

Borrego Water District Board of Directors
Special Meeting
August 11, 2020 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

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I. OPENING PROCEDURES

- A. Call to Order:
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes - None
- F. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- G. Comments from Directors
- H. Correspondence Received from the Public

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. Cost of Service Study: Engineering Assessment – D Dale/G Poole (2-12)
- B. Additions to Risk Management & Resilience Planning Policies – L Brecht (13-14)
- C. Request to Apply Credit for Administrative Support for WaterMaster to BWD's Pumping Fee – L Brecht (15-16)
- D. San Diego County Water Authority Pipeline Project: Public Request for Agenda Item – D Garmon (17-23)
- E. Request from Borrego Valley Stewardship Council for Letter of Support on Water Management and Planning Grant (24-25)

III. STAFF REPORTS

- A. Water Sales and Revenues Update: J. Clabaugh – VERBAL

IV. CLOSED SESSION:

- A. Conference with Legal Counsel - Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: (One (1) potential case)
- B. Conference with Legal Counsel – Existing Litigation (BWD v. All Persons Who Claim a Right to Extract Groundwater, et al. (San Diego Superior Court case no. 37-2020-00005776)

V. CLOSING PROCEDURE: The next Board Meeting is scheduled for August 25, 2020 at Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, CA 92004

AGENDA: August 11, 2020

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
AUGUST 11, 2020
AGENDA ITEM II.A

August 6, 2020

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Cost of Service Study: Engineering Assessment – D Dale/G Poole

RECOMMENDED ACTION:

Receive Staff Report and include information in current water and sewer rate/charges setting process

ITEM EXPLANATION:

David Dale and I have developed the attached assessment of various Engineering related issues to be included in the current Cost of Service Study to set water/sewer rates/charges

NEXT STEPS

Include information into rate setting process.

FISCAL IMPACT

TBD

ATTACHMENTS

1. Memorandum: Engineering Assessment
2. Updated Capital Improvement Plan Expenditures and Related Financial Info

MEMORANDUM

DATE: 8/11/20

TO: Board of Directors BWD

FROM: David Dale, BWD District Engineer & Geoff Poole, General Manager

Re: Borrego Water District – 2021-22 Cost of Service Study: Engineering Evaluation

Purpose:

BWD is in the process of developing a Cost of Service Study (CoS) to comply with Proposition 218 and set water and sewer rates for the next 5 years (FYs 2021-22 thru 2025-26). As part of this complex process, BWD is performing a detailed analysis of all Revenues and Expenses for 2021 thru 2026 agency-wide.

The Purpose of this document is to provide various Engineering and related analyses on issues that will feed the comprehensive financial models required for the CoS process, specifically an evaluation of:

1. 2020-21 Capital Improvement Plan (CIP): The current BWD CIP was re-evaluated and the following adjustments recommended:
 - a. Add water and sewer line replacement in the Club Circle development. Infrastructure in this area is aging and subject to higher than normal pressures.
 - b. Add Transmission Pipelines: In 2020-21, a series of pipeline replacement projects were added to the CIP and simultaneously, a Waterline Project was eliminated. Staff is recommending the inclusion of the Country Club tank Transmission main back into the CIP.
2. Optional Construction Method: Staff will also provide an optional method of construction for the Board/Staff to discuss that would have a positive impact upon the overall cost and rate impacts of the updated CIP. Staff estimated that the cost for installing the De Anza Drive, Yaqui Road and Fairway Lane Water Improvement Project would have been \$325,000 – compared to \$385,000 (The second bid was approximately \$600,000) for the Contractor to complete.
3. Nexus to New Development: Declaration that no projects in the CIP are needed to satisfy the demands placed on the system by New Development.

Club Circle Water and Sewer Pipeline Replacement Project - CIP ITEM No. 35

A. Background

The Borrego Water District water distribution system comprises more than 80 miles of pipelines. Much of these pipelines are beyond their expected lifespan, including Club Circle. The District consists of five Improvement Districts (IDs) which were incorporated into the District starting in the 80s and running through the early 2000s. These IDs were designed and constructed as separate systems, and were not originally designed to work together which leads to a distribution system with higher than normal pressures to make it work.

Normal pressures in a distribution system are between 50 – 80 psi. The BWD system operates at higher than 150 psi in places and modern pipelines are designed to withstand between 150 – 200 psi. The District has done its best in connecting the IDs with different pressure zones by installing pressure reducing valves, and other

methods to ensure that the systems function as one. Last but not least, some of the pipelines inherited by BWD are smaller in diameter than what would be installed today for fire flow requirements. Therefore, the vast majority of CIP projects in the next 5 years are pipeline replacements needed for the reasons mentioned above, including Club Circle.

B. Project Description/ Reason for Expense

The Club Circle development was constructed in the 1960's, including water and sewer distribution systems. The pipelines are beyond their expected lifespan, subject to high pressures and in need of replacement.

The sewer pipelines were constructed at the same time from a fragile clay material. Recently the District completed a video inspection of the sewer pipelines. There was not an immediate need to replace the sewer pipelines at the time; however there was some root intrusion.

The water and sewer infrastructure is beneath the asphalt paved roads. Therefore, when the water pipelines are to be replaced it would be efficient to replace the sewer pipelines at the same time since the asphalt paving will need to be removed and replaced. Additionally, it is likely that due to construction of the water pipes, that the vibration will cause damage to the old clay sewer pipes. Replacing both water and sewer pipelines at the same time is the recommended.

C. Project Estimated Timeline:

The District has experienced and repaired multiple water pipeline failures in the Club Circle area. When water pressures exceed 80 psi, the water pipelines break. The sewer collection system is old and composed of a clay material, but is in working condition. This project is scheduled for FY 2026-27.

D. Impacts of Deferral:

The water pipelines will continue to require repair until they are replaced.

E. Cost Estimate

The cost estimate (see next page) to complete the improvements at Club Circle is \$2,286,000.

Water Improvements Base Bid Items:					
ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
1	1	LS	Mobilization of equipment and material, Performance Bond, Payment Bond, General Liability Insurance, etc.	\$ 170,000.00	\$ 170,000.00
2	1	LS	Preparation of Traffic Control Plan, Implementation of Traffic Control and Construction Area Signs	\$ 13,500.00	\$ 13,500.00
3	1	LS	Potholing of the Existing Underground Utilities and Pipelines as indicated on Improvement Plans.	\$ 7,500.00	\$ 7,500.00
4	3,600	LF	Furnish and Install New 8-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Native Material Backfill and Compaction, fittings	\$ 75.00	\$ 270,000.00
5	3,600	LF	Install New 8-inch Dia. SDR35 sewer pipeline, Including Native Material Backfill and Compaction.	\$ 75.00	\$ 270,000.00
6	1,000	CY	Install Granular Sand Pipe Bedding	\$ 55.00	\$ 55,000.00
7	14	EA	Furnish and Install New 8-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 2,200.00	\$ 30,800.00
8	7	EA	Furnish and Install New Fire Hydrant Assembly Including gate Valve, lateral and Valve Can	\$ 12,000.00	\$ 84,000.00
9	2	EA	Install New Blow-Off Assembly per Construction Keynote 4.	\$ 1,900.00	\$ 3,800.00
10	1	LS	Contractor to Complete Hydrostatic Pressure Testing per Specifications.	\$ 12,500.00	\$ 12,500.00
11	1	LS	Contractor to Complete Disinfection of the New Pipeline per Specifications	\$ 9,500.00	\$ 9,500.00
12	14,400	LF	Sawcut Existing AC Pavement	\$ 3.50	\$ 50,400.00
13	28,800	SF	Remove and Dispose AC Pavement	\$ 2.50	\$ 72,000.00
14	3,000	Tons	Install 4 Inches of AC Pavement 3/4" Type III Class B3 (Per San Diego County Standards and Specifications)	\$ 165.00	\$ 495,000.00
15	4,000	CYS	Install 9 Inches of Class II Base	\$ 50.00	\$ 200,000.00
16	58	EA	Water Service Laterals	\$ 1,200.00	\$ 69,600.00
17	58	EA	Sewer Laterals	\$ 2,800.00	\$ 162,400.00
18	1	LS	Bypass Sewer Pumping	\$ 200,000.00	\$ 200,000.00
19	11	EA	Rehabilitate Manholes	\$ 10,000.00	\$ 110,000.00
			Total Base Bid Items	\$	2,286,000.00



Figure 1 - Club Circle Development

CIP ITEM No. 36: Well 5 Transmission Main Project

A. Project Description / Justification

Budget: \$1,215,000

The existing Well #5 and the planned Replacement Well #2 will be used to supply water to ID-4 and ID-5 and to fill the 1.0 million gallon capacity Country Club Tank (CCT). Pipeline sizes range from 6-inches to 10-inches in diameter. The pipeline along Tilting T from Well #5 is 10 inches in diameter from the well to the intersection of Tilting T and Borrego Springs Road. After this intersection, the pipeline reduces to 8-inches in diameter, then reduces further to 6-inches in diameter along Country Club Road and Broken Arrow Road. Also along these areas there are residential connections. The relatively small pipeline of various sizes creates flow limitations up to the CCT. A transmission pipeline would have no connections, and allow water to be pumped directly from Well #5 to the Country Club tank. There are certain advantages to having a transmission line.

First, a larger pipeline would allow the tank to fill faster, save electricity from friction losses in the pipe.

Second, if in the future there are any water quality problems, they could be addressed at the tank. Water quality can be monitored at one central location (Country Club Tank) with the transmission main. If water treatment becomes necessary in the future, it can be done at the tank site.

Third, the District is planning to drill a new well (Replacement Well #2) at the intersection of Tilting T and Di Giorgio Road. The larger transmission pipeline would allow for both Well #5 and Replacement Well #2 to fill the Country Club Tank at the same time at full capacity.

Fourth, it would help reduce the pressure in the distribution system. High pressures are required to convey water from the well site due to the elevation differences between the well and the tank. Steady, lower pressures can be maintained if using gravity from the tank to pressurize the distribution system.

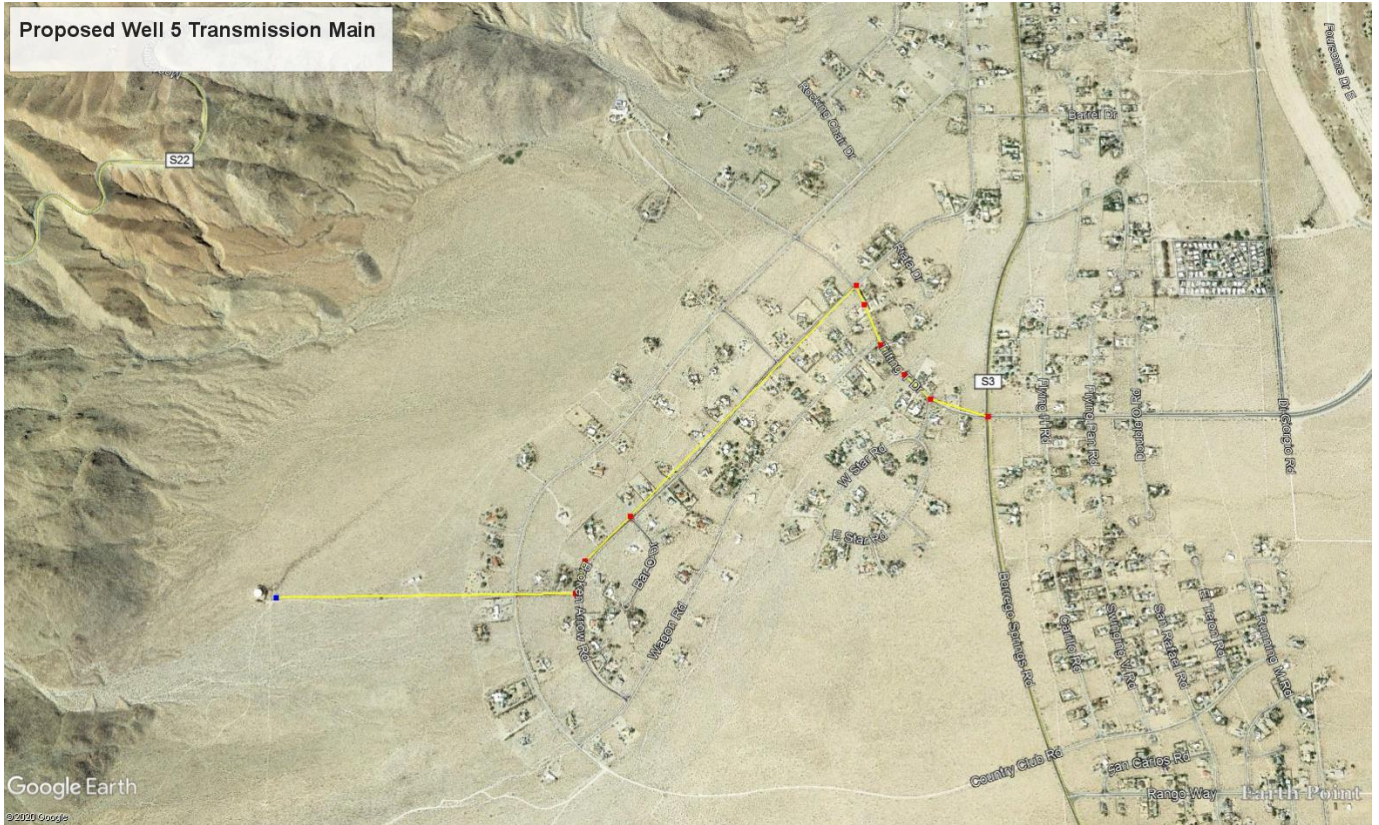


Figure 2 - Proposed Well 5 Transmission Main

B. Cost Estimate:

1	1	LS	Mobilization of equipment and material, Performance Bond, Payment Bond, General Liability Insurance, Workman's Compensation Insurance, Construction water, freight, project signs, Air pollution control district requirements and fees, Restroom Facilities, Vehicle Insurance, Taxes, Permits, Business license, and Similar expenses and other costs not specifically addressed within this bid item list.	\$ 170,000.00	\$ 170,000.00
2	1	LS	Preparation of Traffic Control Plan, Implementation of Traffic Control and Construction Area Signs	\$ 13,500.00	\$ 13,500.00
3	1	LS	Potholing of the Existing Underground Utilities and Pipelines as indicated on Improvement Plans.	\$ 7,500.00	\$ 7,500.00
4	10,000	LF	Furnish and Install New 12-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Native Material Backfill and Compaction, fittings	\$ 75.00	\$ 750,000.00
5	1,300	CY	Install Granular Sand Pipe Bedding	\$ 55.00	\$ 71,500.00
6	10	EA	Furnish and Install New 12-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 3,000.00	\$ 30,000.00
7	7	EA	Furnish and Install New Fire Hydrant Assembly Including gate Valve, lateral and Valve Can	\$ 12,000.00	\$ 84,000.00
8	1	LS	Contractor to Complete Hydrostatic Pressure Testing per Specifications.	\$ 12,500.00	\$ 12,500.00
9	1	LS	Contractor to Complete Disinfection of the New Pipeline per Specifications	\$ 9,500.00	\$ 9,500.00
10	5,000	LF	Sawcut Existing AC Pavement	\$ 3.50	\$ 17,500.00
11	10,000	SF	Remove and Dispose AC Pavement	\$ 2.50	\$ 25,000.00
12	100	Tons	Install 4 Inches of AC Pavement 3/4" Type III Class B3 (Per San Diego County Standards and Specifications)	\$ 165.00	\$ 16,500.00
13	150	CYS	Install 9 Inches of Class II Base	\$ 50.00	\$ 7,500.00
			Total Base Bid Items	\$	1,215,000.00

C. Project Estimated Timeline:

The water distribution system of ID-4 was not designed to convey the flows from Well#5 to the Country Club tank. Well #5 was incorporated into the BWD ID-4 system many years after ID-4 came into being. The system is working with the assistance of booster pumps. The existing system has been in place since 2008. It is functional because the District installed a pressure reducing station at the intersection of Tilting T and Di Giorgio Road to protect the ID-5 area from high pressures. The timeline on this project will depend on several factors including water quality and state requirements. At this time it is estimated that the project will be needed in five to ten years, therefore for the purposes of this Analysis construction will have an estimated date of year seven.

D. Impacts of Deferral:

The system can continue to operate adequately in its current condition; however it is not efficient. Also with the addition of Well #2 in the area, upgrading the transmission pipeline to the Country Club tank would allow both wells to fill the tank at the same time. Water quality in the Well #5 area has been historically very good. However, if water quality issues arise at Well #5 or the proposed Well #2 location, a centralized treatment system can be installed at the Country Club Tank with a transmission line.

Optional Construction Method:

One option to consider is to hire an in-house pipeline replacement crew to work on a full-time basis. Savings would be realized in costs for engineering, bidding, construction management, permits, materials, contractor overhead, profit, bond and insurance costs and prevailing wages. It is estimated that the costs to construct a project in-house would be in the area of 50% of the cost for a contractor to complete the same project. In house crews would also provide the most flexibility to schedule/prioritize repairs based on future conditions and enhance response to emergency or other conditions when having another repair crew would be advantageous. From the socioeconomic perspective, an in house crew would also provide a potential career for qualified local residents and support their families, which cannot be understated.

It is recommended that a detailed study be completed that would compare the costs of the in-house crew to a Contractor. There are costs for the in-house crew that should be taken into account for comparison purposes – such as CalPERS, insurance, equipment, and healthcare among others. It is estimated that the in-house crew could install approximately 50 feet of pipe per working day, which translates to about 12,500 linear feet (about 2 miles) of pipe per year.

If a full time water pipeline replacement crew is implemented, certain projects should still be completed by a contractor. Infrastructure projects that are required to be completed expeditiously, complex and/or sensitive projects, well and treatment projects, sewer collection or treatment projects, electrical and SCADA projects should continue to be completed by a contractor. The Club Circle water and sewer improvement project is an example of a project that should go through the engineering, bidding, and contracting process. However, the other Projects in the CIP would likely be constructed by in-house crews

Nexus of CIP Projects to New Development

The proposed projects in the CIP as presented to the Board have no nexus to proposed developments. When developments are proposed, the projects will be analyzed for needed infrastructure to serve them. Developers

will be responsible for needed improvements to serve their developments. Rate payers are not responsible for new developments.

Next Steps

1. Perform Assessment of In House Construction Crew and Report Findings to the Board
2. Provide Updated CIP to Raftelis for inclusion into the CoS Financial Model
3. Continue Development of the CoS Study with Raftelis/Fieldman-Rolapp input.



CAPITAL IMPROVEMENT PROJECTS		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOT 2020-29
CASH RESERVE FUNDED WATER PROJEC											
Water Projects											
1	Bending Elbow Pipeline Project	\$ 170,000									\$ 170,000
2	El Tejon Road Pipeline Project		\$ 140,000								\$ 140,000
3	Flying H Road Pipeline Project			\$ 137,500							\$ 137,500
4	ID-5 Well VFD				\$ 150,000						\$ 150,000
5	Replace and upgrade Booster Pump Station 5				\$ 100,000						\$ 100,000
6	SCADA replacement	\$ 50,000	\$ 50,000								\$ 100,000
7	Facilities Maint - Office Internal Repairs	\$ 15,000									\$ 15,000
8	Facilities Maint - Office External Repairs		\$ 20,000								\$ 20,000
9	Water Treatment Facility (phase 2)									\$ 250,000	\$ 250,000
10	Emergency System repairs	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 540,000
11	Program Engineering/Construction Management Consulting	\$ 25,000	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 380,693
SUBTOTAL WATER CASH RESERVE PROJECTS		\$ 320,000	\$ 310,000	\$ 238,700	\$ 352,436	\$ 103,709	\$ 105,020	\$ 106,371	\$ 107,762	\$ 359,195	\$ 2,003,193
Sewer Projects											
12	Oxygen Injection System at Pump Station Borrego Valley Road	\$ 20,000									\$ 20,000
13	Manhole Replacements/Refurbishment	\$ 43,000	\$ 45,150	\$ 47,408	\$ 49,778	\$ 52,267	\$ 54,880	\$ 57,624	\$ 60,505	\$ 63,531	\$ 474,142
14	Install Diffusers at sludge holding tank	\$ 100,000									\$ 100,000
15	Engineering/Construction Management Consulting	\$ 18,000	\$ 18,540	\$ 19,096	\$ 19,669	\$ 20,259	\$ 20,867	\$ 21,493	\$ 22,138	\$ 22,802	\$ 182,864
SUBTOTAL SEWER CASH RESERVE PROJECTS		\$ 181,000	\$ 63,690	\$ 66,504	\$ 69,447	\$ 72,526	\$ 75,747	\$ 79,117	\$ 82,643	\$ 86,332	\$ 777,006
TOTAL CASH WATER/SEWER CIP PROJECTS 2021 THROUGH 2029		\$ 501,000	\$ 373,690	\$ 305,204	\$ 421,883	\$ 176,235	\$ 180,767	\$ 185,488	\$ 190,405	\$ 445,527	\$ 2,780,200
Total 3 Year Water/Sewer Cash Reserve Projects:				\$ 1,179,894							
FACILITIES MAINTENANCE DETAIL											
Stucco Building and Replace Failing Solar Cells			\$ 20,000								
Carpet/Paint Office and Install Energy Efficient Lighting		\$ 15,000									
TOTAL CASH RESERVES CAPITAL IMPROVEMENTS PROGRAM		\$ 501,000	\$ 373,690	\$ 305,204	\$ 421,883	\$ 176,235	\$ 180,767	\$ 185,488	\$ 190,405	\$ 445,527	\$ 2,780,200
TOTAL CASH RESERVES SHORT LIVED ASSETS		\$ 405,000	\$ -	\$ 405,000	\$ 470,000	\$ 25,000	\$ 37,000	\$ 10,000	\$ 400,000	\$ 138,000	\$ 1,890,000
TOTAL CASH RESERVES CIP AND SHORT LIVED ASSETS ANNUAL BUDGET		\$ 906,000	\$ 373,690	\$ 710,204	\$ 891,883	\$ 201,235	\$ 217,767	\$ 195,488	\$ 590,405	\$ 583,527	\$ 4,670,200
Total 3 Year Cash Reserve and Short Lived Assets:				\$ 1,989,894							



GRANT FUNDED CIP PROJECTS		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	TOT 2020-29
Water Projects											
16	Replace Twin Tanks-(Prop 1 grant)	\$ 630,000									\$ 630,000
17	Replace Wilcox Diesel Motor-(Prop 1 grant)	\$ 75,000									\$ 75,000
18	Replace Indianhead Reservoir-(Prop 1 grant)	\$ 435,000									\$ 435,000
19	Rams Hill #2, 1980 galv. 0.44 MG recoating -(Prop 1 grant)	\$ 616,000									\$ 616,000
Sewer Projects											
20	Plant-Grit removal at the headworks-(Prop 1 grant)	\$ 214,000									\$ 214,000
21	Clarifyer Upgrade/Rehabilitation -(Prop 1 Grant)	\$ 240,000									\$ 240,000
TOTAL WATER/SEWER GRANT CIP PROJECTS		\$ 2,210,000									\$ 2,210,000
2018 BOND FUNDED CIP PROJECTS											
22	De Anza Pipeline Replacement Project	\$ 430,000									\$ 430,000
23	Replacement Well #2 (\$250,000 DWR Grant Approved for 20-21)	\$ 1,250,000									\$ 1,250,000
24	Fire Hydrant Replacement	\$ 540,000									\$ 540,000
25	Miscellaneous Sewer System Improvements	\$ 410,000									\$ 410,000
TOTAL 2018 BOND FUNDED CIP PROJECTS		\$ 2,630,000	\$ -								\$ 2,630,000
POTENTIAL FUTURE BOND FUNDED CIP PROJECTS											
Wells, Booster Stations, Reservoirs & Associated Transmission Mains											
26	Borrego Springs Road Pipeline Replacement					\$ 862,000					\$ 862,000
27	Sun Gold Pipeline Replacement					\$ 1,711,500					\$ 1,711,500
28	Deep Well Pipeline Replacement					\$ 2,225,000					\$ 2,225,000
29	West and East Star Road Pipeline Replacement					\$ 450,000					\$ 450,000
30	Country Club Tank Recoating, 1999 1.0 MG					\$ 250,000					\$ 250,000
31	Water Treatment Facility (phase 1)							\$ 900,000			\$ 900,000
32	Water Treatment Facility (phase 2)								\$ 650,000		\$ 650,000
33	New production well					\$ 2,000,000					\$ 2,000,000
34	Solar *Updated to convert approximately 85% of BWD Wells to Solar					\$ 1,200,000					\$ 1,200,000
35	Club Circle Water and Sewer Pipeline Replacement Project							\$ 2,286,000			\$ 2,286,000
36	Well 5 Transmission Main Project						\$ 1,215,000				\$ 1,215,000
TOTAL FUTURE BOND CIP PROJECTS		\$ -	\$ -	\$ -	\$ -	\$ 5,498,500	\$ 4,415,000	\$ 3,186,000	\$ 650,000	\$ -	\$ 13,749,500
Total 9 Year CIP (Including all proposed projects):											\$ 23,259,700

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
AUGUST 11, 2020
AGENDA ITEM IB

August 6, 2020

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Additions to Risk Management & Resilience Planning Policies – L Brecht

RECOMMENDED ACTION:

Discuss and direct staff as deemed appropriate

ITEM EXPLANATION:

Director Brecht requested this item be placed on the Agenda

NEXT STEPS

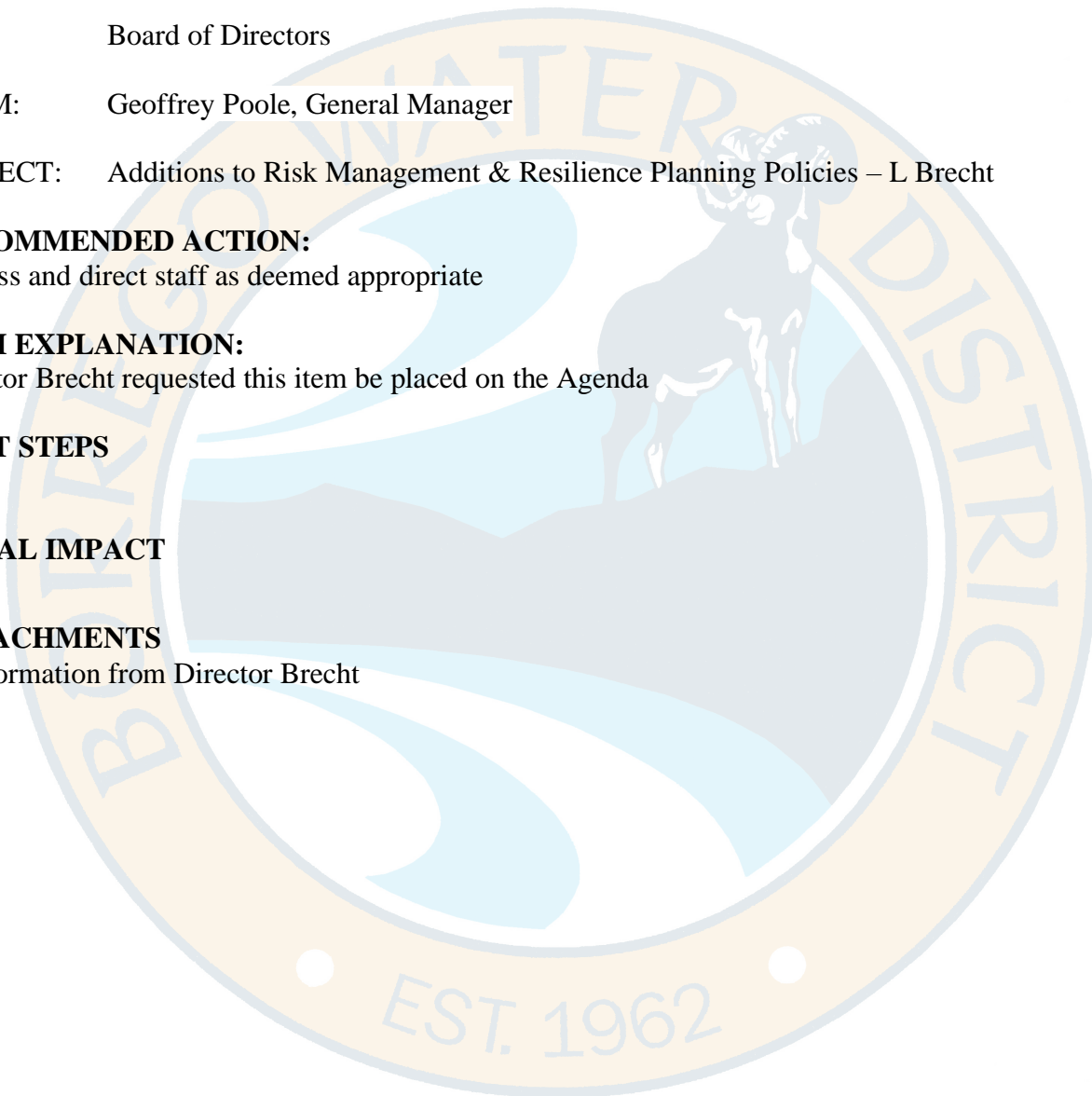
TBD

FISCAL IMPACT

TBD

ATTACHMENTS

1. Information from Director Brecht



1) Resilience in Cases of Emergencies

Risk. Municipal water purveyors, such as the Borrego Water District (BWD), are designated as a *critical infrastructure sector* in times of emergencies by the Critical Infrastructure Security Agency (CISA) of the US Department of Homeland Security (DHS).

What this designation means is that this sector's "assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof."

As CISA states: "Safe drinking water is a prerequisite for protecting public health and all human activity. Properly treated wastewater is vital for preventing disease and protecting the environment. Thus, ensuring the supply of drinking water and wastewater treatment and service is essential to modern life and the Nation's economy."

Thus, the BWD Board's governance mission in this time of COVID-19 national emergency and other emergencies that may occur from time to time is to assure continuance of service for its customers.

Management Policy. BWD relies on other critical infrastructure systems for electricity, internet service, cellular and telephone services, and certain supply chains to acquire necessary supplies to provide continuance of service for its customers. The BWD Board hereby authorizes the District's General Manager and staff to develop plans and proposed budget to prevent cascading failure if one or more supporting systems necessary for continuance of service is disrupted for a specific length of time during an emergency.

2) COVID-19 Emergency Customer Assistance Program

Risk. Loss of water service would potentially increase the risk of community spread of the SARS-CoV-2 virus.

Management Policy. The BWD Board has enacted a no-shut off policy for non-payment during the COVID-19 Emergency. However, this no-shut off policy is still a legal receivable that is due BWD. In order to assist customers that have accrued a sizable past due amount for non-payment during the COVID-19 Emergency, the BWD Board hereby authorizes the District's General Manager and staff to negotiate appropriate debt management payoff plans with customers to avoid water service shutoffs even after the no-shut off policy ceases. As Proposition 218 prohibits cross subsidies, the cash flow requirements for the no-shut off policy and any debt management plans will be covered by ad-valorem tax revenues.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
AUGUST 11, 2020
AGENDA ITEM II.C

August 6, 2020

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Request to Apply Credit for Administrative Support for WaterMaster to BWD's Pumping Fee – L Brecht

RECOMMENDED ACTION:

Discuss and direct staff as deemed appropriate

ITEM EXPLANATION:

Director Brecht has requested this item be placed on the Agenda. A request to the Borrego Springs Watermaster Board:

To support the Borrego Springs Subbasin interim WaterMaster, the BWD Board graciously agreed to provide administrative support until the WaterMaster hired an Executive Director. In the past months, the direct and indirect costs to date of this BWD administrative support has been in the range of \$12,000 - \$20,000.

At this time, due to the COVID-19 Emergency and the requirement of BWD to provide continuance of service to its customers as a critical infrastructure sector under the auspices of the Critical Infrastructure Security Agency (CISA) of the US Department of Homeland Security (DHS), the BWD Board hereby requests that the WaterMaster agree to BWD applying the costs for providing administrative assistance to the interim WaterMaster as a credit against its 2020 pumping fee due the WaterMaster.

The BWD Board has already enacted a no-shut off policy for non-payment during the COVID-19 Emergency. However, this no-shut off policy is still a legal receivable that is due BWD. In order to assist customers that have accrued a sizable past due amount for non-payment during the COVID-19 Emergency, the BWD Board may be required to develop appropriate debt management payoff plans with customers to avoid water service shutoffs even after the no-shut off policy ceases.

As Proposition 218 prohibits cross subsidies, the cash flow requirements for the no-shut off policy and any debt management plans must be covered by ad-valorem tax revenues. These ad-valorem tax revenues are the very same revenues that BWD is using to provide administrative support to the WaterMaster. Thus, due to the uncertainties related to the COVID-19 Emergency and the limitations imposed on BWD for certain expenditures, the BWD Board requests consideration for its request by the interim WaterMaster.

NEXT STEPS

TBD

FISCAL IMPACT

\$12,000 to \$20,000

ATTACHMENT

1. None



BOARD OF DIRECTORS MEETING
AUGUST 11, 2020
AGENDA ITEM II.D

August 6, 2020

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: SDCWA Transmission Pipeline Project – D Garmon Public Request

RECOMMENDED ACTION:

Discuss SDCWA Project Status

ITEM EXPLANATION:

I received the following email from David Garmon on August 6th:

Please see the attached study: Report of the MAM Independent Consultant: SDCWA Regional Conveyance System Feasibility Review (July 2020) funded by 18 of the 24 Member Agencies of the San Diego County Water Authority. These 18 Member Agencies did not have confidence in the initial study that was produced by the SDCWA and presented to the BWD just a few months ago. These 18 member agencies therefore funded an independent study that discusses the uneconomical proposal to build a pipeline from the Imperial Irrigation District (IID) to San Diego, a proposal that has been previously proposed and has failed to obtain funding for many years.

As you may know, presently the SDCWA's preferred route (personal correspondence) for this pipeline is through Borrego Springs, ostensibly to use the Borrego Springs Subbasin as a point of storage and withdrawal of stored IID water (conjunctive use of the Subbasin). And as you also probably know, there are multiple, potentially existentially threatening, problems associated with such use of our subbasin. These problems include but are not limited to: 1) Exorbitant costs of removing contaminants via reverse osmosis from IID water prior to that water being pumped into our aquifer. 2) Structural risks to our aquifer from conjunctive use, i.e. compaction and subsidence, the costs of which would be measured in the tens or hundreds of millions of dollars, and 3) the potential for the economics of such conjunctive use of the Subbasin being economically attractive to the Watermaster (the controlling entity of the subbasin under the Stipulated Agreement), but economically disastrous to the Borrego Water District and/or the Borrego community.

In recent conversations I have had with state, region, and local leaders concerning this project, Borrego Springs plays a prominent role. The proponents of the project have been reporting that Borrego is "fully behind" the project and views it as "the answer to our critically over drafted aquifer." The proponents of the project are portraying this as our position to the member agencies of the SDCWA, and no one to date has told the member agencies anything different.

On August 27, 2020 the member agencies of the SDCWA will be asked to vote on whether or not to spend another \$1M for Phase B of the feasibility study. There is considerable division on the SDCWA board about this project and about this additional expenditure. I have been told that it would be very helpful to the SDCWA board to have an official statements from organizations in Borrego Springs as to our current views on this project, particularly from BWD.

Therefore, I am requesting that the proposed Regional Conveyance System be placed as an action item on the agenda for the August 11th meeting of the BWD board. The action being requested is that BWD prepare a letter to the SDCWA that 1) clarifies BWD's current position regarding the project, i.e. BWD has not yet "signed off" on the project and 2) BWD has "the following concerns" about the project.

I believe such a clarifying statement would be impactful in SDCWA's deliberation in their August 27th board meeting. Please do not hesitate to contact me with any thoughts or questions you might have.

Thank you,

David Garmon

David Garmon, M.D.
President and Founding Director
Tubb Canyon Desert Conservancy
(619) 787-9121
www.tubbcanondesertconservancy.org

Representatives from the San Diego County Water Authority will be available at the Meeting to update the Board and answer any questions since Director Brecht was not available when a presentation was previously made to the BWD Board on this topic. In summary, the SDCWA is interested in hearing from the BWD Board and Community on issues/impacts that we feel require further attention during the process. The next phase of this process is when the outreach will take place to continue these discussions.

NEXT STEPS

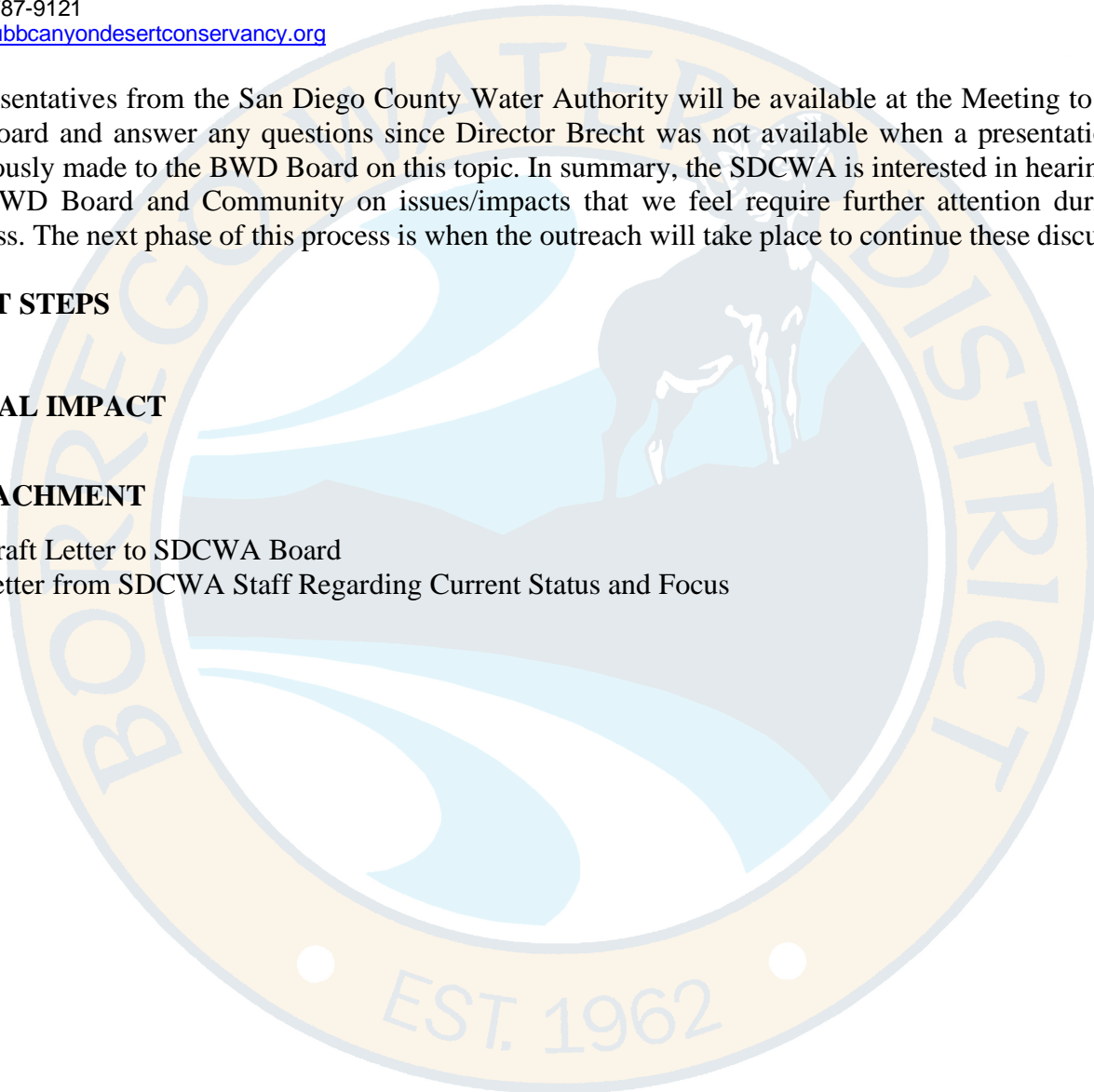
TBD

FISCAL IMPACT

TBD

ATTACHMENT

1. Draft Letter to SDCWA Board
2. Letter from SDCWA Staff Regarding Current Status and Focus



To: SDCWA Board of Directors:

It has come to the attention of the Board of Directors of the Borrego Water District (BWD) there is belief that "Borrego is entirely behind the proposed SDCWD's Regional Conveyance System to transfer water from the Imperial irrigation District (IID) to San Diego." The BWD Board understands further that the rationale for Borrego's support for this project is the storage of IID water in the Borrego Springs Subbasin, that is currently designated as *critically* overdrafted by the California Department of Water Resources (DWR).

The BWD Board would like to make it perfectly clear to the SDCWA Board that it has neither the inclination nor information, at present, to support or to withhold support from SDCWA's proposed Regional Conveyance System.). This is topic that has not yet been discussed in the community as a whole and no such support has been registered.

The proposed Regional Conveyance System as a solution to the Borrego Springs Subbasin's *critical* overdraft situation and impact on municipal water rates is tenuous at best as no economic study has been developed nor presented to the BWD for review.

Furthermore, storage and later withdrawals of IID water for SDCWA use (conjunctive use) in the Borrego Springs Subbasin is neither a given nor externalities free. Much additional hydrological and economic study would necessarily be required before the BWD Board could support such a proposition.

One example of a major concern is that there are numerous toxins in Colorado River water that are hard if not impossible to remove with common advanced treatment technologies which are presently not found in Subbasin water deposits. Some of these are known MCL contaminants, some are already being regulated in other US states and countries other than the US, and some are presently being considered for future regulation here in California. Would BWD be willing to assume the additional financial risk of adding new contaminants to the Subbasin? This is a question for a future BWD Board to answer; hopefully, with data, not opinion.

Another example is consideration for the structural integrity of the Subbasin under certain time and quantity conditions for storage and withdrawals of IID water resulting in compaction and subsidence in Borrego. No amount of hydrological study can with 100% confidence render such an outcome exceptionally unlikely (<1% probability). Such a claim would not be reliable science, but merely wishful thinking. Instead, any decision to use the Subbasin must be made based on a thorough understanding of the financial risk and rewards for municipal water service and for the potential externalities that, if they occur, would potentially be borne by the Borrego community's public sector.

In closing, the BWD Board does not have the necessary information at this time to formally support or oppose the pipeline alignment at this time for the reasons mentioned above.

Sincerely,

For the BWD Board

Kathy Dice, President

p.p. Geoffrey Poole, General Manager

August 7, 2020

MEMBER AGENCIES

Carlsbad
Municipal Water District

City of Del Mar

City of Escondido

City of National City

City of Oceanside

City of Poway

City of San Diego

Fallbrook
Public Utility District

Helix Water District

Lakeside Water District

Olivenhain
Municipal Water District

Otay Water District

Padre Dam
Municipal Water District

Camp Pendleton
Marine Corps Base

Rainbow
Municipal Water District

Ramona
Municipal Water District

Rincon del Diablo
Municipal Water District

San Dieguito Water District

Santa Fe Irrigation District

South Bay Irrigation District

Vallecitos Water District

Valley Center
Municipal Water District

Vista Irrigation District

Yuima
Municipal Water District

OTHER
REPRESENTATIVE

County of San Diego

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

RE: San Diego County Water Authority Regional Conveyance System Study Update

Dear Geoff:

I'm sending you this letter as a follow up to our October 22, 2019 presentation to your Board where we presented on the Water Authority's Regional Conveyance System Study. At that time, Phase A of the two-Phase study had just kicked off to further evaluate an alternative conveyance system for moving 280,000 acre-feet of Quantification Settlement Agreement (QSA) water directly from the Imperial Valley to San Diego County. As we presented last year, this study is different than past studies in that it that it performs a deeper technical analysis of the engineering, design and operational aspects of the proposed conveyance facility along each of the three alternatives shown in Attachment 1.

Phase A largely focused on refining cost estimates, identifying any fatal flaws and eliminating alternatives that no longer made sense. At a very high level, Phase A also included a preliminary partnership assessment and as you recall, in my October 2019 presentation we discussed the potential collaboration with Borrego Water District and the Borrego Springs community as a whole. The feedback our team received from the discussion with your Board was informative and touched upon many critically important issues that helped further shape the study. Among the topics we discussed I recall protection of the natural environment and the salinity impacts of water storage as the two most critical. I want to assure you that protection of the Borrego Springs State Park and surrounding community will be a primary focus for the Water Authority and include a thorough and thoughtful review should discussions on alignment 3A advance any further. Regarding water storage and its potential impacts on Basin water quality, simply put it is not a necessary or required component of the conveyance study. As I mentioned in my October 2019 comments to your Board, if the community desires to import water from a third party in the future that decision is rightfully at the full discretion of your Board and/or the newly formed Watermaster, whatever path you decide. As part of this process, affordability would be a key consideration before a decision is made. The Water Authority is hopeful that an open and transparent dialogue on issues such as those mentioned above will continue should the study continue to the next phase.

On August 27, the Water Authority's Board will consider whether or not to proceed to Phase B of the study. It is anticipated that this phase would take another year and involve an economic and legal analysis and embark upon substantial dialogue with potential partners. If it is desired by your Board and community I would be pleased to discuss the technical results of Phase A in greater detail at your August 11th Board meeting and describe the community engagement

Geoff Poole
August 7, 2020
Page 2

process we envision with the multitude of stakeholders along each of the potential conveyance paths.

I look forward to hearing from you and welcome any constructive input Borrego Springs as a whole has to help better inform the study process.

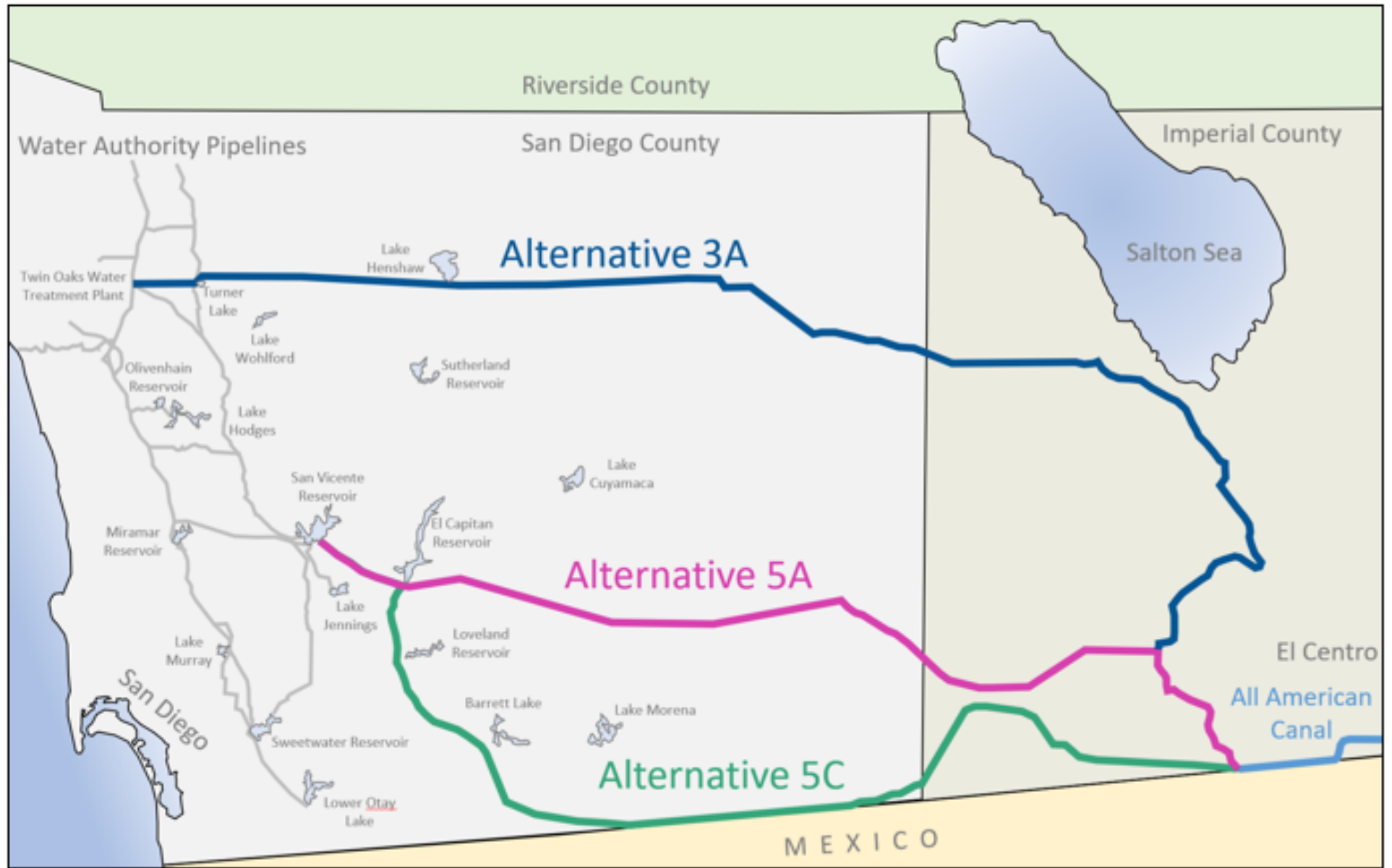
Sincerely,

A handwritten signature in blue ink that reads "Dan Denham". The signature is written in a cursive style with a horizontal line at the end.

Dan Denham
Deputy General Manager

Attachment 1 – Regional Conveyance System Study Alternatives

Regional Conveyance System Study Alternatives



BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
AUGUST 11, 2020
AGENDA ITEM ILE

August 6, 2020

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Request from Borrego Valley Stewardship Council for Letter of Support on Water Management and Planning Grant

RECOMMENDED ACTION:

Discuss request from BVSC and approve Draft Letter of Support

ITEM EXPLANATION:

President Dice received a request from the BVSC for a Letter of Support on a Grant for watershed management grant. If awarded it would provide funding for BVSC governance and a facilitator for community/land and water planning. The Draft Letter is attached

NEXT STEPS

Sign and send letter if approved

FISCAL IMPACT

TBD

ATTACHMENTS

1. Draft Letter of Support

ON BWD LETTERHEAD

[NAME]

[TITLE]

[ADDRESS]

RE: 2020 Sustainable Groundwater Management Watershed Coordinator Grant Program

Dear Grant Application Review Committee,

I am writing to offer our support for the Borrego Valley Stewardship Council (BVSC) effort to seek Department of Conservation funding for the 2020 Sustainable Groundwater Management Watershed Coordinator Grant Program.

The Borrego Water District (BWD) is a signatory of the BVSC's Memorandum of Understanding. We support the premise that integrated land and watershed planning is critical and that the needs of all community members are addressed. Borrego Springs is at a pivotal juncture in its planning, simultaneously implementing its Groundwater Management Plan to comply with the Sustainable Groundwater Management Act and updating its Community Plan to guide future land-use decisions. These are the major governing documents that manage Borrego's natural resources, and now is the time for the Borrego Springs community to define a vision for the future of its watershed.

As a Supporter of the BVSC, we will:

- Engage with the BVSC integrated planning effort by attending regular meetings, responding to information requests, providing access to necessary information, and providing feedback on work products and
- Participate in education and outreach initiatives
- Consider support for this effort with resources at our disposal, including in-kind contributions and/or direct financial assistance

BWD looks forward to continued support with the BVSC as it facilitates collaborative efforts to improve the Borrego Springs watershed. We strongly encourage you to fund BVSC's grant application. proposal.

Sincerely,

Kathy Dice, President