaluation of potential soil contamination resulting from current and historical land use activities. Specifically, Dudek will perform the following:

- Conduct a search of regulatory agency records to see if there are currently, or were previously, any reports of hazardous materials contamination or usage at the site or contamination at other nearby properties that could impact the site;
- Review historical aerial photographs and City Directory listings;
- Conduct a site reconnaissance and document current conditions;
- Interview the owners and/or site representatives regarding the environmental history and background of the site; and
- Collect 10 shallow soil samples for analysis of organochlorine pesticides, 5 for herbicides, and 5 for arsenic.

The findings of the investigation will be summarized in a Preliminary ESA letter report. If the findings of the Preliminary ESA indicate a potential impact of hazardous wastes or materials on the site, the report will also contain recommendations for further assessment and/or investigation.

Deliverables: Technical Letter Report Preliminary ESA including recommendations

Cost for Task 1***\$8,545.00***

Task 2 Agricultural Land Fallowing Analysis and Restoration Potential

Dudek will conduct a site visit to review the existing conditions of the Viking property to evaluate the effectiveness of the fallowing practices on land stabilization. We will review the status of the fallowing and mulching in the context of site stabilization for the purposes of developing standards for fallowing and dust suppression associated with land transfers and water rights transfers associated with the GSP. In addition to evaluating the effectiveness of the fallowing practices, Dudek will investigate the passive recovery of the site since it was fallowed in terms of hydrology and vegetation. We will analyze soil

conditions, surface topography, soil compaction, invasive weed presence, and native species recruitment as a measure of site capacity for passive restoration. We will collect and analyze three soil samples to evaluate texture and chemistry for evaluating dust emission potential and plant growth potential. Using the site information, we will develop a summary of potential treatments and associated costs to facilitate site restoration that may be applied more broadly to additional future fallowing efforts in the Subbasin. The site review, analysis, and summary will be completed as a case study that may be used for developing a framework and standards for the land fallowing program.

Deliverables: Technical Memorandum summarizing Agricultural Land Fallowing Analysis and Restoration Potential

Cost for Task 2\$6,865.00

Task 3 Site Restoration Framework

Dudek will prepare conceptual site restoration framework options and associated costs for the Viking Ranch based on the work completed in Tasks 1 and 2. The site restoration options will include passive restoration, active restoration, passive/active restoration and consideration of transfer of the BWD-owned parcel to the Anza-Borrego Desert State Park. The Site Restoration Framework will be prepared such that the concepts may be applied to other land fallowing sites in the Subbasin.

Deliverables: Technical Memorandum summarizing Site Restoration Framework

Cost for Task 3\$2,400.00

The total cost to complete tasks 1—3 is as follows:

TOTAL COST.....\$17,810.00

Dudek appreciates this opportunity to continue assisting the District. If you have any further questions or require further discussion, please contact me at 760.415.1425 or tdriscoll@dudek.com

Sincerely,



Trey Driscoll. PG No. 8511, CHG No. 936
Principal Hydrogeologist

cc: Lyle Brecht, Board Member BWD

Dec 15 04 04:02p

JIM ENGELKE

Permit No. W30467 Permit Date 11/23/93
Permit Agency San Diego County No. 401832

P. 6

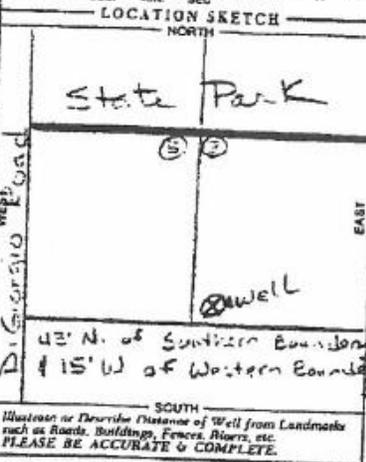
LATITUDE	LONGITUDE
ADJACENT OTHER	

ORIENTATION (✓) VERTICAL HORIZONTAL ANGLE _____ (SPECIFY)
 DEPTH TO FIRST WATER _____ (FL) BELOW SURFACE
 DESCRIPTION
 Describe material, grain size, color, etc.

DEPTH FROM SURFACE	FL	TO FL	DESCRIPTION
0	37		Fine Medium coarse sand
37	92		Fine to coarse sand, small boulders
92	183		Fine, medium sand
183	245		Fine to coarse sand, small boulders
245	306		Fine to coarse sand, gravel, small boulders
306	431		Fine, medium sand, coarse, small boulders
431	710		Fine, medium, coarse sand

WELL OWNER
 [Redacted]

WELL LOCATION STATE ZIP
 Address 495 Bologgio Road
 City Bozorg Springs
 County San Diego
 APN Book 140 Page 030 Parcel 03
 Township 10S Range 6E Section 4
 Latitude _____ Longitude _____



ACTIVITY (✓)
 NEW WELL
 MODIFICATION/REPAIR
 _____ Deepen
 _____ Other (Specify)
 _____ DESTROY (Describe Procedure and Materials Under "GEOLOGIC LOG")
 PLANNED USE(S)
 (✓)
 MONITORING
 WATER SUPPLY
 Domestic
 Public
 Irrigation
 Industrial
 TEST WELL
 CATHODIC PROTECTION
 OTHER (Specify)

DRILLING METHOD Rotary FLUID Bentonite
 WATER LEVEL & YIELD OF COMPLETED WELL
 DEPTH OF STATIC WATER LEVEL 283' (FT.) & DATE MEASURED 2/24/93
 ESTIMATED YIELD 2000 (GPM) & TEST TYPE Surfing
 TEST LENGTH 3hrs TOTAL DRAWDOWN 94' (FL)
 * May not be representative of a well's long-term yield.

TOTAL DEPTH OF BORING 710 (Feet)
 TOTAL DEPTH OF COMPLETED WELL 700 (Feet)

DEPTH FROM SURFACE	BORE-HOLE DIA. (Inches)	CASING(S)				INTERNAL DIAMETER (Inches)	GAUGE OR WALL THICKNESS	SLOT SIZE IF ANY (Inches)
		TYPE (✓)	MATERIAL / GRADE	BLANK	SOFTEN			
0	360	24"	X	Steel	14"	.250		
360	700	24"	X	Steel	14"	.250	.060	

DEPTH FROM SURFACE	FL	TO FL	ANNULAR MATERIAL		
			CE-MENT (✓)	BER-TONITE (✓)	FILL (✓)
0	100		X		
100	700			X	

ATTACHMENTS (✓)
 Geologic Log
 Well Construction Diagram
 Geophysical Log(s)
 Soil/Water Chemical Analyses
 Other

CERTIFICATION STATEMENT
 I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief.
 NAME Coachella Valley Pump & Supply, Inc.
 (PERSON, FIRM, OR CORPORATION) (TYPED OR PRINTED)
 ADDRESS P.O. Drawer 400, Indio, CA 92202
 CITY STATE ZIP
 Signed [Signature] DATE SIGNED 11/11/93 161541
 WELL DRILLER/AUTHORIZED REPRESENTATIVE

IF ADDITIONAL SPACE IS NEEDED, USE NEXT CONSECUTIVE NUMBERED PAGE

2401 STIRRUP ROAD
BORREGO SPRINGS, CA 92004

Invoice

DATE	INVOICE #
6/25/78	1035

BILL TO
Nors Rasmussen 1490 Nors Ranch Rd. Bonvall Ca. 92003

chhSLhhE

DESCRIPTION	QTY	RATE	AMOUNT
24 hour flow test on fresh water well at Nors Ranch Bonneg Springs. Flow tested using a Cumming L-10-C325 Diesel Engine Running a live shaft turbine pump at 1600 RPM. Pump set at 400 ft water level at 250 Ft. At start of test, after 12 hrs pumping water level dropped 18 ft to 268 Ft. Average flow was 1350 G.P.M thru 24 hr test	24 hr test	50 \$/hr.	1200 ⁰⁰
<i>Prof. Reported in field engineer</i>			Total \$ 1200 ⁰⁰

includes 24 hr
Pump Test



Environmental Engineering Laboratory

3538 Hancock Street
San Diego, CA 92110
(619) 298-6131

**JERRY
F.I.E**

VIKING WELL

Recipient: B.A. KERESZTURY
KERESZTURY WATER SAMP.SERVICE
P.O. BOX 301
JULIAN, CA 92036

Reference: 0527394
Lab ID: 0527394-003
Sample #:
Project#:
Comment: Special

Matrix: WATER
Sampled: 03/21/2005 11:45
Received: 03/21/2005 10:05
Collection Address: N. End Digiorgio Rd Borrego Springs
Sample Location: Lance Lundberg
Description:
Date Started: 03/21/2005
Date Completed: 03/25/2005
PS Code: 37C

Coliform Total (2-5) Colifers

Parameter	Result	Units	RL	MCL	Dilution Factor	Method	Date Analyzed	Analyst
Chlorine Residual	NA	mg/L	0.1	0	1	SM4500G	03/25/2005	CSV
Coliform, E. Coli.	Absent	None	0	0	1	SM 9223	03/21/2005	JH
Total Coliform	Absent	None	0	0	1	SM 9223	03/21/2005	JH

U = The analyte was analyzed for but not detected at the sample specific level reported.

Approval: *[Signature]*
Director

ENVIRONMENTAL ENG. LAB Fax:619-298-6131

Apr 29 '05 14:28 P.02

Recipient: B.A. KERESZTURY
 KERESZTURY WATER SAMP SERVICE
 P.O. BOX 301
 JULIAN, CA 92036
 Reference: 0527395
 Lab ID: 0527395-001
 Sample #:
 Project:
 Contaminant:

Matrix: WATER
 Sampled: 03/21/2005 11:45
 Received: 03/21/2005 10:05
 Collection Address: N. End Digorgio Rd Borrego Springs
 Sample Location: Lane Lundberg
 Description:
 Date Started: 03/21/2005
 Date Completed: 04/29/2005
 PS Code: 37C

Inorganic Chemical Parameter	Result	Units	RL	MCL	Dilution Factor	Method	Date	
							Analyzed	Analyst
Aluminum	ND	ug/L	50.0	1000	1	SM 3120B	04/01/2005	MMC
Arsenic	2.7	ug/L	2.0	50	1	SM 3120B	04/11/2005	MMC
Barium	ND	ug/L	100.0	1000	1	SM 3120B	04/01/2005	MMC
Cadmium	ND	ug/L	1.0	5	1	SM 3120B	04/11/2005	MMC
Chromium, Total (as Cr)	ND	Unit	1.0	-	1	SM 3120B	04/11/2005	MMC
Copper	ND	ug/L	50.0	1000	1	SM 3120B	04/11/2005	MMC
Fluoride	0.420	mg/L	0.1	2.0	1	EPA 300.0	03/23/2005	MEH
Lead	ND	ug/L	5.0	15	1	SM 3113B	04/01/2005	MEH
Mercury	ND	ug/L	1.0	2	1	SM 3112B	03/22/2005	MEH
Nitrogen, Nitrate (as NO3)	26.7	mg/L	2.0	45	1	EPA 300.0	03/23/2005	MEH
Selenium	11.2	ug/L	5.0	50	1	SM 3113B	04/11/2005	JH
Silver	ND	ug/L	10.0	100	1	SM 3120B	04/01/2005	MMC

Approval: 
 Director

Analysis of Environmental Engineering Laboratory Test Report #0527395-001

(Test Results for Lance Lundberg)

Date Sampled: 03-21-05

Results Received: 04-29-05

Tests Requested: Inorganic Chemical

Explanation of Measurements:

Well: N.End DiGiorgio Rd, Borrego Springs

mg/L= milligrams per Liter (also
= parts per million per Liter)

Test results are interpreted as follows:

ug/L = parts per billion per Liter

ND=None Detected

RL=Reporting (Minimum Detectable) Limit

MCL=Maximum Contaminant Level Permitted

INORGANIC CHEMICAL:

<u>Constituent</u>	<u>Result:</u>	<u>MCL</u>	<u>Interpretation</u>
Aluminum	ND	1000 ug/L	None Detected
Arsenic	2.7 ug/L	50 ug/L	Very Low
Barium	ND	1000 ug/L	None Detected
Cadmium	ND	5 ug/L	None Detected
Chromium, Total	ND	---	None Detected
Copper	ND	1000 ug/L	None Detected
Fluoride	0.420 mg/L	2.0 mg/L	Extremely Low
Lead	ND	15 ug/L	None Detected
Mercury	ND	2 ug/L	None Detected
Nitrogen, Nitrate (as NO3)	26.7 mg/L	45 mg/L	Low
Selenium	11.2 ug/L	50 ug/L	Very Low
Silver	ND	100 ug/L	None Detected

Submitted by: WATER SAMPLING SERVICE

B.A. Keresztury
P.O. Box 301
Julian CA 92036

Date: May 5, 2005

P. 1 of 1



Environmental Engineering Laboratory

**3538 Hancock Street
San Diego, CA 92110
(619) 298-6131**

Recipient:	B.A. KERESZTURY KERESZTURY WATER SAMP SERVICE P.O. BOX 301 JULIAN, CA 92036	Matrix:	WATER
Reference:	0527395	Sampled:	03/21/2005 11:45
Lab ID:	0527395-001	Received:	03/21/2005 10:05
Sample #:		Collection Address:	N. End Digiorgio Rd Borrego Springs
Project#:		Sample Location:	Lance Lundberg
Comment:		Description:	
		Date Started:	03/21/2005
		Date Completed:	04/29/2005
		PS Code:	37C

Complete Mineral

Parameter	Result	Units	RL	MCL	Dilution		Date	
					Factor	Method	Analyzed	Analyst
Alkalinity - Bicarbonate	75.6	mg/L	1.0		1	SM2320B	04/18/2005	MMC
Alkalinity - Total	62.0	mg/L	1.0		1	SM2320B	04/01/2005	MMC
Calcium	113	mg/L	1.0		1	SM 3120B	04/10/2005	MEH
Chloride	83.4	mg/L	0.2		1	EPA 300.0	03/23/2005	MMC
Conductance, Specific	1,220	uMHO/cm	1		1	SM2510B	03/29/2005	JH
Fluoride	0.420	mg/L	0.1	2.0	1	EPA 300.0	03/23/2005	MMC
Hardness	324	mg/L	2.0		1	SM 3120B	04/11/2005	MMC
Iron	ND	ug/L	100.0	300	1	SM 3120B	04/01/2005	MMC
Magnesium	10.4	mg/L	1		1	SM 3120B	04/10/2005	MEH
Manganese	ND	ug/L	20.0	50	1	SM 3120B	04/01/2005	MMC
Nitrogen, Nitrate (as NO3)	26.7	mg/L	2.0	45	1	EPA 300.0	03/23/2005	MEH
pH	7.92	Unit	0.01	0	1	EPA150.	03/21/2005	JH
Phosphate, Ortho (as PO4)	ND	mg/L	0.05		1	EPA300.	03/23/2005	MEH
Potassium	9.20	mg/L	1		1	SM 3120B	04/10/2005	MEH
Silica	5.81	mg/L	1		1	SM 3120B	04/29/2005	MMC
Sodium	143	mg/L	1		1	SM 3120B	04/10/2005	MEH
Solids, Dissolved	838	mg/L	10		1	SM2450C	03/28/2005	JH
Sulfate	366	mg/L	0.5		1	EPA 300.0	04/11/2005	JH

Analysis of Environmental Engineering Laboratory Test Report #0527395-001

(Test Results for Lance Lundberg)

Date Sampled: 03-21-05

Results Received: 05-06-05

Tests Requested: Complete Mineral

Explanation of Measurements:

Well: N. End DiGiorgio Rd, Borrego Springs

mg/L=milligrams per Liter (also equals parts per million per Liter)

Test results are interpreted as follows:

ug/L=parts per billion per Liter

ND=None Detected

uMHO/cm=electrical units

RL=Reporting (Minimum Detectable) Limit

(conductance)

MCL=Maximum Contaminant Level Permitted

COMPLETE MINERAL:

Constituent:	Result:	MCL:	Interpretation:
Alkalinity-Bicarbonate	75.6 mg/L	400-500	Extremely Low
Alkalinity-Total	62.0 mg/L	400-500	Extremely Low
Calcium	113 mg/L	0-300	Low
Chloride	83.4 mg/L	250	Low
Conductance, Specific	1,220 uMHO/cm	900-1600	Acceptable
Fluoride	0.420 mg/L	2.0	Low
Hardness	324 mg/L	120	Very Hard
Iron	ND	300	None Detected
Magnesium	10.4 mg/L	0-300	Very Low
Manganese	ND	50	None Detected
Nitrogen, Nitrate (as NO3)	26.7 mg/L	45	Acceptable
pH	7.92	6.5-8.5	"Normal" Range
Phosphate, Ortho	ND	—	None Detected
Potassium	9.20 mg/L	20	Low
Silica	5.81 mg/L	1-30	Low
Sodium	143 mg/L	*	"Normal" Range
Solids, Dissolved	838 mg/L	250	High
Sulfate	366 mg/L	250	High

*A "low sodium diet" suggests 20-30 mg/L

The above analysis of test results has been made from data gathered from current EPA standards, information from state and county departments of health, and publications of the American Water Works Association (AWWA.)

Submitted by: WATER SAMPLING SERVICE

B.A. Keresztury
P.O. Box 301
Julian CA 92036

Date: May 6, 2005

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 15, 2018
AGENDA BILL II.C

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: BWD Comment Letter on County of San Diego Property Specific Request process – G Poole

RECOMMENDED ACTION:

Review Comment Letter and direct staff accordingly

ITEM EXPLANATION:

The County of San Diego is working on Property Specific Requests that if approved could lead to increased density and higher water demands for the Basin. County staff is going to recommend denial of the increased zoning due to a variety of issues including groundwater availability. The attached letter is designed to support the Staff recommendation and is planned to be entered into the public record at a meeting on June 26th on this topic.

FISCAL IMPACTS

TBD

ATTACHMENTS:

1. Draft Comment Letter

[letter for PSR public hearing for Planning Board and Supervisors]

[To: list of County Supervisors and Planning Board members]

RE: PSR ANALYSIS AREAS DS8 and DS24: ECONOMICS and JOBS CREATION

I am submitting these comments on behalf of the Board of Directors of the Borrego Water District (“the District”) in support of the San Diego County Planning and Development Services (PDS) California Environmental Quality Act (CEQA) Environmental Impact Review (EIR) analysis and resulting PDS staff’s recommendation to deny the up-zoning requests for DS8 and DS24 within the municipal service area of the District.

Findings:

- 1) Adequate freshwater supply is the basis of human wellbeing and health care. Economic development and quality of life depend on it. It is as essential to human activity as air. Water shortages, if not timely addressed, deliver a *severe hit* to a community’s economy and jobs. To avoid certain economic collapse, good water management policies are necessary;
- 2) The two PSR Analysis Areas DS8 and DS24 are located in the District’s service area;
- 3) The District’s municipal water service presently supports approximately \$330,000,000 in County assessed property values for property tax purposes;
- 4) Borrego Springs Subbasin (Borrego Basin) of the Borrego Valley Groundwater Basin is the sole source of water for the Borrego Valley and all municipal use provided by the District;
- 5) The Borrego Basin has been designated by the California Department of Water Resources as in critical overdraft (DWR Bulletin 118, Basin No. 7-24);
- 6) At this time there are no plans to import water from outside the Borrego Valley due to the economic cost of a pipeline and the uncertainty of available and affordable imported supply from the Colorado River (see the *Southeast California Regional Basin Study Evaluates Water Supply and Demand in Borrego, Coachella and Imperial Valleys* by the US Bureau of Reclamation [2014]);
- 7) Importation of new supply from nearby groundwater basins has also been ruled out due to availability of potential adequate supply and cost (*Borrego Spring Pipeline Feasibility Study: Final Report* by the US Environmental Protection Agency – Region 9 [2012]);

- 8) Located in an arid desert climate, Borrego's economy has been made possible by the overuse of groundwater supplies that have been depleted far faster than those supplies can be replenished. This is true of the agricultural, recreational and municipal water use sectors;
- 9) Anthropogenic activities have resulted in an increase in pumping lifts, reduced well efficiency, dry wells, changes in water quality, loss of natural groundwater discharge, and deleterious changes to the desert ecosystems of the Anza-Borrego Desert State Park.
- 10) At the current rate of use, the groundwater supply is not sustainable (*Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County* by US Geological Survey [2015]);
- 11) On January 1, 2015, the Sustainable Groundwater Management Act (SGMA) went into effect;
- 12) Under SGMA, Groundwater Sustainability Agencies (GSAs) have the authority to limit extractions, impose fees and penalties, and require metering and water quality monitoring on all basin pumpers. GSAs are further charged with developing and adopting a Groundwater Sustainability Plan (GSP);
- 13) Both the District and the County have agreed to a Memorandum of Understanding (MOU) to become a multi-agency GSA for the Borrego Basin; the District on September 20, 2015; the County on October 19, 2016;
- 14) In the District's service area, there presently exists approximately 3,000+ County-approved, legally buildable, but as yet unbuilt Equivalent Dwelling Units (EDUs). (Dudek, *Theoretical Water Demand at Buildout of Present Unbuilt Lots Under County's Current Zoning in Borrego Springs* [October 4, 2016]).
- 15) The District does not presently possess adequate water supply to service these unbuilt EDUs under SGMA-supply constraints. Even if the District did have access to adequate supplies from the Borrego Basin, it is uncertain that the District's Severely Disadvantaged Community (SDAC) customer base would be able to afford the resultant water rates (Raftelis Financial Consultants, *Borrego Water District County Zoning and SGMA Impact Assessment* [November 17, 2016] and *Borrego Water District Water Rates Affordability Assessment* [October 4, 2017]);
- 16) Thus, for economic reasons, the District is unable, at this juncture, to support the addition of or intent of the County in its zoning decisions to add additional EDUs in the District's service area that would increase demand.
- 17) Until all the SGMA-related GSP supply availability issues are satisfied, such actions on the part of the County would be like throwing gasoline on a raging fire. Such action would (1) place at risk water service to the existing \$330,000,000 in property values presently paying property taxes to the

County; and (2) place at risk the District's capability to provide municipal service to the existing County-approved but unbuilt EDUs in the District's service area;

- 18) What about jobs? The assumption by some is that temporary job creation is always a net plus. That new jobs always are additive to a local economy and are justified. This is not always a sound assumption and in the case of uneconomically justified development is fundamentally a flawed assumption;
- 19) The economy of the Borrego Valley is primarily driven by visitation to the Anza-Borrego Desert State Park ("the Park"), which attracts approximately 500,000 visitors in an average year who generate approximately \$40,000,000 in revenues annually to the region (primarily San Diego County). Borrego Springs serves as the gateway community for this visitation (BBC Research & Consulting, September 21, 2012);
- 20) The visitation to the Park translates into approximately 600+ permanent jobs for California, with the majority of these jobs located in San Diego County (BBC Research & Consulting, September 21, 2012);
- 21) The assumption that more jobs from residential development projects are always good must be tempered by asking the question whether such jobs would detract from existing revenue streams or impact the thrust of the development of a gateway community for Park visitation. In any case, the District asserts that at present, based on the above findings to date, no defensible case may be made where residential development jobs creation can be used as a rationale to engage in uneconomic development.

For the above reasons, the District hereby recommends that the County Planning Board and Board of Supervisors deny the up-zoning requests for DS8 and DS24 on the basis of such up-zoning's impacts on economic development and job creation within the municipal service area of the District that serves the municipal water needs for the Borrego Springs community.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 15, 2018
AGENDA BILL II.D

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Fiscal Year 2018-19 Budget and CIP – K Pittman

RECOMMENDED ACTION:

Receive report from Kim Pittman and direct staff accordingly

ITEM EXPLANATION:

The purpose of this agenda item is to allow for the Board and Staff to review the changes made to the Budget following input from the Board at the April meeting. Staff will present the updated document to the Board on the 15th.

ATTACHMENTS:

1. FY 2018-19 Budget

BORREGO WATER DISTRICT

FISCAL YEAR 2018-2019

ANNUAL BUDGET

ADOPTED

May 23, 2018

SUBMITTED BY:

**GEOFF POOLE
GENERAL MANAGER**

TO:

BOARD OF DIRECTORS

**BETH HART
PRESIDENT**

**LYLE BRECHT
VICE-PRESIDENT**

**JOE TATUSKO
SECRETARY/TREASURER**

**RAYMOND DELAHAY
DIRECTOR**

**HARRY EHRLICH
DIRECTOR**

**FISCAL YEAR 2018-2019
ANNUAL BUDGET
ADOPTED
MAY 23, 2018**

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BUDGET RESOLUTION 26



BORREGO WATER DISTRICT

May 23, 2018

Board of Directors:

This Fiscal Year 2018-2019 consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals and priorities and the District's strategic plans by which to achieve these goals and priorities.

The Operations and Management (O&M) and Capital Improvements Projects (CIP) and non-O&M expenses budgets contained in this FY 2019 consolidated budget package represent management's best assessment of a budget to successfully accomplish the District's goals and priorities for FY 2019. This budget document will be used as a guideline to address the dynamics of the District's operations and the economic challenges of maintaining the District's financial stability and enabling the District to supply dependable potable water and sewer and wastewater treatment to its customers.

The budget shows total revenues for FY 2019 projected to be approximately \$4,987,515. This represents an increase of 21% from FY 2018 projected revenues.

The FY 2019 projected revenues assumes that monthly base service rates will increase approximately 6% (all meter sizes); residential water rates for Tier 1 (< 7 units/mo) will increase from \$3.35 to \$3.56/unit in FY 2019; Tier 2 (> 7 units/mo) = \$3.92/unit in FY 2019; Non-Residential water rates will increase from \$3.55 to \$3.77/unit in FY 2019; and revenue from sewer rates will increase 4,4,4% between FY 2019-FY 2021.

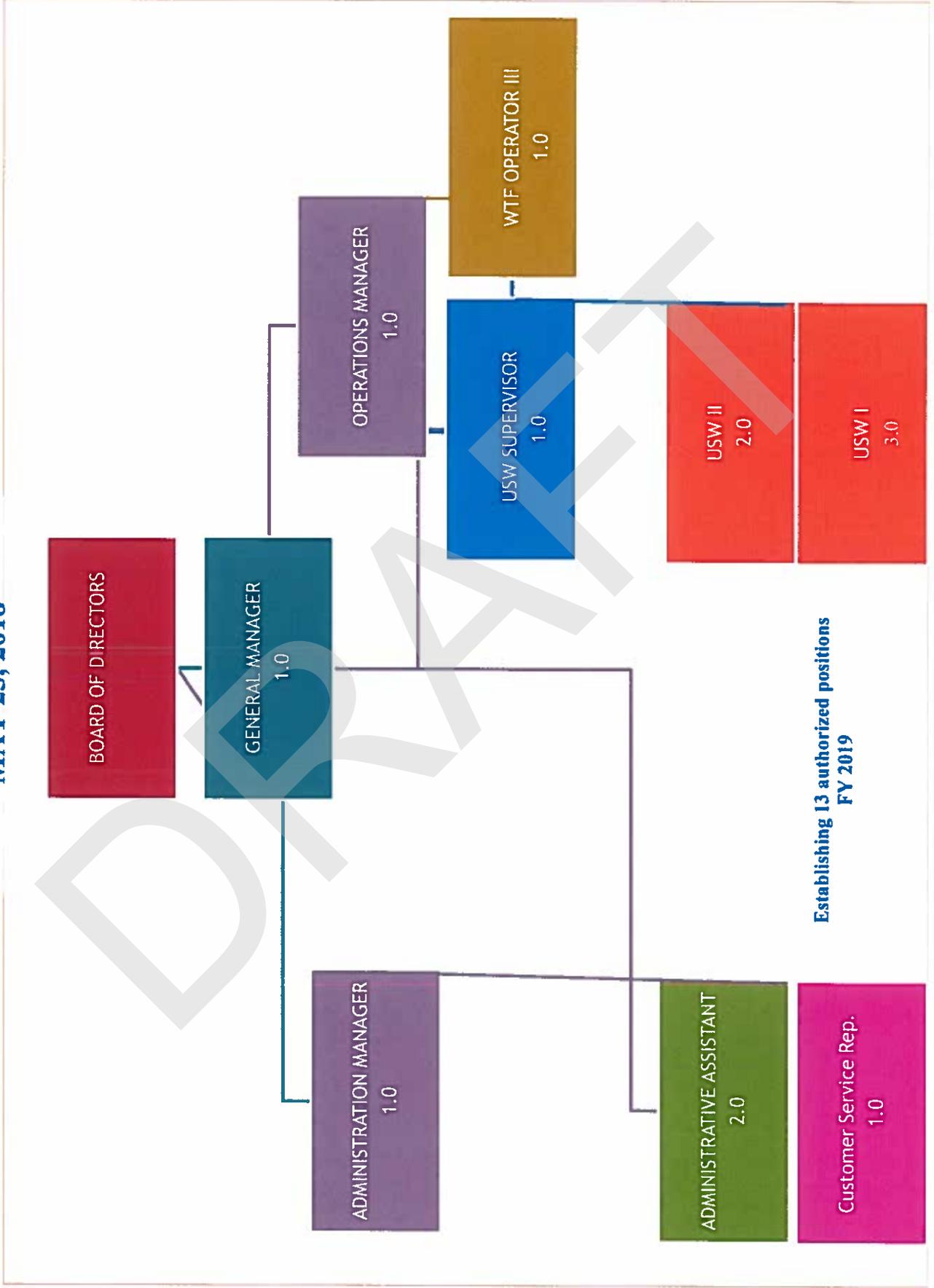
Included in this budget package is the proposed Board Resolution to adopt and approve the FY 2019 budget; an Organizational Chart establishing 13 authorized positions for FY 2018-2019; a detailed revenue and operations and maintenance expenses budget; CIP budget with associated justification from the District's consulting engineer, non-CIP budget items; an updated District's Reserves Policy; a proposed Board Resolution Establishing Water & Sewer Rates for FY 2018-2019 and a projected cash flow analysis for the next eight fiscal years which includes the proposed rate increases.

Thank you for your consideration.

Sincerely,

Geoff Poole
General Manager

**BORREGO WATER DISTRICT
ORGANIZATIONAL CHART
MAY 23, 2018**



	C	S	AF
1	BWD	5/23/2017	5/15/2018
2	BUDGET CASH FLOW	ADOPTED	PROJECTED
3	2018-2019	BUDGET	BUDGET
4	(second draft)	FY 2018	2018-2019
5			
6	REVENUE		(8% increase 4% revenue)
7	WATER REVENUE		
8	Residential Water Sales	949,885	950,994
9	Commercial Water Sales	302,856	417,885
10	Irrigation Water Sales	210,597	237,061
11	GWM Surcharge	160,274	181,749
12	Water Sales Power Portion	457,206	514,706
13	TOTAL WATER COMMODITY REVENUE:	2,080,818	2,302,395
14			
15	Readiness Water Charge	1,114,240	(6% increase) 1,154,976
18	Meter Install/Reconnect Fees	1,360	20,680
19	Backflow Testing/installation	7,000	5,100
20	Bulk Water Sales	600	1,200
21	Penalty & Interest Water Collection	19,000	40,000
22	TOTAL WATER REVENUE:	3,223,018	3,554,271
23			
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES		
25	641500 1% Property Assessments	62,303	62,300
26	641502 Property Assess wtr/swr/fld	106,212	106,212
28	641501 Water avail Standby	82,445	82,376
30	641504 ID 3 Water Standby (La Casa)	33,722	33,647
31	641503 Pest standby	17,882	17,870
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	302,563	302,404
33			
34	SEWER SERVICE CHARGES		(4% increase)
35	Town Center Sewer Holder fees	226,391	234,593
36	Town Center Sewer User Fees	85,015	88,695
37	Sewer user Fees	267,460	278,304
39	Penalty Interest-Sewer	3,000	1,248
41			
42	TOTAL SEWER SERVICE CHARGES:	581,866	602,840
43			
44	OTHER INCOME		
49	Water Credits income		22,000
50	GSP Grant funding		500,000
51	Interest Income	6,600	6,000
52	TOTAL OTHER INCOME:	6,600	528,000
53			
54	TOTAL INCOME:	4,114,047	4,987,515
64			

	C	S	AF
1	BWD	5/23/2017	5/15/2018
2	BUDGET CASH FLOW	ADOPTED	PROJECTED
3	2018-2019	BUDGET	BUDGET
4	(second draft)	FY 2018	2018-2019
65	EXPENSES		
66			
67	MAINTENANCE EXPENSE		
68	R & M Buildings & Equipment	185,000	180,000
69	R & M - WWTP	185,000	180,000
70	Telemetry	8,000	10,000
71	Trash Removal	4,200	4,200
72	Vehicle Expense	18,000	18,000
73	Fuel & Oil	23,000	30,000
74	TOTAL MAINTENANCE EXPENSE:	423,200	422,200
75			
76	PROFESSIONAL SERVICES EXPENSE		
77	Tax Accounting (Taussig)	3,000	3,000
78	Administrative Services (ADP)	3,000	3,000
79	Audit Fees (Squamliner)	15,995	16,995
80	Computer billing (Accela/Parker)	13,500	25,000
81	Financial/Technical Consulting (Rafelis) (Fieldman) (Holt Group)	41,000	80,000
82	Engineering (Dynamic/Dudek)	50,000	60,000
83	District Legal Services (Downey Brand/BBK)	20,000	120,000
84	Testing/lab work (Babcock Lab)	8,400	12,000
85	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	27,160	25,000
86	TOTAL PROFESSIONAL SERVICES EXPENSE:	182,055	344,994
87			
88	INSURANCE EXPENSE		
89	ACWA/JPIA Program Insurance	57,000	57,000
90	ACWA/JPIA Workers Comp	16,000	17,600
91	TOTAL INSURANCE EXPENSE:	73,000	74,600
92			
93	DEBT EXPENSE		
94	Citizens Bank-COP 2008 Debt Payment	251,475	254,500
95	BBVA-Viking Ranch Debt Payment	143,312	143,312
96	New Water Debt		425,000
97	New Sewer Debt		25,000
98	TOTAL DEBT EXPENSE:	394,787	847,812
99	EXPENSES		
100	PERSONNEL EXPENSE		
101	Board Meeting Expense (board stipend/board secretary)	22,000	25,000
102	Salaries & Wages (gross)	826,000	956,000
103	Salaries & Wages offset account (board stipends/staff project salaries)	(55,000)	(60,000)
104	Consulting services/Contract Labor	24,000	15,000
105	Taxes on Payroll	22,000	22,300
106	Medical Insurance Benefits	220,100	250,515
107	Calpers Retirement Benefits	179,200	174,710
108	Conference/Conventions/Training/Seminars	8,000	17,000
109	TOTAL PERSONNEL EXPENSE:	1,246,300	1,400,525
110			
111	OFFICE EXPENSE		
112	Office Supplies	18,000	20,000
113	Office Equipment/ Rental/Maintenance Agreements	35,000	35,000
114	Postage & Freight	15,000	15,000
115	Taxes on Property	2,331	2,334
116	Telephone/Answering Service/Cell	19,000	24,000
117	Dues & Subscriptions (ACWA/CSDA)	21,526	21,000
118	Printing, Publications & Notices	3,000	2,500
119	Uniforms	5,400	6,500
120	OSHA Requirements/Emergency preparedness	4,000	4,000
121	TOTAL OFFICE EXPENSE:	123,257	130,333
122			
123	UTILITIES EXPENSE		
124	Pumping-Electricity	300,000	308,000
125	Office/Shop Utilities	20,000	1,200
127	TOTAL UTILITIES EXPENSE:	320,000	311,392
128			
129	GROUNDWATER MANAGEMENT EXPENSE		
130	GWM -GSP Development Expense	120,000	260,000
131	GSP Project Management		48,000
132	Grant expense-	30,000	60,000
133		120,000	0
134	TOTAL GWM EXPENSE:	270,000	360,645
135			
136	TOTAL EXPENSES:	3,032,600	3,892,501
144			
145	NET CASH FLOW (O&M)	1,081,447	1,095,014
146			

	C	S	AF
1	BWD	5/23/2017	5/15/2018
2	BUDGET CASH FLOW	ADOPTED	PROJECTED
3	2018-2019	BUDGET	BUDGET
4	(second draft)	FY 2018	2018-2019
147	CIP PROJECTS-OPERATIONS		
148	Water		
149	Pickup	50,000	0
150	Transmission line to convey well 16 water directly to ID1 900 Reservoir (Pipeline 1)		112,000
151	Frying Pan Road, north and south from T Anchor Drive (Pipeline 8)		165,000
152	Pipeline for Santiago and ID5 (Pipeline 11)		110,000
153	Rehab ID 5-5		110,000
154	Rehab Twin Tanks		600,000
155	10" Bypass at ID 1 Booster Station 2	15,000	15,000
156	Emergency water pipeline repairs	25,000	25,000
157	ID1-8, 125 Hp		60,000
158	Backhoe		200,000
159	Crew Truck		35,000
160	New well Phase I = Exploration/Test Well (Possible Grant) & Phase II = Drill Well		265,000
161	New 900 Reservoir	525,000	0
162	Replace Twin Tanks-(prop 1 grant)	579,000	0
163	Replace Wilcox Diesel Motor-(Prop 1 grant)	59,000	0
164	Replace Indianhead Reservoir-(Prop 1 grant)	294,000	0
165	Rams Hill#2, 1980 balv. 0.44 MG recoating-(Prop 1 grant)	161,000	0
166	Rebuild Rams hill booster station pump 3		0
167	Transmission line to convey Well 5 water to C.C. Reservoir (pipeline 2)	83,000	0
168	T Anchor Dr., Frying Pan Rd. to Double O Rd. (Pipeline 6)	34,000	0
169	Weathervane Dr., Frying Pan Road to Double O Road (Pipeline7)	34,000	0
170	ID 5-5, 200 HP	80,000	0
171	Well 12 pump and casing cleaning	50,000	0
172	Emergency Generator Mobile Trailer	12,000	0
173	Mail machine inserter		0
174			
175	TOTAL WATER CIP:	2,001,000	1,697,000
176	Sewer		
184	Force main replacement at La Casa		150,000
185	TSC-La Casa Bypass		100,000
186	Plant-Grit removal at the headworks-(Prop 1 grant)	100,000	0
187	WTF-Rehab Clarifier (Prop 1 grant)	118,500	0
188			
189			
190	TOTAL SEWER CIP:	218,500	250,000
191			
192	TOTAL CIP OPERATION EXPENSES:	2,219,500	1,947,000
193			
194	CASH RECAP		
195	Cash beginning of period	4,589,663	4,857,739
196	Net Cash Flow (O&M)	1,081,447	1,095,014
197	Total Non O&M Expenses	(2,219,500)	(1,947,000)
198	CASH AT END OF PERIOD	3,451,611	4,005,753
199			
200	RESERVES		
201	Working Capital-Water (4 months)	(1,000,000)	(1,000,000)
202	R & R Reserves	(532,000)	(532,000)
203	Contingency Reserves (8.8% O&M)	(240,000)	(240,000)
204	Rate Stabilization Reserves	(800,000)	(800,000)
205	Available for Emergency Reserves	1,411,611	1,433,753
206	Target Emergency Reserves	2,000,000	2,000,000
207	Emergency Reserves Deficit	(588,389)	(566,247)
208			
209			

	B	C	D	E	F
6	BWD				
7	INCOME/EXPENSE				
8	CONDENSED BUDGET				
9	2018-2019				
10	(draft 5/15/18)				
11					
12					
13					
14		TOTAL			
15		BUDGET	WATER	ID4-WATER	SEWER
16	REVENUE				
17					
18	Water Sales	3,372,521.70	1,146,657	2,225,864	
19	GWM Surcharge	181,749	61,795	119,954	
21	1% Property Assessment	62,300	21,182	41,118	
22	Water Availability Standby	240,104.83	81,636	158,469	
23	Sewer Revenue	602,840			602,840
26	GSP Grant Funding	500,000	170,000	330,000	
27	Water Credit Revenue	22,000	7,480	14,520	
28	Interest Income	6,000	2,040	3,000	960
33	TOTAL PROPOSED INCOME FY 2017:	4,987,515	1,490,789	2,892,925	603,800
35					
36					
37	EXPENSE				
38					
39	Repairs & Maintenance	422,200	82,348	159,852	180,000
40	Professional Services	344,994	87,284	205,962	51,749
41	Insurance	74,600	18,874	44,536	11,190
42	Personnel Expense	975,300	246,751	582,254	146,295
43	Employee Benefits	425,225	107,582	253,859	63,784
44	Office expense	130,333	32,974	77,809	19,550
45	Utilities	311,392	78,782	185,901	46,709
46	Debt Expense-Citizens Bank COP 2008	254,500	-	254,500	-
47	Debt Expense-BBVA Compass Bank	143,312	48,726.18	94,586.10	
48	New Water Debt	425,000	212,500.00	212,500.00	
49	New Sewer Debt	25,000			25,000
50	GWM	360,645	122,619.21	238,025.53	
51	TOTAL PROPOSED EXPENSE FY 2017:	3,892,501	1,038,440	2,309,785	544,277
52					
53	NET INCOME (EXPENSE):	1,095,014	452,350	583,141	59,524
54					
55	TOTAL NON O & M EXPENSE:	1,947,000	\$ 576,980	\$ 1,120,020	\$ 250,000
56					
57	TOTAL NET CASH FLOW FY 2017:	(851,986)	(124,630)	(536,879)	(190,476)
58					
59					

May 23, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Fiscal Year 2018-19 Budget and Capital Improvement Plan

To be revised

Transmitted herewith is the Proposed Final Fiscal Year 2018-19 Budget and Capital Improvement Plan for the Borrego Water District. The consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals/priorities and the District's strategic plans by which to achieve them.

The amount budgeted in each category represents Management's best assumptions to successfully accomplish the District's objectives. A summary of the FY 2018-19 budget is below:

Budget Components for FY 2018-19 - Revenues

Water sales are projected to remain stable (FY 2018-19 = 1,600 afy). The previously approved Prop 218 rate and fee increases of 6% for FY 18-19 has been included and will increase revenues by an estimated \$185,000.

Monthly Meter stand by fees are also proposed to be increased by 6% in compliance with the Boards most recent Prop 218 process. The increase is projected to increase Meter Fee revenues by approximately \$69,000 in FY 18-19.

The past Prop 218 process undertaken by BWD also included rate increases for sewer customers in an amount of a maximum of 4% which will increase annual sewer revenues by \$24,000.

Property tax revenues are expected to remain constant and within BWD's legal authority to assess.

Non-budgeted revenue: BWD is also aggressively pursuing a number of State grants and although the revenue is technically not included in the Budget, once received, the additional revenue will have a positive effect on the Districts financial position and reserve fund levels.

Budget Components for FY 2018-19 – Expenses

1. In FY 2018-19, BWD and the County of San Diego will be working on the development of the Borrego Basin Groundwater Sustainability Plan (GSP). The GSP is being conducted to comply with the 2014 Sustainable Groundwater Management Act. In March of 2017, the County of San Diego entered into a contract with Dudek as the Prime Consultant for completion of the Plan. Certain BWD expenses are planned to be incurred that are outside the scope of the GSP, so an estimated \$280,000 has been included in FY 2017-18 budget for this purpose.
2. All existing programs in BWD Operations, Maintenance and Administration Departments are fully funded through 2018-19. The major programs in the Water Operations Department include system operations and maintenance, water quality monitoring, meter testing/replacement, pipeline replacement, reporting and the inevitable emergency pipeline repairs that happen each year. When possible, BWD staff (including temporary help) will be used to perform all pipeline repairs in FY 2018-19, emergency and planned. Capital projects planned for the year include the aforementioned pipeline repairs as well as **The Rehabilitation of the Twin Tanks, with an approximate cost of \$600,000**, repair and replacement of 3 existing BWD storage tanks and the 3 reservoir repair/replacement projects are part of a State Grant application. During the development of the FY 2018-19 Budget/CIP process, BWD Operations Manager Greg Holloway conducted a comprehensive evaluation of the previous CIP on a project by project basis. Evaluating the overall need, basic design and priority of each project has resulted in a CIP that much more accurately reflects the future needs of BWD compared to last Fiscal Year.
3. In the Sewer Operations Department, BWD is planning to construct a series of improvements at the Wastewater Treatment Facility to replace equipment/components that has passed its useful life. These projects are planned to be funded by State Grants. Engineering assessments are underway to evaluate the feasibility of enhancing wastewater treatment levels to tertiary which would allow for use on local irrigation demands. Other planned improvements include adding infrastructure to improve the ability to adequately maintain portions of the sewer collection system. BWD currently relies on an outside Consultant to provide the necessary Grade 3 Wastewater Treatment Facility Operator. In the 2018-19 budget, BWD is planning on permanently addressing the need for a Grade 3 Operator at the WTF by re-assigning existing employees and then using the Consultant on an as-needed basis.
4. In the Administration Department, all programs are fully funded. It is anticipated that BWD will have a need to issue debt for GSP and other expenses in the future and the Administration Department will be working with a Board Committee and a Municipal Advisor (Fieldman, Rolapp and Associates) to help prepare the agency for a potential bond issuance. The goal is to take the steps necessary that results in the lowest possible cost/interest rate on a future bond issuance.

Included in this Budget Package are the proposed Board Resolution to adopt and approve the FY 2018-19 Budget, detailed revenue and expenses, Capital Improvement Plan with project explanations/justifications from the District's Consulting Engineer, Non CIP expenses, updated Reserve Policy and a projected Cash Flow that includes proposed future rate increases.

I would personally like to thank the BWD staff and Board for their hard work in preparing and reviewing this Proposed Budget for FY 2018-19.

Sincerely

Geoff Poole

General Manager

DRAFT

6/09/16

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

Mr. Rolwing:

I have reviewed the proposed Capital Improvement Program for the next ten years and concur that the projects identified in the schedule are the most pressing physical infrastructure needs of the District at this time. The estimated costs (in 2016 dollars) of these improvements are reasonable for planning purposes.

If you have any questions please contact me.

Regards,



David Dale, PE, PLS
Contract Engineer

To be updated

CAPITAL IMPROVEMENT PROJECTS		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
WELLS, BOOSTER STATIONS, RESERVOIRS & ASSOCIATED TRANSMISSION MAINS											
1	Water Treatment Facility (Phase 1)										
2	Water Treatment Facility (Phase 2)										
3	New well: Phase I = Exploration/Test Well (Possible Grant) & Phase II = Drill Well	\$ 265,000	\$ 1,235,000			\$ 635,000	\$ 650,000	\$ 250,000	\$ 250,000		
4	3 New wells drilled over 5 years			\$ 1,500,000			\$ 1,500,000				
5	Country Club Tank Recoating, 1999 1.0 MG							\$ 250,000			
6	Transmission line to convey well 16 water directly to ID1 900 Reservoir (Pipeline 1)	\$ 112,000									
7	Transmission line to convey Well 5 water directly to C.C. Reservoir (Pipeline 2)	\$ 120,000	\$ 151,000	\$ 120,000	\$ 151,000						
8	Transmission line to convey Well 12 water directly to Tilling T-DI Giorgio (Pipeline 3)					\$ 688,000					
9	Transmission pipeline Slash M Rd. west to Country Club Tank (Pipeline 4)	\$ 175,700									
10	Replace Twin Tanks (Prop 1 grant)	\$ 600,000									
11	Rehab ID 5-5	\$ 110,000									
WASTEWATER TREATMENT FACILITIES											
15	Sewer main replacement Club Circle	\$ 200,000	\$ 200,000		\$ 100,000			\$ 100,000			
16	Solar Project	\$ 150,000						\$ 500,000			
17	Force main replacement at La Casa	\$ 100,000	\$ 500,000								
18	TSC-La Casa Bypass										
PIPELINE REPLACEMENT /IMPROVEMENT PROGRAM											
22	Emergency water pipeline repairs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
23	10" Bypass at ID1 Booster Station 2	\$ 15,000		\$ 205,000							
24	Borrigo Springs Road, Walking H Drive to Country Club Road Phase 1 (Pipeline 5)										
25	Borrigo Springs Road, Walking H Drive to Country Club Road Phase 2 (Pipeline 5)			\$ 205,000							
26	Frying Pan Road, north and south from T Anchor Drive (Pipeline 8)	\$ 165,000	\$ 83,000								
27	Double O Road, north and south from T Anchor Drive (Pipeline 9)			\$ 313,600							
28	Borrigo Springs Road, Weather Vane Drive to Barrel Drive (Pipeline 10)	\$ 110,000	\$ 104,000	\$ 105,000							
29	De Anza Dr. 1600 block west from Yaqui Road (Pipeline 11)			\$ 252,000							
30	Club Circle Pipeline Evaluation		\$ 50,000								
TOTAL - CAPITAL IMPROVEMENTS PROGRAM											
		\$ 1,652,000	\$ 2,492,700	\$ 1,051,600	\$ 1,955,000	\$ 1,504,000	\$ 2,180,000	\$ 1,135,000	\$ 285,000	\$ 35,000	\$ 35,000
TOTAL - SHORT LIVED ASSETS (FROM SHEET 2)											
		\$ 295,000	\$ 177,000	\$ 215,000	\$ 80,000	\$ 25,000	\$ 15,000	\$ 195,000	\$ 60,000	\$ 240,000	\$ 240,000
TOTAL CIP AND SHORT LIVED ASSETS ANNUAL BUDGET											
		\$ 1,947,000	\$ 2,669,700	\$ 1,266,600	\$ 2,035,000	\$ 1,529,000	\$ 2,195,000	\$ 1,330,000	\$ 345,000	\$ 275,000	\$ 275,000

A		F	G	H	I	J	K	L	M	N	O
CIP-SHORT LIVED ASSETS		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
2											
3											
4											
5	WELLS										
6	ID1-9, 125 Hp	\$ 60,000		\$ 15,000				\$ 50,000			
7	ID-1 Well 12 pump and casing/cleaning			\$ 100,000					\$ 40,000		
8	ID-1 16		\$ 100,000							\$ 100,000	\$ 100,000
9	ID4-11, 200 Hp			\$ 100,000							\$ 100,000
10	ID4-18				\$ 40,000				\$ 20,000		
11	ID5-5, 200 Hp							\$ 100,000			
12											
13	TANKS										
14	Rams Hill #1-cleaning		\$ 15,000				\$ 15,000			\$ 16,000	\$ 15,000
15											
16	BOOSTER/PRESSURE REDUCING STATIONS										
17											
18	WASTEWATER TREATMENT FACILITY										
19	Clarifier Rehab					\$ 25,000					
20											
21	EQUIPMENT										
22	Emergency Generator Mobile Trailer		\$ 25,000								
23	Backhoe	\$ 200,000									
24	Pickup	\$ 35,000	\$ 37,000		\$ 40,000			\$ 46,000			
25											
26	TOTAL SHORT LIVED ASSETS REPLACEMENT PROGRAM	\$ 295,000	\$ 177,000	\$ 215,000	\$ 80,000	\$ 25,000	\$ 15,000	\$ 195,000	\$ 60,000	\$ 240,000	\$ 240,000
27											
28											

A	B	C	D	E	F	G	H	I	M	O
1	2	3	4	5	6	7	8	9	10	11
DATE	DESCRIPTION	LEGAL	BVGB GSP	Portable Monitoring System	Water Credits Policy	Grant research	Bond	CASGEM Water Level Program	TOTALS	Justification of Expenditure
	GSP EXPENDITURES									
	Beginning 1/1/2015									
	GWM Accounting #54800									
10	FY 2015									
11	January	Downey Brand							\$ 5,456.69	
12	January	The Brattle Group	8,700.00						\$ 8,700.00	
13	January	USGS	905.24						\$ 905.24	
14	February	Downey Brand	6,126.00						\$ 6,126.00	
15	February	USGS	3,615.92						\$ 3,615.92	
16	March	Downey Brand	3,525.00						\$ 3,525.00	
17	March	The Brattle Group	13,567.50						\$ 13,567.50	
18	April	Downey Brand	7,137.78						\$ 7,137.78	
19	April	The Brattle Group	10,781.25						\$ 10,781.25	
20	May	The Brattle Group	12,187.50						\$ 12,187.50	
21	May	Downey Brand	5,206.60						\$ 5,206.60	
22	June	The Brattle Group	3,412.50						\$ 3,412.50	
23	June	Downey Brand	1,050.00						\$ 1,050.00	
24		TOTAL EXPENSES FY 2015							\$ 81,671.98	
25	FY 2016									
26	July	Downey Brand	534.95						\$ 534.95	
27	July	The Regents		15,000.00					\$ 15,000.00	
28	September	Downey Brand	1,312.50						\$ 1,312.50	
29	October	Downey Brand	1,900.67						\$ 1,900.67	
30	October	USGS	4,426.18						\$ 4,426.18	
31	November	Downey Brand	450.00						\$ 450.00	
32	November	Raffetis	5,375.00						\$ 5,375.00	
33	November	Dudek	16,976.40						\$ 16,976.40	
34	December	Downey Brand	1,462.50						\$ 1,462.50	
35	December	Dudek	8,758.75		5,526.25				\$ 14,285.00	
36	January	Downey Brand	2,369.50						\$ 2,369.50	
37	February	Downey Brand	4,370.00						\$ 4,370.00	
38	February	Dudek	27,913.64						\$ 27,913.64	
39	March	Downey Brand	2,964.00						\$ 2,964.00	
40	March	Wendy Quinn-Minutes GSP advisory committee	32,577.01						\$ 32,577.01	
41	March	County of SD-Notice of exemption	162.50			200.00			\$ 364.50	
42	March	Dudek				53.75			\$ 53.75	
43	April	Downey Brand	3,573.07						\$ 3,573.07	
44	April	Wendy Quinn-Minutes GSP advisory committee	200.00						\$ 200.00	
45	April	Dudek				2,980.00			\$ 2,980.00	
46	May	Downey Brand	5,313.50						\$ 5,313.50	
47	May	Dudek				1,260.00			\$ 1,260.00	
48	June	Downey Brand	1,406.00						\$ 1,406.00	
49	June	Dudek	1,813.64						\$ 1,813.64	
50		TOTAL EXPENSES FY 2016							\$ 148,879.81	
51										

A	B	C	D	E	F	G	H	I	M	O
2	GSP EXPENDITURES									
3	Beginning 1/1/2015									
4	GWM Accounting #54800									
52	FY 2017									
53	August Downey Brand	190.00							190.00	
54	August Dudek		39,583.64						39,583.64	
55	October Dudek		7,650.00						7,650.00	
56	November One Eleven		1,425.00		142.50	142.50		2,295.00	4,005.00	
57	December Downey Brand	1,925.00							1,925.00	
58	December Dudek		10,695.76						10,695.76	
59	December Dudek					1,330.00			1,330.00	
60	February Downey Brand	1,945.00							1,945.00	
61	March Downey Brand	323.50							323.50	
62	April McDougal Love Eckis	33.00							33.00	
63	April Downey Brand	868.89							868.89	
64	May One Eleven				665.00				665.00	
65	May Wendy Quinn-Minutes GSP advisory committee		200.00						200.00	
66	May Geoff Poole-Staff allocation		3,968.19						3,968.19	
67	June Wendy Quinn-Minutes GSP advisory committee		162.50						162.50	
68	June Geoff Poole-Staff allocation		6,030.81						6,030.81	
69	June Dudek					385.00			385.00	
70	TOTAL EXPENSES FY 2017								\$ 79,961.29	
71	FY 2018									
72	July Geoff Poole-Staff allocation		3,415.68						3,415.68	
73	July Ellen Wehr					9,645.00			9,645.00	
74	July Wendy Quinn-Minutes SGMA advisory committee		250.00						250.00	
75	August Geoff Poole-Staff allocation		4,002.75						4,002.75	
76	August One Eleven		1,570.00		190.00				1,710.00	
77	September Downey Brand	1,115.25							1,115.25	
78	September One Eleven		760.00						760.00	
79	September Geoff Poole-Staff allocation		3,202.20						3,202.20	
80	September Wendy-Minutes SGMA advisory committee		262.50						262.50	
81	September Lesar Development Consultants					20,000.00			20,000.00	
82	October Downey Brand	2,691.00							2,691.00	
83	October BBK	7,892.50							7,892.50	
84	October Wendy-Minutes SGMA advisory committee		212.50						212.50	
85	October Geoff Poole-Staff allocation		4,500.60						4,500.60	
86	October Lesar Development Consultants					17,269.80			17,269.80	
87	November BBK	13,209.25							13,209.25	
88	November Wendy-Minutes SGMA advisory committee		250.00						250.00	
89	November One Eleven		760.00		570.00			2,380.00	3,710.00	
90	November Geoff Poole-Staff allocation		4,345.20						4,345.20	
91	December Geoff Poole-Staff allocation		4,846.80						4,846.80	
92	December Babcock-Water Testing BS Sub-basin		3,230.00						3,230.00	
93	December CSU-Sacramento-GSP Advisory Committee		3,017.38						3,017.38	
94	December Lesar Development Consultants					7,730.20			7,730.20	
95	January Downey Brand	858.00							858.00	
96	January Geoff Poole-Staff allocation		5,077.60						5,077.60	
97	January Babcock-Water Testing BS Sub-basin		350.00						350.00	
98	February BBK	5,396.19							5,396.19	
99	February Wendy-Minutes SGMA advisory committee		262.51						262.51	
100	February One Eleven		190.00					285.00	1,400.00	
101	February Geoff Poole-Staff allocation		4,246.64		570.00	95.00			4,246.64	
102	March BBK	14,833.23							14,833.23	
103	March Dudek		1,490.00						1,490.00	
104	March Geoff Poole-Staff allocation		5,164.40						5,164.40	
105	March The Rick Alexander Company		5,355.00						5,355.00	
106	March In-Situ Inc -Well Water Level Recorders							10,465.34	10,465.34	
107										
108	TOTAL	\$ 105,439.57	\$ 277,800.69	\$ 15,000.00	\$ 7,663.75	\$ 51,446.25	\$ 9,645.00	\$ 15,425.34	\$ 482,420.60	
109										

**BORREGO WATER DISTRICT
POLICY STATEMENT**

SUBJECT: CASH RESERVES POLICY

NO: 2011-05-01

ADOPTED: 2011-05-25

AMENDED: 2015-05-27

AMENDED: 2016-05-25

AMENDED: 2017-05-24

AMENDED: 2018-05-23

I. BACKGROUND AND INTRODUCTION

Reserves are needed because of risk. Water and sewer operations are inherently risky, given the potential liability associated with repairing and replacing infrastructure necessary for maintaining 24x7 operations for supplying potable water and sewer and wastewater treatment services to the homes and businesses of Borrego Springs. In addition, water operations have risk associated with the volatility of revenue due to weather conditions. Reserves also assist in reducing rate shocks. Without them a water utility is exposed to rate instability. Rate instability increases the cost of borrowing, which drives up rates. In addition, reserves help the District improve its credit rating, which translates into lower interest rates on debt and thus lower rates for the District's customers. Also, sometimes bond or loan covenants require a debt reserve or recommend a rate stabilization reserve.

Many utilities operate in a state of revenue deficiency, which means they either rely on existing reserves, skimp on funding reserves, or defer economically prudent repair and replacement of capital infrastructure to the future where higher costs will be borne by ratepayers to repair or replace infrastructure that has failed catastrophically. Becoming revenue sufficient means that a utility can count on receiving adequate revenues to fully fund utility operations, including debt service obligations, and some portion of capital improvements from rate revenues and reserves. Reserve accounts are a vital part of water and sewer and wastewater treatment system's financial health.

This Board believes that operating with revenue sufficiency is required, not only to remain creditworthy for future capital borrowing, but also to replace depleted reserves necessary to operate most economically. For these reasons, the District will maintain reserve funds so as to provide working capital for operations; funds required by law, ordinance and bond covenants; and necessary cash for the scheduled and unscheduled repair and replacement of capital infrastructure; as well as funds set aside for groundwater management purposes.

Reserves are also necessary for the District to stabilize rates due to normal revenue and cost uncertainties, and to provide a prudent amount of insurance against economic downturns and emergencies. The efficient and discrete management of these cash reserves, when combined with their appropriate replacement as they are drawn down from time-to-time add additional assurance that the current levels of service reliability and quality that the District's ratepayers have grown to expect will continue into the future.

This reserve policy is based upon prudent financial management practices and those amounts required by legal, legislative, and contractual obligations that are critical to the financial health of the District. This policy defines

required fund types for segregation purposes and their funding levels that are based upon this District's unique operating, capital investment and financial plans. Both restricted reserves and Board discretionary reserves for the water enterprise and the sewer and wastewater enterprise will be funded by rates specific to those enterprises so as to meet California Proposition 218 requirements. That is, reserves specific to the needs of the District's water enterprise will be accumulated from water rates. Reserves specific to the needs of the District's sewer and wastewater enterprise will be funded from sewer and wastewater treatment rates.

II. RESTRICTED RESERVES. Restricted Reserves are established and utilized for narrowly defined purposes and are protected by law or covenant. The District's Restricted Reserves for its water and sewer and wastewater treatment enterprises are the following:

Debt Reserves. Reserves equal to the annual principle and interest (P&I) for debt obligations of the District shall be formally transferred and restricted in accordance with all legal requirements.

System Growth Reserves. These reserves generated from development charges for new meters as specified by the District's New Development policy in effect are used to offset capital projects or debt service related to new development in the District so that new development pays for itself rather than requiring a subsidy from existing ratepayers.

III. BOARD DISCRETIONARY RESERVES

Operating or Working Capital Reserves. The purpose of an operating reserve is to have liquid cash on hand for the continued day-to-day operations of the utility. The Operating Reserve may be used for cash flow purposes to fund necessary expenses without the need to wait for billed revenue to come in as well as any unexpected increases in operating expenses. The amount of the Operating Reserve is commonly pegged to a certain percentage of the utility's total operating expenses. The set percentage is usually dictated by the utility's bill frequency; if customers are billed on a monthly basis, then revenue continuously comes in and the need to have a significant amount of funds within the Operating Reserve is not necessary. Based on industry standards, The Operating Reserve, in the case of monthly billing, should equal around 90 days of expenses (3 months). As the bill frequency is less frequent, the Operating Minimum Reserve should be increased to account for the time delay of receiving cash on hand. The operating or working capital reserve shall be a minimum reserve of no less than 90 days of Operating and Maintenance annual expenses (O&M), with an ideal operating reserve target of 120-days of annual O&M expenses.

Rate Stabilization Reserves. These reserves are used to stabilize water and sewer and wastewater treatment rates to the extent possible. This reserve, when fully funded, shall be maintained at level of thirty (30%) percent of the revenue generated from the commodity rate for water services and thirty (30%) percent of the total revenues from sewer services. This reserve is to defray any temporary unforeseen and extraordinary increases in the operating costs of the District.

Contingency Reserves. The purpose of this reserve is to accommodate unexpected operational changes,

legislative impacts or other economic events that may affect the District's enterprise operations, which could not have been reasonably anticipated at the time the budget was prepared. The target level for this reserve is a minimum of five percent (5%) and a maximum of ten percent (10%) of the District's total enterprise-wide operating expenses. Generally, the level will be increased as the level of economic uncertainty increases.

Capital Repair and Replacement Reserve (Capital Reserve). A Capital Repair and Replacement Reserve is used primarily to meet and ensure the timely construction of necessary capital improvements without any delays due to cash flow concerns. Capital expenses can fluctuate quite a bit from year-to-year and the Capital Reserve may be leveraged to smooth out significant changes in expenses and; thereby, avoiding any unduly rate shock to District customers. It may also serve as collateral and reassurance when awarding a construction contract. A sound target for a Capital Reserve is to have an average years' worth of capital expenses based on the District's adopted Capital Improvement Plan (CIP). At a minimum, the Capital Reserve should be funded to at least an amount equivalent to the total annual depreciation value of the system and these funds can be used as a reasonable reinvestment amount into the system. The Capital Reserve target is a reserve equal to the inflated value of a rolling average of the subsequent 5 years of the District's Capital Improvements Plan for water infrastructure repair and replacement (R&R) and sewer and wastewater R&R.

Emergency Reserves. The purpose of the emergency reserve is to protect the District and its customers against the impacts from unanticipated emergencies that would severely impact the District's ability to deliver the water and/or sewer and wastewater treatment services to its customers. This reserve provides funding for emergency repairs or failure of essential equipment that must be immediately replaced and are unanticipated by the Capital Improvements Plan (CIP). The emergency reserve target is \$2,000,000, that should be sufficient to finance the required cash flow and liquidity until such time that adequate emergency financing can be secured from conventional outside resources.

IV. OTHER RESERVE FUNDS. The District's Board may establish other cash reserve funds for specific needs that are over and above the reserves noted above as may be necessary from time to time.

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**BORREGO WATER DISTRICT
PROPOSED RATES FOR
FISCAL YEARS 2019-2021
Adopted May 23, 2018**

Sewer Rates

The District provides sewer service to areas 1, 2 and 5. Changes are being proposed for all Areas. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Non-Residential projected EDU requirements are determined on a case-by-case basis. Sewer customers in area 2 (TCS) are charged a fixed monthly holder fee, and a monthly user fee based on number of EDU's

Sewer service charges are proposed to change as shown in the following table:

	Current Rates FY 2018	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Sewer Area 1	\$40.33	\$41.94	\$43.62	\$45.37
Sewer Area 5	\$46.90	\$48.78	\$50.73	\$52.76
TCS User	\$46.90	\$48.78	\$50.73	\$52.76
TCS Holder	\$25.75	\$26.78	\$27.85	\$28.97
BSR	\$25.75	\$26.78	\$27.85	\$28.97
BSR Usage	\$1.89	\$1.97	\$2.05	\$2.13

Water Rates

The District's water rates have two components: 1) a **Fixed Meter Charge** based on the customer's meter size, to recover a portion of the District's fixed costs of operating, maintaining and delivering water, and 2) a **Commodity Charge**, determined by the amount of water used. It is proposed that the fixed charges, applicable to all customers account for 33% of the District's ongoing expenses, and 67% of such expenses should be funded on a consumption basis. It is further proposed that both charges increase at the rate of 6% per year for four years, in order to meet future increases in expenses, provide reserves, and provide sufficient reserves to meet any future debt obligations, and to allow for additional annual increases to pass through inflation. The proposed rates would consider two tiers, calculated to address the costs incurred by the District to deliver water, the difference based on basic domestic (i.e., indoor) water usage, and outdoor irrigation.

Fixed water meter charges are proposed to change as shown in the following table:

Meter size	Current Rates	FY 2019	FY 2020	FY 2021
	FY 2018	Projected	Projected	Projected
¾"	\$36.99	\$39.21	\$41.57	\$44.07
1"	\$47.99	\$50.87	\$53.93	\$57.17
1 ½"	\$75.48	\$80.01	\$84.82	\$89.91
2"	\$108.46	\$114.97	\$121.87	\$129.19
3"	\$196.43	\$208.22	\$220.72	\$233.97
4"	\$295.41	\$313.14	\$331.93	\$351.85
6"	\$570.32	\$604.54	\$640.82	\$679.27

Commodity Rates are proposed to change as shown in the following table:

Residential	Current Rates	FY 2019	FY 2020	FY 2021
	FY 2018	Projected	Projected	Projected
Tier 1 1-7	\$3.35	\$3.56	\$3.78	\$4.01
Tier 2 >7	\$3.69	\$3.92	\$4.16	\$4.41

Non-Residential	Current Rates	FY 2019	FY 2020	FY 2021
		Projected	Projected	Projected
Tier1	\$3.55	\$3.77	\$4.00	\$4.24

Other Rates and Fees

Any rates or fees associated with water or sewer service that are not addressed in this notice shall remain in full force and effect as previously adopted by the Board of Directors.

Pass Through Costs

Pursuant to AB 3030, the District Board will also authorize the pass-through of future rate and charge increases by San Diego Gas & Electric for electricity rates associated with storing, treating, pumping, and delivering water. This authorization will be in effect for five years, until June 30, 2021. The Board will hold a public hearing to review the proposed increases prior to enacting any such changes.

RESOLUTION NO. 2018-05-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT ESTABLISHING WATER AND
SEWER SERVICE RATES FOR FY 2018-2019**

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

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

WHEREAS, on June 9, 2016, the Board held a duly noticed public hearing in accordance with the provisions of Article XIID of the California Constitution (Proposition 218), received oral and written testimony, and having determined that there was no majority protest, approved a schedule of water and sewer rates for a five year period beginning with FY 2017 and ending with FY 2021; and

WHEREAS, the Board held a public meeting to discuss the budget and rate increase **for FY 2018-2019** on May 15, 2018.

WHEREAS, the Board approved the budget and rate increase at the May 23, 2018 Board Meeting.

WHEREAS, On May 31, 2018, a notice regarding the rate increase will be mailed to all of the District's affected ratepayers.

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

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

The Board hereby adopts the rates and charges for each separate rate classification for each separate service area as set forth in Exhibit A attached to this Resolution. These increases will be effective July 1, 2018 and beginning with the August 2018 billing.

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

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

The increased rates and charges set forth herein shall become effective July 1, 2018 and beginning with the August, 2018 billing.

PASSED, ADOPTED AND APPROVED at a special meeting of the Board of Directors of the Borrego Water District held on 23RD day of May, 2018.

President of the Board of Directors
Of Borrego Water District

ATTEST:

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

RESOLUTION NO. 2018-05-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT APPROVING THE OPERATIONS, MAINTENANCE, CAPITAL IMPROVEMENTS AND GROUNDWATER MANAGEMENT BUDGETS AND BOARD DESIGNATED RESERVES FUND POLICY FOR FISCAL YEAR 2018-2019

WHEREAS, the Board of Directors has reviewed and considered the Budget as presented for Fiscal Year 2018-2019 hereinafter referred to as the “Budget” which is attached hereto as Exhibit A and incorporated by reference, and

WHEREAS, the Budget provides a comprehensive plan of financial operations for the District including an estimate of revenues and the anticipated requirements for expenditures, appropriations, and reserves for the forthcoming fiscal year, and

WHEREAS, the Budget establishes the basis for incurring liability and making expenditures on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District, that the Budget and each and every part thereof, is hereby approved and adopted for the Fiscal Year 2018-2019.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on May 23, 2018.

Beth A. Hart
President of the Board of Directors
Of Borrego Water District

ATTEST:

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

STATE OF CALIFORNIA)
) ss.

COUNTY OF SAN DIEGO)

I, Joseph Tatusko, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 23rd day of May, 2018, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS

Secretary of the Board of Directors of
Borrego Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Joseph Tatusko, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2018-05-01, of said Board, and that the same has not been amended or repealed.

Dated: May 23, 2018

Secretary of the Board of Directors of
Borrego Water District

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 15, 2018
AGENDA BILL III.A

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Proposition One Wastewater and Water Project Grants – R Alexander

RECOMMENDED ACTION:

Receive report from Rick Alexander and direct staff accordingly

ITEM EXPLANATION:

Rick Alexander has been helping staff with the development of the Grant Application for the waste water plan improvements and replacement of reservoirs and a new motor at Wilcox. Many of the various components have been submitted and the remainder will be filed in the next week. Following is an update on related issues:

PLANNING/DESIGN

Plans and Specifications: Dynamic (Water) and Holt Engineering (WWTP) Companies are in the final stages of completing the Plans and Specifications. Staff has commented on the 90% drawings on the WWTP and the 90% Water drawings are expected next week. Staff is working with State Parks on a discrepancy between the existing BWD property boundaries and the location of the existing and new tanks, which do not match.

REVISED COST ESTIMATES The completion of the P & S, creates an opportunity to re-evaluate all cost estimates and the budget for the WWTP and Water Projects and that is currently underway.

BIDDING/CONSTRUCTION MANAGEMENT

Bidding and Project/Construction Management: The Engineers on both applications will be including these expenses into the budgets. Outside consulting support is expected to be used for these activities.

In summary, within the next two weeks all components will be submitted and Staff will await comments from the State agencies and provide the info requested, if any.

FISCAL IMPACTS

Receiving the Grant could alleviate the need for BWD to expend the funds. The exact cost estimates will be known in the next week or so.

ATTACHMENTS:

1. Status Report from Rick Alexander



STATUS REPORT ON CALIFORNIA WATER BOARDS FUNDING APPLICATIONS

May 15, 2018

Introduction:

The Borrego Water District (BWD) has applied to the Water Boards for funding assistance for two important projects. TRAC was asked on December 18, 2017 to help facilitate this process.

The two projects are:

- Project 34239 – Replacement of Three Reservoir Tanks (Indian Head, Rams Hill 2, and Twin Tanks; Upgrade of the Wilcox Well Emergency Pump.

The source of funds is Proposition 1 monies from the Drinking Water State Revolving Fund. The current requested amount will be \$478,000.

- Project 34661 – Wastewater Treatment Plant Upgrade

The source of funds is Proposition 1 monies from the Clean Water State Revolving Fund. The current requested amount is \$1,460,070.

The process for application completion is similar for each project, but they request significantly different information. Once completed, however, the applications components are posted by BWD to the FFAST site, maintained by the Waterboards. That way both applicant and Waterboard staff can view the information whenever required.

Status of Applications:

Project 34239 (Water Supply) required elements

- | | |
|-----------------------------------------------------------|-------------|
| • General Information Package + 7 required attachments | Submitted |
| • Environmental Package Construction + 4 attachments | Submitted |
| • Technical Package Construction + 7 attachments | In Process |
| • Financial Security Package Conservation +12 attachments | May 21,2018 |
| • TMF Assessment Form | May 21,2018 |

Unresolved Issues: We have asked Waterboard staff to waive the requirements for several time consuming and expensive studies involving outside consulting help:

- Cultural Resources/National Historic Preservation Act – Survey & Report
- Wildlife Resources – Endangered Species Act and Fish and Wildlife Conservation Act
- Air Quality Act- Air Quality Modeling

Project 34661 (Waste Water Treatment Plant Upgrade)

- | | |
|--------------------------------------------------------|-----------|
| • General Information Package + 5 required attachments | Submitted |
| • Environmental Package + 4 required attachments | Submitted |
| • Technical Package + 9 required attachments | Submitted |
| • Financial Security Package + 12 required attachments | Submitted |
| • Unresolved Issues | None |

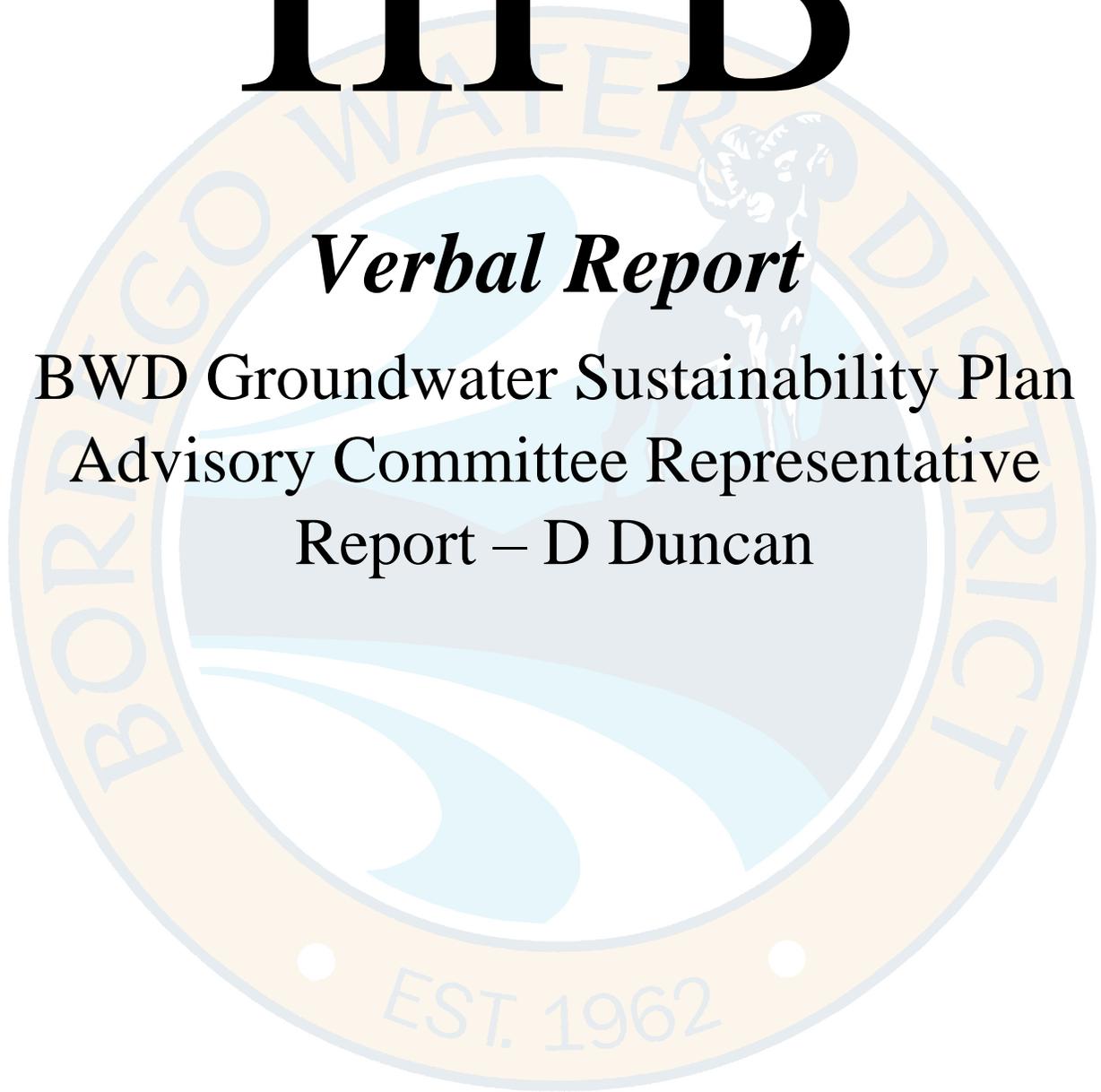
Staff negotiated successfully with other Waterboards staff, reviewing Project 34661 (WWTP Upgrade) that based on the Categorical Exemption for CEQA, no federal funds involved, that each project was simply a replacement or upgrade of facilities on their existing footprints, and that the Borrego Valley is an Air Quality Attainment Area, that requirements for the studies described above should be waived.

We have requested a similar waiver for Project 34239 (Water Supply) and Waterboards Staff cannot make the determination at this time. Therefore, we are proceeding with completion of all Grant components and getting them submitted on or before May 21st. If these other studies are required, that will be determined by Waterboard and they will inform BWD at that time.

III B

Verbal Report

BWD Groundwater Sustainability Plan
Advisory Committee Representative
Report – D Duncan



BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 15, 2018
AGENDA BILL IV

May 8, 2018

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: General Managers Report – G Poole

RECOMMENDED ACTION:

Receive Staff Report and direct accordingly

ITEM EXPLANATION:

1. ATT Cell Tower: As instructed by the Board at the last meeting, ATT was informed that no more resources will be spent on this issue until something substantive is received on the proposed contract. Vince Voss' response: *"Understood. We received AT&T's redlined draft late last week. I am scheduled to review the draft today and once I've reviewed all comments, I will forward to you for review with your legal counsel."* As of this date, I have yet to see anything.
2. Meeting with County of SD on Developers Policy and Emergency Declaration follow up. County staff will be visiting BWD on June 1st to discuss these issues.
3. Club Circle Trash Service – Property Managers at Club Circle have asked BWD to look for ways to reduce cost for trash service as well as help fix the sometimes inconsistent service from the existing provider. Staff is considering options and will discuss this with the Board at the meeting.
4. Water Quality Sampling: At the request of John Petersen, BWD has approached the initial list of possible well owners to be added to the Groundwater Monitoring Program. Letters to The Wrights (RR and Residence), BS Schools (Elementary and High School) and The County (Airport and Maintenance Yard) have been sent requesting authorization to sample their wells now and in the future. Staff conducted a phone call meeting with John Petersen, Jim Bennett and Trey Driscoll to ensure John's comments are received and included into the planning for future water quality monitoring. John also offered his help in contacting the well owners
5. Well Siting: A meeting was held with Dudek to kick off the well investigation project. The first meeting focused on the condition of existing BWD wells and those that were the best candidates for replacement.