

AGENDA
Borrego Water District Board of Directors
Regular Meeting
March 25, 2015 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes
 - Regular meeting of February 17, 2015 (3-4)
 - Special meeting of February 25, 2015 (5-8)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence: Letter from: Borrego Water Coalition (9)

II. CURRENT BUSINESS MATTERS

- A. Discussion and possible approval of Agreement for Consulting Services with David Taussig & Associates to provide financial consulting (11-27)
- B. Discussion and possible decision regarding hiring a consultant to address uncertainties regarding return flow impact on reduction policy
- C. Discussion and possible decision regarding hiring a consultant project manager to identify price and coordinate all the GSP related activities
- D. Discussion and possible decision regarding directive District Counsel to prepare a funding mechanism to pay for GSP related costs
- E. Discussion and possible decision regarding the acceptance of water credits and land by the District from potential donors
- F. Discussion of modifying the Water Credit policy in respect to A1 and A2 credits. (28)
- G. Discussion and possible approval of awarding contract for construction of solar array at the Wastewater Treatment Plant
- H. Review of planning calendar (29-30)

III. STAFF REPORTS

- A. Financial Reports – January 2015 (31-44)
- B. Financial Reports – February 2015 (45-60)
- C. General Manager / Operations Report (61-62)
- D. Water and Wastewater Operations Report – February 2015 (63)
- E. Water Production/Use Records – February 2015 (64-67)

IV. ATTORNEY'S REPORT

V. COMMITTEE REPORTS & PROPOSALS:

Ad Hoc Committees

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

VI. INFORMATIONAL ITEMS

- A. Groundwater Sustainability Program – Draft Strategic Plan (68-100)
- B. Town Hall Agenda (101)
- C. JPIA Memorandum (102)

VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

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

VIII. CLOSING PROCEDURE

ADJOURNMENT UNTIL 4:00 PM: The next meeting of the Board of Directors is scheduled for 4:00 p.m., March 25, 2013 at the Performing Arts Center, 590 Palm Canyon Drive.

The next Special Meeting of the Board of Directors is scheduled for April 14, 2015 at the Borrego Water District
The next Regular Meeting of the Board of Directors is scheduled for April 22, 2015 at the Borrego Water District

suggested developing a draft schedule of GSP development costs and recommendations on how to fund them.

B. Review of Town Hall agenda: Mr. Rolwing summarized the draft Town Hall agenda, which included the District's recent accomplishments, the GMA and its effect on Borrego Springs, the role of the County and the cost involved. Questions and answers will follow. Director Brecht suggested having a theme for the meeting.

Ms. Hydoski suggested involving a sociologist or human services professional to address impacts on community character, and Mr. Van Vactor concurred. Mr. Rolwing explained that once the District begins working with the County on redesigning the Community Plan and the General Plan that would be the time for this type of input. Discussion followed regarding possible inclusion of a representative from Destination Borrego or the BWC in the Town Hall Meeting.

C. Solar Request For Proposal Presentation, discussion and possible approval: Director Tatusko reported that the Operations & Management Committee met with Mr. Rolwing and analyzed the purchase of a solar system versus a power purchase agreement. They concluded the purchase would be worth the initial investment. RFPs were prepared for 50 kilowatts and 100 kilowatts. If the 50 kw is selected, another 50 kw could be purchased in five years. Mr. Rolwing reported that rebates for solar power purchases were still available for commercial and nonprofits. He had applied at the 80 kw level and was awaiting a response. The Board agreed to distribute both RFPs and make a decision based on the proposals received. ***MSC: Brecht/Delahay approving the release of both RFPs.*** Director Brecht requested an outline of how the success of the new system will be measured, and the O&M Committee agreed to prepare it.

D. Discussion of potential agenda items for February 25th board meeting: Agenda items for the next meeting will include UCI/Burnand Research Institute air quality issues, a CFD meeting to approve bond counsel, update on the Town Hall Meeting, a closed session, nomination of Paul Dorey for the ACWA/JPIA Executive Committee, discussion of how to apply to become a GSA, and review of the planning calendar.

President Hart offered to draft letters to the Borrego Springs Resort and Bob Moore confirming the District's agreement to extend its Club Circle Golf Course lease for 24 months.

President Hart referred a letter from Dennis Daoust to the Executive Committee.

III. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:00 a.m. The next Regular Meeting of the Board of Directors is scheduled for February 25, 2015 at the Borrego Water District.

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, February 25, 2015
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order: President Hart called the meeting to order at 9:00 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call: Directors: Present: President Hart, Vice-President Brecht, Secretary/Treasurer Tatusko, Delahay, Estep

 Staff: Jerry Rolwing, General Manager
 Greg Holloway, Operations Manager
 Morgan Foley, McDougal Love Eckis Boehmer & Foley (via teleconference, Item IX only)
 Wendy Quinn, Recording Secretary

 Public: Emily Brooks Bill Burton
 Jeannie Beck, *Borrego Sun* Darby Burton
- D. Approval of Agenda: **MSC: Brecht/Delahay approving the Agenda as written.**
- E. Approval of Minutes:

Special meeting of January 20, 2015

MSC: Brecht/Delahay approving the Minutes of the Special Meeting of January 20, 2015 as corrected (Item I.A, paragraph 2, change “our General Plan” to “the General Plan”).

Regular meeting of January 28, 2015

MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of January 28, 2015 as corrected (Item I.F, change “aquifer” to “air quality”; Item II.C, paragraph 2, change “salary” to “fee”; Item VII.A, set up the sentence, “The open session reconvened at 11:30 a.m.” as a heading, to clarify that Jack Khurts’ remarks were made in open session).

F. Comments from Directors and Requests for Future Agenda Items: Director Tatusko announced a workshop on Proposition 1 funding in Riverside, March 26, 9:30 a.m. to 3:00 p.m. He and Jerry Rolwing will attend, and public comments will be solicited at the March Special Board Meeting.

G. Comments from the Public and Requests for Future Agenda Items: None

H. Correspondence: The Borrego Water Coalition had written to the District and the County asking what type of role they would like the BWC to take in the GSP.

Mr. Rolwing reported he had met with Jim Rickard of the Dark Sky Coalition to address concerns regarding one of the District’s lights.

ACWA/JPIA has recognized the District for its safety record. Mr. Rolwing thanked Greg Holloway, the crew and office staff.

The Executive Committee will speak with Dennis Daoust regarding the concerns raised in his letter.

II. JOINT MEETING OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2007-1 AND BORREGO WATER DISTRICT

- A. Call to order
- B. Roll Call

III. CURRENT BUSINESS MATTERS BEFORE THE JOINT MEETING OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT AND BORREGO WATER DISTRICT

A. Approval of Agreement between Community Facilities District No. 2007-1 and Best Best & Krieger LLP, San Diego, for Bond Counsel Services for the Restructure or Refinancing of the Community Facilities District's \$9,530,000 Community Facilities District No. 2007-1 (Montesoro) of Borrego Water District 2007 Special Tax Bonds

B. Adjournment of meeting of Board of Directors of Borrego Water District Public Facilities Corporation

These items were tabled until the next meeting pending receipt of the agreement from Morgan Foley.

IV. CURRENT BUSINESS MATTERS

A. Discussion of the UCI Burnand Research Center air quality monitoring issues: Director Brecht explained two issues under consideration by the UCI Burnand Research Center: (1) water use during construction, for example at the solar farms, although dust is still a problem; and (2) the future issue of dust emanating from fallowed agricultural land. UCI has received a National Science Foundation grant for air quality monitoring and has asked BWD what it might need from them. President Hart suggested asking them to establish a baseline now, so that future air quality can be measured against it. Mr. Rolwing pointed out other areas in addition to solar farms and fallowed farmland which contribute to air pollution, i.e. Coyote Canyon and the Ocotillo Wells off-road vehicle park. He also noted that mulching is required to abate dust from fallowed land. Further investigation into these issues was referred to the Due Diligence Committee.

B. Review and possible approval of Town Hall agenda: Mr. Rolwing announced the theme of this year's Town Hall Meeting, "Taking Control of Our Water Future." Martha Deichler has agreed to open the meeting, and Jim Bennett will make a presentation. Mr. Rolwing summarized the proposed agenda items, and the Board concurred.

C. Discussion and possible approval Resolution 2015-02-01: support of Paul Dorey to the ACWA/JPIA Executive Committee: *MSC: Brecht/Delahay adopting Resolution 2015-02-01 in support of Paul Dorey's election to the ACWA/JPIA Executive Committee.*

D. Review of Planning Calendar: President Hart expressed concern regarding the 24-month extension of the Club Circle Golf Course lease without modifying the provision for a 5-year extension option in the original agreement. Director Estep explained that approval of the 24-month extension would override the 5-year option. The Executive Committee will explore this issue further.

V. STAFF REPORTS

A. Financial Reports – January 2015: The Financial Reports were included in the Board package.

B. General Manager/Operations Report: Mr. Rolwing invited the Board's attention to an addendum to his written report, providing information on Proposition 1 funding. Phased opportunities will begin in March, and the first one applicable to BWD will be the Small Community Wastewater Grants in June. Further investigation was referred to the Operations & Management Committee. Possibilities include a jetting and cleaning program and improvements to the wastewater treatment plant. President Hart suggested asking Jan Naragon to help write the grant application.

Director Brecht pointed out that the reference to the GSP deadline in Mr. Rolwing's written report should be 2020, rather than 2022.

Mr. Rolwing reported that infrastructure repairs are proceeding. The District needs to address issues associated with the small crew and old equipment in the new budget. Staff is working with the Operations & Management Committee on this.

C. Water and Wastewater Operations Report – January 2015:

D. Water Production/Use Records - January 2015:

The Water and Wastewater Operations Report and the Water Production/Use Records were included in the Board package.

VI. ATTORNEY'S REPORT

None

VII. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

No report.

2. Due-Diligence

Director Brecht reported that the Committee had been negotiating with banks regarding the Viking refinancing.

3. Strategic Planning Committee/IRWM

President Hart reported that the Committee was continuing to meet with the BWC and working on plans for the Town Hall Meeting. Director Brecht added that they were also tracking legislation relative to GSA requirements and working with the County on this and the projected costs.

4. Executive Committee

Director Estep reported that the Committee was working on Mr. Daoust's concerns. President Hart added that they were also addressing the Club Circle Golf Course lease extension.

5. Operations & Management Committee

Director Delahay reported that the Committee would be meeting soon. Mr. Rolwing reported that the solar RFP had been distributed, and proposals are due March 16. David Dale will follow up with potential bidders.

6. Parks Committee

Mr. Rolwing reported that the Community Sponsor Group has formed a committee to look into the creation of a new park. Instead of the 16 acres donated by the County, they are considering a ¼-acre park on Palm Canyon Drive, either in front of Casa Del Sol or between Jilberto's and the Mall. Plans are on hold pending the County's decision on the location of the new library.

7. CFD Committee
The Committee is awaiting information from Mr. Foley.

VIII. INFORMATION ITEMS

A. ACWA/JPIA 2015 Spring Conference Schedule: Mr. Rolwing announced the Conference, May 4 through 7 in Sacramento.

IX. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case: The Board adjourned to closed session at 10:00 a.m.

The open session reconvened at 11:04 a.m. There was no reportable action.

Mr. Foley participated via teleconference. President Hart referred to the Board's discussion at its January 28 meeting regarding approval of an agreement with Best Best & Krieger for bond counsel services in restructuring the debt for CFD 2007-1. Mr. Foley had stated this would be an appropriate time to terminate the services of Stradling Yocca Carlson & Rauth and agreed to draft a letter for President Hart's signature notifying them. He also agreed to notify T2 Borrego. Mr. Foley stated he had not yet formally notified T2 but was negotiating with them and with Best Best & Krieger on some final details. President Hart inquired about the status of the final term sheet. Mr. Foley explained that the agreement would provide for an hourly rate and a \$20,000 retainer deposit, against which services could be billed. Estimate for a complete restructuring is \$30,000 to \$50,000. T2 is agreeable to the estimate. Mr. Foley recommended approval subject to such changes as may be approved by the Board on recommendation of counsel. President Hart requested prior review by the Executive Committee.

President Hart then adjourned the Borrego Water District meeting and opened a joint meeting of the BWD and Community Facilities District No. 2007-1. The meeting was called to order and roll call confirmed all Board members present. ***MSC: Estep/Brecht approving the Agreement between CFD No. 2007-1 and Best Best & Krieger LLP, San Diego, for Bond Counsel services for the restructure or refinancing of the CFD's \$9,530,000 CFD 2007-1 (Montesoro) of BWD 2007 Special Tax Bonds; subject to review by the BWD Executive Committee and subject to such changes as may be approved by the Board on recommendation of counsel.***

President Hart adjourned the joint BWD/CFD meeting and reopened the BWD meeting. Mr. Foley will be in touch with the Executive Committee. Mr. Rolwing inquired about the unpaid balance of \$38,000 in the CFD trust fund. Mr. Foley replied that he had hoped the funds could be used for Best Best & Krieger fees, but they are needed to pay outstanding bills to the Stradling firm.

X. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:13 a.m. The next Special Meeting of the Board of Directors is scheduled for March 17, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for March 25, 2015 at the Borrego Water District. The Town Hall meeting is scheduled for March 25, 2015 at the Performing Arts Center.



March 16, 2015

Board of Directors
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Dear Board of Directors:

The Borrego Water Coalition (BWC) would like to thank you for your timely reply, which was shared at our March 5th meeting. The result of your letter and our subsequent discussions is that the BWC desires to further resolve its role during the development of the GSA consistent with our desire to be an integral part of the establishment of the GSA. The BWC wants to accomplish this goal in concert with the County and the BWD, as they formulate their respective roles in the GSA process. Establishing clarity to the BWC role at the earliest stage will allow the BWC to actively participate in the process and provide stakeholder support. Needless to say the BWC wants to participate in the development, implementation and governance of the GSP

The BWC has several areas of focus that need to be specifically addressed. They are as follows:

1. The BWC seeks assurance that its input will be valued in the process. What assurances are in place today and how might these assurances change going forward specific to the BWC input?
2. What recourse is available to the BWC should commitments made by the GSAs to BWC not be honored in the future?
3. What assurances do the BWD and County need from the BWC to ensure that the BWC will continue as a representative group of stakeholders vs. a special interest?
4. What actions can the BWC take today and in the immediate future to actively participate in how the GSA and GSP processes will evolve?

We seek your responses to these questions as well as any other recommendations that will allow us to continue our dedicated efforts over the last two years to address the overdraft of the Borrego Aquifer.

The BWC next meeting is April 2 and we would appreciate your reply in advance of this date so we can incorporate into our agenda.

Sincerely,


Jim Moxham
For the Borrego Water Coalition

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AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT is made and entered into this day of February __ 2015, by and between Borrego Water District at 806 Palm Canyon Drive, Borrego Springs, CA 92004, herein called "Client," and David Taussig and Associates, Inc. at 5000 Birch Street, Suite 6000, Newport Beach, CA 92660, herein after called "Consultant." The Client and the Consultant in consideration of the mutual promises and conditions herein contained agree as follows.

ARTICLE I **TERM OF CONTRACT**

Section 1.1 This agreement shall become effective on the date stated above and will continue in effect until the earlier of (i) that day when the services provided for herein have been performed or (ii) until terminated as provided in Article 6 below.

ARTICLE II **SERVICES TO BE PERFORMED BY CONSULTANT**

Section 2.1 Consultant agrees to perform the professional services for the Client and to deliver the work products to the Client as described in the Scope of Work statement attached as Exhibit "A" hereto. Such professional services and work products, as from time to time modified in accordance with Section 2.3 hereof, are collectively referred to as the "Consulting Services."

Section 2.2 Consultant will determine the method, details and means of performing the Consulting Services. Consultants may, at Consultants' own expense, employ such assistance as it deems necessary to perform the Consulting Services required by Client under this Agreement. Consultants shall conduct research and arrive at conclusions with respect to their rendition of information, advice, recommendation or counsel independent of the control and direction of the Client, other than normal contract monitoring. All computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or developed by DTA in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to DTA. Client acknowledges and agrees that the consideration paid by Client herein only entitles Client to a license to use the hard copy or electronically transmitted reports generated pursuant to the Consulting Services and that any Proprietary Model that Consultant uses to generate such reports is owned by, or is duly licensed from a third party to Consultant and is not being provided to Client hereunder. Client acknowledges that DTA may have used reports and analyses that DTA authored for other clients as base works or templates for the reports and analyses prepared for Client pursuant to this Agreement, and Client acknowledges and agrees that DTA has the right to use the reports and analyses that it authors pursuant to this Agreement as base works or templates for reports and analyses that DTA authors for DTA's other clients, provided, however that DTA shall

not use any confidential information provided by Client in such future reports and analyses. Client acknowledges and agrees that DTA has spend substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Consulting Services and that such Data Compilations may be used by DTA for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that DTA will not sell or distribute any of Client's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

Section 2.3 Any proposed changes in the Consulting Services hereunder shall be submitted to the other party hereto, and any such changes agreed to by the parties shall be reflected in an amendment to Exhibit "A" in accordance with Section 7.2 hereto.

Section 2.4 Nothing in this Agreement shall give the Consultant possession of authority with respect to any Client decision beyond the rendition of information, advice, recommendation or counsel.

ARTICLE III **COMPENSATION**

Section 3.1 Client agrees to pay Consultant for its Consulting Services a professional fee computed according to the Fee Schedule attached as Exhibit "B" hereto.

Section 3.2 The Client shall reimburse the Consultant for Consultant's out-of-pocket expenses plus a 15% administrative charge. Expenses shall include all actual expenditures made by Consultant in the performance of any Consulting Services undertaken pursuant to the Agreement, including, without limitation, the following expenditures:

- (a) Cost of clerical assistance @ \$35.00 per hour, including typing, collation, printing and copying, plus copier and photography costs, including photographic reproduction of drawings and documents.
- (b) Transportation costs, including mileage for the use of personal automobiles at the prevailing IRS standard rate, rental vehicles, lodging and regularly scheduled commercial airline ticket costs.
- (c) Courier services, facsimile, and telephone expenses.

Section 3.3 On or about the first two weeks of each month during which Consulting Services are rendered hereunder, Consultant shall present to Client an invoice covering the current Consulting Services performed and the reimbursable expenses incurred pursuant to this Agreement and exhibits thereto. Such invoices shall be paid by Client within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts which are not paid within 30 days of the date of each invoice.

Section 3.4 The maximum total fee amount set forth in Exhibit "B" may be increased as a result of any expansion of the Consulting Services to be rendered hereunder pursuant to Section 2.3 or as provided in Exhibit "A" hereto.

Section 3.5 Records of the Consultant's costs relating to (i) Consulting Services performed under this Agreement and (ii) reimbursable expenses shall be kept and be available to the Client or to Client's authorized representative at reasonable intervals during normal business hours.

ARTICLE IV **OTHER OBLIGATIONS OF CONSULTANT**

Section 4.1 Consultant agrees to perform the Consulting Services in accordance with Exhibit "A". Should any errors caused by Consultant's negligence be found in such services or products, Consultant will correct them at no additional charge by revising the work products called for in Exhibit "A" to eliminate the errors.

Section 4.2 Consultant will supply all tools and instrumentalities required to perform the Consulting Services under the Agreement.

Section 4.3 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Consultant without the prior written consent of Client. However, Consultant may subcontract portions of the work to be performed hereunder to other persons or concerns provided Consultant notifies Client of the name and address of said proposed subcontractor and Client either consents or fails to respond to notification with respect to the use of any particular proposed subcontractor.

Section 4.4 In the performance of its Consulting Service hereunder, Consultant is, and shall be deemed to be for all purposes, an independent contractor (and not an agent, officer, employee or representative of Client) under any and all laws, whether existing or future. Consultant is not authorized to make any representation, contract or commitment on behalf of Client.

Section 4.5 Neither this Agreement, any duties or obligations under this Agreement, nor the intentions or expectations of Client will cause the Consultant to be a "public official" as that term is used in Section 87100 of Title 9 of the California Government Code. Client and Consultant agree that Consultant is not a "public official" or "participating in governmental decision" as those terms are used in Section 87100. The Client and Consultant also agree that no actions and opinions necessary for the performance of duties under the Contract will cause the Consultant to be a "public official" or "participating in a governmental decision" as those terms are used in Section 87100.

ARTICLE V **OTHER OBLIGATIONS OF CLIENT**

Section 5.1 Client agrees to comply with all reasonable requests of Consultant and provide access to all documents reasonably necessary to the performance of Consultant's duties under this Agreement with the exception of those documents which Exhibit "A" calls upon the Consultant to prepare.

Section 5.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Client without the prior written consent of Consultant.

Section 5.3 Consultant frequently is retained by developers, landowners, and other persons and concerns interested in development projects which often eventually lead to the preparation on a

contract basis by Consultant of preliminary tax spread models for government agencies to determine tax rates and other matters necessary to accomplish various improvements to realty for financing under a Mello-Roos or other financing programs. In light of the foregoing, Client will determine whether or not it is appropriate to conduct a "significant substantive review" or a "significant intervening substantive review" of Consultant's activities conducted pursuant to this Agreement as such terms are defined in Section 18700(c)h of Title 2 of the California Administrative Code. Should Client elect to conduct such a substantive review, then Client shall determine whether it has sufficient expertise on staff to conduct such a review, and, if not, will retain an independent expert consultant to review Consultant's work. Thereafter, Client shall conduct such review, or cause such independent review to be conducted, prior to the making of any governmental decision relating to the matters contained within the Scope of Work described in Exhibit "A". The parties do not intend and nothing in this Section 5.3 is meant to imply that Consultant is a "public official," "participating in a governmental decision," or has a "financial interest" in the services provided as such terms are used in Section 87100 of Title 9 of the California Governmental Code.

Section 5.4 Client, public agencies, landowners, consultants and other parties dealing with Client or involved in the subject development project referred to in Exhibit "A" will be furnishing to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the project which Client understands Consultant will be using and relying upon in preparing the reports, studies, computer printouts and other work products called for by Exhibit "A." Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of Client, nor shall Consultant be responsible for the impact or effect on its work products of the information furnished by or on behalf of Client, in the event that such information is in error and therefore introduces error into Consultant's work products.

Section 5.5 Client agrees to defend, indemnify and hold Consultant harmless from and against all obligations, losses, liabilities, damages, claims, attachments, executions, demands, actions and/or proceedings (collectively, "Claims") and all costs and expenses in connection therewith, including reasonable attorneys' fees, arising out of or connected with the performance of Consultant's Consulting Services under this Agreement, except as may arise from Consultant's willful misconduct or gross negligence. In that regard, Client will indemnify and hold Consultant harmless from any Claims arising from, growing out of, or in any way resulting from, errors contained in data or information furnished by Client or Client's designee to Consultant for use in carrying out the Consulting Services called for by this agreement. If for any reason the indemnification under this Section 5.5 is unavailable to Consultant or insufficient to hold it harmless, then the Client shall contribute to the amount paid or payable by Consultant as a result of such loss, liability, damage, claim, demand, action or proceeding in such proportion as is appropriate to reflect not only the relative benefits received by the Client on the one hand and Consultant on the other hand but also the relative fault of the Client and Consultant as well as any relevant equitable considerations; provided that Consultant's contribution obligations hereunder shall in no event exceed the amounts received by Consultant under this Agreement.

Section 5.6 In the event that court appearances, testimony or depositions are required of Consultant by Client in connection with the services rendered hereunder, Client shall compensate Consultant at a rate of \$250 per hour and shall reimburse Consultant for out-of-pocket expenses on a cost basis.

ARTICLE VI
TERMINATION OF AGREEMENT

Section 6.1 Either party may terminate or suspend this Agreement upon thirty (30) days written notice. Unless terminated as provided herein, this Agreement shall continue in force until the Consulting Services set forth in Exhibit "A" have been fully and completely performed and all proper invoices have been rendered and paid.

Section 6.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party at its option may terminate this Agreement by giving written notification to the defaulting party. Such termination shall be effective upon receipt by the defaulting party, provided that the defaulting party shall be allowed ten (10) days in which to cure any default following receipt of notice of same.

Section 6.3 The covenants contained in Sections 3.1, 3.2, 4.4, 5.3, 5.4, 5.5, 5.6 and all of Article VII shall survive the termination of this Agreement.

ARTICLE VII
GENERAL PROVISIONS

Section 7.1 Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change the address by written notice in accordance with the first sentence of this Section 7.1. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of two (2) days after mailing.

Section 7.2 This Agreement and exhibits hereto supersede any and all agreements, either oral or written, between the parties hereto with respect to the rendering of service by Consultant for Client and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any exhibit hereto) will be effective if it is in writing and signed by the party against whom it is sought to be enforced.

Section 7.3 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

Section 7.4 Any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Agreement will, on the written request of one party served on the other, be submitted to binding arbitration in accordance with the commercial rules and regulations of the American Arbitration Association and the provisions of the California Arbitration Act (Sections 1280 through 1294.2 of the California Code of Civil Procedure). The arbitration shall take place in Newport Beach, California, or such other location mutually agreed to by the parties.

The arbitrator(s) shall be selected as follows: In the event that Consultant and Client agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event Consultant and Client do not so agree, Consultant and Client shall each select an arbitrator and the two arbitrators so selected shall select the third arbitrator. If there is more than one arbitrator, the arbitrators shall act by majority vote. The parties may propose arbitrators from JAMS, ADR, ARC or any independent arbitrator/neutral for dispute resolution. The parties are not required to hire an AAA arbitrator for resolution of a dispute hereunder.

The decree or judgment of an award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

Section 7.5 The prevailing party in any arbitration or legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees. The non-prevailing party shall be liable, to the extent allowable under law, for all fees and expenses of the arbitrator(s) and all costs of the arbitration.

Section 7.6 This Agreement will be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, this Agreement has been executed on the date and year first above written.

CONSULTANT:

CLIENT:

David Taussig & Associates, Inc.

Borrego Water District

By: _____
David Taussig, President

By: _____

Date: _____

Date: _____

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EXHIBIT A

ANNUAL ADMINISTRATION AND ARBITRAGE CALCULATION SERVICES OF THE BORREGO WATER DISTRICT

SCOPE OF WORK

David Taussig & Associates, Inc. ("Consultant") shall provide financial consulting services to assist the Borrego Water District (the "Client") in the annual administration of CFD No. 2007-1 and additional levies, including the following four charges: **i)** Water Availability, **ii)** ID No. 1 Water, Sewer, and Flood Control, **iii)** Pest Control, and **iv)** ID No. 3 Water standby charges and assessments. The intent of these services shall be to determine the tax rates, to facilitate the collection of the taxes, and to calculate the rebate liability of CFD No. 2007-1 for fiscal year 2015-16. In addition, we have added tasks for the delinquency/foreclosure workout of CFD No. 2007-1 as well as assisting the District and/or its rate consultant regarding the ID No. 1 fixed charge analysis.

PHASE 1: CFD NO. 2007-1 ANNUAL ADMINISTRATION

The specific activities and tasks to be performed under this Scope of Work for CFD No. 2007-1 include the following:

Task 1 Land Use Research

This task involves determining, gathering and organizing the land use data required to apportion and collect special taxes, and includes the following subtasks:

- 15.1 Subdivision Research:** Identify and obtain copies of all final tract or parcel maps recorded within CFD No. 2007-1.
- 15.2 Development Research:** Determine non-residential building permit activity as of January 1, 2015. Identify issuance date, building square footage and situs address for each new commercial building.
- 15.3 Assessor Parcel Research:** Review current Assessor Parcel Maps to compile a list of the Assessor's Parcels which will be valid for fiscal year 2015-16. Determine lot square footage of all parcels.
- 15.4 Database Management:** Create automated parcel database that will include information for all parcels. Data will include Assessor Parcel Number and corresponding tract, lot and unit number, acreage, building square footage, building permit issuance date and situs address.

Task 2 Classification of Property

This task involves application of the Amended and Restated Rate and Method of Apportionment of Special Taxes to determine the appropriate special tax classification for each parcel located in the CFD and includes the following subtasks:

- 2.1 Exempt Property:** Identify all property owned by public agencies or entities otherwise exempt from the special tax and classify as exempt property.
- 2.2 Taxable Property:** Identify all taxable properties and classify each as "Developed Property" or "Undeveloped Property." Assign each "Developed Property" to the appropriate special tax classification.

Task 3 Financial Analysis

This task involves calculating and apportioning the Special Tax Requirement and includes the following subtasks:

- 3.1 Administrative Expense Budget:** Assist Client with the preparation of an administrative expense budget.
- 3.2 Mello-Roos Special Pro Forma:** Prepare pro forma analysis comparing long term special tax revenues to long term financial obligations of CFD No. 2007-1 (i.e., debt service payments, administrative expenses, etc.). Compute the fiscal year 2015-16 special tax rates for all classifications of taxable property.

Task 4 Report Preparation

This task includes the preparation of an Annual Special Tax Report containing the findings of the financial analysis and an explanation of the methodology employed to apportion the special taxes. Included in the report is a list of special tax levy for each Assessor's Parcel.

Task 5 Enrollment of Special Taxes

This task involves submitting the special tax levy on or before August 10, or such other date specified by the County of San Diego to the Auditor-Controller, for inclusion on the consolidated property tax bills. The special tax levy will be submitted on magnetic tape or other media as specified by the County. If direct billing of Undeveloped Property is required, prepare special tax bills for mailing to the owners of Undeveloped Property.

Task 6 Delinquent Property Owner Reporting

This task involves the review and research of County records to determine which parcels are delinquent in the payment of property and special taxes, and includes the following subtasks:

- 6.1 Semi-annual Delinquency Report:** Review special tax payment information from the County of San Diego. Determine which parcels are delinquent and the corresponding amount of delinquent special taxes. Prepare report summarizing the amount of delinquent special taxes.

- 6.2 Collection of Delinquent Special Taxes:** Assist Client with the development of procedures to cure delinquent special taxes. Assist with the preparation of demand letters as necessary.

See Phase 2 for additional Delinquency Management Services.

Task 7 Roll Changes and Adjusted Property Tax Bills

This task involves monitoring any changes to the secured tax roll which necessitate new or adjusted property tax bills. This task includes the calculation of new or adjusted bills and the preparation of requests to the County to prepare such bills.

Task 8 Responses to Property Owner Questions

This task involves the provision of information to individuals and other interested parties regarding the amount and calculation of the special tax.

Task 9 Annual Reporting/Disclosure

This task involves assisting Client meet the annual reporting and special tax disclosure requirements as specified by the Continuing Disclosure Agreement, SB 1464, and the 1992 Mello-Roos Amendment Bill, and includes the following subtasks:

- 9.1 Assist Client in the preparation of the Annual Report required by the Continuing Disclosure Agreement.
- 9.2 Prepare and submit required data to the California Debt and Investment Advisory Commission each October in compliance with Section 53359.5 of the Government Code (as amended by SB 1464).
- 9.3 Assist Client in the preparation of special tax disclosure documents pursuant to Section 1102.6b of the Civil Code and Section 53340.2 of the Government Code (as amended by SB 1464).

Task 10 Meetings

Consultant will schedule up to one formal meeting with Client staff and/or the Board to review the pro forma of Mello-Roos special taxes and the Annual Special Tax Levy Report, including a discussion of the findings of the financial analysis. (This meeting will include a discussion of Phase 3 findings as well.)

Task 11 Rebate Calculation (to be completed by Bond Logistix, LLC)

This task entails the preparation of annual arbitrage rebate calculations, report preparation, and identification of rebate liabilities for CFD No. 2007-1, and includes the following subtasks:

- 11.1 **Background Research:** Review documents pertinent to the bonds including the official statement, bond indenture, arbitrage certificate, IRS form 8038-G, and fiscal agent bond fund/account statements.
- 11.2 **Bond Proceeds Deposit Confirmation:** Reconcile the deposits to the funds and accounts set forth in the bond indenture with the actual deposit of funds reflected by the fiscal agent account statements.
- 11.3 **Bond Yield Confirmation:** Prepare debt service table and calculate the bond yield. The resulting bond yield will be verified with that stated on the arbitrage certificate.
- 11.4 **Calculation of Rebate Liability:** Record all investment activity for the funds and accounts determined to be subject to rebate. Using the bond yield calculated under Task 11.3, compute the allowable arbitrage earnings and compare to the actual investment earnings.
- 11.5 **Adjustments for Rebate Exemptions:** Determine the rebate exemptions applicable to CFD No. 2007-1.
- 11.6 **Rebate Report:** Prepare written report containing the findings of the financial analysis and an explanation of the underlying methodology followed to compute the rebate liability, including a legal opinion.

PHASE 2: CFD No. 2007-1 DELINQUENCY MANAGEMENT

DTA will provide delinquency management services including, but not limited to, coordination with bond counsel to initiate and monitor foreclosure proceedings, coordination with County to amend and/or strip taxes from the roll, and ongoing manual delinquency research of all parcels in the CFD.

PHASE 3: CFD No. 2007-1 WORKOUT

DTA will provide special tax consulting services to analyze the restructuring of CFD No. 2007-1. Please note that the formation of a new CFD overlapping all or a portion of existing CFD No. 2007-1 and the refunding of bonds issued by CFD No. 2007-1 would be covered under a separate agreement.

Task 1 Updated Tax Spread Proformas

Prepare updated spread of special taxes (the "Tax Spread"). Calculate special taxes to support proposed financing. DTA may recommend alternative techniques to apportion special taxes to enhance project feasibility.

Task 2 Tax Spread Revisions

Based on input from the Client, prepare revisions to Tax Spread. DTA shall prepare up to a total of ten Tax Spreads, utilizing various financing assumptions.

Task 3 Analyze changes to Rate & Method of Apportionment

DTA shall provide feedback regarding changes to the Rate and Method of Apportionment of Special Tax to accommodate the restricting or the feasibility of establishing a new CFD and RMA.

Task 4 Verbal Consulting Services

Provide verbal consulting services and advice to the Client regarding the restructuring during the period in which Tasks 1 through 3 are being completed.

Task 5 Additional Work

DTA shall perform additional tasks as requested by the District.

PHASE 4: ADDITIONAL LEVIES

The specific activities and tasks to be performed under this Scope of Work for all additional levies, including the following four charges: **i) Water Availability, ii) ID No. 1 Water, Sewer, and Flood Control, iii) Pest Control, and iv) ID No. 3 Water standby charges and assessments**, submitted by the Client include the following:

Task 1 Land Use Research

This task involves determining, gathering and organizing the land use data required to apportion and collect standby charges and assessments, and includes the following subtasks:

- 1.1 Assessor Parcel Research:** DTA will obtain a database of the current valid Assessor Parcels from the County.
- 1.2 Database Management:** Create automated parcel database that will include information for all parcels. Data will include Assessor Parcel Number and corresponding acreage, land use, and other pertinent information.

Task 2 Classification of Property

This task involves determining the appropriate classification for each parcel located in the Water District and includes the following subtasks:

- 2.1 Exempt Property:** Identify all property owned by public agencies or entities otherwise exempt from standby charges and assessments and classify as exempt property.
- 2.2 Taxable Property:** Identify all taxable property and determine standby charges and assessments to apply to each property.

Task 3 Financial Analysis

This task involves obtaining and apportioning the operating budget requirements for the Water District and includes the following subtasks:

- 3.1 Operating Budget Requirements:** Obtain the operating budget for each standby charge and assessment from Client.
- 3.2 Calculate Standby Charge/Assessments:** Compute the fiscal year 2015-16 standby charges and assessments for taxable property.

Task 4 Summary Memo

This task includes the preparation of a summary memo. Included with the memo is a list of levies for each Assessor's Parcel.

Task 5 Enrollment of Taxes

This task involves submitting the standby charges and assessments on or before August 10, or such other date specified by the County of San Diego to the Auditor-Controller, for inclusion on the consolidated property tax bills. The tax levy will be submitted on magnetic tape or other media as specified by the County. If direct billing of property is required, prepare tax bills for mailing to the property owners.

Task 6 Roll Changes and Adjusted Property Tax Bills

This task involves monitoring any changes to the secured tax roll which necessitate new or adjusted property tax bills. This task includes the calculation of new or adjusted bills and the preparation of requests to the County to prepare such bills.

Task 7 Responses to Property Owner Questions

This task involves the provision of information to individuals and other interested parties regarding the amount and calculation of the standby charges and assessments.

Task 8 Meetings

Meetings are included under Phase 1 Scope of Work.

EXHIBIT B

**ANNUAL ADMINISTRATION AND
ARBITRAGE CALCULATION SERVICES
OF THE BORREGO WATER DISTRICT**

BUDGET

The proposed annual budget for each Phase in the Scope of Work is time and materials, not to exceed the amounts shown in the table below:

Phase	Budget
Phase 1 – CFD No. 2007-1 Annual Administration (Tasks 1 through 10)	\$17,500
Phase 2 – CFD No. 2007-1 Delinquency Management	\$10,000
Phase 3 – CFD No. 2007-1 Workout	Time & Materials
Phase 4 – Additional Levies	\$5,000

The budgets shown above represent maximum amounts not to be exceeded for each Phase, other than for Phase 3 which shall be billed on a time and materials basis, subject to the limitations identified below, unless otherwise agreed upon by the Borrego Water District (the "Client"). The proposed annual budget for Task 11 of Phase 1 is explained in more detail in Exhibit C.

Consultant shall charge the following hourly rates for services related to the Scope of Work.

Managing Director	\$210/Hour
Vice President	\$200/Hour
Manager	\$185/Hour
Senior Associate	\$165/Hour
Associate	\$145/Hour
Senior Analyst	\$135/Hour
Analyst	\$130/Hour
Research Assistant	\$105/Hour

Monthly progress payments will be made by Client upon presentation of invoice by Consultant providing details of services rendered and expenses incurred. At Client's request services in addition to those identified in the Scope of Work may be provided if the total fee to complete the Tasks selected is less than the associated budget. Alternatively, if the selected Tasks can be completed for less than the amount budgeted, only the hours actually expended will be billed.

In addition to fees for services, Client will reimburse Consultant for travel, photocopying, database services or materials, facsimile and telephone calls, clerical services, and other out-of-pocket expenses, in an amount not to exceed \$1,000 annually.

LIMITATIONS

Additional services other than those necessary to amend errors on the part of Consultant are not covered by the budgets listed above. As for Task 8 for CFD No. 2007-1 and Task 7 for standby charges and other assessments, detailed written responses or formal meetings with property owners to resolve disputes will be classified as Additional Work and billed at hourly rates listed above.

EXHIBIT C

**MELLO-ROOS SPECIAL TAX ADMINISTRATION AND
ARBITRAGE CALCULATION SERVICES
COMMUNITY FACILITIES DISTRICT NO. 2007-1
OF THE BORREGO WATER DISTRICT**

ARBITRAGE REBATE COMPLIANCE SERVICES

This letter is to confirm the engagement of David Taussig & Associates, Inc. ("DTA") by the Borrego Water District (the "Issuer") for the purpose of performing calculations relating to the rebate requirements contained in Section 148(f) of the Internal Revenue Code of 1986 (the "Code"). The calculations are to be performed with respect to the tax exempt obligation issues listed on Schedule A hereto (the "Bonds"), applying applicable federal tax rules.

The Issuer, by acknowledging this letter, consents to the engagement by DTA of Bond Logistix, LLP ("Bond Logistix") to provide certain legal services to assist in determining the amount of rebate liability with respect to the Bonds. The agreement between DTA and Bond Logistix which sets out the services to be provided by each is available upon request. While the Issuer may rely on the legal services performed by Bond Logistix, Bond Logistix will have no attorney-client relationship with the Issuer by virtue of the agreement, this letter, or such services.

The fee with respect to each report and opinion required by the Issuer is as set forth on Schedule B hereto. Additional Bond issues may be added, from time to time, to Schedule A hereto by the Issuer and DTA provided that the prior consent of Bond Logistix is obtained by DTA.

If this letter agreement is satisfactory, please have an authorized official acknowledge below and return one copy to the undersigned.

Very truly yours,

DAVID TAUSSIG & ASSOCIATES, INC.

By: _____
David Taussig, President

Acknowledged:
BORREGO WATER DISTRICT

By: _____

Title: _____

Date: _____

SCHEDULE A

1. \$9,530,000 Borrego Water District Community Facilities District No. 2007-1
2007 Special Tax Bonds (San Diego County, California)

SCHEDULE B

Arbitrage Rebate Compliance Services

FEE SCHEDULE

The proposed budget for Task 11 is a flat fee of \$2,750 per bond issue for the initial calculation. The annual fees for subsequent years will be \$2,250 per bond issue per year; note, additional fees will be incurred for transferred proceeds analysis, final or five year report, or computation periods in excess of twelve months.

DATE: March 19, 2015

TO: Board of Directors

FROM: Jerry Rolwing

RE: Modifying the water credit policy

At the May 20, 2014 Board Workshop, the Board adopted an amendment to the T2/BWD agreement allowing the conversion of AG-2 credits to AG-1 credits at a 1.33:1 ratio (133 AG-2 credits could be used instead of 100 AG-1 credits). In this agreement, T2 Borrego is required to submit 800 AG-1 credits. The Board determined that AG-2 credits could be substituted for the AG-1 credits at the 1.33:1 ratio.

It has been requested that this modification be allowed for all projects pertaining to the Water Credit Policy. The case was presented that AG-1 credits are only required for County New Development Projects. AG-2 credits are required for Borrego Water District only projects. AG-1 credits exceed the requirements of BWD's requirements for a new single family residence built on an existing platted lot in the community.

It is recommended that the amendment adopted for the Rams Hill agreement, be eligible for other applicants for the Water Credit Policy, at the same 1.33:1 ratio.

	Contract / Project	January	February	March	April	May	June
	PAYMENTS						
1	Viking - payment due on 5th anniversary						
2	T2 Borrego	1/1/15: Pay spare cost in advance			Raftelis spare capacity cost analysis	5/1/15 Notice of 2015/2016 spare capacity due.	6/15/15: commitment of annual spare capacity due from T2 6/30/15: T2 to fallow 200 acre feet 6/30/15: T2 to pay BWD \$110 per a/f over 800.
3	Airport Access Permits						Annual Renewal Due
4	P & I Payment for ID4 COP's			1st half of payments due			
	CONTRACTS						
6	American Red Cross-can cancel any time for any reason						
7	Club Circle (Cameron)		option to renew lease by 2/28/2017				Lease expires 6/30/2017
8	Green Desert Landscape		discuss w/ Bob the option of continuing with contract 2/28/2017				Agreement expires 6/30/2017
9	Konika Minolta						
10	Secap - postage machine				4/1/2017 send letter of cancellation if desired		
11	San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)						
12	Ramona Disposal - Club Circle						
13	Ramona Disposal - BWD Dumpsters						
	REPORTS						
15	CASGEM				Submit CASGEM water level data		
16	CCR						
17	Cameron Bros. Water Usage Report (golf course) to county						
18	Santiago Estate						Occupancy report due
19	Annual EAR Report (CDHS)			Due 3/31 for previous year			
20	Check fallow property for water usage						
	ADMINISTRATIVE						
22	Audit					Begin audit	
23	Budget			Pump check	CIP meeting, draft budget document	Final Budget document / FY Rate Resolution	
24	Business Plan	January 2016 - Update Availability Fees (property tax assessments)		March 2015-Identify & Implement Mechanism to pay for GSP costs. March 2016- Update rate structure & water, sewer & WWT rates			
25	Groundwater Sustainability Plan (GSP)	District Meeting Jan. 20 to discuss policy recommendations, DRAFT MOU between County & District	District Meeting February 17th to discuss policy recommendations, Draft MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development	District Meeting March 17th to discuss policy recommendations, Draft MOU between County and District; DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development	Implement GSP funding mechanism; start GSP development		
26	Investment Policy						Investment polices restated
27	Special Assessments / tax bill resolutions-Taussig						Special Assessments resolutions due
28	Town Hall Meeting			3/25/2015			
29	Water Credit Policy			2015- Check if pricing needs to be adjusted			

	July	August	September	October	November	December
1	7/8/2017 early payment due for Viking					
2	7/1/17: establish water budget					12/31/14: T2 to purchase land to fallow 12/31/18 lease expires Send invoice for Spare Capacity
3						
4			2nd half of payments due			
5						
6						
7						
8	Cost of Water Adjustment each July 1st. With Cameron					
9	Lease contract expires 7/2015					
10	lease expires 7/2017					
11		Annual maintenance contract expires 10/6/15.				
12		contact RDS re: contract renewal 2015				rate valid until 12/2015
13		contact RDS re: contract renewal 2015				rate valid until 12/2015
14						
15					Submit CASGEM water level data	
16				10/1/14 Mail CCR Certification form		
17				Send to County DPLU by 10/31		
18						
19						
20			Annual fallow property check			
21						
22			Review of draft audit report			
23						
24				November 2015-Update Development Fees (water credits & infrastructure buy-in costs for new connections)		
25						
26						
27						
28						
29						

ITEM III A

FINANCIALS

	C	D	AV	BD	BE	BF
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015					
4			BUDGET	JANUARY	JANUARY	YTD
5	REVENUE					
6	WATER REVENUE					
7	Residential Water Sales		899,221	57,293	65,341	570,118
8	Commercial Water Sales		120,570	9,710	9,864	74,098
9	Irrigation Water Sales		142,918	7,480	9,721	111,201
10	GWM Surcharge		114,930	6,740	8,657	69,307
11	Water Sales Power Portion		364,158	21,858	27,073	222,991
12	Readiness Water Charge		1,080,000	94,606	94,000	661,350
13	Readiness Water Charge - Lienes properties		27,600	0	750	568
14	RH Golf Course surplus capacity lease			0	0	189,630
15	Meter Installation		5,809	0	0	930
16	Water hook-up charge			0	0	-
17	Reconnect Fees		4,080	0	340	1,700
18	Backflow Testing/installation		4,600	4,881	4,600	4,669
19	Bulk Water Sales		3,500	0	0	286
20	Penalty & Interest Water Collection		6,000	2,203	500	7,694
21	TOTAL WATER REVENUE:		2,773,387	204,771	220,845	1,914,542
22		Receivables				
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 03/10/15				
24	641500 1% Property Assessments	31,283	64,625	13,843	13,843	42,229
25	641502 Property Assess wtr/swr/flld (25 parcels \$66 ea(1,650))	50,050	1,650	48,756	48,756	56,817
27	641501 Water avail Standby	40,909	82,559	29,014	29,014	57,408
29	641504 ID 3 Water Standby (La Casa)	15,903	33,722	14,052	14,052	19,097
30	641503 Pest standby	8,749	17,938	7,239	7,239	10,577
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	146,894	200,493	112,903	112,903	186,129
32						
33	SEWER SERVICE CHARGES					
34	Town Center Sewer Holder's Fees		170,190	14,274	14,274	99,916
35	Town Center Sewer User Fees		38,040	3,320	3,170	19,920
36	Sewer user Fees		345,125	26,830	30,250	188,275
37	Sewer-liened		2,160	0	180	-
38	Penalty Interest-Sewer			0	0	10
39	Sewer Capacity Fees			0	0	-
40	TOTAL SEWER SERVICE CHARGES:		555,515	44,424	47,874	308,121
41						
42	OTHER INCOME					
45	Fire Hydrant Installation			0	0	-
46	Miscellaneous Income (net csd fee/JPIA rebate/check free)		15,880	70	80	611
47	Water Credits income		8,250	0	0	5,250
51	Interest Income		80	16	16	40
52	TOTAL OTHER INCOME:		24,210	86	96	5,901
53						
54	TOTAL INCOME:		3,553,605	362,184	381,718	2,414,692
55						
56	CASH BASIS ADJUSTMENTS					
57	Decrease (Increase) in Accounts Receivable			(10,474)	0	42,139
58	CC Golf Equipment receivable		2,270	189	189	1,324
59	Other Cash Basis Adjustments				0	850
60	TOTAL CASH BASIS ADJUSTMENTS:		2,270	(10,285)	189	44,313
61						
62	TOTAL INCOME RECEIVED:		3,555,875	351,899	381,907	2,459,005

	BL	BM	BN	BO	BP	BQ
1						
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	<u>2014-2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
5						
6						
7	937,687	58,160	53,226	80,272	81,896	94,016
8	122,631	7,954	9,228	10,861	10,688	9,801
9	158,122	7,221	5,867	9,706	11,276	12,850
10	113,506	7,475	6,636	9,882	10,157	10,050
11	363,941	23,375	21,988	32,612	30,818	32,157
12	1,131,350	94,000	94,000	94,000	94,000	94,000
13	4,318	750	750	750	750	750
14	189,630	0	0	0	0	0
15	6,739	5,809	0	0	0	0
16	0	0	0	0	0	0
17	3,400	340	340	340	340	340
18	4,669	0	0	0	0	0
19	2,995	484	343	482	750	650
20	10,194	500	500	500	500	500
21	3,049,181	206,067	192,879	239,405	241,174	255,114
22						
23						
24	71,425	1,955	2,102	15,990	7,882	1,267
25	58,528	1,018	693	0	0	0
27	86,641	2,438	3,015	5,292	14,332	4,156
29	24,122	346	889	1,046	2,254	490
30	16,505	329	416	2,063	2,597	523
31	257,221	6,087	7,114	24,390	27,065	6,435
32						
33						
34	170,190	14,274	14,000	14,000	14,000	14,000
35	35,770	3,170	3,170	3,170	3,170	3,170
36	339,525	30,250	30,250	30,250	30,250	30,250
37	900	180	180	180	180	180
38	10	0	0	0	0	0
39	0	0	0	0	0	0
40	546,395	47,874	47,600	47,600	47,600	47,600
41						
42						
45	0	0	0	0	0	0
46	15,931	15,000	80	80	80	80
47	8,000	0	0	2,750	0	0
51	78	2	2	16	2	16
52	24,009	15,002	82	2,846	82	96
53	0					
54	3,876,805	275,030	247,676	314,240	315,921	309,245
55						
56						
57	42,139	0	0	0	0	0
58	2,270	189	189	189	189	189
59	850	0	0	0	0	0
60	45,259	189	189	189	189	189
61						
62	<u>3,922,063</u>	<u>275,219</u>	<u>247,865</u>	<u>314,429</u>	<u>316,111</u>	<u>309,434</u>

	C	D	AV	BD	BE	BF
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015					
4			BUDGET	JANUARY	JANUARY	YTD
63			2014-2015	2015	2015	2014-2015
64	EXPENSES					
65	MAINTENANCE EXPENSE					
66	R & M Buildings & Equipment		142,000	5,126	10,000	146,805
67	R & M - WWTP		60,000	2,483	4,000	41,820
68	Telemetry		20,000	0	2,000	2,599
69	Trash Removal		3,600	287	300	1,896
70	Vehicle Expense		18,000	1,429	1,500	16,806
71	Fuel & Oil		33,000	773	2,750	13,445
72	TOTAL MAINTENANCE EXPENSE:		276,600	10,097	20,550	223,371
73						
74	PROFESSIONAL SERVICES EXPENSE					
75	Tax Accounting (Taussig)		3,000	0	0	517
76	Administrative Services (ADP/Bank Fees)		6,000	579	500	3,003
77	Audit Fees		14,439	0	0	14,439
78	Computer billing-TBD		18,250	0	750	2,359
79	Consulting/Technical/Contract Labor		1,200	0	100	-
80	Engineering		35,000	3,593	2,900	(168)
81	District Legal Services		20,000	3,366	2,000	13,729
82	Testing/lab work		18,000	1,850	2,720	7,014
83	Regulatory Permit Fees		38,000	9	1,500	21,606
84	TOTAL PROFESSIONAL SERVICES EXPENSE:		153,889	9,397	10,470	62,499
85						
86	INSURANCE/DEBT EXPENSE					
87	ACWA Insurance		74,000	0	0	23,281
88	Workers Comp		14,400	0	0	7,833
89	COP 2008 Installment		255,713	0	0	196,875
90	TOTAL INSURANCE/DEBT EXPENSE:		344,113	0	0	227,989
91						
92	PERSONNEL EXPENSE					
93	Board Meeting Expense (board stipend/board secretary)		12,870	130	1,170	4,700
94	Salaries & Wages (gross)		730,000	57,790	62,499	436,114
95	Taxes on Payroll		15,500	5,362	3,500	11,106
96	Medical Insurance Benefits	+5% Jan-June	180,000	15,325	15,584	117,963
97	Calpers Retirement Benefits		162,000	13,119	13,500	93,796
98	Salaries & Wages contra account		(12,195)	0	(1,170)	(3,960)
99	Conference/Conventions/Training/Seminars		7,000	0	100	4,836
100	TOTAL PERSONNEL EXPENSE:		1,095,175	91,727	95,183	664,556
101						
102	OFFICE EXPENSE					
103	Office Supplies		18,000	3,293	1,500	12,280
104	Office Equipment/ Rental/Maintenance Agreements		25,000	1,665	1,700	22,385
105	Postage & Freight		13,000	19	2,014	8,286
106	Taxes on Property		2,366	0	177	2,375
107	Telephone/Answering Service		7,674	667	627	4,897
108	Dues & Subscriptions		3,970	248	237	777
109	Printing, Publications & Notices		838	353	0	710
110	Uniforms		6,000	413	500	2,803
111	OSHA Requirements/Emergency preparedness		4,500	123	375	307
112	TOTAL OFFICE EXPENSE:		81,347	6,780	7,130	54,819
113						
114	UTILITIES EXPENSE					
115	Pumping-Electricity		360,000	28,992	40,000	298,882
116	Office/Shop Utilities		17,319	1,543	1,384	12,859
117	Cellular Phone		8,000	789	667	4,749
118	TOTAL UTILITIES EXPENSE:		385,319	31,324	42,051	316,489
119						
120	TOTAL EXPENSES:		2,336,442	149,325	175,384	1,549,722
121						
122	CASH BASIS ADJUSTMENTS					
123	Decrease (Increase) in Accounts Payable			(14,203)	0	90,965
124	Increase (Decrease) in Inventory			3,442	0	132
125	Other Cash Basis Adjustments				0	1,160
126	TOTAL CASH BASIS ADJUSTMENTS:			(10,761)	0	92,257
127						
128	TOTAL EXPENSES PAID:		2,336,442	138,564	175,384	1,641,979
129						
130	NET CASH FLOW (O&M)		1,219,433	213,334	206,523	817,026

	BL	BM	BN	BO	BP	BQ
1						
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	2014-2015	2015	2015	2015	2015	2015
63						
64						
65						
66	196,805	10,000	10,000	10,000	10,000	10,000
67	61,820	4,000	4,000	4,000	4,000	4,000
68	11,099	1,500	2,000	1,500	2,000	1,500
69	3,396	300	300	300	300	300
70	24,306	1,500	1,500	1,500	1,500	1,500
71	27,195	2,750	2,750	2,750	2,750	2,750
72	324,621	20,050	20,550	20,050	20,550	20,050
73						
74						
75	2,017	0	0	0	0	1,500
76	5,503	500	500	500	500	500
77	14,439	0	0	0	0	0
78	6,109	750	750	750	750	750
79	500	100	100	100	100	100
80	14,332	2,900	2,900	2,900	2,900	2,900
81	22,229	1,500	2,000	1,500	2,000	1,500
82	14,139	1,725	1,200	1,200	1,500	1,500
83	32,525	500	4,722	399	3,175	2,123
84	111,794	7,975	12,172	7,349	10,925	10,873
85						
86						
87	67,281	0	11,000	33,000	0	0
88	15,833	0	4,000	0	0	4,000
89	255,713	0	58,838	0	0	0
90	338,827	0	73,838	33,000	0	4,000
91						
92						
93	10,550	1,170	1,170	1,170	1,170	1,170
94	733,891	57,611	59,231	60,852	60,852	59,231
95	17,576	1,700	1,200	1,500	1,100	970
96	180,299	15,584	15,584	15,584	15,584	0
97	161,296	13,500	13,500	13,500	13,500	13,500
98	(9,135)	(495)	(1,170)	(1,170)	(1,170)	(1,170)
99	6,536	400	500	100	600	100
100	1,101,014	89,470	90,015	91,536	91,636	73,801
101						
102						
103	18,280	1,000	1,000	1,500	1,500	1,000
104	30,885	1,700	1,700	1,700	1,700	1,700
105	12,506	2,020	50	50	2,050	50
106	2,375	0	0	0	0	0
107	8,208	511	700	700	700	700
108	3,563	132	200	2,360	50	45
109	926	0	116	0	0	100
110	5,303	500	500	500	500	500
111	2,182	375	375	375	375	375
112	84,227	6,237	4,641	7,185	6,875	4,470
113						
114						
115	498,882	40,000	40,000	40,000	40,000	40,000
116	19,068	1,192	1,032	1,179	1,237	1,570
117	8,080	667	666	666	666	666
118	526,029	41,859	41,698	41,845	41,903	42,236
119						
120	2,486,510	165,591	242,914	200,964	171,889	155,430
121						
122						
123	90,965	0	0	0	0	0
124	132	0	0	0	0	0
125	1,160	0	0	0	0	0
126	92,257	0	0	0	0	0
127						
128	2,578,767	165,591	242,914	200,964	171,889	155,430
129						
130	1,343,297	109,628	4,951	113,465	144,222	154,004

	C	D	AV	BD	BE	BF
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015		BUDGET	JANUARY	JANUARY	YTD
4			2014-2015	2015	2015	2014-2015
131	NON O & M EXPENSES					
132	USGS Basin study				9,249	3,526
133	GWM -Plan Completion-Marketing GSP		15,000	15,062	1,250	66,927
140	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)					-
142	ID4, Reducing Station design and installation (rescheduled to 2014-2015)					-
146	ID 5, Reducing Station design and installation(rescheduled to 2014-2015)		10,000			-
147	GWM-Plan conversion to IRWM		35,000		3,500	-
148	Application for IRWMP round three implementation		35,000		3,500	-
149	Collection system repairs \$25,000/manhole replacement \$50,000		75,000			-
151	Lugo building repairs		5,000		600	-
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M					-
154	Rewind motors-ID1-10/ID4-11(rescheduled to 2014-2015)					-
155	Rewind motors-ID1-12/ID5-5		30,000		15,000	-
156	ID 1-16 pump and casing cleaning(rescheduled to 2014-2015)					96,269
157	ID4-4 pump and casing cleaning		60,000			-
159	Booster Station Motors		16,000			-
160	WWTP-Skid Steer		65,000	6,297		64,587
161	WWTP-Portable engine driven trash pump		10,000		0	-
162	WWTP-Rehab grit chamber & sludge holding tank diffuser system		30,000			-
163	WWTP-Jetting & Vactor Truck Service		10,000		0	-
164	WWTP-Rehab Clarifier		40,000			-
165	WWTP-Video Collection Lines		25,000			-
170	Blower Unit for Equalization Basin Upgrade WWTP (not budgeted)					11,222
171	218 Process		110,000		13,750	-
172	Circle J Pipeline project		57,000			-
173	Trailer to haul pipe		10,000		10,000	-
174	Air Quality Compliance		40,000		0	-
175	New Computer for server		10,000		0	-
176	TOTAL NON O&M EXPENSES		688,000	21,359	56,849	242,531
177						
178	CASH RECAP					
179	Cash beginning of period		1,688,382	2,351,575	2,351,573	1,969,053
180	Net Cash Flow (O&M)		1,219,433	213,334	206,523	817,026
181	Total Non O&M Expenses		(688,000)	(21,359)	(56,849)	(242,531)
182	CASH AT END OF PERIOD		2,219,815	2,543,550	2,501,247	2,543,548
183						
184	RESERVES					
185	Working Capital (4 months)		(750,000)	(750,000)	(750,000)	(750,000)
186	Viking Ranch		(300,000)	(300,000)	(300,000)	(300,000)
187	Available for Emergency Reserves		1,169,815	1,493,550	1,451,247	1,493,548
188	Target Emergency Reserves		2,000,000	2,000,000	2,000,000	2,000,000
189	Emergency Reserves Deficit		(830,185)	(506,450)	(548,753)	(506,452)
190						
191	SIGNIFICANT ITEMS	ACTUAL	PROJECTED			
192						
193	Total Water Revenue	204,771	220,845	16,074	Water revenue down	
194	Total Utility Expense	31,324	42,051	10,727	Electricity usage down	
195	NOTE: Engineering Actual YTD "credit balance" due to					
196	FY 2014 invoice paid by BWD not reimbursed by RH until FY 2015					
197						
198						
199						

	BL	BM	BN	BO	BP	BQ
1						
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	FEBRUARY	MARCH	APRIL	MAY	JUNE
4	<u>2014-2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
131						
132	3,526					
133	73,177	1,250	1,250	1,250	1,250	1,250
140	0					
142	20,000		0			20,000
146	10,000		0			10,000
147	24,500	3,500	3,500	3,500	7,000	7,000
148	24,500	3,500	3,500	3,500	7,000	7,000
149	75,000		25,000	50,000		
151	3,400	600	700	700	700	700
152	154,000	0			154,000	
154	30,000			15,000		15,000
155	15,000		0	15,000		
156	96,269					
157	60,000		0		60,000	
159	16,000	0		8,000		8,000
160	64,587					
161	10,000	0			10,000	
162	30,000			30,000		
163	10,000		0	10,000		
164	40,000		0	40,000		
165	25,000	0			25,000	
170	11,222					
171	68,750	13,750	13,750	13,750	13,750	13,750
172	57,000	0		57,000		
173	0					
174	40,000		40,000			
175	10,000			10,000		
176	<u>971,931</u>	<u>22,600</u>	<u>87,700</u>	<u>257,700</u>	<u>278,700</u>	<u>82,700</u>
177						
178						
179	1,969,053	2,543,548	2,630,577	2,547,828	2,403,593	2,269,115
180	1,343,297	109,628	4,951	113,465	144,222	154,004
181	(971,931)	(22,600)	(87,700)	(257,700)	(278,700)	(82,700)
182	<u>2,340,419</u>	<u>2,630,577</u>	<u>2,547,828</u>	<u>2,403,593</u>	<u>2,269,115</u>	<u>2,340,419</u>
183						
184						
185	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
186	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
187	1,290,419	1,580,577	1,497,828	1,353,593	1,219,115	1,290,419
188	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
189	(709,581)	(419,423)	(502,172)	(646,407)	(780,885)	(709,581)
190						
191						
192						
193						
194						
195						
196						
197						
198						
199						



BORREGO WATER DISTRICT

	BALANCE SHEET January 31, 2015 (unaudited)	BALANCE SHEET December 31, 2014 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,543,549.51	\$ 2,351,573.02	\$ 191,976.49
Accounts receivable from water sales and sewer charges	\$ 319,375.53	\$ 308,901.08	\$ 10,474.45
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 131,403.17	\$ 127,960.93	\$ 3,442.24
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 30,298.12	\$ -
Other Receivables	\$ 946.20	\$ 1,135.40	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 3,025,572.53	\$ 2,819,868.55	\$ 205,703.98
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 132,554.49	\$ 132,554.49	\$ -
Unamortized bond issue costs	\$ 92,454.19	\$ 92,454.19	\$ -
Total Debt service	\$ 225,008.68	\$ 225,008.68	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 98,024.47	\$ 53,089.87	\$ 44,934.60
Total Trust fund	\$ 98,024.47	\$ 53,089.87	\$ 44,934.60
TOTAL RESTRICTED ASSETS	\$ 323,033.15	\$ 278,098.55	
UTILITY PLANT IN SERVICE			
Land	\$ 3,153,399.65	\$ 3,153,399.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 186,213.42	\$ 186,213.42	\$ -
Sewer Facilities	\$ 5,517,958.56	\$ 5,511,661.08	\$ 6,297.48
Water facilities	\$ 10,585,969.56	\$ 10,585,969.56	\$ -
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 312,133.38	\$ 312,133.38	\$ -
Vehicles	\$ 553,862.67	\$ 553,862.67	\$ -
Accumulated depreciation	\$ (10,987,728.01)	\$ (10,987,728.01)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,799,992.96	\$ 14,793,695.48	\$ 6,297.48
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,333,598.64	\$ 18,076,662.58	\$ 256,936.06

Balance sheet continued

	BALANCE SHEET January 31, 2015 (unaudited)	BALANCE SHEET December 31, 2014 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 51,953.68	\$ 37,750.51	\$ 14,203.17
Accrued expenses	\$ 173,602.49	\$ 173,602.49	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 22,093.75	\$ 22,093.75	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 247,649.92	\$ 233,446.75	\$ 14,203.17
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 98,024.47	\$ 53,089.87	\$ 44,934.60
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 98,024.47	\$ 53,089.87	\$ 44,934.60
LONG TERM LIABILITIES			
2008 Certificates of participation (payable from restricted assets)	\$ 2,615,000.00	\$ 2,615,000.00	\$ -
Viking Ranch Note	\$ 1,425,000.00	\$ 1,425,000.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,040,000.00	\$ 4,040,000.00	\$ -
TOTAL LIABILITIES	\$ 4,385,674.39	\$ 4,326,536.62	\$ 59,137.77
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,336,109.90	\$ 4,138,311.61	\$ 197,798.29
Total retained earnings	\$ 4,336,109.90	\$ 4,138,311.61	\$ 197,798.29
TOTAL FUND EQUITY	\$ 13,947,924.25	\$ 13,750,125.96	\$ 197,798.29
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,333,598.64	\$ 18,076,662.58	\$ 256,936.06



BORREGO WATER DISTRICT

TREASURER'S REPORT JANUARY, 2015

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

Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

WFB/UB General Account/Petty Cash	\$ 2,473,545	\$ 2,428,863	\$ 2,428,863	95.49%	0.00%	N/A	WFB/UB
Payroll Account	\$ 44,998	\$ 43,291	\$ 43,291	1.70%	0.01%	N/A	WFB
MMA	\$ 98,024	\$ 50,442	\$ 50,442	1.98%	0.03%	N/A	WFB
LAIF	\$ 20,954	\$ 20,954	\$ 20,954	0.82%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 2,637,522	\$ 2,543,549	\$ 2,543,549	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 98,024	\$ 98,024	\$ 98,024
Total Cash, Cash Equivalents & Investments	\$ 2,735,547	\$ 2,641,573	\$ 2,641,573

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 25, 2014.

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

Sources of valuations are Umpqua Bank, Wells Fargo Bank (WFB), LAIF and US Trust Bank.

Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
 From: Kim Pitman
 Subject: Consideration of the Disbursements and Claims Paid
 Month Ending January, 2015

A. Vendor disbursements paid during this period:		\$	125,212.78
<i>Significant items:</i>			
San Diego Gas & Electric		\$	23,553.94
RHGC portion of San Diego Gas & Electric		\$	6,349.96
CalPERS Payments		\$	15,739.37
Medical Health Benefits		\$	16,299.11
B. Capital Projects/Fixed Asset Outlays:			
Hawthorne Machinery-Brush cutter for skid steer WWTP		\$	6,297.48
C. Total Professional Services for this Period:			
<i>(included in vendor disbursements paid above)</i>			
Downey Brand, Attorneys	Legal-general		
	GWM	\$	5,456.69
	Total Invoice:	\$	5,456.69
McDougal Love Eckis	Legal-general	\$	3,366.00
	GWM		
	Total Invoice:	\$	3,366.00
The Brattle Group-Marketing GSP	GWM	\$	8,700.00
D. Payroll for this Period:			
Gross Payroll		\$	57,790.25
Employer Payroll Taxes and ADP Fee		\$	4,570.99
Total		\$	62,361.24

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2015

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19690	02/05/15	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	1,593.76
19677	01/30/15	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	201.90
19654	01/22/15	CB&T ACWA-JPIA HEALTH INSURANCE	16,299.11
19678	01/30/15	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	2,121.36
19708	02/10/15	AMERICAN LINEN INC. UNIFORMS FOR CREW	412.85
19691	02/05/15	AT CONFERENCE CONFERENCE CALLS	10.11
19709	02/10/15	AT&T MOBILITY CELL PHONES FOR CREW	699.98
19692	02/05/15	AT&T-CALNET 2 OFFICE, WWTP AND MAINTENANCE PHONES	323.80
19717	02/12/15	BAY CITY ELECTRIC WORKS PM FOR DIESEL MOTOR WILCOX WELL, REPLACE SERP BELT PM FOR EMERGENCY GENERATOR AT LIFT STATION, APCD REQUIREMENT PM EMERGENCY GENERATOR WWTP REQUIRED BY APCD PM FOR EMERGENCY GENERATOR LIFT STATION, REPLACE FAN BELT PM FOR WILCOX WELL ANNUAL PM DIESEL MOTOR WELL 11	2,522.96
19655	01/22/15	D.G.HUNSINGER/ ELECTRICAL WORK RHWTF	695.73
19710	02/10/15	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	8.64
19711	02/10/15	BORREGO SPRINGS CHAMBER YEARLY MEMBERSHIP	200.00
19679	01/30/15	BORREGO SUN ADVERTISEMENT FOR PUBLIC MEETINGS	94.25
19712	02/10/15	BORREGO SUN PUBLIC MEETING AD	94.25
19680	01/30/15	CMS BUSINESS FORMS, INC. BILLING SUPPLIES, BILLS, ENVELOPES	1,264.59
19693	02/05/15	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	319.56
19656	01/22/15	DEBBIE MORETTI PEST CONTROL	113.00
19694	02/05/15	DOWNEY BRAND PROFESSIONAL SERVICES	5,456.69
19713	02/10/15	E.S. BABCOCK & SONS, INC.	

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JANUARY 31, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19681	01/30/15	SAMPLES TO LAB EMPIRE SOUTHWEST 420 CAT BACKHOE SERVICE & REPAIR	1,820.00 1,293.75
19657	01/22/15	FED EX SHIPPING CHARGES	13.42
19695	02/05/15	GRANGETTO'S FARM & GARDEN SUPP MISC PARTS AND PIPE FOR VILLAG LIQUOR BUILDING	123.98
19704	02/05/15	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE JANUARY	5,210.80
19696	02/05/15	HAWTHORNE MACHINERY CO BRUSH CUTTER FOR SKID STEER RHWTF	6,297.48
19718	02/12/15	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	259.46
19658	01/22/15	IN-SITU, INC. EVALUATION AND CLEANING OF TRANSDUCER	367.79
19714	02/10/15	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	1,500.00
19659	01/22/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	411.90
19697	02/05/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	361.30
19715	02/10/15	KONICA MINOLTA COPIER LEASE	1,338.31
19682	01/30/15	McCALLS METERS, INC 3/4" METERS FOR INVENTORY	4,218.49
19683	01/30/15	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES	3,366.00
19705	02/05/15	NAPA AUTO PARTS INC SEE INVOICE FOR DETAILS	135.03
19660	01/22/15	NORTH GARDENS MANAGEMENT, LLC ENGINEERING ASSISTANCE LA CASA SEWER	2,092.50
19698	02/05/15	PACIFIC PIPELINE SUPPLY INC TOOLS: SOCKETS, TAPPING SHAFT WRENCH PARTS FOR INVENTORY PARTS FOR WATER SERVICE INVENTORY	2,417.04
19661	01/22/15	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	8,089.26
19699	02/05/15	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT 1.31.15	7,650.11
19662	01/22/15	QUILL CORPORATION OFFICE SUPPLIES	335.67
19684	01/30/15	QUILL CORPORATION OFFICE SUPPLIES	57.11
19700	02/05/15	QUILL CORPORATION OFFICE SUPPLIES	332.60
19701	02/05/15	RAMONA DISPOSAL SERVICE	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 JANUARY 31, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19702	02/05/15	TRASH SERVICE ROGELIO MARTINEZ	3,184.50
19685	01/30/15	REIMBURSE FOR WORK BOOTS SAN DIEGO GAS & ELECTRIC	123.11
19703	02/05/15	ELECTRICITY CHARGES SAN DIEGO MAILING SOLUTIONS	29,903.90
19686	01/30/15	INK CARTRIDGES (3) SECAP FINANCE	334.60
19719	02/12/15	POSTAGE MACHINE LEASE STAPLES CREDIT PLAN	137.49
19687	01/30/15	SEE INVOICE FOR DETAILS SUNSET ELECTRIC POWER	294.54
19716	02/10/15	SERVICE CLA-VAL'S AT ID5 WELLS THE BRATTLE GROUP, INC	1,040.00
19688	01/30/15	PROFESSIONAL SERVICES THOMSON REUTERS/WEST	8,700.00
19689	01/30/15	CA CODE 2015 BOOKS TYCO INTEGRATED SECURITY LLC	47.52
19706	02/05/15	QUARTERLY BILLING ALARMS 2/1/15 - 4/30/15	189.12
19663	01/22/15	UNDERGROUND SERVICE ALERT DIG ALERTS	9.00
19720	02/12/15	UNITED STATES PARTIAL BILLING, AMENDMENT 5 FY2014. (7/1/14 - 9/30/14)	905.24
19707	02/05/15	VERIZON WIRELESS EMERGENCY PHONE WENDY QUINN	89.22
		RECORDING SECRETARY SERVICES 01.31.15	130.00
		TOTAL	----- 125,212.78 =====

ITEM III B

FINANCIALS

	C	D	AV	BE	BF	BG
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015					
4			BUDGET	FEBRUARY	FEBRUARY	YTD
5	REVENUE					
6	WATER REVENUE					
7	Residential Water Sales		899,221	90,232	58,160	660,350
8	Commercial Water Sales		120,570	8,652	7,954	82,750
9	Irrigation Water Sales		142,918	6,469	7,221	117,670
10	GWM Surcharge		114,930	6,789	7,475	76,097
11	Water Sales Power Portion		364,158	22,012	23,375	245,003
12	Readiness Water Charge		1,080,000	94,785	94,000	756,136
13	Readiness Water Charge - Liened properties		27,600	0	750	568
14	RH Golf Course surplus capacity lease			0	0	189,630
15	Meter Installation		5,809	0	5,809	930
16	Water hook-up charge			0	0	-
17	Reconnect Fees		4,080	0	340	1,700
18	Backflow Testing/installation		4,600	233	0	4,902
19	Bulk Water Sales		3,500	0	484	286
20	Penalty & Interest Water Collection		6,000	912	500	8,605
21	TOTAL WATER REVENUE:		2,773,387	230,084	206,067	2,144,626
22		Receivables				
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 03/10/15				
24	641500 1% Property Assessments	31,283	64,625	1,955	1,955	44,184
25	641502 Property Assess wtr/swr/flid (25 parcels \$66 ea(1,650))	50,050	1,650	1,018	1,018	57,835
27	641501 Water avail Standby	40,909	82,559	2,438	2,438	59,847
29	641504 ID 3 Water Standby (La Casa)	15,903	33,722	346	346	19,443
30	641503 Pest standby	8,749	17,938	329	329	10,907
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	146,894	200,493	6,087	6,087	192,216
32						
33	SEWER SERVICE CHARGES					
34	Town Center Sewer Holder's Fees		170,190	14,274	14,274	114,190
35	Town Center Sewer User Fees		38,040	3,320	3,170	23,240
36	Sewer user Fees		345,125	26,286	30,250	214,561
37	Sewer-liened		2,160	0	180	-
38	Penalty Interest-Sewer			10	0	20
39	Sewer Capacity Fees			0	0	-
40	TOTAL SEWER SERVICE CHARGES:		555,515	43,890	47,874	352,011
41						
42	OTHER INCOME					
45	Fire Hydrant Installation			0	0	-
46	Miscellaneous Income (net csd fee/JPIA rebate/check free)		15,880	(35)	15,000	576
47	Water Credits income		8,250	0	0	5,250
51	Interest Income		80	3	2	44
52	TOTAL OTHER INCOME:		24,210	(32)	15,002	5,869
53						
54	TOTAL INCOME:		3,553,605	280,030	275,030	2,694,722
55						
56	CASH BASIS ADJUSTMENTS					
57	Decrease (Increase) in Accounts Receivable			12,486	0	54,624
58	CC Golf Equipment receivable		2,270	189	189	1,513
59	Other Cash Basis Adjustments				0	850
60	TOTAL CASH BASIS ADJUSTMENTS:		2,270	12,675	189	56,987
61						
62	TOTAL INCOME RECEIVED:		3,555,875	292,705	275,219	2,751,710

	BM	BN	BO	BP	BQ
1					
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	MARCH	APRIL	MAY	JUNE
4	<u>2014-2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
5					
6					
7	969,759	53,226	80,272	81,896	94,016
8	123,329	9,228	10,861	10,688	9,801
9	157,369	5,867	9,706	11,276	12,850
10	112,821	6,636	9,882	10,157	10,050
11	362,578	21,988	32,612	30,818	32,157
12	1,132,136	94,000	94,000	94,000	94,000
13	3,568	750	750	750	750
14	189,630	0	0	0	0
15	930	0	0	0	0
16	0	0	0	0	0
17	3,060	340	340	340	340
18	4,902	0	0	0	0
19	2,511	343	482	750	650
20	10,605	500	500	500	500
21	3,073,198	192,879	239,405	241,174	255,114
22					
23					
24	71,425	2,102	15,990	7,882	1,267
25	58,528	693	0	0	0
27	86,641	3,015	5,292	14,332	4,156
29	24,122	889	1,046	2,254	490
30	16,505	416	2,063	2,597	523
31	257,221	7,114	24,390	27,065	6,435
32					
33					
34	170,190	14,000	14,000	14,000	14,000
35	35,920	3,170	3,170	3,170	3,170
36	335,561	30,250	30,250	30,250	30,250
37	720	180	180	180	180
38	20	0	0	0	0
39	0	0	0	0	0
40	542,411	47,600	47,600	47,600	47,600
41					
42					
45	0	0	0	0	0
46	896	80	80	80	80
47	8,000	0	2,750	0	0
51	80	2	16	2	16
52	8,975	82	2,846	82	96
53	0				
54	3,881,805	247,676	314,240	315,921	309,245
55					
56					
57	54,624	0	0	0	0
58	2,270	189	189	189	189
59	850	0	0	0	0
60	57,744	189	189	189	189
61					
62	<u>3,939,549</u>	<u>247,865</u>	<u>314,429</u>	<u>316,111</u>	<u>309,434</u>

	C	D	AV	BE	BF	BG
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015					
4			BUDGET	FEBRUARY	FEBRUARY	YTD
63			<u>2014-2015</u>	<u>2015</u>	<u>2015</u>	<u>2014-2015</u>
64	EXPENSES					
65	MAINTENANCE EXPENSE					
66	R & M Buildings & Equipment		142,000	19,648	10,000	166,453
67	R & M - WWTP		60,000	5,700	4,000	47,520
68	Telemetry		20,000	0	1,500	2,599
69	Trash Removal		3,600	287	300	2,183
70	Vehicle Expense		18,000	953	1,500	17,759
71	Fuel & Oil		33,000	2,146	2,750	15,592
72	TOTAL MAINTENANCE EXPENSE:		276,600	28,734	20,050	252,104
73						
74	PROFESSIONAL SERVICES EXPENSE					
75	Tax Accounting (Taussig)		3,000	0	0	517
76	Administrative Services (ADP/Bank Fees)		6,000	519	500	3,522
77	Audit Fees		14,439	0	0	14,439
78	Computer billing-TBD		18,250	1,180	750	3,539
79	Consulting/Technical/Contract Labor		1,200	0	100	-
80	Engineering		35,000	3,053	2,900	2,885
81	District Legal Services		20,000	1,043	1,500	14,772
82	Testing/lab work		18,000	2,087	1,725	9,101
83	Regulatory Permit Fees		38,000	1,250	500	22,856
84	TOTAL PROFESSIONAL SERVICES EXPENSE:		153,889	9,132	7,975	71,631
85						
86	INSURANCE/DEBT EXPENSE					
87	ACWA Insurance		74,000	0	0	23,281
88	Workers Comp		14,400	0	0	7,833
89	COP 2008 Installment		255,713	0	0	196,875
90	TOTAL INSURANCE/DEBT EXPENSE:		344,113	0	0	227,989
91						
92	PERSONNEL EXPENSE					
93	Board Meeting Expense (board stipend/board secretary)		12,870	1,955	1,170	6,655
94	Salaries & Wages (gross)		730,000	53,872	57,611	489,987
95	Taxes on Payroll		15,500	2,104	1,700	13,210
96	Medical Insurance Benefits	+5% Jan-June	180,000	15,093	15,584	133,056
97	Calpers Retirement Benefits		162,000	11,944	13,500	105,741
98	Salaries & Wages contra account		(12,195)	(1,815)	(495)	(5,775)
99	Conference/Conventions/Training/Seminars		7,000	790	400	5,626
100	TOTAL PERSONNEL EXPENSE:		1,095,175	83,944	89,470	748,499
101						
102	OFFICE EXPENSE					
103	Office Supplies		18,000	4,851	1,000	17,131
104	Office Equipment/ Rental/Maintenance Agreements		25,000	1,552	1,700	23,937
105	Postage & Freight		13,000	2,005	2,020	10,291
106	Taxes on Property		2,366	0	0	2,375
107	Telephone/Answering Service		7,674	647	511	5,544
108	Dues & Subscriptions		3,970	134	132	910
109	Printing, Publications & Notices		838	94	0	804
110	Uniforms		6,000	308	500	3,111
111	OSHA Requirements/Emergency preparedness		4,500	248	375	555
112	TOTAL OFFICE EXPENSE:		81,347	9,839	6,237	64,657
113						
114	UTILITIES EXPENSE					
115	Pumping-Electricity		360,000	25,553	40,000	324,434
116	Office/Shop Utilities		17,319	1,165	1,192	14,024
117	Cellular Phone		8,000	621	667	5,370
118	TOTAL UTILITIES EXPENSE:		385,319	27,339	41,859	343,828
119						
120	TOTAL EXPENSES:		2,336,442	158,987	165,591	1,708,709
121						
122	CASH BASIS ADJUSTMENTS					
123	Decrease (Increase) in Accounts Payable			4,693	0	95,658
124	Increase (Decrease) in Inventory			1,627	0	1,759
125	Other Cash Basis Adjustments				0	1,160
126	TOTAL CASH BASIS ADJUSTMENTS:			6,320	0	98,577
127						
128	TOTAL EXPENSES PAID:		<u>2,336,442</u>	<u>165,307</u>	<u>165,591</u>	<u>1,807,286</u>
129						
130	NET CASH FLOW (O&M)		<u>1,219,433</u>	<u>127,398</u>	109,628	944,424

	BM	BN	BO	BP	BQ
1					
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	MARCH	APRIL	MAY	JUNE
4	<u>2014-2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>
63					
64					
65					
66	206,453	10,000	10,000	10,000	10,000
67	63,520	4,000	4,000	4,000	4,000
68	9,599	2,000	1,500	2,000	1,500
69	3,383	300	300	300	300
70	23,759	1,500	1,500	1,500	1,500
71	26,592	2,750	2,750	2,750	2,750
72	333,304	20,550	20,050	20,550	20,050
73					
74					
75	2,017	0	0	0	1,500
76	5,522	500	500	500	500
77	14,439	0	0	0	0
78	6,539	750	750	750	750
79	400	100	100	100	100
80	14,485	2,900	2,900	2,900	2,900
81	21,772	2,000	1,500	2,000	1,500
82	14,501	1,200	1,200	1,500	1,500
83	33,275	4,722	399	3,175	2,123
84	112,950	12,172	7,349	10,925	10,873
85					
86					
87	67,281	11,000	33,000	0	0
88	15,833	4,000	0	0	4,000
89	255,713	58,838	0	0	0
90	338,827	73,838	33,000	0	4,000
91					
92					
93	11,335	1,170	1,170	1,170	1,170
94	730,153	59,231	60,852	60,852	59,231
95	17,980	1,200	1,500	1,100	970
96	179,808	15,584	15,584	15,584	0
97	159,741	13,500	13,500	13,500	13,500
98	(10,455)	(1,170)	(1,170)	(1,170)	(1,170)
99	6,926	500	100	600	100
100	1,095,488	90,015	91,536	91,636	73,801
101					
102					
103	22,131	1,000	1,500	1,500	1,000
104	30,737	1,700	1,700	1,700	1,700
105	12,491	50	50	2,050	50
106	2,375	0	0	0	0
107	8,344	700	700	700	700
108	3,565	200	2,360	50	45
109	1,020	116	0	0	100
110	5,111	500	500	500	500
111	2,055	375	375	375	375
112	87,828	4,641	7,185	6,875	4,470
113					
114					
115	484,434	40,000	40,000	40,000	40,000
116	19,041	1,032	1,179	1,237	1,570
117	8,034	666	666	666	666
118	511,509	41,698	41,845	41,903	42,236
119					
120	2,479,906	242,914	200,964	171,889	155,430
121					
122					
123	95,658	0	0	0	0
124	1,759	0	0	0	0
125	1,160	0	0	0	0
126	98,577	0	0	0	0
127					
128	<u>2,578,483</u>	<u>242,914</u>	<u>200,964</u>	<u>171,889</u>	<u>155,430</u>
129					
130	<u>1,361,066</u>	<u>4,951</u>	<u>113,465</u>	<u>144,222</u>	<u>154,004</u>

	C	D	AV	BE	BF	BG
1	BWD CASH FLOW					
2			ADOPTED	ACTUAL	PROJECTED	ACTUAL
3	2014-2015					
4			BUDGET	FEBRUARY	FEBRUARY	YTD
			2014-2015	2015	2015	2014-2015
131	NON O & M EXPENSES					
132	USGS Basin study			3,616		7,142
133	GWM -Plan Completion-Marketing GSP-legal		15,000	6,170	1,250	73,096
140	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)					-
142	ID4, Reducing Station design and installation (rescheduled to 2014-2015)					-
146	ID 5, Reducing Station design and installation(rescheduled to 2014-2015)		10,000			-
147	GWM-Plan conversion to IRWM		35,000		3,500	-
148	Application for IRWMP round three implementation		35,000		3,500	-
149	Collection system repairs \$25,000/manhole replacement \$50,000		75,000			-
151	Lugo building repairs		5,000		600	-
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M				0	-
154	Rewind motors-ID1-10/ID4-11(rescheduled to 2014-2015)					-
155	Rewind motors-ID1-12/ID5-5		30,000			-
156	ID 1-16 pump and casing cleaning(rescheduled to 2014-2015)					96,269
157	ID4-4 pump and casing cleaning		60,000			-
159	Booster Station Motors		16,000		0	-
160	WWTP-Skid Steer		65,000			64,587
161	WWTP-Portable engine driven trash pump		10,000	6,448	0	6,448
162	WWTP-Rehab grit chamber & sludge holding tank diffuser system		30,000			-
163	WWTP-Jetting & Vactor Truck Service		10,000			-
164	WWTP-Rehab Clarifier		40,000	6,591		6,591
165	WWTP-Video Collection Lines		25,000		0	-
170	Blower Unit for Equalization Basin Upgrade WWTP (not budgeted)					11,222
171	218 Process		110,000		13,750	-
172	Circle J Pipeline project		57,000		0	-
173	Trailer to haul pipe		10,000			-
174	Air Quality Compliance		40,000			-
175	New Computer for server		10,000			-
176	TOTAL NON O&M EXPENSES		688,000	22,824	22,600	265,355
177						
178	CASH RECAP					
179	Cash beginning of period		1,688,382	2,543,549	2,729,702	1,969,053
180	Net Cash Flow (O&M)		1,219,433	127,398	109,628	944,424
181	Total Non O&M Expenses		(688,000)	(22,824)	(22,600)	(265,355)
182	CASH AT END OF PERIOD		2,219,815	2,648,123	2,816,730	2,648,122
183						
184	RESERVES					
185	Working Capital (4 months)		(750,000)	(750,000)	(750,000)	(750,000)
186	Viking Ranch		(300,000)	(300,000)	(300,000)	(300,000)
187	Available for Emergency Reserves		1,169,815	1,598,123	1,766,730	1,598,122
188	Target Emergency Reserves		2,000,000	2,000,000	2,000,000	2,000,000
189	Emergency Reserves Deficit		(830,185)	(401,877)	(233,270)	(401,878)
190						
191	SIGNIFICANT ITEMS	ACTUAL	PROJECTED			
192						
193						
194						
195						
196						
197						
198						
199						

	BM	BN	BO	BP	BQ
1					
2	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	PROJECTED	MARCH	APRIL	MAY	JUNE
4	2014-2015	2015	2015	2015	2015
131					
132	7,142				
133	78,096	1,250	1,250	1,250	1,250
140	0				
142	20,000	0			20,000
146	10,000	0			10,000
147	21,000	3,500	3,500	7,000	7,000
148	21,000	3,500	3,500	7,000	7,000
149	75,000	25,000	50,000		
151	2,800	700	700	700	700
152	154,000			154,000	
154	30,000		15,000		15,000
155	15,000	0	15,000		
156	96,269				
157	60,000	0		60,000	
159	16,000		8,000		8,000
160	64,587				
161	6,448			0	
162	30,000		30,000		
163	10,000	0	10,000		
164	40,000	0	33,409		
165	25,000			25,000	
170	11,222				
171	0	0	0	0	0
172	57,000		57,000		
173	0				
174	40,000	40,000			
175	10,000		10,000		
176	<u>900,564</u>	<u>73,950</u>	<u>237,359</u>	<u>254,950</u>	<u>68,950</u>
177					
178					
179	1,969,053	2,648,122	2,579,123	2,455,229	2,344,501
180	1,361,066	4,951	113,465	144,222	154,004
181	(900,564)	(73,950)	(237,359)	(254,950)	(68,950)
182	2,429,555	2,579,123	2,455,229	2,344,501	2,429,555
183					
184					
185	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
186	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
187	1,379,555	1,529,123	1,405,229	1,294,501	1,379,555
188	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
189	(620,445)	(470,877)	(594,771)	(705,499)	(620,445)
190					
191					
192					
193					
194					
195					
196					
197					
198					
199					



BORREGO WATER DISTRICT

	BALANCE SHEET February 28, 2015 (unaudited)	BALANCE SHEET January 31, 2015 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,648,123.22	\$ 2,543,549.51	\$ 104,573.71
Accounts receivable from water sales and sewer charges	\$ 306,890.02	\$ 319,375.53	\$ (12,485.51)
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 133,030.08	\$ 131,403.17	\$ 1,626.91
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 30,298.12	\$ -
Other Receivables	\$ 757.00	\$ 946.20	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 3,119,098.44	\$ 3,025,572.53	\$ 93,525.91
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 132,554.49	\$ 132,554.49	\$ -
Unamortized bond issue costs	\$ 92,454.19	\$ 92,454.19	\$ -
Total Debt service	\$ 225,008.68	\$ 225,008.68	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 81,655.58	\$ 98,024.47	\$ (16,368.89)
Total Trust fund	\$ 81,655.58	\$ 98,024.47	\$ (16,368.89)
TOTAL RESTRICTED ASSETS	\$ 306,664.26	\$ 323,033.15	
UTILITY PLANT IN SERVICE			
Land	\$ 3,153,399.65	\$ 3,153,399.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 192,804.05	\$ 186,213.42	\$ 6,590.63
Sewer Facilities	\$ 5,524,406.16	\$ 5,517,958.56	\$ 6,447.60
Water facilities	\$ 10,585,969.56	\$ 10,585,969.56	\$ -
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 312,133.38	\$ 312,133.38	\$ -
Vehicles	\$ 553,862.67	\$ 553,862.67	\$ -
Accumulated depreciation	\$ (10,987,728.01)	\$ (10,987,728.01)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,813,031.19	\$ 14,799,992.96	\$ 13,038.23
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,423,793.89	\$ 18,333,598.64	\$ 90,195.25

Balance sheet continued

	BALANCE SHEET February 28, 2015 <i>(unaudited)</i>	BALANCE SHEET January 31, 2015 <i>(unaudited)</i>	MONTHLY CHANGE <i>(unaudited)</i>
LIABILITIES:			
<i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i>			
Accounts Payable	\$ 47,260.19	\$ 51,953.68	\$ (4,693.49)
Accrued expenses	\$ 173,602.49	\$ 173,602.49	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 22,093.75	\$ 22,093.75	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 242,956.43	\$ 247,649.92	\$ (4,693.49)
<i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i>			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 81,655.58	\$ 98,024.47	\$ (16,368.89)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 81,655.58	\$ 98,024.47	\$ (16,368.89)
<i>LONG TERM LIABILITIES</i>			
2008 Certificates of participation(payable from restricted assets)	\$ 2,615,000.00	\$ 2,615,000.00	\$ -
Viking Ranch Note	\$ 1,425,000.00	\$ 1,425,000.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,040,000.00	\$ 4,040,000.00	\$ -
TOTAL LIABILITIES	\$ 4,364,612.01	\$ 4,385,674.39	\$ (21,062.38)
<i>FUND EQUITY</i>			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,447,367.53	\$ 4,336,109.90	\$ 111,257.63
Total retained earnings	\$ 4,447,367.53	\$ 4,336,109.90	\$ 111,257.63
TOTAL FUND EQUITY	\$ 14,059,181.88	\$ 13,947,924.25	\$ 111,257.63
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,423,793.89	\$ 18,333,598.64	\$ 90,195.25



BORREGO WATER DISTRICT

TREASURER'S REPORT FEBRUARY, 2015

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

Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

WFB/UB General Account/Petty Cash	\$ 2,553,823	\$ 2,484,205	\$ 2,484,205	93.81%	0.00%	N/A	WFB/UB
Payroll Account	\$ 94,503	\$ 92,521	\$ 92,521	3.49%	0.01%	N/A	WFB
MMA	\$ 50,443	\$ 50,443	\$ 50,443	1.90%	0.03%	N/A	WFB
LAIF	\$ 20,954	\$ 20,954	\$ 20,954	0.79%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 2,719,723	\$ 2,648,123	\$ 2,648,123	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 81,656	\$ 81,656	\$ 81,656				
Total Cash,Cash Equivalents & Investments	\$ 2,801,379	\$ 2,729,778	\$ 2,729,778				

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 25, 2014.

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

Sources of valuations are Umpqua Bank, Wells Fargo Bank (WFB), LAIF and US Trust Bank.



 Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
 From: Kim Pitman
 Subject: Consideration of the Disbursements and Claims Paid
 Month Ending February, 2015

A. Vendor disbursements paid during this period:	\$	140,810.03
<i>Significant items:</i>		
San Diego Gas & Electric	\$	22,094.81
RHGC portion of San Diego Gas & Electric	\$	3,457.70
CalPERS Payments	\$	14,329.45
Medical Health Benefits	\$	16,299.11
 B. Capital Projects/Fixed Asset Outlays:		
California Environmental Controls-Pump WWTP	\$	6,447.60
USGS Basin Study	\$	3,615.92
 C. Total Professional Services for this Period:		
<i>(included in vendor disbursements paid above)</i>		
Downey Brand, Attorneys	Legal-general GWM	
	\$	6,126.00
	Total Invoice:	\$ 6,126.00
 McDougal Love Eckis	Legal-general GWM	
	Total Invoice:	\$ -
 Raftelis-Financial Planning Study	Total Invoice:	\$ 1,552.50
 D. Payroll for this Period:		
Gross Payroll	\$	53,872.44
Employer Payroll Taxes and ADP Fee	\$	2,274.00
Total	\$	56,146.44

DISTRIBUTION SUMMARY

G/L ACCOUNT#	DESCRIPTION	AMOUNT
01 1487	BOB MOORE CC GOLF EQUIP REC	-189.20
01 1510	INVENTORY CONTROL	3,104.38
01 1715	REHAB CLARIFIER 1 WWTP-CIP	6,590.63
01 5190	BOARD MEETING EXPENSE	140.00
01 5240	CONFERENCE/TRAINING	30.00
01 5400	DUES & SUBSCRIPTIONS	133.93
01 5401	FEES	585.00
01 5420	EMPLOYEE MEDICAL BENEFITS	3,095.14
01 5421	EMPLOYEE RETIREMENT BENEFITS	2,385.16
01 5440	ENGINEERING SERVICES	1,552.50
01 5480	GROUNDWATER STUDY	9,770.56
01 5600	R & M BUILDINGS & EQUIPMENT	78.00
01 5662	OFFICE SUPPLIES	3,834.72
01 5664	OFFICE UTILITIES	796.63
01 5690	POSTAGE & FREIGHT	680.00
01 5700	PRINTING, PUBLICATION & NOTICES	94.25
01 5854	CELLULAR PHONE	621.43
01 5858	TELEPHONE	414.65
02 5720	PUMPING-ELECTRICITY-RHGC	3,457.70
03 4605	CSD FEES-GOLF/TRASH	8,297.50
03 5200	COMPUTER BILLING	401.29
03 5240	CONFERENCE/TRAINING	170.00
03 5420	EMPLOYEE MEDICAL BENEFITS	4,528.02
03 5421	RETIREMENT BENEFIT	3,583.28
03 5460	FUEL & OIL	729.77
03 5560	LEGAL	354.45
03 5600	R & M BUILDINGS & EQUIPMENT	5,062.17
03 5662	OFFICE SUPPLIES	184.79
03 5663	OFFICE EQUIP/MAINT/AGREEMENT	495.41
03 5690	POSTAGE & FREIGHT	1,200.00
03 5720	PUMPING-ELECTRICITY	7,425.21
03 5852	ANSWERING SERVICE	65.83
03 5860	TESTING/LAB WORK	850.00
03 5890	TRASH REMOVAL	75.60
03 5895	UNIFORMS	104.65
03 5896	VEHICLE EXPENSE	381.04
04 1340	AR ID4 WATER BILLS	652.39
04 5200	COMPUTER BILLING	708.16
04 5240	CONFERENCE/TRAINING	240.00
04 5401	FEES	309.00
04 5420	EMPLOYEE MEDICAL BENEFITS	8,014.60
04 5421	RETIREMENT BENEFIT	6,342.42
04 5460	FUEL & OIL	1,287.80
04 5560	LEGAL	656.78
04 5600	R & M BUILDINGS & EQUIPMENT	13,030.19
04 5662	OFFICE SUPPLIES	331.48
04 5663	OFFICE EQUIP/MAINT/AGREEMENT	969.13
04 5690	POSTAGE & FREIGHT	60.00
04 5720	PUMPING - ELECTRICITY	12,193.94
04 5852	ANSWERING SERVICE	116.17
04 5860	TESTING/LAB WORK	855.00
04 5890	TRASH REMOVAL	113.40
04 5895	UNIFORMS	184.68

DISTRIBUTION SUMMARY

04 5896	VEHICLE EXPENSE	571.54
05 1730	SEWER FACILITIES	3,223.80
05 5200	COMPUTER BILLING	35.40
05 5240	CONFERENCE/TRAINING	175.00
05 5401	FEES	178.00
05 5420	EMPLOYEE MEDICAL BENEFITS	1,207.47
05 5421	RETIREMENT BENEFIT	955.54
05 5440	ENGINEERING	750.00
05 5460	FUEL & OIL	64.39
05 5601	R & M WWTP	2,867.51
05 5662	OFFICE SUPPLIES	572.39
05 5663	OFFICE EQUIP/MAINT/AGREEMENT	43.71
05 5681	SAFETY SUPPLIES	124.04
05 5720	PUMPING - ELECTRICITY	1,237.83
05 5852	ANSWERING SERVICE	5.81
05 5858	TELEPHONE	19.17
05 5860	TESTING/LAB WORK	162.50
05 5890	TRASH REMOVAL	39.20
05 5895	UNIFORMS	9.23
06 1730	SEWER FACILITIES	3,223.80
06 5200	COMPUTER BILLING	35.40
06 5240	CONFERENCE/TRAINING	175.00
06 5401	FEES	178.00
06 5420	EMPLOYEE MEDICAL BENEFITS	1,207.47
06 5421	RETIREMENT BENEFIT	955.54
06 5440	ENGINEERING	750.00
06 5460	FUEL & OIL	64.40
06 5560	LEGAL SERVICES	31.27
06 5601	R & M WWTP	2,832.53
06 5663	OFFICE EQUIP/MAINT/AGREEMENT	43.72
06 5681	SAFETY/OSHA REQUIREMENTS	124.03
06 5690	POSTAGE	60.00
06 5720	PUMPING - ELECTRICITY	1,237.83
06 5852	ANSWERING SERVICE	5.80
06 5858	TELEPHONE	19.18
06 5860	TESTING/LAB WORK	162.50
06 5890	TRASH REMOVAL	58.80
06 5895	UNIFORMS	9.24
07 5420	EMPLOYEE MEDICAL BENEFITS	95.09
07 5421	EMPLOYEE RETIREMENT BENEFITS	75.25
08 5420	EMPLOYEE MEDICAL BENEFITS	40.76
08 5421	EMPLOYEE RETIREMENT BENEFITS	32.26

		140,810.03

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
FEBRUARY 28, 2015

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19752	03/06/15	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	5,281.41
999	02/12/15	* VOID *	
19733	02/12/15	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	193.61
19731	02/24/15	CB&T ACWA-JPIA MEDICAL COVERAGE	16,299.11
19772	03/13/15	AFLAC SUPPLEMENTAL INSURANCE	1,889.44
19721	02/12/15	AIR POLLUTION DISTRICT FEES APCD2012-00918 EMERGENCY GENERATOR AT WWTP	356.00
19732	02/24/15	AIR POLLUTION APCD2011-SITE-00605 COUNTY PERMIT 3/2015 - 3/2016	309.00
19722	02/12/15	AIR RESOURCES BOARD/PERP STATE PERMIT AIR RESOURCES BOARD/PERP RENEWAL CAT/C15 EMERGENCY PORTABLE GENERATOR	570.00
999	02/24/15	AMERICAN LINEN INC. UNIFORMS FOR CREW UNIFORMS FOR CREW UNIFORMS FOR CREW	19773 03/13/1 307.80
19753	03/06/15	AT CONFERENCE CONFERENCE CALLS	28.64
19754	03/06/15	AT&T MOBILITY CELL PHONE FOR CREW	507.21
19774	03/13/15	AT&T-CALNET 2 PHONES, OFFICE, WWTP, SHOP	321.50
19723	02/12/15	AUTOMATED WATER TREATMENT CALCIUM HYPOCHLORITE TABLES CHLORINE FOR SYSTEM DISINFECTI	10,639.32
19724	02/12/15	BACKFLOW SECURED BACKFLOW CAGES FOR VILLAS BORREGO	2,400.00
19755	03/06/15	BACKFLOW SECURED BACKFLOW CAGES FOR VILLAGE LIQUOR & JILBERTO'S	600.00
19756	03/06/15	BORREGO SPRINGS BOTTLED WATER BOTTLED WATER FOR CREW	57.98
19734	02/24/15	BORREGO SUN PUBLIC MEETING ANNOUNCEMENT	94.25
19748	02/26/15	BSPAC RENTAL OF THEATER FOR TOWN HALL MEETING ON MARCH 25, 15	350.00
19725	02/12/15	CALIF ENVIRONMENTAL CONTROLS 4" GORMAN RUPP SELF PRIMING PUMP	6,447.60

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19757	03/06/15	CONNEY SAFETY COMPANY OIL ABSORBENT PADS	248.07
19758	03/06/15	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	101.69
19726	02/12/15	DEBBIE MORETTI PEST CONTROL	113.00
19759	03/06/15	DOWNEY BRAND PROFESSIONAL SERVICES	6,126.00
19727	02/12/15	E.R.E.S. ENTERPRISES INC. DBA ICE MACHINE FOR SHOP	3,380.40
19775	03/13/15	E.S. BABCOCK & SONS, INC. WATER SAMPLES TO LAB	2,030.00
19776	03/13/15	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE	5,210.80
19777	03/13/15	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	782.21
19760	03/06/15	BORREGO AUTO PARTS, INC. TIRES FOR 2007 DODGE RAM	459.67
19761	03/06/15	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	1,500.00
19735	02/24/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES FUEL FOR DISTRICT VEHICLES	1,100.88
19762	03/06/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	639.79
19763	03/06/15	KONICA MINOLTA COPIER LEASE	1,319.59
19728	02/12/15	LOECHLER, JEAN REFUND ACCT# 0747221	652.39
19736	02/24/15	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES	1,042.50
19778	03/13/15	NAPA AUTO PARTS INC SEE INVOICE FOR DETAILS	7.13
19764	03/06/15	PACIFIC PIPELINE SUPPLY INC SUCTION SCREEN FOR TRASH PUMP PARTS FOR INVENTORY	2,655.41
19779	03/13/15	PACIFIC PIPELINE SUPPLY INC 2" BALL VALVE-INVENTORY 4" PLUG VALVE FOR WWTP GATE CAPS FOR INVENTORY	1,884.16
19737	02/24/15	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT	7,111.07
19749	02/26/15	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIRMENT BENEFITS	7,218.38
19738	02/24/15	PITNEY BOWES/PURCHASE POWER POSTAGE	2,000.00
19739	02/24/15	QUILL CORPORATION OFFICE SUPPLIES	246.98
19765	03/06/15	QUILL CORPORATION OFFICE SUPPLIES	53.00
19740	02/24/15	RAFTELIS FINANCIAL PROFESSIONAL SERVICE 12/2014 FINANCIAL PLANNING STUDY	1,552.50
19780	03/13/15	RAMONA DISPOSAL SERVICE	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 FEBRUARY 28, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		TRASH SERVICE	3,184.50
19741	02/24/15	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	11,391.84
19750	02/26/15	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	14,160.67
19766	03/06/15	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	796.63
19742	02/24/15	SECAP FINANCE	
		POSTAGE MACHINE LEASE	137.49
19743	02/24/15	SPRINGBROOK SOFTWARE INC.	
		HP 9000 PROGRAMMING	
		1/1/15 - 1/31/15	153.90
19729	02/12/15	STATE WATER RESOURCE CONTROL	
		T2 RENEWAL ROGELIO MARTINEZ	
		OP #25447	60.00
19767	03/06/15	STATE WATER RESOURCE CONTROL	
		GRADE III EXAM CODY COX	350.00
19751	02/26/15	SUNSET ELECTRIC POWER	
		SERVICE CLA-VAL'S AT ID4 WELL4	1,040.00
19768	03/06/15	SYNECO SYSTEMS, INC	
		BIOLOGIC FOR ODOR CONTROL	
		BIOLOGIC FOR ODOR CONTROL	2,911.86
19744	02/24/15	THOMSON REUTERS/WEST	
		CA ENVIRONMENTAL LAWS 2015 AND	
		WATER CODE 2015	133.93
19730	02/12/15	TITO'S AUTO CARE	
		TRUCK REPAIR 2001 F150	268.48
19745	02/24/15	TITO'S AUTO CARE	
		TRUCK REPAIR F 650	
		AIR LEAK ON AIR BRAKES	104.93
19769	03/06/15	TITO'S AUTO CARE	
		FIX STEERING COLUMN SHIFTER	
		BUSHING REPLACED 2001 FORD 150	119.50
19781	03/13/15	TRAVIS PARKER	
		BOR0004, SERVER MAINTENANCE	1,026.35
19782	03/13/15	UNDERGROUND SERVICE ALERT	
		DIG ALERTS	15.00
19746	02/24/15	UNITED STATES	
		PARTIAL BILLING: AMENDMENT 6	
		FOR FY 2015: 10/1/14 -12/31/14	3,615.92
19783	03/13/15	VERIZON WIRELESS	
		EMERGENCY CELL PHONE	114.22
19770	03/06/15	WENDY QUINN	
		RECORDING SECRETARY SERVICES	140.00
19747	02/24/15	WESTERN PUMP, INC	
		REPLACE UNLEADED FUEL HOSE	405.69
19771	03/06/15	WYMORE, INC. INDUSTRIES	
		REHAB PROJECT FOR CLARIFIER #1	
		AND AERATOR GEARBOX SEAL	
		REPLACEMENT	6,590.63
		TOTAL	----- 140,810.03 =====

Borrego Water District Management Report – March 2015

By: Jerry Rolwing

FEDERAL LEVEL

U.S. Geological Survey: The USGS final report entitled "Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California is still delayed. On my last check with Claudia Faunt on Friday, March 13th she told me updated draft figures, tables and text would be available this week with a final product in two months.

STATE LEVEL

The Department of Water Resources will be in the Valley in April to perform the Spring water level roundup.

Director Joe Tatusko and I will attend a workshop sponsored by the State Water Resources Control Board on March 26th. The agenda is attached (attachment A).

COUNTY LEVEL

The District and the County Department of Planning and Development Services continue to discuss the structure of the Groundwater Sustainability Plan. We have had some welcomed assistance from 5th District Supervisor Bill Horn's office as we move forward working with the County in preparation of the Plan. County Hydrogeologist Jim Bennett will speak at the 14th Annual Town Hall meeting on March 25, 2015 at 4:00pm in the Performing Arts Center on the new groundwater legislation.

DISTRICT LEVEL

Work continues with the Borrego Water Coalition as we begin the Groundwater Sustainability Plan process. Although the DWR guidelines are not expected until 2016, we plan to be ahead of the curve and hopefully begin the program prior to the 2022 deadline.

District Field Staff have modified the outdoor lighting at the Maintenance Building as per the request by the Borrego Springs Dark Sky Coalition. We have been informed that the District will receive an award under their "Night Sky Friendly Business Program" at an upcoming Chamber of Commerce Sundowner. Thanks go out to employee Troy DePriest for creating the modification and fitting this project into his busy schedule.

Three agricultural properties are in the cue for fallowing and creating water credits through the District's Water Credit Policy. Two projects are being used to fulfill the T2 Borrego/BWD agreement for the Rams Hill Project totaling 270.32 acres. This creates 381 AG-1 credits and 578 AG-2 credits. The 578 AG-2 credits can be utilized for 435 AG-1 credits (1.33 to 1 ratio) as per the water credit modification approved by the Board, specifically for the T2/BWD Agreement. The incorporation of this formula for all fallowing projects is featured on today's agenda. The other project will fallow 27.25 acres of citrus creating 133 AG-1 water credits. The end result is the fallowing of 297.57 acres which will be covered by permanent water restrictive easements to reduce the water extraction in the Valley.

Proposed Workshop Agenda

9:30 am – 9:45 am	Welcome, Purpose of the Workshop, Introductions
9:45 am – 11:00 am	<p><i>Small Community Wastewater – Draft Funding Guidelines</i></p> <ul style="list-style-type: none"> • <i>Division staff presentation</i> • <i>Opportunity for public comments and questions</i>
11:00 am – 11:15 am	Break
11:15 am – 12:00 pm	<p><i>Short Introduction to Funding Opportunities for:</i></p> <ul style="list-style-type: none"> • <i>Water Recycling¹</i> • <i>Stormwater²</i> • <i>Groundwater Sustainability² and <u>Senate Bill 445 Site Cleanup Subaccount</u>³</i>
12:00 pm – 1:00 pm	Break
1:00 pm – 2:45 pm	<p><i>Drinking Water – Scoping⁴</i></p> <ul style="list-style-type: none"> • <i>Division staff presentation, focusing on areas where public feedback would help in shaping the draft guidelines</i> • <i>Opportunity for public comments and questions</i>
2:45 pm – 3:00 pm	<i>Opportunity for Final Comments or Questions</i>

¹ Workshops regarding the draft guidelines for the Water Recycling Funding Program will be held separately, anticipated April 2015.

² Workshops regarding the draft funding guidelines for these two programs will be held separately, anticipated during 2016.

³ Outreach for potential projects to pre-apply.

⁴ This is a scoping session only. Workshops regarding the draft funding guidelines for the Drinking Water Program will be held separately, anticipated in June 2015.



BORREGO WATER DISTRICT

February 2015

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	950	In Use	
ID1-16	Production	850	In Use	
Wilcox	Production	150	In Use	Diesel backup well for ID-4
ID4-4	Production	350	In Use	
ID4-10	Production	80	In Use	
ID4-11	Production	1000	In Use	Diesel engine drive exercised monthly
ID4-18	Production	250	In Use	
ID5-5	Production	900	In Use	

System Problems: All Production Wells and reservoirs are in operating condition.

WASTEWATER OPERATIONS REPORT

Rams Hill Water Reclamation Plant serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):

Average flow: 80,827 (gallons per day)

Peak flow: 116,027 gpd Sunday February 15, 2015



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

February 2015

DATE	ID-1	ID-3	ID-4	DISTRICT-WIDE TOTALS
Mar-13	10.26	8.33	85.01	103.60
Apr-13	12.26	10.88	135.54	158.68
May-13	22.86	11.86	118.08	152.80
Jun-13	26.59	12.71	133.18	172.48
Jul-13	27.81	14.19	153.49	195.49
Aug-13	27.96	13.26	123.17	164.39
Sep-13	30.51	11.16	117.30	158.97
Oct-13	29.63	10.86	137.93	178.42
Nov-13	21.45	11.58	113.46	146.49
Dec-13	16.85	6.75	89.16	112.76
Jan-14	12.51	7.44	99.13	119.08
Feb-14	20.59	6.37	90.06	117.02
Mar-14	34.62	6.90	89.53	131.05
Apr-14	29.52	8.32	118.08	155.92
May-14	72.93	8.46	111.16	192.55
Jun-14	87.66	9.52	121.42	218.60
Jul-14	132.29	9.13	138.73	280.15
Aug-14	132.62	9.72	112.59	254.93
Sep-14	127.21	10.49	140.83	278.53
Oct-14	128.61	9.71	124.41	262.73
Nov-14	102.51	10.32	118.23	231.06
Dec-14	45.15	6.96	95.47	147.58
Jan-15	33.35	6.38	85.84	125.57
Feb-15	49.63	6.15	86.06	141.84
12 Mo. TOTAL	976.10	102.06	1342.35	2420.51

Totals reflect individual improvement district usage. Interties from ID-3 have been subtracted from well pumpage totals and applied to respective ID's. All figures in Acre Feet of water pumped or recorded on intertie meters.

WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Feb-15	4.52	4.72	18.96	N/A	9.40
12 Mo. Average	0.38	1.96	14.22	N/A	5.52

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

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Wells 1&2	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
FEB'14	0.00	0.00	0.20	8.03	18.73	0.00	0.00	26.96	20.59
MAR'14	5.35	6.74	0.00	27.26	17.92	0.00	12.09	45.18	50.37
APR'14	0.00	0.00	0.07	32.69	31.33	0.00	0.00	64.09	55.77
MAY'14	24.66	25.30	1.52	27.76	43.65	0.00	49.96	72.93	114.43
JUN'14	15.43	13.90	0.04	24.42	63.20	0.00	29.33	87.66	107.47
JUL'14	18.94	13.16	0.03	39.19	70.10	0.00	32.10	109.32	132.29
AUG'14	23.93	7.56	0.61	27.67	59.88	22.69	31.49	110.85	132.62
SEP'14	26.13	11.75	0.06	19.00	48.79	31.97	37.88	99.82	127.21
OCT'14	18.53	10.42	0.01	19.36	46.55	43.45	28.95	109.37	128.61
NOV'14	19.97	10.60	0.05	15.19	30.76	36.26	30.57	82.26	102.51
DEC'14	4.60	1.60	0.00	0.00	20.47	25.44	6.20	45.91	45.15
JAN'15	0.00	4.02	0.04	0.00	16.31	22.98	4.02	39.33	36.97
FEB'15	23.23	4.27	0.06	3.62	14.33	10.27	27.50	28.28	49.63
TOTALS	180.77	109.32	2.49	236.16	463.29	193.06	290.09	895.00	1083.03
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
FEB'14	6.66	5.11	0.00	0.00	6.00	6.37	0.00	24.14	2.82	10.46%
MAR'14	6.88	4.98	1.88	3.62	15.75	6.90	0.00	40.01	5.17	11.43%
APR'14	9.20	8.32	1.90	6.96	26.25	8.32	0.00	60.95	3.14	4.90%
MAY'14	8.85	8.90	0.19	10.21	37.71	8.46	0.00	74.32	-1.39	-1.90%
JUN'14	10.03	12.25	0.00	4.32	50.52	9.52	0.00	86.64	1.02	1.17%
JUL'14	11.26	16.13	0.62	12.03	58.98	9.13	0.00	108.15	1.17	1.07%
AUG'14	13.27	17.82	0.18	0.00	68.48	9.72	0.00	109.47	1.38	1.25%
SEP'14	13.51	13.13	0.00	0.00	61.73	10.49	0.00	98.86	0.96	0.97%
OCT'14	12.23	15.39	0.01	0.00	71.55	9.71	0.00	108.89	0.48	0.45%
NOV'14	10.77	11.82	0.18	0.35	51.35	10.32	0.00	84.79	-2.53	-3.08%
DEC'14	9.05	6.94	0.04	0.00	30.83	6.96	0.00	53.82	-7.91	-17.24%
JAN'15	8.24	6.66	0.00	0.00	17.00	6.38	0.00	38.28	1.05	2.66%
FEB'15	7.89	5.20	0.00	0.00	7.72	6.15	0.00	26.96	1.32	4.67%
TOTALS	121.18	127.54	5.00	37.49	497.87	102.06	0.00	891.14	3.86	0.43%
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
FEB'14	0.00	2.04	0.04	4.15	4.19	0.04	6.19	6.23
MAR'14	0.00	3.02	0.08	3.78	3.86	0.08	6.80	6.88
APR'14	0.00	3.37	0.06	4.80	4.86	0.06	8.17	8.23
MAY'14	0.00	3.24	0.04	5.15	5.19	0.04	8.39	8.43
JUN'14	0.00	3.32	0.21	5.81	6.02	0.21	9.13	9.34
JUL'14	0.00	2.88	0.14	5.96	6.10	0.14	8.84	8.98
AUG'14	0.00	3.30	0.17	5.91	6.08	0.17	9.21	9.38
SEP'14	0.00	3.19	0.11	6.97	7.08	0.11	10.16	10.27
OCT'14	0.00	2.94	0.11	6.23	6.34	0.11	9.17	9.28
NOV'14	0.00	4.80	0.25	5.21	5.46	0.25	10.01	10.26
DEC'14	0.00	2.65	0.06	4.23	4.29	0.06	6.88	6.94
JAN'15	0.00	2.63	0.11	3.47	3.58	0.11	6.10	6.21
FEB'15	0.00	2.39	0.10	3.37	3.47	0.10	5.76	5.86
TOTALS	0.00	37.73	1.44	60.89	62.33	1.44	98.62	100.06

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
FEB'14	6.36	6.23	0.13	2.04%
MAR'14	6.90	6.88	0.02	0.29%
APR'14	8.32	8.23	0.09	1.08%
MAY'14	8.46	8.43	0.03	0.35%
JUN'14	9.52	9.34	0.18	1.89%
JUL'14	9.13	8.98	0.15	1.64%
AUG'14	9.72	9.38	0.34	3.50%
SEP'14	10.49	10.27	0.22	2.10%
OCT'14	9.71	9.28	0.43	4.43%
NOV'14	10.32	10.26	0.06	0.58%
DEC'14	6.96	6.94	0.02	0.29%
JAN'15	6.38	6.21	0.17	2.66%
FEB'15	6.15	5.86	0.29	4.72%
TOTALS	102.06	100.06	2.00	1.96%

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

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
FEB'14	0.00	0.00	45.47	6.06	9.34	29.74	3.26	0.00	0.00	93.87	90.06
MAR'14	0.00	0.00	42.13	6.11	8.97	33.10	3.12	0.03	0.00	93.46	89.53
APR'14	0.00	0.00	52.05	10.17	10.42	47.59	4.20	0.00	0.00	124.43	118.08
MAY'14	0.00	0.00	43.37	10.03	8.83	50.44	3.64	0.00	0.00	116.31	111.16
JUN'14	0.00	0.00	46.08	10.57	9.43	54.04	3.64	0.00	0.00	123.76	121.42
JUL'14	0.00	0.00	49.84	11.88	10.39	64.30	4.96	0.08	0.00	141.45	138.73
AUG'14	0.00	0.00	31.96	8.53	8.86	61.91	3.50	0.00	0.00	114.76	112.59
SEP'14	0.00	0.00	54.73	10.38	10.84	62.48	4.39	0.00	0.00	142.82	140.83
OCT'14	0.00	0.00	43.63	12.00	8.66	62.73	3.36	0.00	0.00	130.38	124.41
NOV'14	0.00	0.00	46.53	9.13	9.26	54.05	4.03	0.00	0.00	123.00	118.23
DEC'14	0.00	0.00	50.05	5.20	9.88	27.86	2.48	0.00	0.00	95.47	95.47
JAN'15	0.00	0.00	46.58	5.52	9.21	22.40	2.13	0.00	0.00	85.84	85.84
FEB'15	0.00	0.00	45.03	5.35	8.85	24.24	2.59	0.00	0.00	86.06	86.06
TOTALS	0.00	0.00	551.98	104.87	113.60	565.14	42.04	0.11	0.00	1377.74	1342.35
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
FEB'14	93.87	82.56	11.31	12.05%	3.81
MAR'14	93.46	81.69	11.77	12.59%	3.93
APR'14	124.43	110.41	14.02	11.27%	6.35
MAY'14	116.31	102.16	14.15	12.17%	5.15
JUN'14	123.76	108.44	15.32	12.38%	2.34
JUL'14	141.45	120.81	20.64	14.59%	2.72
AUG'14	114.76	101.51	13.25	11.55%	2.17
SEP'14	142.82	118.27	24.55	17.19%	1.99
OCT'14	130.38	118.27	12.11	9.29%	5.97
NOV'14	123.00	106.94	16.06	13.06%	4.77
DEC'14	95.47	77.31	18.16	19.02%	0.00
JAN'15	85.84	66.24	19.60	22.83%	0.00
FEB'15	86.06	69.74	16.32	18.96%	0.00
TOTALS	1377.74	1181.79	195.95	14.22%	35.39
=====	=====	=====	=====	=====	=====

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California Department of Water Resources

Groundwater Sustainability Program

Draft Strategic Plan



March 9, 2015

Groundwater Sustainability Program *Strategic Plan*

DWR Mission

To manage the water resources of California in cooperation with other agencies, to benefit the State's people, and to protect, restore, and enhance the natural and human environments.

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Acronyms

SGMA	Sustainable Groundwater Management Act
SGWM	Sustainable Groundwater Water Management
BMPs	Best Management Practices
CASGEM	California Statewide Groundwater Elevation Monitoring
DWR	California Department of Water Resources
SWRCB	State Water Resources Control Board
CWC	California Water Code
GSA(s)	Groundwater Sustainability Agency or Agencies
GSP(s)	Groundwater Sustainability Plan or Plans



After decades of debate, California lawmakers adopted far-reaching new laws to bring the State's critically important groundwater basins into a sustainable regime of pumping and recharge. This change in water management – the most important in several generations – promises profound payoff. Groundwater on average makes up over a third of California's water supply, and it serves as a critically important savings account in dry years.

We have formally managed surface water supplies for a century. However, unrestrained groundwater use has been the rule except in areas where the courts have intervened. In some parts of California, groundwater has been pumped destructively at high levels for decades. California endured a third year of drought in 2014, and groundwater levels reached all time historic lows in most areas of the State.

While local leadership has had good success in a number of areas, on the whole, our collective management of groundwater resources is simply not working.

Governor Brown worked with the California Legislature and other stakeholders to craft the Sustainable Groundwater Management Act (SGMA). The SGMA establishes a new structure for managing California's groundwater. Developing the SGMA was not without controversy, with some interests concerned about creation of a new regulatory bureaucracy and a fear that the State would be eager to exert control over local groundwater basins. The SGMA essentially says our best chance of achieving sustainable, dependable groundwater supplies is for each basin to be managed at the local level. Local leaders will decide how best to organize and take charge through the establishment of Groundwater Sustainability Agencies. The Department of Water Resources' (DWR) primary role will be to provide guidance and technical support to local agencies. The State Water Resources Control Board will only step in on an interim basis when, but only when, local agencies fail to exercise their responsibilities set forth in the legislation. DWR recognizes that every groundwater basin is different and that solutions must be tailored by region. DWR and other State agencies are ready to provide assistance, and the water bond passed in November 2014 includes \$100 million for local and regional groundwater planning and projects.

As we consider what it will take to manage our groundwater sustainably, we need to acknowledge all water resources are interconnected. The Governor's five-year *California Water Action Plan*, released in January 2014, describes this broader view of what we need to meet the demands of the future. It spells out the challenges and the decisive actions needed now to put California on the path to more sustainable water resources: make conservation a way of life, ensure that each region does all it can to put its own water resources to efficient use, protect and restore important ecosystems, and expand water storage capacity. Sustainable groundwater management is an essential pillar of the plan.

Getting to sustainable water management will take decades, and we need to start now. This will not be easy, but many local leaders have told me they are ready to step up. We need to begin managing our groundwater so it is available for future generations while we balance the immediate needs of our economy.

Mark W. Cowin

Director

California Department of Water Resources

Navigating the Strategic Plan

Groundwater in California

Groundwater is a critical and integral component of California’s overall water supply, serving residents, businesses, farms, industries, and the environment. Unlike surface water, groundwater has not been regulated on a statewide basis. Except in specific adjudicated basins, a landowner may extract an unlimited amount of groundwater if put to a reasonable and beneficial use without seeking permission to use the water. In certain parts of the state, long-term groundwater use has had serious impacts including:

- Alarming declines in groundwater levels and storage
- Degradation in water quality
- Irreversible land subsidence
- Ecosystem impacts associated with streamflow depletion and the reduced connection between groundwater and surface water systems.

The current drought has increased Californians’ awareness of groundwater management issues. Approximately thirty million Californians (about 75 percent) depend on groundwater for a portion of their water supply. On average, groundwater provides about 40 percent of total annual agricultural and urban water uses. Some areas are 100 percent dependent on groundwater for their supply.

The **Groundwater Sustainability Program Strategic Plan (Strategic Plan)** describes the Department of Water Resources’ roles and responsibilities under the Sustainable Groundwater Management Act (SGMA) and outlines related actions from the *California Water Action Plan (CWAP)*.

This *Strategic Plan* aims to document the California Department of Water Resources’ (DWR) strategy in helping to implement groundwater sustainability; share information with those who have interests in or management responsibilities for groundwater; and describe the structure through which DWR implements specific actions in coordination with stakeholders and partners.

DWR and the State Water Resources Control Board (SWRCB) are the two State agencies charged with helping to implement recent groundwater legislation. DWR’s principal role is to provide guidance and support to local agencies across California to help them achieve a more sustainable future in water management. Several actions must be completed by specific dates set forth in the SGMA to accomplish this. This *Strategic Plan* does the following:

- Describes **current groundwater conditions** in the state, demonstrating the unsustainable nature of current management practices and framing the critical need for action
- Identifies **legislation and other drivers of policy**, including the SGMA, the *California Water Action Plan* and Proposition 1 (Water Bond)
- Identifies **success factors** in addressing the key challenges facing groundwater management in California
- Describes the **goals and objectives** that guide strategic concepts necessary for program implementation and the DWR actions to address the goals and objectives
- Presents an initial plan for DWR **communication and outreach** with partnering agencies, regional and local agencies, stakeholders, and the public.



Current Groundwater Conditions

In November 2014, DWR published *Public Update for Drought Response; Groundwater Basins with Potential Water Shortages, Gaps in Groundwater Monitoring, Monitoring of Land Subsidence, and Agricultural Land Fallowing*. As part of the *Water Plan Update 2013*, DWR released *California's Groundwater Update 2013*.

These reports outline the decline of groundwater levels in some areas and the resulting issues and impacts. **Figure 1** illustrates the changes in groundwater levels from Spring 2010 to 2014 by showing numerous wells throughout California that have experienced declines in excess of 10 feet during this four-year period. The collective view of this information identifies areas that are experiencing local and regional declines in groundwater levels. Recent increases in groundwater pumping have resulted in renewed land subsidence in some areas and initiated new areas of land subsidence in others. **Figure 2** summarizes recent, historical, and the estimated potential for future land subsidence in California.

Severe drought in 2014 resulted in a lack of adequate surface water supplies, forcing many water users to increase groundwater pumping. This has resulted in further decline in groundwater levels and storage in the Central Valley from the 2010 levels shown in **Figure 3**.

Factors in recent groundwater level declines in many basins include:

- Chronic long-term pumping of groundwater in excess of the **safe yield** of the groundwater basin. Population growth, expansion of agricultural practices, allocation of water to environmental resources and restrictions to protect threatened species all have contributed to either increased water demand or decreased availability of surface water supplies in California. In response, many water users pump groundwater to offset the reduction in surface water supply.
- Short-term increase in groundwater pumping in drought years. Drought conditions in the last three years have exacerbated the groundwater conditions in many basins as more people use groundwater to meet their needs.
- Changes in irrigated land use. During the last two decades, more agricultural lands have been converted from annual crops to permanent crops, such as vine, nuts, and fruit trees, resulting in water demand hardening. Permanent crops require irrigation during the drought, while in the past many acres of annual crops were left idle through drought years.
- Climate change, resulting in reduced snowpack, will exacerbate the water supply and demand imbalance.

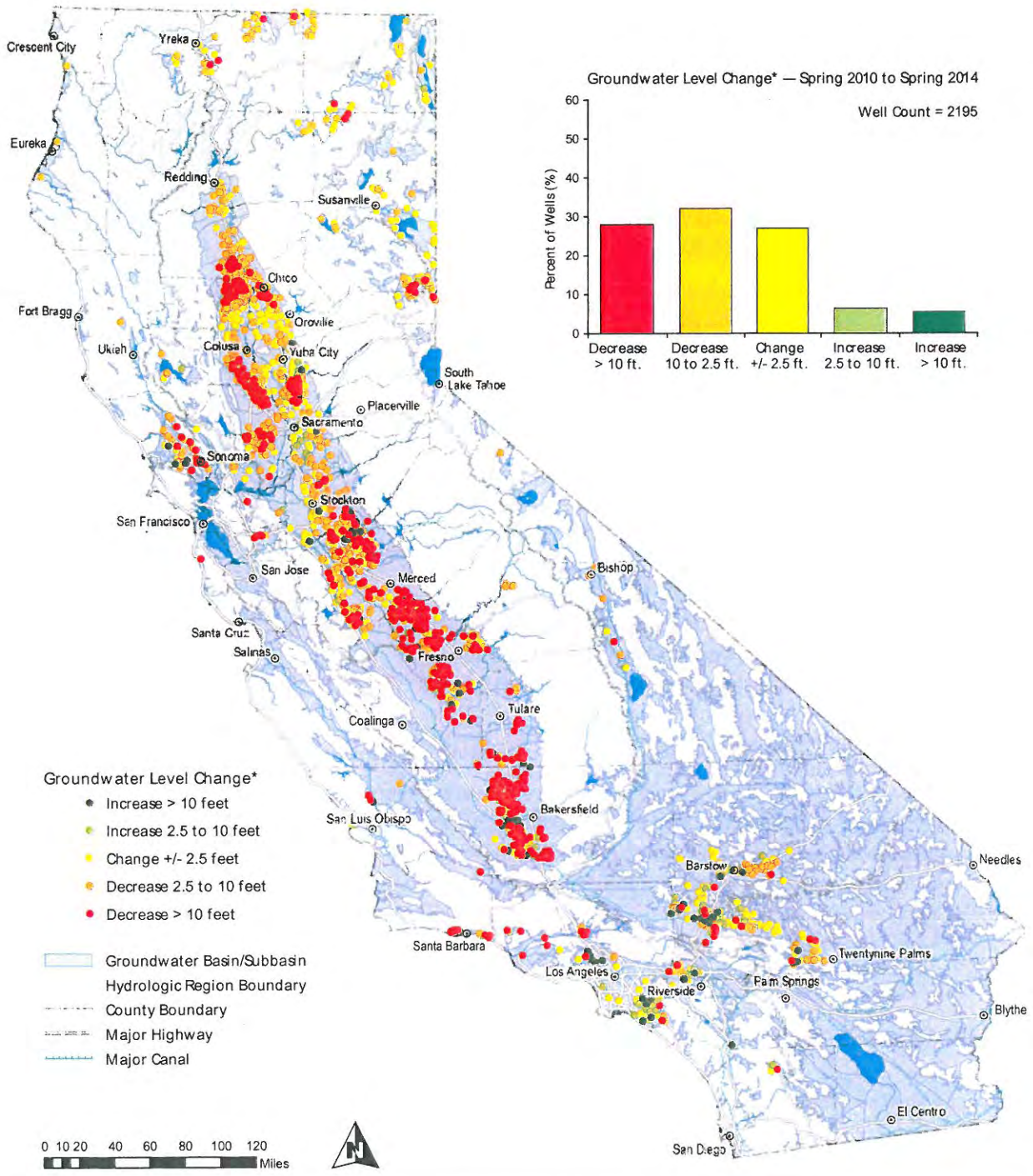


Public Update for Drought Response: *Groundwater Basins with Potential Water Shortages, Gaps in Groundwater Monitoring, Monitoring of Land Subsidence, and Agricultural Land Fallowing*

Key Definition

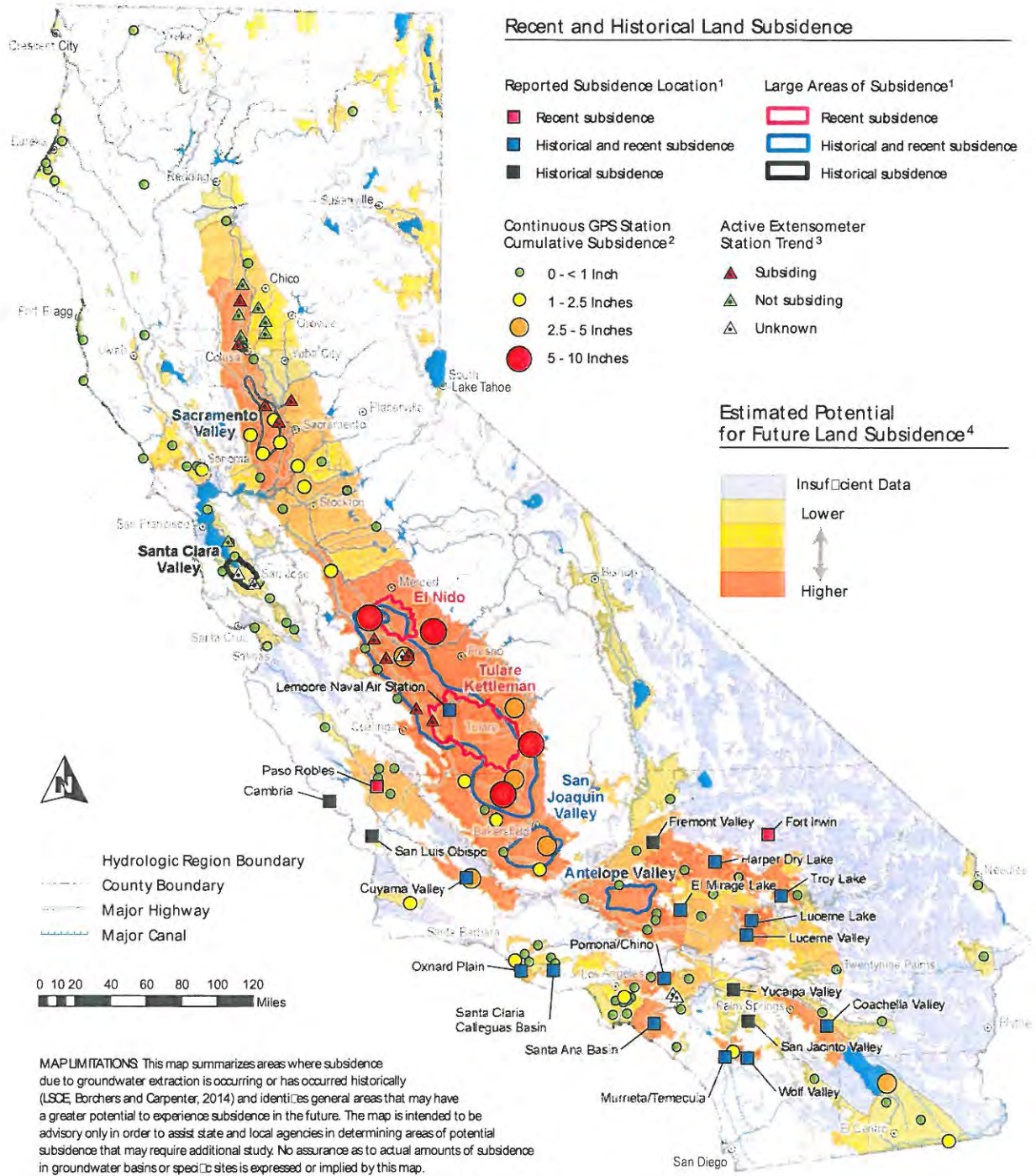
Safe Yield

The maximum quantity of water that can be continuously withdrawn from a groundwater basin without adverse effect.



* Groundwater level change determined from water level measurements in wells. Map and chart based on available data from the DWR Water Data Library as of 11/08/2014. Data subject to change without notice.

Figure 1. Change in Groundwater Levels Spring 2010 to Spring 2014



¹ Land subsidence data modified from LSCE, Borchers and Carpenter, 2014. ² Continuous GPS data from UNAVCO.org. ³ Extensometer data from DWR (<http://www.water.ca.gov/waterdata/library>) and LSCE, Borchers and Carpenter, 2014. ⁴ For more information on how the estimated potential for land subsidence was calculated see: http://www.water.ca.gov/groundwater/docs/Summary_of_Recent_Historical_Potential_Subsidence_in_CA_Final_with_Appendix.pdf
Data current as of May 2014.

Figure 2. Summary of Recent, Historical, and Estimated Potential for Land Subsidence

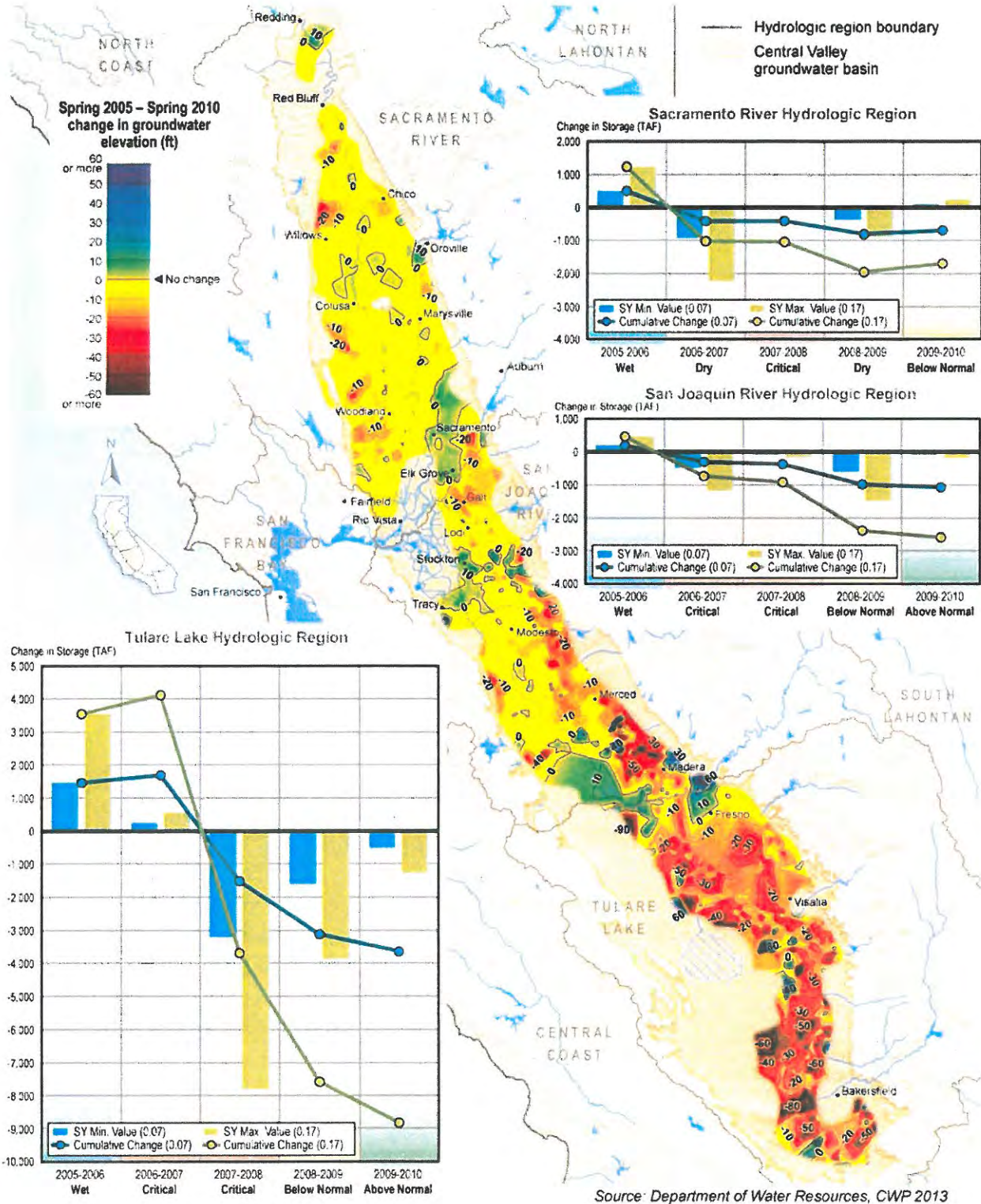


Figure 3. Change in Groundwater Storage in the Central Valley, Spring 2005–Spring 2010

Groundwater Basins

The SGMA addresses alluvial basins identified by DWR's *Bulletin 118*, with specific required actions for those basins that have been categorized as high or medium priority by the California Statewide Groundwater Elevation Monitoring (CASGEM) Program (described below). Groundwater within fractured rock is not addressed by the SGMA. In addition, low and very low priority basins are not subject to the requirements outlined in the SGMA, but local managers are encouraged to manage sustainably and can form Groundwater Sustainability Agencies and develop Groundwater Sustainability Plans.

As part of California's 2009 Comprehensive Water Package legislation (SBx7-6), DWR implemented the CASGEM Program. The SBx7-6 Groundwater Monitoring legislation added Part 2.11 to Division 6 of the California Water Code (§10920 et seq.), which established provisions and requirements for local agencies to develop and conduct groundwater level monitoring programs. The legislation required DWR to identify the extent of groundwater elevation monitoring within each of the alluvial groundwater basins defined in *Bulletin 118-2003*, and to prioritize those basins to help identify, evaluate, and determine the need for additional groundwater level monitoring. The legislation directed DWR to consider, to the extent available, all of the data components listed below as the basis for prioritizing the basins:

1. Population overlying the basin
2. Rate of current and projected growth of the population overlying the basin
3. Number of public supply wells that draw from the basin
4. Total number of wells that draw from the basin
5. Irrigated acreage overlying the basin
6. The degree to which persons overlying the basin rely on groundwater as their primary source of water
7. Any documented impacts on the groundwater within the basin, including **overdraft**, subsidence, saline intrusion, and other water quality degradation
8. Any other information determined to be relevant by DWR.

DWR evaluated California's 515 groundwater basins identified in *Bulletin 118-2003* and categorized them into four priorities:

- High Priority
- Medium Priority
- Low Priority
- Very Low Priority

The CASGEM basin prioritization identified 43 groundwater basins as High Priority, 84 basins as Medium Priority, 27 basins as Low Priority, and the remaining 361 groundwater basins or subbasins as Very Low Priority. The 127 groundwater basins designated as High or Medium Priority include 96 percent of the annual groundwater use and 88 percent of the 2010 population overlying the groundwater basin area. DWR recently determined that the basin prioritization completed in June 2014 for the CASGEM program and shown in **Figure 4** is the initial prioritization required by the SGMA.

Key Definition

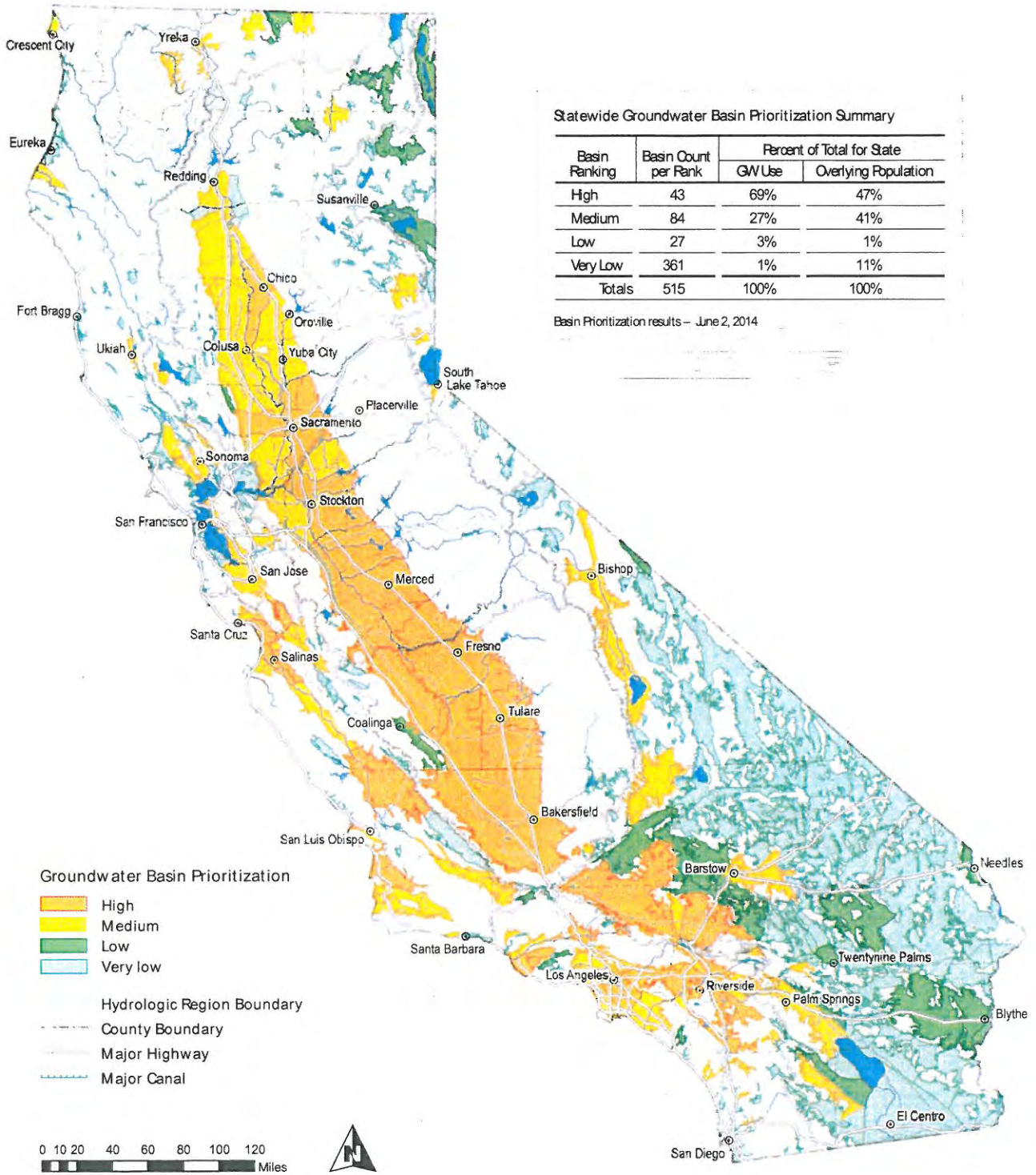
Groundwater Basins

DWR's *Bulletin 118* identifies 515 groundwater basins in California. The Act recognized these basins as the initial boundaries for groundwater management and permits revision of basin boundaries at the request of a local agency.

Key Definition

Overdraft

The condition of a groundwater basin where the amount of water withdrawn exceeds the amount of water replenishing the basin over a period of time.



Statewide Groundwater Basin Prioritization Summary

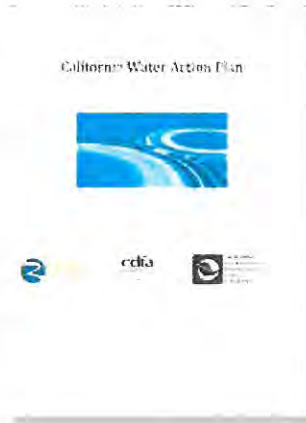
Basin Ranking	Basin Count per Rank	Percent of Total for State	
		GW Use	Overlying Population
High	43	69%	47%
Medium	84	27%	41%
Low	27	3%	1%
Very Low	361	1%	11%
Totals	515	100%	100%

Basin Prioritization results – June 2, 2014

Figure 4. CASGEM Groundwater Basin Prioritization

Legislation and Other Drivers of Policy

In January 2014, the Governor's Office released the **California Water Action Plan (CWAP)**. The CWAP formulated actions that focus on sustainable water resource management for California's people, environment, industry, and agriculture, with the overarching goals to improve reliability, restore key ecosystem functions, and establish resilient resources that can be relied upon for future generations. Ten key actions identified in the CWAP:



1. Make conservation a California way of life
2. Increase regional self-reliance and integrated water management across all levels of government
3. Achieve the co-equal goals for the Delta
4. Protect and restore important ecosystems
5. Manage and prepare for dry periods
6. Expand water storage capacity and **improve groundwater management**
7. Provide safe water for all communities
8. Increase flood protection
9. Increase operational and regulatory efficiency
10. Identify sustainable and integrated financing opportunities

The CWAP acknowledges that there is broad agreement that the State's water management system is currently unable to satisfactorily meet all ecological and human needs, is too vulnerable to wet and dry climate cycles and natural disasters, and is inadequate to handle the additional pressures of future population growth and climate change. Water sustainability solutions are complex and expensive, and require the cooperation and ongoing commitment of all Californians working together. To be sustainable, solutions must consider the need to provide for public health and safety (e.g., safe drinking water, clean rivers and beaches, flood protection), to protect the environment, and to support a stable California economy.

CWAP recognizes the importance of increased water supply reliability, improved restoration of important species and habitat, and the develop-

An excerpt from the California Water Action Plan about the need for better groundwater management:

"The bottom line is that we need to expand our State's storage capacity, whether surface or groundwater, whether big or small. Today, we need more storage to deal with the effects of drought and climate change on water supplies for both human and ecosystem needs... Moreover, we must better manage our groundwater basins to reverse alarming declines in groundwater levels. Continued declines in groundwater levels could lead to irreversible land subsidence, poor water quality, reduced surface flows, ecosystem impacts, and the permanent loss of capacity to store water as groundwater."

CWAP Action 6: Expand water storage capacity and improve groundwater management

- Provide Essential Data to Enable Sustainable Groundwater Management
- Support Funding Partnerships for Storage Projects
- Update Bulletin 118, California's Groundwater Plan
- Improve Sustainable Groundwater Management
- Support Distributed Groundwater Storage
- Increase Statewide Groundwater Recharge
- Accelerate Clean-up of Contaminated Groundwater and Prevent Future Contamination

Key Definition

Water Budget

“Water budget” means an accounting of the total groundwater and surface water entering and leaving a basin including the changes in the amount of water stored. {Water Code § 10721 (x)}

ment of a more resilient and sustainably managed water resources system. The *CWAP* also outlines the importance of groundwater in achieving water management sustainability, a linkage between surface water and groundwater, and increasing the State’s groundwater and surface water storage capacity. Achieving groundwater sustainability will be dependent on implementing sustainable and balanced **water budgets** throughout California, and addressing most of the key actions identified in the *CWAP*.

Building up to the Sustainable Groundwater Management Act

There have been a number of previous legislative and administrative efforts that have laid the groundwork for development of the SGMA, and several of these are likely to be useful tools as implementation of the SGMA goes forward. These efforts include:

Assembly Bill 3030 (AB 3030)

The passage of AB 3030 in 1992 encouraged local agencies to prepare and adopt plans for managing their local groundwater resources, whether or not their groundwater basin exhibited overdraft conditions. This legislation was significant in that it greatly increased the number of local agencies authorized to develop a groundwater management plan and set forth a common framework for management by local agencies throughout California. AB 3030 provides a systematic procedure to develop a groundwater management plan by local agencies overlying the groundwater basins defined by *Bulletin 118-75* and updates. Upon adoption of a plan, these agencies could possess the same authority as a water replenishment district to “fix and collect fees and assessments for groundwater management” (Water Code § 10754). However, the authority to fix and collect these fees and assessments is contingent on receiving a majority of votes in favor of the proposal in a local election (Water Code § 10754.3).

Senate Bill 1938 (SB 1938)

In 2002, the Legislature passed SB 1938, which expanded groundwater management plan requirements related to groundwater levels, groundwater quality, inelastic land subsidence, and surface water-groundwater interaction, and required local agencies to develop and adopt plans so groundwater projects can be eligible for receiving public funds. The law requires any public agency seeking State funds administered through DWR for the construction of groundwater projects or groundwater quality projects to prepare and implement a groundwater management plan with certain specified components. New requirements included establishing basin management objectives, preparing a plan to involve other local agencies in a cooperative planning effort, and adopting monitoring protocols that promote efficient and effective groundwater management. **Figure 5** shows basins in California covered by some form of groundwater management plan.

Assembly Bill 359 (AB 359)

AB 359, introduced in 2011, made changes to the California Water Code that, among other things, requires local agencies to provide a copy of their groundwater management plans to DWR and requires DWR to provide public access to those plans. The bill

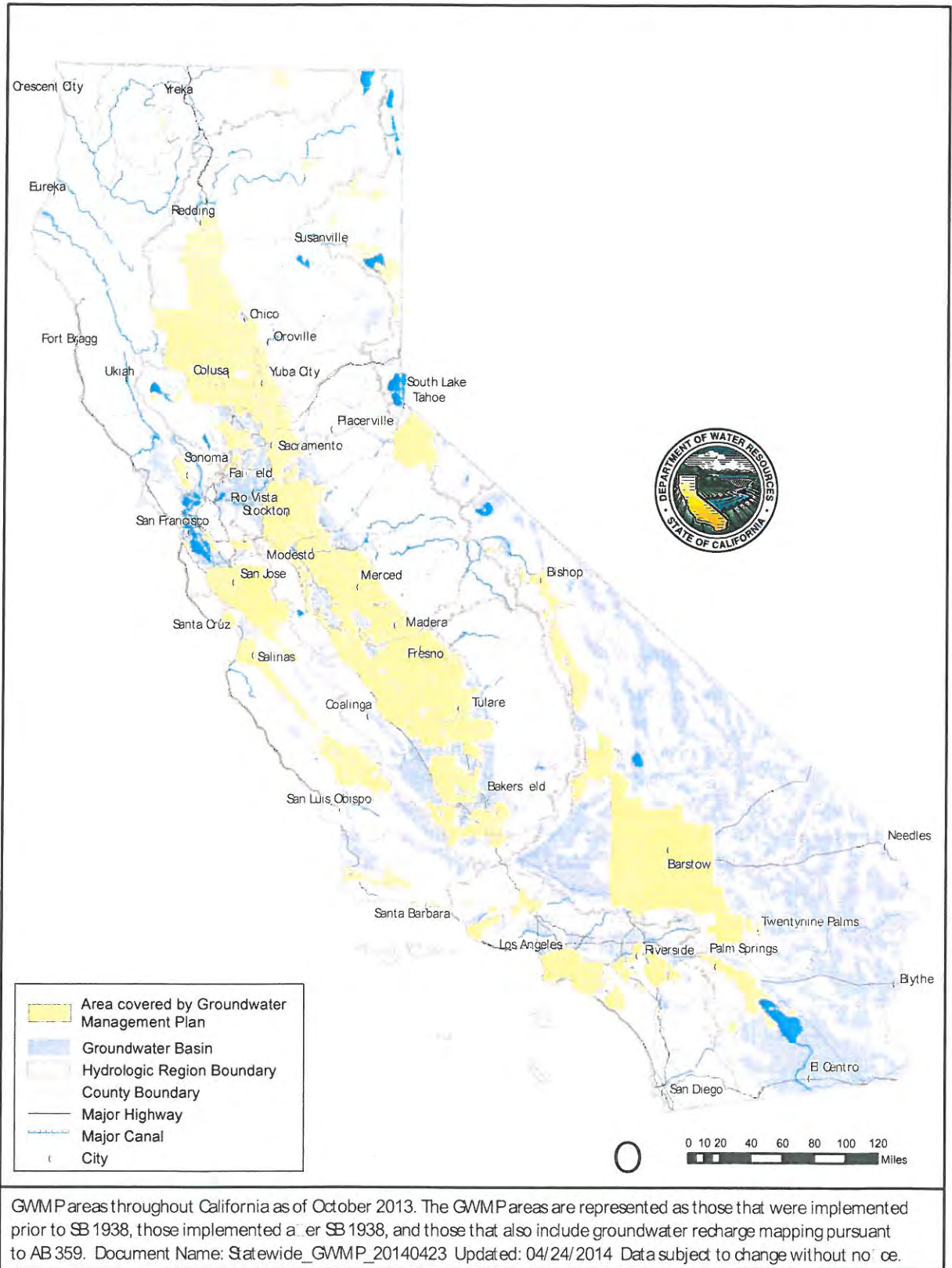


Figure 5. Location of Groundwater Management Plans in California

requires local agencies to provide a map of recharge areas to local planning agencies and notify DWR and other interested persons when a map is submitted. Prior to the passage of AB 359, which went into effect on January 1, 2013, local groundwater management planning agencies were not required to submit their groundwater management plans to DWR.

Local Groundwater Ordinances

Another method of managing groundwater is through ordinances adopted by local governments such as cities or counties. DWR's *Bulletin 118-2003* indicated that 27 counties adopted groundwater management ordinances related to the following activities: forming advisory committees; establishing basin management objectives; and controlling the export of groundwater by requiring permits for transferring groundwater out of the basin or county. The authority of counties to regulate groundwater has been challenged. An important event in 1995 was the California Supreme Court declining to review an appeal of a lower court decision, *Baldwin v. County of Tehama* (1994), that holds that State law does not occupy the field of groundwater management and does not prevent cities and counties from adopting ordinances to manage groundwater under their police powers. However, the precise nature and extent of the police power of cities and counties to regulate groundwater is uncertain. *Bulletin 118-2003* provided a model groundwater ordinance with recommended components of a groundwater management plan to guide local agencies as they develop groundwater management ordinances.

Adjudication

In some groundwater basins, as the demand for groundwater exceeded the safe yield and caused overdraft, landowners and other parties turned to the courts to determine how much groundwater can rightfully be extracted by each user. The courts study available information on groundwater use and other factors to arrive at a distribution of the groundwater that is available each year, usually based on the California law of overlying use and appropriation. This court-directed process can be lengthy and costly. Many of these cases have been resolved with a court-approved negotiated settlement, called a stipulated judgment. The court decisions guarantee to each party a proportionate share of the groundwater that is available each year. The intense technical focus on the groundwater yield and restrictions on groundwater extraction for all parties make adjudications one of the strongest forms of groundwater management in California.

The majority of adjudicated groundwater basins are located in Southern California and in the South Coast region (See *Figure 6*). For each adjudicated groundwater basin, the court usually appoints a water-master to oversee the court judgment. The majority of groundwater basin adjudications in California impose extraction limits and/or initiate management actions in the event of declining groundwater levels or water quality degradation. The primary objective of adjudication is to provide a proportionate share of available groundwater to users within the basin so it can be extracted without having adverse effects on existing groundwater supplies. Environmental concerns were not considered when most of the judgments were written.

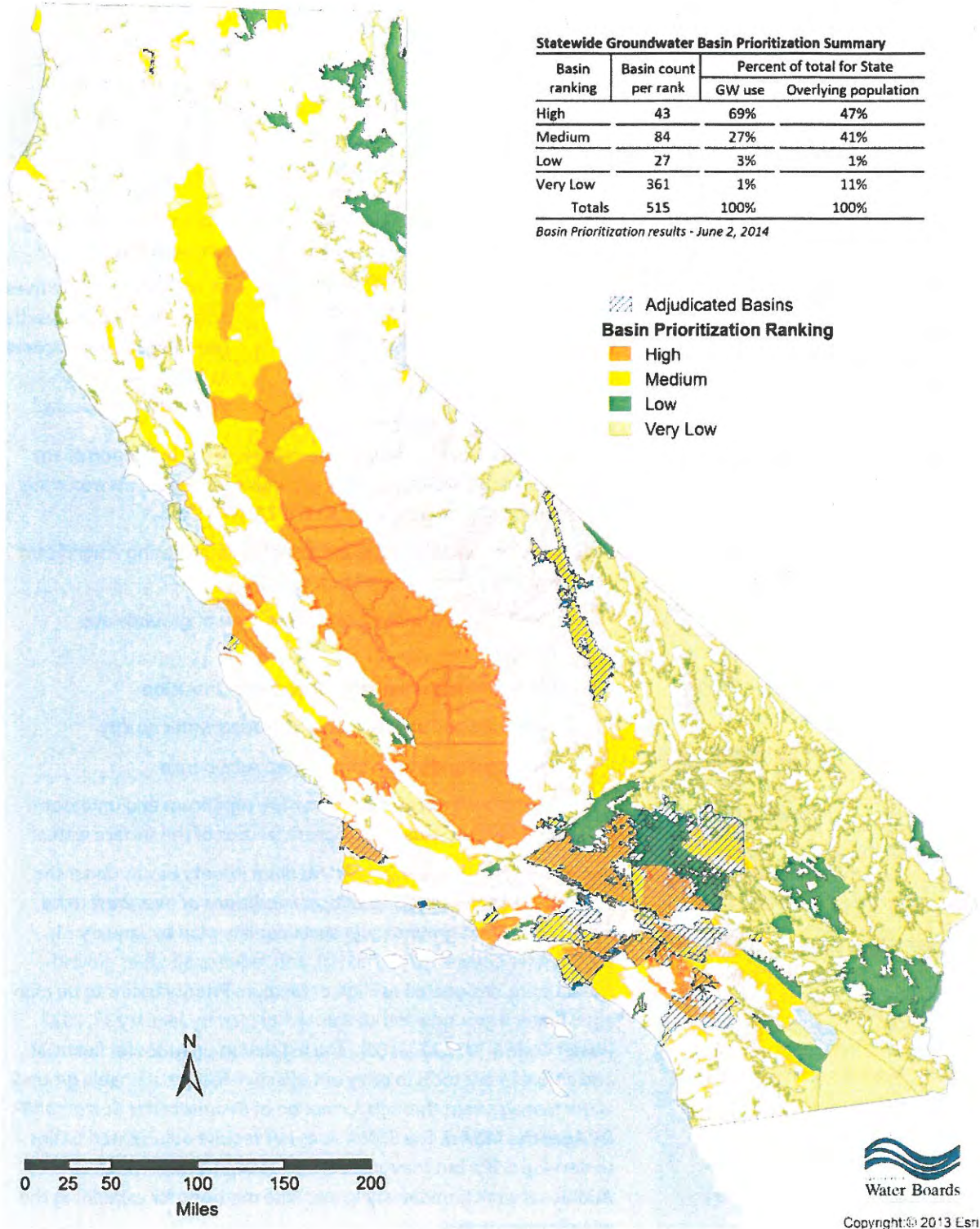


Figure 6. Adjudicated Groundwater Basins in California

Key Definition

Sustainable Groundwater Management

The management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.

Key Definition

Undesirable Results

Chronic lowering of groundwater levels, reduction of groundwater storage, seawater intrusion, degraded water quality, land subsidence and depletions of interconnected surface waters.

Key Definition

Critical Conditions of Overdraft

A basin is subject to critical conditions of overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts (DWR Bulletin 118-80).

Key Definition

Groundwater Sustainability Agency

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

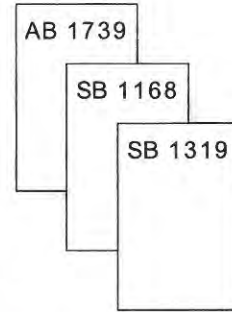
*Local agency is a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

Sustainable Groundwater Management Act

On September 16, 2014, the Governor signed into law a three-bill legislative package: AB 1739 (Dickinson), SB 1168 (Pavley), and SB 1319 (Pavley). These laws are collectively known as the Sustainable Groundwater Management Act. This new legislation defines **sustainable groundwater management** as the “management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results” {Water Code § 10721(u)}. “**Undesirable results**” are defined in the legislation as any of the following effects caused by groundwater conditions occurring throughout the basin {Water Code § 10721(w) (1-6)}:

- Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply
- Significant and unreasonable reduction of groundwater storage
- Significant and unreasonable seawater intrusion
- Significant and unreasonable degraded water quality
- Significant and unreasonable land subsidence
- Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

The legislation requires High and Medium Priority basins under the CASGEM program subject to **critical conditions of overdraft** to be managed under a groundwater sustainability plan by January 31, 2020 {Water Code § 10720.7(a) (1)}, and requires all other groundwater basins designated as High or Medium Priority basins to be managed under a groundwater sustainability plan by January 31, 2022 {Water Code § 10720.7 (a) (2)}. The legislation provides for financial and enforcement tools to carry out effective local sustainable groundwater management through formation of **Groundwater Sustainability Agencies (GSAs)**. The SGMA does not require adjudicated basins to develop GSPs, but they are required to report their water use. Additional work is underway to examine methods for expediting the adjudication process.



The Governor’s signing message states,

“A central feature of these bills is the recognition that groundwater management in California is best accomplished locally.”

The legislation significantly increases the role and responsibilities of DWR to support sustainable groundwater management. The legislation directs DWR to:

- Complete regulations for changing basin boundaries and establish content for and review of **Groundwater Sustainability Plans (GSPs)**
- Update basin priorities
- Conduct groundwater assessments into the next decade.

Together these new responsibilities require DWR to manage its existing resources and expand its expertise to meet the challenges and opportunities ahead.

The new legislation also expands the role of DWR to support local implementation of sustainable groundwater management, and allows for State intervention (SWRCB) at discrete points throughout the process if local agencies are not willing or able to manage groundwater sustainably.

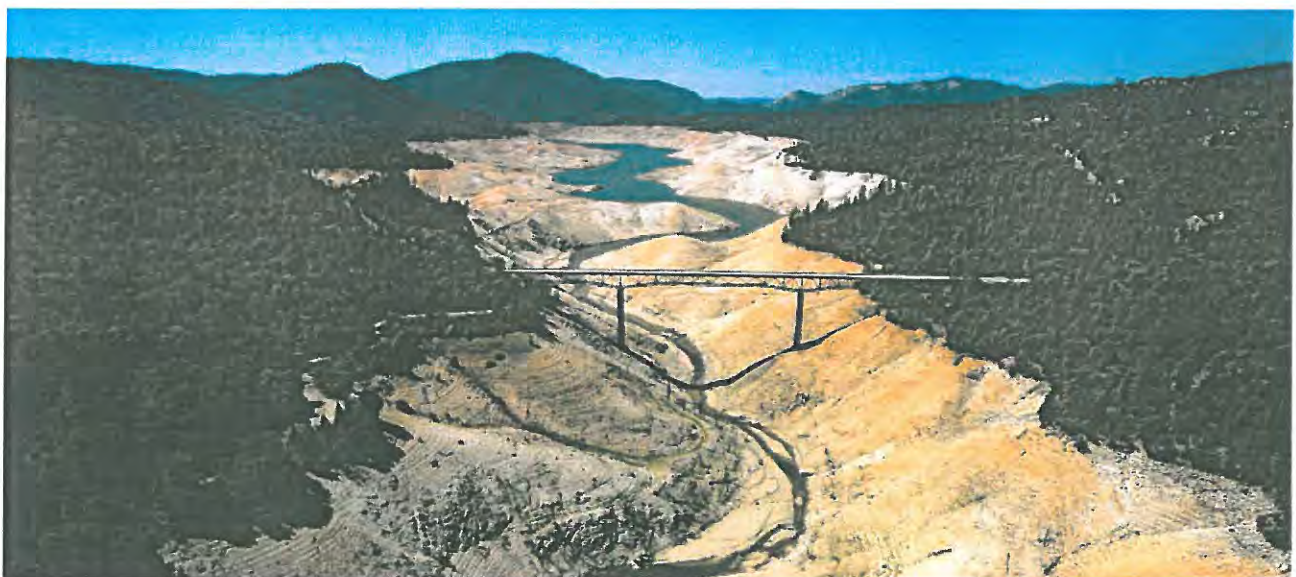
Figure 7 (page 22) summarizes the major timelines and milestones on California’s path to sustainable groundwater management.

Improving California groundwater management practices will require that local and regional agencies have the incentives, tools, authority, and guidance to develop, implement, and enforce sustainable groundwater management practices to provide the benefits of water supply reliability and resiliency, public health and safety, ecosystem services, and a stable California economy.

Key Definition

Groundwater Sustainability Plan

“Groundwater Sustainability Plan” is a plan of a Groundwater Sustainability Agency, proposed or adopted.



The severe drought in 2014 resulted in a lack of adequate surface water supply, which forced many water users to increase groundwater pumping. Above, Lake Oroville and the Enterprise Bridge looking from the South Fork on September 5, 2014.

Key Intended Outcomes and Benefits of the Sustainable Groundwater Management Act

Key intended outcomes of the SGMA include:

- Advancement in understanding and knowledge of the State's groundwater basins and their issues and challenges
- Establishment of effective local governance to protect and manage groundwater basins
- Management of regional water resources for regional self-sufficiency and drought resilience
- Sustainable management of groundwater basins through the actions of local governmental agencies, utilizing State intervention only when necessary
- All groundwater alluvial basins in California are protected and operated to maintain adequate quality to support the beneficial uses for the resource.
- Surface water and groundwater are managed as "a Single Resource" to sustain their interconnectivity, provide dry season base flow to interconnected streams, and support and promote long-term aquatic ecosystem health and vitality.
- A statewide framework for local groundwater management planning, including development of sustainable groundwater management best management practices and plans
- Development of comprehensive water budgets, groundwater models, and engineering tools for effective management of groundwater basins
- Improved coordination between land use and groundwater planning
- Enforcement actions as needed by the SWRCB to achieve region-by-region sustainable groundwater management in accordance with the 2014 legislation.

To assist in attaining the above outcomes, DWR will provide local agencies with the technical and financial assistance necessary to sustainably manage their water resources.

The benefits of these outcomes include:

- A reliable, safe and sustainable water supply to protect communities, farms, and the environment, and support a stable and growing economy
- Elimination of long-term groundwater overdraft, an increase in groundwater storage, avoidance or minimization of subsidence, enhancement of water flows in stream systems, and prevention of future groundwater quality degradation.

Success Factors

The SGMA provides a framework for best management of groundwater resources. There will be many challenges to overcome in implementing the SGMA, but addressing these will foster successful sustainable groundwater management. It is critical to identify and understand those challenges as DWR works with State, federal, and local agencies, tribes, and other stakeholders to achieve groundwater sustainability goals. Success will depend upon the following factors:

- **Balanced water supply and demand:** Current available surface water and safe yield of the groundwater basins must be balanced to support the current and future land use in the basin.
- **Coordinated water management within a basin:** Moving from disjointed basin management with sometimes conflicting interests and inconsistent objectives to a more coordinated structure will enable sustainable water management within basins.
- **Regulatory oversight and enforcement:** Managing groundwater extraction, establishing a fair allocation of groundwater resources, coordinating land use changes versus resource management, and controlling future groundwater development.
- **Regulation and criteria development:** DWR has the opportunity to promote local/regional groundwater management flexibility while ensuring that the ultimate goal of statewide sustainable groundwater management is achieved by developing appropriate and supportable criteria and regulations.
- **Basin stabilization:** Full recovery of the groundwater system may be possible in some basins. Critical issues that will need to be addressed include land subsidence and salts and nutrient concentrations. By addressing these impacts and challenges, basin managers can achieve significant improvements.
- **Improved data management:** Accurate and abundant data is necessary to assist basins in adequately developing and implementing plans to achieve the goals of the SGMA. This could include a more strategic and focused system of groundwater monitoring networks, extraction reporting, model and tool development, and a standardized process to determine water budgets for the basin.
- **Funding and resources:** Immediate, reliable, and long-term State and local funding will enable and support the achievement of the goals for sustainable groundwater management. Certain rural and disadvantaged communities will benefit from adequate funding to achieve their goals.
- **Communication and outreach:** Fostering robust communication amongst multiple entities with differing roles and responsibilities and stakeholders with differing and sometimes conflicting interests will further chances for success. Flexibility and cooperation will support consensus building amongst the various interested groups.
- **Uncertainties:** Addressing uncertainties directly will improve the likelihood for success, including those related to data, modeling and the long term effects of climate change. However, we must acknowledge we will not completely eliminate uncertainties and will therefore need to allow for adaptive management of systems as system knowledge improves.

Groundwater Sustainability Goals, Objectives, and Actions

The goals and objectives of this *Strategic Plan* are specific to DWR's role in achieving the overall goal of sustainable groundwater management, which means assisting local agencies to achieve balanced groundwater basin conditions and avoid adverse impacts such as land subsidence and long-term overdraft of the basin. Two key principles of the groundwater legislation guiding DWR include the following:

Groundwater is best managed at the local or regional level, and local agencies should have the tools they need to sustainably manage their resources. Some local and regional agencies do not currently have the necessary tools and resources to be successful. The legislation ensures that local and regional agencies will have the resources they need to sustainably manage groundwater, including the necessary authority, technical information, and financial resources.

When local or regional agencies cannot or will not manage their groundwater sustainably, the State will intervene until the local agencies develop and implement sustainable groundwater management plans. This limited State intervention would be temporary—until an adequate local program is established—to ensure the protection of the groundwater basin and its users from overdraft, subsidence, and other problems stemming from unsustainable uses of groundwater resources.

DWR's Groundwater Sustainability Goal

DWR will seek to assist local and regional GSAs to manage groundwater sustainably for long-term reliability, for economic, social, and environmental benefits, for current and future beneficial uses, and as an integral part of broader sustainable water management throughout California.

To achieve this goal, DWR has developed the following objectives. These objectives define DWR's approach to organizing and executing the work necessary for successful program implementation.

Objective 1: Develop a Framework for Sustainable Groundwater Management

Providing a structure which will enable GSA's to achieve success will require many factors be addressed. This objective will address basin boundaries and prioritization, GSP formulation and content, BMP's, and water budgeting. In order to address directives from the Sustainable Groundwater Management Act, DWR will develop regulations to inform and support regional efforts.

Objective 2: Provide Statewide Technical Assistance to Groundwater Sustainability Agencies

Providing technical assistance to GSA's will be crucial in enabling their success in managing their groundwater basins. GSA's will depend on easily accessible data and will be able to access this information via an online information system. Well standards and water conservation assistance will also be addressed.

Objective 3: Provide Statewide Planning Assistance to Support Groundwater Sustainability

DWR's *Bulletin-118* provides a systematic evaluation of groundwater basins in California, and will be updated to reflect critical information, including basin boundaries, groundwater quality data, yield data, and water budgets. This information will support and inform statewide water planning and assessment, including water budgeting, via DWR's *California Water Plan (Bulletin-160)*. DWR will also provide information to support local groundwater recharge projects.

Objective 4: Assist State and GSA Alignment and Provide Financial Assistance

Strong alignment and collaboration between and amongst local, regional, and State agencies will be critical to achieving sustainable groundwater management statewide. DWR will provide venues for communication and engagement, educational materials, and facilitation services, as well as financial assistance to help ensure success.

Objective 5: Provide Interregional Assistance

Achieving this objective will require DWR to support regional water managers with information on water reliability, storage and conveyance opportunities, water available for replenishment, and updated surface-groundwater interactions.

These objectives will be addressed by way of a suite of actions undertaken by DWR over the coming years to promote and support sustainable water management. These corresponding actions are defined in the following section.

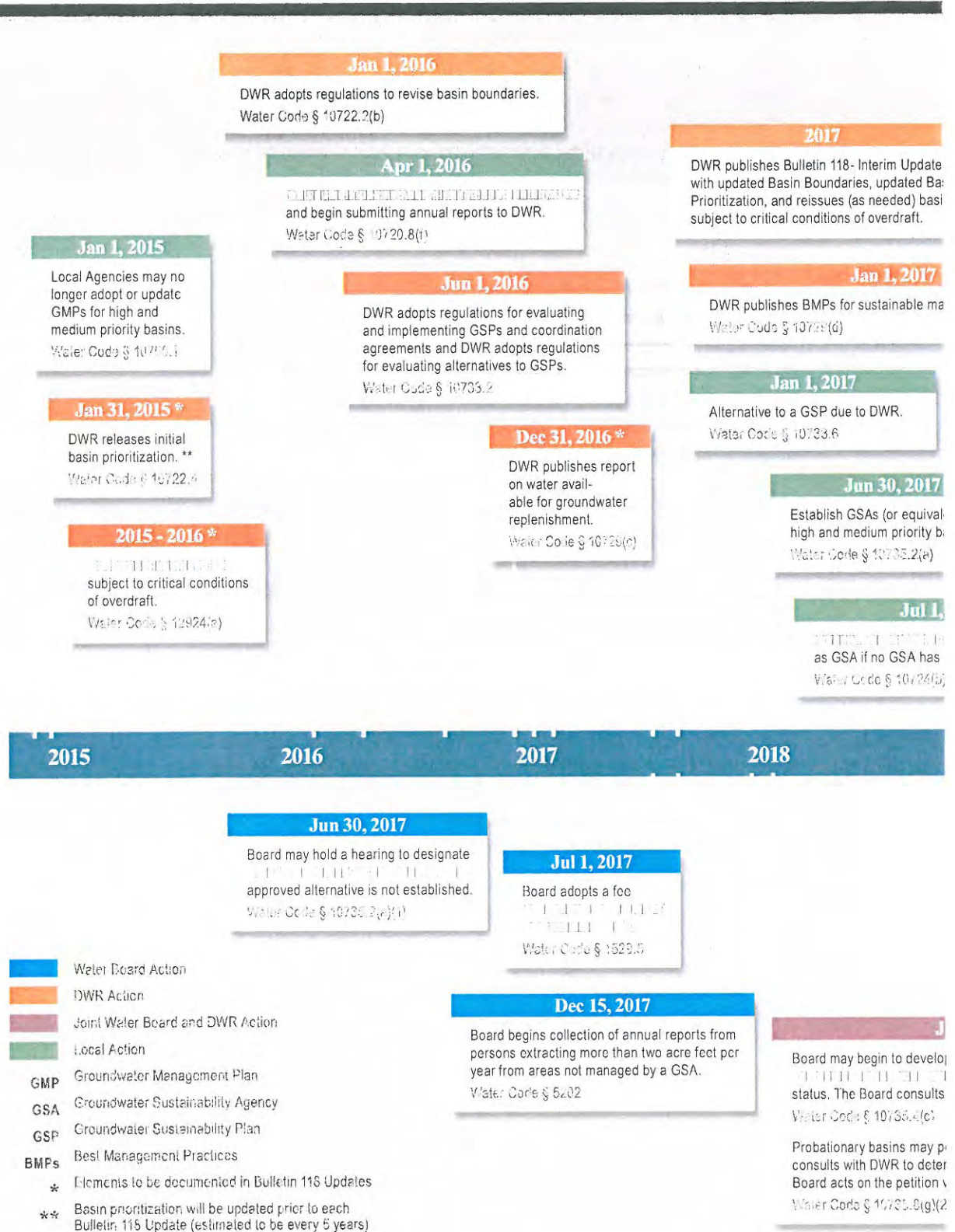


Figure 7. Major Timeline of Key SGMA Milestones



sin
ns

Management of groundwater.

2020

DWR publishes Bulletin 118- Comprehensive Update.
Water Code § 12524

Jan 31, 2020

subject to critical conditions of overdraft must be managed under a GSP.
Water Code § 10720.7(a)(1)

On April 1 following GSP adoption and annually thereafter, GSAs provide report on progress towards sustainability to DWR.
Water Code § 10720

Jan 31, 2022

All other high and medium priority basins must be managed under a GSP.
Water Code § 10720.7(a)(2)

On April 1 following GSP adoption and annually thereafter, GSAs provide report on progress towards sustainability to DWR.
Water Code § 10720

ent) for all basins.

2017

been established.

2019 2020 2021 2022 2025

Jan 31, 2020

Board may hold a hearing to designate a critically-overdrafted basin as...
the Board, determines that the GSP is inadequate or will not achieve sustainability.
Water Code § 10735.2(a)(5)

Jan 2021

Board may begin developing interim plans for critically overdrafted...
the probationary designation, if the Board, in consultation with the DWR, determines that a local agency has...
resulted in the probationary status.
Water Code § 10735.6(b)

Jan 31, 2022

Board may hold a hearing to designate a high and medium priority basin as...
the Board, determines that the GSP is inadequate or will not achieve sustainability.
Water Code § 10735.2(a)(5)(A)

Jan 1, 2018

interim plans if a local agency has not...
with DWR.

petition for un-designation. The Board...
determine if the petition is complete. The...
within 90 days of submittal.

Jan 31, 2025

Board may designate a basin as...
with the Board, determines that the GSP is inadequate or not being implemented correctly, and the Board determines that the basin is in a condition where groundwater...
interconnected surface waters.
Water Code § 10735.2(a)(5)(B)

December 2014

DWR Objectives and Corresponding Actions

DWR's groundwater sustainability objectives and their associated actions are formulated to assist local agencies and GSAs to prepare and implement plans to achieve sustainable groundwater management in their basins. These objectives and their related actions were developed to achieve the key intended outcomes.

Objective 1: Develop a Framework for Sustainable Groundwater Management

Action 1.1 Develop Comprehensive Water Budgets for the Entire Basin

DWR will provide guidance and criteria for preparing water budgets and will review, verify, and provide comments on the water budgets prepared by the GSAs. DWR will work with local agencies to provide technical expertise to quantify comprehensive water budgets for the entire basin, including connections to upper watersheds and adjacent basins, and support making the information available to the agencies and the public through a web-based information management system.

Jan 31, 2015 *

DWR releases initial basin prioritization. **
Water Code § 10722.4

Action 1.2 Update Basin Prioritizations

DWR will periodically revise and publish basin prioritization through updates of *Bulletin 118*. Groundwater basins will be categorized as High, Medium, Low, or Very Low Priority using eight criteria including basin population, irrigated acreage, and degree of reliance on groundwater. The initial basin prioritization already has been determined as that published in June 2014 pursuant to CASGEM. Future basin priority updates will include assessment of groundwater-related impacts to habitat and streamflow.

Jan 1, 2017 *

DWR publishes BMPs for sustainable management of groundwater.
Water Code § 10728(c)

Action 1.3 Develop Best Management Practices

By **January 1, 2017**, DWR will publish best management practices (BMPs) for sustainable groundwater management. These BMPs will provide descriptions of essential elements

to be incorporated into a GSP, including stakeholder coordination, effective and appropriate monitoring systems for determining how well sustainability objectives are being met, essential data collection and management, and public transparency guidance. The BMPs will be incorporated into future *Bulletin 118* updates.

Jan 1, 2016

DWR adopts regulations to revise basin boundaries.
Water Code § 10722.2(b)

Action 1.4 Develop and Adopt Regulations for Basin Boundary Revisions

By **January 1, 2016**, DWR will adopt regulations, which will include the methodology and criteria to be used in evaluating and approving basin boundary adjustments. DWR will then evaluate and approve local agency requests for basin boundary changes where supporting documents meet the specified criteria. Boundary changes will be published in *Bulletin 118: California's Groundwater*.

Action 1.5 Develop and Adopt Regulations for Groundwater Sustainability Plan Assessment and GSP Alternatives

By **June 1, 2016**, DWR will develop and adopt regulations for evaluating the adequacy of GSPs, the implementation of GSPs, and the development of coordination agreements.

These regulations will identify necessary plan components and describe how DWR will determine whether sustainable management objectives and actions developed by GSAs meet the intent of the SGMA. The regulations also will identify required necessary information for coordination with adjacent GSAs.

By **June 1, 2016**, DWR also will adopt regulations for evaluating alternatives to GSPs. Local agencies that wish to manage the basin under an alternative to GSP will need to submit their alternative to DWR by January 1, 2017. Basins managed under adjudication are required to submit their final judgment to DWR by April 1, 2016, and begin submitting their annual reports to DWR.

Jun 1, 2016

DWR adopts regulations for evaluating and implementing GSPs and coordination agreements and DWR adopts regulations for evaluating alternatives to GSPs.
Water Code § 10733.2

Action 1.6 Identify Basins Subject to Critical Conditions of Overdraft

By **2016**, DWR will develop and apply criteria to identify basins subject to critical conditions of overdraft.

2015 - 2016 *

DWR identifies basins subject to critical conditions of overdraft.
Water Code § 12924(a)

Action 1.7 Evaluate Adequacy of Groundwater Sustainability Plans

Within two years of receiving a GSP, DWR will evaluate the GSP and provide the GSA with an assessment of the plan– including recommended corrective action to address plan deficiencies or adequacy to achieve sustainability.

Objective 2: Provide Statewide Technical Assistance to Groundwater Sustainability Agencies

Action 2.1. Develop a Groundwater Management Information System

DWR will develop a web-based groundwater management information system to collect, organize, store, and manage the exchange of information between DWR and GSAs.

Action 2.2. Collect Groundwater Quality Data

DWR will continue to collect and make groundwater quality data available.

Action 2.3. Collect Groundwater Elevation Data

DWR will continue to collect, assess, and make groundwater level data available and provide assistance to improve/expand statewide groundwater elevation monitoring for high and medium priority basins.

Action 2.4 Collect Subsidence Data

DWR will provide support to advance the collection and reporting of land subsidence data and opportunities to improve subsidence monitoring through remote sensing techniques.

Action 2.5 Establish Well Standards

DWR will update the California Well Standards and submit them to the SWRCB for adoption into the Model Well Ordinance. DWR will provide training to local enforcing agencies in administering the updated Standards.

Action 2.6 Implement the CASGEM Program

DWR will continue to support the CASGEM program and efforts that support local collection, analysis, and reporting of relevant data and information.

Action 2.7 Promote Water Conservation

DWR will provide assistance and water management strategies to groundwater-reliant entities to promote water conservation and protect groundwater resources

Objective 3: Provide Statewide Planning Assistance to Support Groundwater Sustainability

2017

DWR publishes Bulletin 118- Interim Update with updated Basin Boundaries, updated Basin Prioritization, and reissues (as needed) basins subject to critical conditions of overdraft.

Action 3.1 Update Bulletin 118

By 2017, DWR will complete an interim *Bulletin 118* Update, then by 2020, and every 5 years thereafter DWR will update Bulletin 118, which will include updated basin boundaries and basin prioritization and identify basins that are subject to critical conditions of overdraft.

Action 3.2 Integrate Groundwater information into Bulletin 160

DWR will incorporate basin budget information from *Bulletin 118* updates into statewide planning analysis developed as part of the Department’s *Bulletin 160 California Water Plan* updates, to assess changes in aquifer storage and long-term groundwater sustainability throughout California.

Action 3.3 Local Assistance for Recharge Projects

DWR will support the development, protection, and operation of a statewide network of locally and regionally operated natural and artificial groundwater recharge and managed groundwater storage sites. This will include identifying regulatory barriers and assist in removing those barriers, and providing technical tools and assistance to promote natural and managed groundwater recharge. This action will complement Action 5.1.

Objective 4: Assist State and GSA Alignment and Provide Financial Assistance

Action 4.1. Alignment for management of groundwater programs

DWR will establish State agency steering committees, policy groups, and technical advisory groups to help strengthen and improve alignment and collaboration with the State and GSAs, and to provide guidance and support to GSAs and other stakeholders. State agency steering committees will ensure collaboration, avoid redundancy, and remain in alignment throughout the implementation process.

Action 4.2 Provide Financial Assistance

DWR will provide funding to help local agencies to develop tools and models, prepare water budgets, and provide technical assistance in helping GSAs prepare their GSPs.

“One hundred million dollars (\$100,000,000) shall be made available for competitive grants for projects that develop and implement groundwater plans and projects”

—Proposition 1

Action 4.3. Provide Education and Communication Assistance

DWR will assist in establishing effective communication pathways between GSAs and stakeholders through the implementation of a public engagement and outreach plan. DWR will provide education materials to stakeholders to assist in the development of groundwater sustainability agencies.

Action 4.4. Provide Facilitation and Engagement Assistance

DWR will provide neutral facilitation services to assist GSA development by assessing local issues, identifying common values and objectives, and establishing a framework for consensus building.

Objective 5: Provide Interregional Assistance**Action 5.1. Assist in the Implementation of Storage and Conveyance Projects**

DWR will provide assistance to local agencies to implement groundwater conjunctive use and help curb groundwater overdraft. This could include development of storage projects, conveyance, inter-regional and systemwide infrastructure improvements for basin water supply reliability and to reduce reliance on groundwater.

Action 5.2. Provide Information on Surface Water Reliability

DWR will provide systemwide water supply availability information including State Water Project and Central Valley Project water supply reliability and delivery information.

Action 5.3. Advance Studies on Surface/Groundwater Interaction

DWR will advance studies, modeling, tools and integrated water management actions that support the understanding and ability to manage water as a single resource. Independent management of surface water and groundwater resources often result in undesirable consequences to the long-term supply of one or both of these resources.

Action 5.4. Provide Information for Water availability for Replenishment

By December 31, 2016, DWR will publish a report providing a statewide estimate of water available for groundwater replenishment. This estimate will provide information to enhance supply, based on hydrology and feasible conveyance improvements. This estimate will be included in updates to *Bulletin 118*.

Dec 31, 2016 *

DWR publishes report on water available for groundwater replenishment.

Water Code § 10722(c)

Phased Implementation

It will take years to achieve the ultimate goal of local sustainable groundwater management at a statewide scale. To achieve the key outcomes, DWR, SWRCB, and other State agencies will work together to implement the many actions listed above, and assist local agencies in achieving groundwater sustainability. **Figure 8** provides and overview of the phased implementation of DWR's groundwater sustainability actions.

Groundwater Sustainability Program DRAFT Strategic Plan

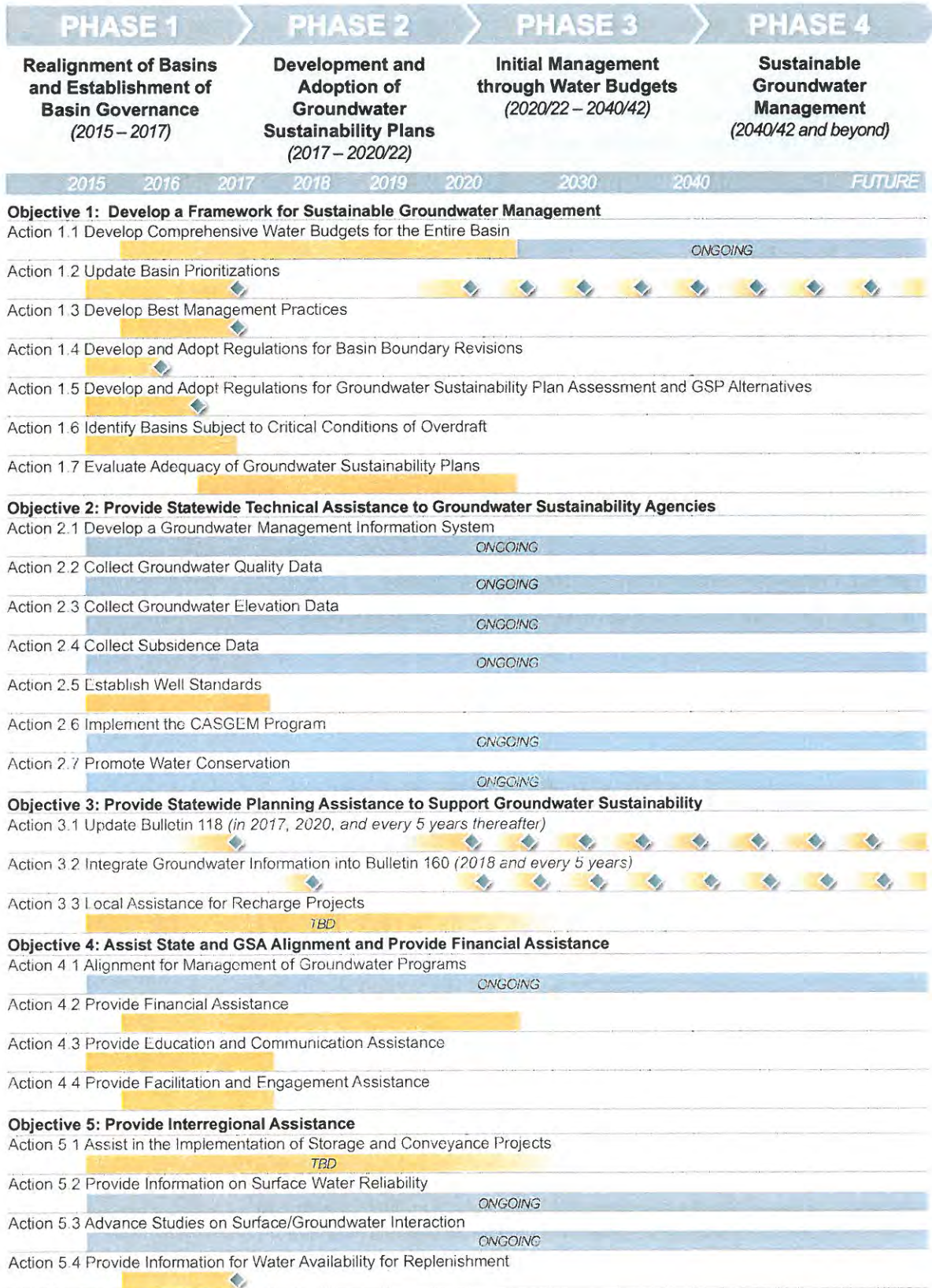


Figure 8. Phased Implementation of DWR Groundwater Sustainability Actions

Communication and Outreach

Governor Brown noted upon signing the SGMA that groundwater is best managed at the local level, and that the State's primary role is to provide guidance and support. The *CWAP*, SGMA, and provisions of Proposition 1 (Water Bond) direct the State to provide assistance to local agencies. Successful implementation is directly tied to effective communication and outreach, in addition to coordination at all levels of government. The SGMA requires DWR to develop regulations and tools, provide data and information, and provide support to local and regional agencies as they take on central roles in managing their groundwater basins and advancing the *CWAP*. California water management needs are diverse and implementation of the SGMA necessitates timely, forthright, and consistent communication among all partners and stakeholders.

In addition to communication, proactive outreach to and engagement of partners and stakeholders is essential to achieving sustainable groundwater management at the local and regional level. Local and regional agencies in turn must reach out to keep local citizens, groundwater users, and stakeholders informed. Adaptive, practical, and two-way communication is essential to establishing and maintaining the partnerships needed. This section of the *Strategic Plan* provides an overview of DWR's initial plan for communication, outreach, and coordination with partners. The key audiences for this effort include:

- **State, Federal and Tribal Governments:** Governor's Administration, Legislature and key State and federal agencies, tribes
- **Regional and local governments and agencies:** Water and groundwater management agencies and districts; land use entities such as counties and cities
- **Other stakeholders:** Non-governmental organizations including water and groundwater, environmental, environmental justice, agriculture; universities
- **The public.**

A more comprehensive communication and outreach plan is forthcoming.

Communication

Communication will provide for continuous sharing of information on all aspects of SGMA implementation, including details of DWR activities. Through proactive, regular, and timely communication, DWR seeks to accomplish the following:

- **Engagement:** Seek and maintain collaboration and cooperation with other agencies and stakeholders, and solicit and encourage public participation in SGMA implementation
- **Education:** Educate stakeholders, water users, and citizens on the requirements of the SGMA and water management sustainability objectives, and DWR's role in its implementation, relative to other State agencies
- **Accessibility:** Provide easy access to informative materials, data, reports and DWR's technical experts
- **Accountability:** Measure and report on progress and accomplishments in implementing the SGMA and provide transparency about DWR's implementation activities.

Key Definition

Communication

Ongoing sharing of information on provisions of the SGMA and its implementation.

Key Messages

The following are some of the key messages that must be commonly understood by all stakeholders:

- Groundwater is best managed at the local or regional level, and strong local/regional governance and strategic planning are essential for success
- The State’s role is to provide assistance to enable local and regional agencies to sustainably manage their water resources, and to intervene if necessary until local sustainable groundwater management plans are developed and implemented
- Strong and effective State agency alignment and coordination are required to support local/regional efforts
- Sustainable groundwater management can only be achieved in the context of regional and statewide water balance, accounting for all sources of supply as well as demands
- It will take decades to fully achieve sustainable water management and a phased approach is necessary, with accountability checks to measure progress.

Communication Tools

In collaboration with the State Water Board, DWR will create a suite of information tools and resources. These include a centralized State groundwater website managed by DWR, as well as DWR and State Water Board websites:

- <http://www.groundwater.ca.gov>
- http://www.waterboards.ca.gov/water_issues/programs/gmp/
- <http://www.water.ca.gov/groundwater>



DWR’s groundwater website includes information related to subject items in this *Strategic Plan* and links to other relevant websites.

DWR’s groundwater website includes many informational features related to subject items discussed in this *Strategic Plan* and links to other related websites with technical information. The website will be updated regularly.

The DWR groundwater website will outline various project-specific actions and implementation status. DWR will continue to update and maintain its groundwater website. Technical information, data, and reports on DWR’s websites will complement the centralized groundwater website and provide key information specific to SGMA implementation. DWR and SWRCB encourage local and regional agencies to develop their own communications programs to keep water users, stakeholders, and the public informed on implementation of the SGMA.

Outreach

Outreach will be critical to successful implementation of the SGMA. DWR’s *Strategic Plan* outlines an outreach program that will be proactive and interactive with information, ideas, and the opportunity for a two-way exchange. DWR will tailor its outreach efforts to major program functions and milestones, including governance, revisions to groundwater basin boundaries and

required regulations, local agency assistance, and information management. Outreach efforts will recognize the importance of differences from basin to basin.

DWR is committed to maintaining open and accessible pathways of information to provide as much opportunity for engagement as possible. Shared understanding of strengths and weaknesses in groundwater management will help to build a more resilient, interconnected management framework around the State—a key goal of the Administration’s *CWAP*.

Key Definition

Outreach
Stakeholder/public engagement and interaction in all aspects of implementation.

Outreach Tools

DWR’s outreach program will consider a range of activities, events, and venues for public and stakeholder briefings. Specific meetings organized by DWR will include State agency committees, public stakeholder meetings, one-on-one meetings with interested stakeholders, regional workshops, and topic-specific webinars. DWR also will form groundwater sustainability member advisory panels to cover focused and specific issues. DWR-sponsored public meetings will help ensure public and stakeholder input as implementation unfolds.

Partners

DWR and the SWRCB will work closely to develop clear, consistent information regarding SGMA implementation and enforcement. DWR and SWRCB steering committees have been formed to ensure collaboration, avoid redundancy, and create alignment throughout the implementation process. In addition, DWR has a long-standing direct relationship with the California Water Commission (Commission), which, pursuant to California Water Code Section 161, must approve all DWR rules and regulations. DWR will work closely with the Commission, which meets publicly, as it develops regulations pursuant to the SGMA.

DWR also recognizes the importance of keeping relevant federal agencies and tribal governments informed of its activities and exploring potential involvement in meeting statewide groundwater sustainable goals.

Practitioners Advisory Panel

DWR will establish an advisory panel consisting of practitioners who have experience in managing groundwater or technical experts to help strengthen and improve alignment and collaboration with the State and GSAs, and to provide guidance and support to GSAs and other stakeholders. The panel will be formed to ensure the understanding of complex and detailed issues, coordination, avoidance of redundancy, alignment throughout the implementation process, and successful implementation of the SGMA.

Leveraging Associations, Foundations, and Organizations

DWR will establish effective communication pathways between stakeholder organizations through the implementation of advisory groups to ensure these organizations provide the necessary input into the process, avoid redundancy, and remain in alignment throughout the implementation process.

One-on-One Meetings

DWR will occasionally meet with specific water agency and county officials to ensure specific regional issues are discussed and well understood, and to ensure communication throughout the process.

Workshops and Webinars

DWR will participate in workshops and topic-based webinars as needed.

It is important that there is a shared vision of DWR’s objectives and plans in implementing its Groundwater Sustainability Program. To that end, DWR invites comments to this plan. Please send any comments by June 1, 2015 to: sgmps@water.ca.gov

Edmund G. Brown Jr.

Governor
State of California

John Laird

Secretary
California Natural Resources Agency

Mark Cowin

Director
California Department of Water Resources



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<http://www.water.ca.gov>

BORREGO WATER DISTRICT 2015 TOWN HALL
Taking Control of our Water Future
MARCH 25, 2015 4:00PM - 5:30PM
PERFORMING ARTS CENTER
590 Palm Canyon Drive
Borrego Springs, CA 92004

AGENDA

- 1) Greetings and Introductions. Martha Deichler, Superintendent, Borrego Springs Unified School District
- 2) State of the District briefing on infrastructure, groundwater levels, basin inflow/outflow, water quality and the general direction of groundwater management. General Manager Jerry Rolwing
- 3) What is the Sustainable Groundwater Management Act? Jim Bennett, San Diego County Department of Planning and Development Services
- 4) What will it cost for developing a plan to manage the Borrego Valley Groundwater Basin? Who all will pay these costs? How much will ratepayers be asked to pay? Board Vice-president Lyle Brecht
- 5) How does the Sustainable Groundwater Management Act affect the citizens of Borrego Springs? Board President Beth Hart
- 6) Moderated, written questions from the audience for specific presenters
- 7) Comments from the audience



INFO ONLY
JOE T.

MEMORANDUM

TO: Property Program Members
FROM: Member Services
DATE: February 25, 2015
SUBJECT: Property Program Renewal - Invoice & Declaration Pages

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Following six consecutive years of stable rates, the JPIA with the assistance of AON Insurance Brokers is glad to announce a reduction in rates as well as enhanced coverage to our Members. The Executive Committee has approved a reduction of rates charged to Members of 10%. The Program continues to provide superior coverage at a competitive cost.

The coverage enhancements include increase Program Limit of Coverage to \$150,000,000; the Earthquake Exposure limits raised to \$2,500,000 and Flood Coverage limit increased to \$25,000; subject to conditions of the Memorandum of Property Coverage.

Attached are the following documents for the April 1, 2015-2016 Property Program renewal:

- Declaration pages
- Scheduled Values
- Premium Invoice - **Please make sure this is routed to your accounts payable unit promptly.**

The invoice is based on the values and items listed on the Schedule of Covered Property. Values for buildings and other structures have been increased by 3.28%; fixed equipment values have been increased by 1.54%. These increases are based on the average increases in construction and acquisition costs as calculated by published indexes

The Property Program provides automatic coverage for newly acquired or constructed property with values less than \$5,000,000. However, unreported property that was acquired prior to the renewal date is not covered until it has been reported. No adjustments have been made to values that your agency reported for personal property, and mobile equipment. These values are the responsibility of members to evaluate and should have been checked for accuracy.

In an effort to reduce expenses and save both paper and postage, the JPIA is not mailing out the MOPC to members except by specific request. The MOPC will be available on April 1, 2015 on the JPIA's website, where it can be viewed, downloaded or printed. To access it, please go to www.acwajpia.com ; click on the tab labeled "Coverage Programs", then Property Program. When you click on Memorandum of Coverage, you will be asked for a username and password. The username is: *jpiamember*; the password is: *water*.

If your agency would like a hard copy of the MOPC, please contact Member Services. Any questions regarding the Property Program can be directed to Member Services.

c: without enclosures: JPIA Director