

AGENDA
Borrego Water District Board of Directors
Regular Meeting
April 22, 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
 - Special meeting of March 17, 2015 (3-4)
 - Regular meeting of March 25, 2015 (5-8)
 - Town Hall meeting of March 25, 2015 (9-12)
- 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: J. Hoyt (13)

II. CURRENT BUSINESS MATTERS

- A. Presentation by JPIA Executive Member, Chuck Muse, regarding refund.
- B. Discussion and possible approval of construction water sales to Ocotillo Wells solar farm(15-24)
- C. Discussion of Executive Order B-29-15 regarding emergency twenty-five percent (25%) mandatory water use reductions amid the California drought (25-37)
- D. Discussion of Groundwater Sustainability Plan (GSP) funding options (38-50)
- E. Discussion and possible approval of Resolution 2015-04-01, to accept terms and conditions for a loan from BBVA Bank to refinance Viking Ranch loan (51-54)
- F. Prop 1 funding work shop review of March 25, 2015 and April 16, 2015. (55-58)
- G. Review of planning calendar (59-60)

III. STAFF REPORTS

- A. Financial Reports – March 2015 (61-72)
- B. General Manager / Operations Report (73-79)
- C. Water and Wastewater Operations Report – March 2015 (80)
- D. Water Production/Use Records – March 2015 (81-84)

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 | (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. California Assembly members push to speed up water storage (85)

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

The next Special Meeting of the Board of Directors is scheduled for May 19, 2015 at the Borrego Water District
The next Regular Meeting of the Board of Directors is scheduled for May 27, 2015 at the Borrego Water District

**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Tuesday, March 17, 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
Wendy Quinn, Recording Secretary
Public: Trey Driscoll, Dudek Jim Engelke
Dave Otis Ruth Otis
- D. Approval of Agenda: *MSC: Brecht/Tatusko approving the Agenda as corrected (Item II.B.c. is not a Town Hall presentation).*
- E. Comments from Directors and Requests for Future Agenda Items: None
- F. Comments from the Public and Requests for Future Agenda Items: None

II. CURRENT BUSINESS MATTERS

A. Public meeting to discuss Groundwater Sustainability Plan Policy
Recommendations: Director Brecht stated he would provide an updated list of the Borrego Water Coalition members to Jerry Rolwing.

President Hart presented an overview of the Sustainable Groundwater Management Act and the BWC and welcomed public input regarding the BWC policy recommendations.

B. Review of Town Hall presentations:

a. State of the District briefing on infrastructure, groundwater levels, basin inflow/outflow, water quality and the general direction of the groundwater management by General Manager Jerry Rolwing:

Mr. Rolwing narrated a PowerPoint presentation highlighting water and wastewater infrastructure, California State Groundwater Elevation Monitoring (CASGEM), residential water usage, groundwater basin inflow versus outflow, water quality and the Groundwater Sustainability Plan. Borrego cannot afford to import water, so we must use water efficiently and take control of our water future.

b. How does the Sustainable Groundwater Management Act affect the citizens of Borrego Springs by Board President Beth Hart:

President Hart presented this information during the previous Agenda item.

B.1 What will it cost for developing a plan to manage the Borrego Valley Groundwater Basin (BVGB), who all will pay these costs, and how much will ratepayers be asked to pay? PowerPoint presentation by Director Lyle Brecht: Director Brecht introduced his PowerPoint presentation with a graph comparing costs over time associated with an unmanaged versus managed basin. The cost of an unmanaged basin was significantly higher. Borrego will not run out of water soon, but the costs will escalate if we do nothing. Director Brecht summarized studies documenting the existence of an overdraft, and went on to outline the pros and cons of adjudication versus voluntary compliance with the SGMA. Options to achieve these results include “command and control regulations,” public financing, a market-based solution or

do nothing and wait for the State to take control. The BWC suggests developing market-friendly regulations, seeking some public financing and adjudicating only if the community can't or won't cooperate to develop an acceptable Groundwater Sustainability Plan.

Director Brecht estimated the cost of developing the plan at \$1.5 million over two to three years. He outlined various scenarios for dividing the cost among municipal users, farmers and recreation, with a blended proportional share providing the most equal division.

Director Brecht emphasized the need to act now, and suggested beginning with development of a budget and cost estimate with help from legal counsel, District staff and the public. He went on to summarize groundwater issues throughout the State and nation, noting that Borrego's are much less onerous than many.

C. Discussion and potential decision regarding status of direct placement financing to refinance the Viking Ranch note: Director Brecht announced that two banks are potentially interested in refinancing the Viking Ranch note. BBVA Compass Bank has submitted a quote and would like a decision today, but the Due Diligence Committee recommends requesting an extension of time and continuing to negotiate pending receipt of a quote from Umpqua Bank. The Board concurred in the recommendation.

D. Update on submittals of solar Request For Proposals: Mr. Rolwing reported that bidding closed at 5:00 p.m. yesterday for the solar RFPs. Four proposals were received for both options (purchase and power purchase agreement). The Operations and Management Committee will meet this week to review them and make a presentation at the next Board meeting.

E. Discussion of potential agenda items for March 25th board meeting: Agenda items for the next meeting will include a decision on submittals from solar Request for Proposals; consideration and possible decisions on hiring a consultant to address return flows and their impact on reduction policy, hiring a consulting project engineer for GSP activities, and directing counsel to propose a funding mechanism for GSP-related costs; acceptance of water credits from potential donors; an update on FEMA guidelines and building permits; consideration of application of the formula for A-1 and A-2 water credits for Rams Hill elsewhere in the Borrego community; agreement with Taussig for consulting services; and the budget.

III. INFORMATION ITEMS

A. Volatile Organic Compound (VOC) regulations: Information on the VOC regulations was included in the Board package.

B. Articles from *The Desert Sun*: Two articles from *The Desert Sun*, one on a pending clean water bill for the East Coachella Valley and one on the settlement of a lawsuit between Imperial County and the Imperial Irrigation District relative to the Salton Sea, were included in the Board package.

C. Letter from M. McElhatton, ABDNHA: President asked Director Tatusko to attend the April 10-11 program on "Desert Living: Water and Energy," coordinated by the Anza Borrego Desert Natural History Association.

IV. CLOSING PROCEDURE

There being no further business, the Board adjourned at 10:50 a.m. 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, 4:00 p.m. at the Performing Arts Center.

**Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, March 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
 Diana Del Bono, Administrative Assistant
 Wendy Quinn, Recording Secretary
Public: Emily Brooks Jack Kuhrts
 Jeannie Beck, *Borrego Sun*
- D. Approval of Agenda: **MSC: Brecht/Delahay approving the Agenda as written.**
- E. Approval of Minutes:

Special meeting of February 17, 2015

MSC: Brecht/Tatusko approving the Minutes of the Special Meeting of February 17, 2015 as corrected (Item II.A, paragraph 1, change the first sentence to read in part, “. . . inquired about implementation funding . . . ;” paragraph 3, change the first sentence to read, “President Hart explained the current water credit system and how it will need to be changed to address maintaining its current 1:1 ratio;” Item II.B, first sentence, change “GMA” to “SGMA”).

Regular meeting of February 25, 2015

MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of February 25, 2015 as written.

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

H. Correspondence: Letter from Borrego Water Coalition: Jerry Rolwing announced that the BWC had written to BWD and the County regarding its role in the Groundwater Sustainability Plan. The issue will be discussed further in closed session, referred to the Strategic Planning Committee and revisited at one of the April Board meetings.

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of Agreement for Consulting Services with David Taussig & Associates to provide financial consulting: Mr. Rolwing explained that Taussig & Associates answers tax questions for the District and works with the County Assessor to include some of the District’s funding on the property tax roll. He recommended approval of the consulting agreement for a maximum of \$2,750. **MSC: Brecht/Estep approving the Agreement for Consulting Services with David Taussig & Associates to provide financial consulting and authorizing the General Manager to sign it.**

B. Discussion and possible decision regarding hiring a consultant to address uncertainties regarding return flow impact on reduction policy: Director Brecht explained that the BWC's recommendation to reduce withdrawals from the aquifer by 70 percent over 20 years was thought to be too high by some because of the impact of return flows from agriculture, golf courses and septic tanks. Mr. Rolwing recommended that this issue be addressed in the Groundwater Sustainability Plan, and Director Brecht asked him to contact an engineering firm and request a cost estimate for assistance in including it in the GSP. Another source of information would be the USGS.

C. Discussion and possible decision regarding hiring a consultant project manager to identify price and coordinate all the GSP related activities: Director Brecht noted that the District is already spending money on the GSP, and he recommended identifying a way to spread these expenses among all water users in Borrego Valley. He also suggested a consultant to help in developing the GSP. Mr. Rolwing suggested Dudek, and the Board agreed that the Due Diligence Committee would meet with Dudek's representative to develop a scope of work.

D. Discussion and possible decision regarding directing District Counsel to prepare a funding mechanism to pay for GSP related costs: This issue was referred to the Due Diligence Committee.

E. Discussion and possible decision regarding the acceptance of water credits and land by the District from potential donors: Director Brecht explained that there are some agricultural landowners in the Borrego Valley who would like to consider donating land or water credits to the District for tax advantages. He suggested seeking legal advice. Mr. Rolwing suggested asking the potential donor to pay for the opinion. The matter was referred to the Due Diligence Committee for consultation with Morgan Foley.

F. Discussion of modifying the Water Credit policy in respect to A-1 and A-2 credits: Mr. Rolwing referred to the District's Water Credit Policy, which designates different types of credits; i.e., A-1 for County New Development Projects and A-2 for Borrego Water District only. The Board previously agreed that T2 Borrego could convert AG-2 credits to AG-1 at a 1.33:1 ratio. Mr. Rolwing recommended adoption of an amendment to the Water Credit Policy to allow other applicants to take advantage of the conversion offered to T2, at the same ratio. ***MSC: Brecht/Delahay referring the matter to the Executive Committee to develop policy language.***

G. Discussion and possible approval of awarding contract for construction of solar array at the Wastewater Treatment Plant: Director Tatusko distributed a summary of the proposals for a solar power system reviewed by the Operations and Management Committee and the Committee's findings and recommendations. The Committee recommended an outright purchase of the system based on its larger long-term savings as compared to a power purchase agreement. After reviewing all proposals, the Committee recommends purchasing a turnkey 100kW system using LTS Solar Energy out of Ramona, CA. The total cost would be \$325,360. Mr. Rolwing noted that other organizations which had worked with LTS had very favorable comments. ***MSC: Brecht/Estep approving the contract with LTS Solar Energy on the recommendation of the Operations and Management Committee and authorizing the General Manager to sign the contract.***

Director Brecht recommended establishing a method by which to evaluate the success of the solar system, and Mr. Rolwing stated that David Dale is already working on it. Director Brecht further suggested that in the next Proposition 218 process, consideration be given to an energy cost pass-through to the ratepayers. Mr. Foley should be consulted on this.

H. Review of Planning Calendar: President Hart inquired about the draft MOU with the County regarding GSP development. Mr. Rolwing informed her he had a meeting with the County on April 14, and suggested the item be moved to April on the planning calendar, and the implementation of GSP funding mechanism and start of GSP development be moved to June.

Director Brecht suggested that the check to see if water credit pricing needs to be adjusted (Item 29) be reviewed by the Due Diligence Committee to determine if it should be done more frequently in light of the GSP.

III. STAFF REPORTS

A. Financial Reports – January 2015: Director Tatusko suggested a single line item for groundwater management.

B. Financial Reports – February 2015: The February Financial Reports were included in the Board package.

C. General Manager/Operations Report: Greg Holloway reported a main break at the end of Flying H. The District is investigating easement rights in the area.

Mr. Rolwing reported that Claudia Faunt, USGS, had provided updated text and tables for her report via e-mail. A hard copy is expected within two months. Mr. Rolwing and Director Tatusko will attend a State Water Resources Control Board workshop tomorrow. Repairs to District lighting requested by the Dark Sky Coalition have been completed and approved by the Coalition. Three agricultural properties are awaiting following.

Director Brecht pointed out that the deadline referenced in paragraph 1 under “District Level” in Mr. Rolwing’s written report should be 2020.

C. Water and Wastewater Operations Report – February 2015: Mr. Holloway reported that the District has renewed its meter replacement program. Seventy to eighty percent of the meters in ID4 were replaced during the last program. The “water loss” (unaccounted-for water) is continuing to decline.

D. Water Production/Use Records - February 2015: 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 was continuing to work on 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.

4. Executive Committee

President Hart reported that the Committee was working with a representative of the Cameron Brothers to rewrite the Club Circle Golf Course lease.

The Committee has not yet met with Mr. Daoust to address his water rate concerns.

5. Operations & Management Committee

Director Delahay referred to Mr. Holloway's report, and added that the Committee had been working on the solar proposals.

6. Parks Committee

Director Brecht pointed out that it will be important during the next two years to determine how the parks' water will be funded.

7. CFD Committee

The Committee is awaiting information from Mr. Foley.

VI. INFORMATION ITEMS

A. Groundwater Sustainability Program – Draft Strategic Plan: The DWR's draft strategic plan for the Groundwater Sustainability Program was included in the Board package. Director Brecht suggested including a link to it in the District's website.

B. Town Hall Agenda: The Town Hall Meeting Agenda was included in the Board package.

C. JPIA Memorandum: Referring to a memo from JPIA in the Board package, Director Tatusko noted that the District's rates have been reduced, and BWD was mentioned in the JPIA newsletter for its commitment to the safety program.

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: The Board adjourned to closed session at 10:30 a.m. The open session reconvened at 12:00 p.m. There was no reportable action.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 12:00 p.m. to 4:00 p.m. for the Town Hall Meeting at the Performing Arts Center. 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.

**Borrego Water District
MINUTES
Borrego Water District 2015 Town Hall Meeting
Taking Control of Our Water Future
Wednesday, March 25, 2015, 4:00 PM
Borrego Springs Performing Arts Center
590 Palm Canyon Drive
Borrego Springs, CA 92004**

Attendance:

Directors Present: President Hart, Vice-President Lyle Brecht, Secretary/Treasurer Tatusko, Delahay, Estep

Staff: Jerry Rolwing, General Manager
Greg Holloway, Operations Manager
Diana Del Bono, Administrative Assistant
Jeanne Fredericks, Customer Service Representative
Wendy Quinn, Recording Secretary

Public: Bill Haneline
Ray Schindler
M.B. McCaffray
Davies Mayks, Jr.
Kathy Johnston
Steve Russell, Helping Hands
Joan Kirk
Tom Kimmerle
Brett Stearns
Harley Hartman
Ralph Batie
Dennis Jensen, Oasis
Greg Young, W.D. Young
Diane Hydoski
Ruth Otis
Nancy Stearns
Ralph Singer, ABF
Jim Wermers
Jim Engelke
Ann Hamilton
Judith Young
George Abrams
Kendall Kyle

Harley DeVaux, *Borrego Sun*
Robert Vandenburg
Jerry Bisset
Duane Young, AWARE
Rebecca Falk, Desert Way Realty
Jan Alden
Richard Gray
Joya Hoyt
Kathy Dice, State Parks
Jack Kuhrts
Mark Vonast
Martha Deichler, Borrego Water Coalition
Jim Bennett, County of San Diego
Dave Otis
Thomas Fredericks
Dan Jellis
Janet Brecht
Marshal Brecht
Dick Walker
Emily Brooks
Dick Nickerson

1) Greetings & Introductions. Martha Deichler, Superintendent, Borrego Springs Unified School District. Martha Deichler introduced the BWD Board members and speakers.

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. Jerry Rolwing highlighted the District's

infrastructure, the mandatory California State Groundwater Elevation Monitoring (CASGEM) reporting, water usage levels versus outflows, water quality and the Groundwater Sustainability Plan (GSP).

3) What is the Sustainable Groundwater Management Act? Jim Bennett, San Diego County Department of Planning and Development Services. Jim Bennett reported on a recent conference he attended regarding the Sustainable Groundwater Management Act (SGMA). Other participants included the Department of Water Resources, the State Water Resources Control Board and consultants. He explained that in 2014, three bills were passed to strengthen groundwater management. Local agencies with basins at a medium or high priority groundwater extraction level are now required to develop GSPs. Priorities are determined by population, projected growth, wells, irrigated acreage and reliance on groundwater. DWR is considering subdividing the Borrego Valley basin, which now includes territories beyond the Borrego Water District.

Basins in overdraft need to develop a GSP by 2020, followed by implementation. If deadlines are missed, the State can take over management of the basin. A Groundwater Sustainability Agency is required, which in our case can be BWD or the County or both. Public outreach will be included, as well as identification of stakeholders. The Community Sponsor Group and the Borrego Water Coalition will participate. Guidelines from DWR are expected by June 2016.

Mr. Bennett explained that Sustainable Groundwater Management means management of groundwater to prevent undesirable results. Tentatively the GSP will include well metering and mandatory groundwater measurement. Limitations may be set and fees assessed. The DWR's roles will be establishment of basin boundaries and guidelines, administration of Proposition 1 funding for implementation, review and assessment of GSPs and corrective action for deficiencies. The SWRCB will intervene with noncomplying agencies.

Land use requirements will have to change. Today the County requires a 1:1 mitigation ratio for development, but that will not work under the new law.

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. Director Brecht presented a graph depicting a groundwater management cost comparison under Option A, an unmanaged basin, versus Option B, a managed basin. The Option A cost was significantly higher. He noted that Borrego is not going to run out of water, but without positive action, it will become very expensive.

Director Brecht summarized past studies indicating that the Borrego Valley is in a state of overdraft. He pointed out that there is no aquifer "over the hill" available for Borrego's use, and no possibility of importing water. A managed basin needs to be sustainable over a long period of time. The new State law mandates a 70 percent decrease in withdrawals in the next 20 years. He explained pros and cons of doing this by litigation/adjudication or having the State take over. A third alternative, suggested by the BWC, would be to develop a GSP to reach a sustainable yield within 20 years and impose penalties on pumpers who don't meet their annual reduction targets. Meters would be required on all production wells.

The GSP cost estimate is \$1.5 million over two or three years. Director Brecht recommended that all current users pay a share, including agriculture, recreation and

BWD ratepayers. Should shares be determined by acreage, annual withdrawals, property value, water rights or a blend? A proportional share of water rights or a blended system would be most equally apportioned. Director Brecht presented a chart showing the estimated increase for current ratepayers, ranging from \$1.65 to \$5 per month for five years. He went on to explain how the District is doing as far as cash flow, now on the positive side after five years with the current administration.

5) How does the Sustainable Groundwater Management Act affect the citizens of Borrego Springs? Board President Beth Hart. President Hart emphasized the need for the community to work together and preserve the unique character of our area. The BWC has been working toward this goal and has drafted policy recommendations for the GSP, available on the BWD website. BWC and BWD will continue to work together and with the County to refine these recommendations. President Hart pointed out that Borrego is ahead of many areas in the planning process, and has already developed a framework. We hope to maintain local control while conforming to legal mandates, and will apply for Proposition 1 grant funds although not counting on it. President Hart invited representatives from all factions to join in the effort.

6) Moderated, written questions from the audience for specific presenters. Ray Schindler asked Mr. Bennett, in light of the AB 1739 provision that a local agency may impose fees once a groundwater management plan is in effect, can these fees be imposed on golf and agriculture? Mr. Bennett explained that under the new legislation, a groundwater management plan is not in effect. Mr. Rolwing added that the District has a 2002 GWMP, but it doesn't really address the current requirements. Mr. Schindler further asked whether the SGMA can limit extraction from wells, as it states. Mr. Bennett replied that although the legislation provides that authority, it should be used carefully to avoid being punitive or interfering with business. Next, Mr. Schindler inquired why some water districts are exempt from the legislation. Mr. Bennett cited Orange County Water District as an example. They have an exemplary track record and an effective GWMP. The State has deemed this and others exempt because they are already managing their basins in a satisfactory manner. Mr. Schindler wondered if adjudication would exempt Borrego from planning. Mr. Bennett explained that this would be addressed as the process moves forward. Lastly, Mr. Schindler inquired about possible bonds. Who would pay them back? Mr. Bennett replied that it would depend on how the bonds were set up.

Another member of the audience asked Ms. Deichler what was the goal of the GSP process. Ms. Deichler replied that from the perspective of the BWC and the School District, the goal is to work together, listen, learn and come to agreement on how to divide water use and save our aquifer.

The next question was how can we reduce the 14,000 acre-feet of water used by agriculture each year. It was explained that farmers are using less water and producing more crops, and these efforts will need to continue, with the probability that a lot of agriculture will eventually leave Borrego Valley.

Director Brecht was asked where the GSP funding would come from, and he referred to the options outlined in his presentation.

In response to an inquiry about the possible purchase of agricultural water, per a BWC suggestion, Director Brecht explained that this would be addressed once a GSP is developed.

Mr. Rolwing responded to a question about the possible subdivision of the Borrego Valley basin. The overdraft exists from the Texas Dip to the north, while Ocotillo Wells, the State Park, Bureau of Land Management territory and parts of Imperial County are included in the basin. There are no major pumpers in these areas.

Another question regarded how the adjudication in Santa Margarita Basin was working. Mr. Bennett replied that a Water Master has been appointed, but he was unable to comment on how it was working. Director Brecht added that he was aware of no adjudicated basins that did not rely on supplemental water.

Responding to an inquiry as to whether, in view of the contention that 80 percent of the local water users were cooperating through the BWC, the remaining 20 percent would cooperate, Mr. Rolwing hoped so. Director Brecht thought it unlikely that 100 percent would cooperate in any plan, but would like as many on board as possible.

Since the idea of groundwater management is new to California, what are the mind sets of the State and counties? Mr. Bennett cited the recent drought, noting that from San Diego County's perspective, the new legislation mandates action and the County is prepared to take it.

In response to the question of whether the distribution of costs for development of the SGMA would set a precedent for how the implementation costs are distributed, Director Brecht stated there was no correlation.

7) Comments from the audience. Mr. Schindler cited assessments and bonds as possible ways to pay for agricultural water. He questioned how the bonds would be repaid, and opined that perhaps adjudication would be the fastest and cheapest way to retire agricultural land or drastically reduce its water use. Mr. Schindler then questioned who would use agricultural water if it were purchased. Perhaps solar farms? He urged the Sponsor Group to remain vigilant on these issues.

President Hart thanked all those who asked questions and made comments, and announced that Board members would be available after the meeting for further discussion.

There being no further comments, the meeting was adjourned at 5:35 p.m.

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 *Excellent presentation*
- 5) How does the Sustainable Groundwater Management Act affect the citizens of Borrego Springs? Board President Beth Hart *Great speech*
- 6) Moderated, written questions from the audience for specific presenters
- 7) Comments from the audience

Dear Waterboard -
It was very pleased to hear the issue of monitoring quality of air and water mentioned a number of times in the meeting - it is our biggest deciding factor as to whether we stay.
Royalty

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Ocotillo Wells Solar Project

Borrego Water District Board Briefing Paper

1 PROJECT BACKGROUND: WATER NEED

- The Ocotillo Wells Solar Farm was approved in January 2014 by the County of San Diego (see attached map for location).
- Water demand during construction is anticipated to be approximately 12.86 million gallons (40 acre-feet) (see attached excerpt from Project Description)

2 PROJECT CONDITION: GROUNDWATER

- As part of project approval, the County imposed a number of conditions, including ones to address groundwater use (construction & ongoing).
- Groundwater Use Reduction: the project shall permanently stop the withdrawal of at least 2 acre-feet of water annually from the Borrego Valley aquifer (this translates into 8 acres of citrus land).
- Options for use reduction include *either* the purchase of 2 acre-feet worth of water credits from Borrego Water District *or* ending 2 acre-feet worth of irrigation on land in the Borrego Valley aquifer area.
- Required acreage to be fallowed is based on the below table:

Vegetation Type	Groundwater Consumptive Use Per Acre (acre-feet/acre/year)
Citrus (all types)	4.9
Nursery plants	4.5
Palms (all types)	3.7
Tamarisk	1.7
Turf (warm season)	5.1
Turf (winter cool/summer warm)	5.6
Potatoes	0.8

County Table of Groundwater Consumption Per Vegetation Type



April 14, 2015

3 PROJECT CONDITION: GROUNDWATER #2

- The County also caps pumping at 5 acre-feet per year from the onsite wells for ongoing panel washing and O&M uses. In other words, there is ***sufficient onsite capacity*** to meet the project's ongoing demand, and we will not be back seeking water in the future.

4 PROJECT CONDITION SATISFACTION: FALLOW FARMLAND

- We propose satisfying groundwater condition #1 by purchasing farmland in Borrego Springs and fallowing acreage corresponding to the County's table above.
- We have initiated efforts to work with local farmers to find a suitable piece of property for acquisition.

5 ATTACHMENTS

- Project location map
- Excerpt from Project Description detailing construction water use
- Excerpt from Project Description detailing ongoing water use
- Excerpt from County Conditions for Ocotillo Wells Solar Major Use Permit (January 2014)



April 14, 2015

UTILITIES

Water

Construction

Water for construction would be provided via the proposed onsite well. Alternatively, water for construction may be provided via the existing onsite well or via water truck that would be filled at an offsite location and trucked to the site on an as-needed basis. Water would be used to support Project construction activities and for purposes of dust control.

Initial construction during the first several weeks would include brushing/clearing, trenching, post installation, and onsite access road construction. The remainder of the construction period would include racking, module and combiner installation; module wiring; and, final testing/commissioning, as appropriate to the type of solar technology selected. A permeable soil-binding agent would be applied during construction to stabilize onsite disturbed soils to reduce fugitive dust. As shown in Table 2, *Total Estimated Water for Temporary Project Construction*, maximum total water demand for the construction phase is estimated to be 12.86 million gallons.

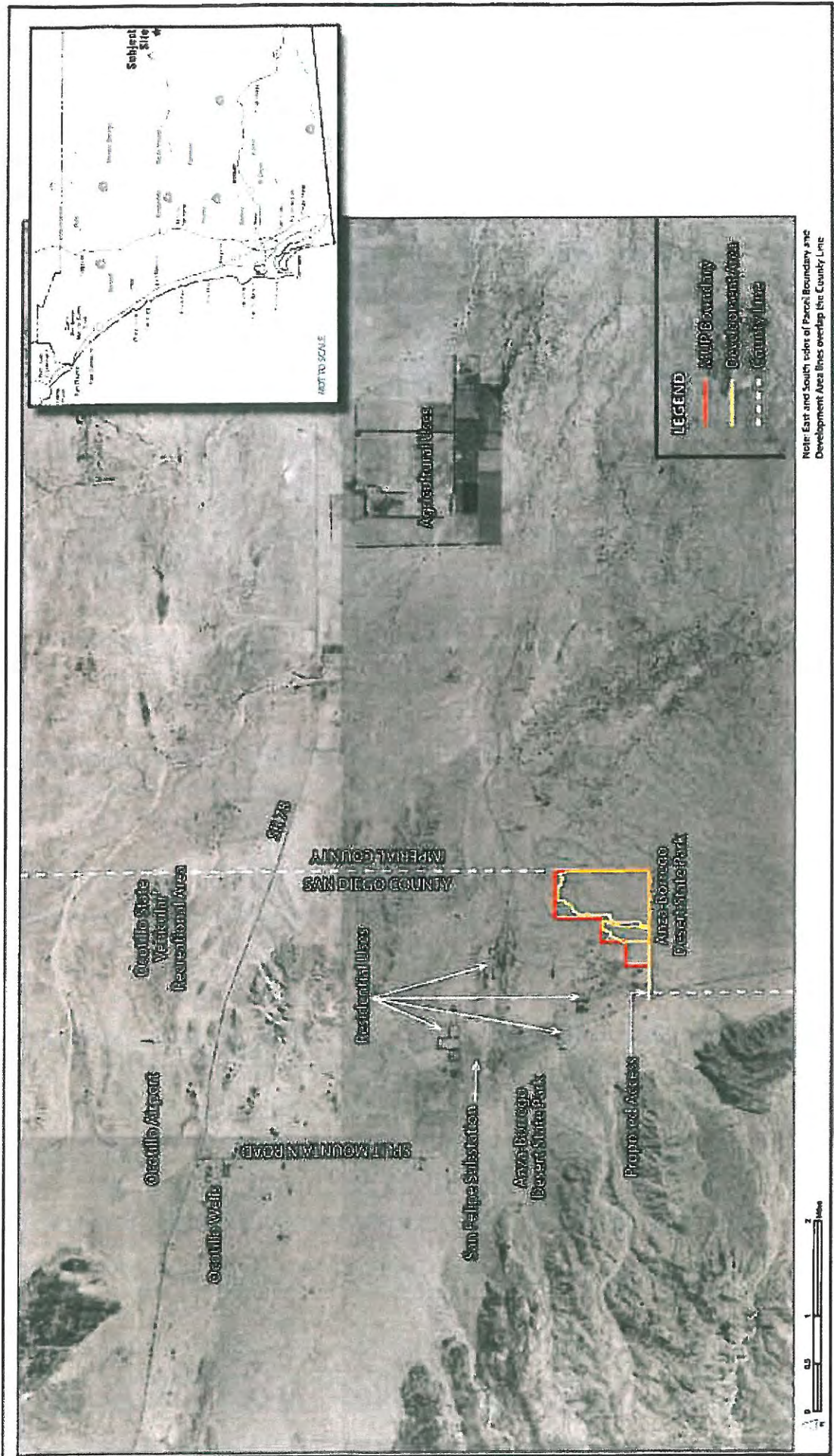
**TABLE 2
 TOTAL ESTIMATED WATER DEMAND FOR PROJECT CONSTRUCTION**

Activity	Total Estimated Water Demand	Area Affected	Total Estimated Water Used (In Millions of Gallons)
Brushing/Clearing	4,000 gal/acre	338 acres	1.35
Grading	30 gal/cubic yard	370,000 cubic yards	11.1
Soil Binding (Roads)	3,300 gal/acre	51 acres (1 acre offsite/50 acres onsite)	0.17
Soil Binding (Land)	825 gal/acre	287 acres	0.24
Total Construction Water	---	---	12.86 million gallons

¹ One acre-foot (AF) = 325,851 gallons.

Operation

As stated above, it is anticipated that the solar panels would be washed four times per year to remove dust particles and other buildup to ensure optimum solar absorption. As shown in Table 3, *Total Estimated Water Demand for Project Operation*, water required for panel washing would vary, based on the type of solar technology system used. Additionally, water would be used for maintenance of the onsite roadways for dust suppression purposes. As stated above, water used for maintenance purposes would be supplied by the proposed well, or alternatively, via the existing onsite well or via water trucked in from a local water source. Onsite groundwater supplies have been determined adequate to supply a portion of the anticipated



Note: East and South ends of Parcel Boundary and Development Area lines overlap the County Line

Ocotillo Wells Solar
REGIONAL/LOCAL VICINITY MAP
 Figure 1

RBF CONSULTING
 Source: National Agriculture Imagery Program (NAIP) 2010

Project demands. If it is determined that water from either the proposed or existing wells is too hard to be utilized for panel washing, a filtration system would be used to treat the water.

If use of a filtration system is implemented for panel washing, it is anticipated that the filtration system would consist of a light truck mounted reverse osmosis (RO) unit having a 90% recovery rate. The RO unit can produce three gallons per minute (gpm) or 1,440 gallons per day (gpd). For the proposed Project, a total of six RO trucks on a 20 work-day work schedule would therefore be required to wash the panels each quarter. This assumes a worst-case scenario of 168,489 gallons of estimated water usage per quarter; see Table 3, below. The RO units with a 90% recovery rate would produce approximately 16,851 gallons of brine wastewater per quarter, or 842.5 gpd. The brine wastewater would be collected and stored onsite within a 10,000-gallon reservoir. The brine wastewater would be trucked offsite on a quarterly basis via truck mounted with a 5,000 gallon tank. The brine wastewater would be disposed of at either the City of San Diego's Wastewater Pumping Station No. 1 or No. 2, located on East Harbor Drive in the City of San Diego. A total of four one-way truck trips [8 average daily trips (ADT), or round-trips] per quarter, or 16 one-way (32 ADT, or round-trips) per year, would be required to dispose of the brine wastewater generated by routine panel washing for the Project. Therefore, runoff from panel washing would not occur, as all brine wastewater would be collected onsite and ultimately disposed of at an offsite location.

TABLE 3
TOTAL ESTIMATED WATER DEMAND FOR OPERATION & MAINTENANCE (ANNUAL)

Activity	Total Estimated Water Demand	Size/Unit	Total Estimated Water Used	Estimated Water Demand (gallons/year and AF/year)
Soil Binding / Dust Control	825 gallons/acre	338 acres	278,850 gallons	278,850 gal/yr or 0.85 AF/yr
Panel Washing				
Single-Axis Rack System	0.67 gallons/panel ¹	194,778 panels	130,501 gallons	522,004 gal/yr or 1.60 AF/yr
Dual-Axis Tracker Units	46.5 gallons/panel ²	2,921 panels	135,827 gallons	543,308 gal/yr or 1.67 AF/yr
Fixed-Axis Rack system	0.51 gallons/panel ¹	330,372 panels	168,489 gallons	673,956 gal/yr or 2.06 AF/yr
Dual-Axis Rack System	30 gallons/panel ²	2,369 panels	71,070 gallons	284,280 gal/yr or 0.87 AF/yr

Note: One acre-foot (AF) = 325,851 gallons. Panels would be washed four times per year.

¹ Approximately one gallon of water/30 s.f. of panel

² Approximately one gallon of water/25 s.f. of panel

County Conditions:

DOCUMENTATION: The applicant shall prepare the RMP and submit it to the [PDS, ZONING] and pay all applicable review fees. **TIMING:** Prior to approval of any plan or issuance of any permit, and prior to use of the premises in reliance of this permit the RMP shall be approved. **MONITORING:** The [PDS, REG] [DPR, GPM] shall review the RMP for compliance with the content guidelines, the conceptual RMP, and this condition.

8. **CULT#1-ARTIFACT CURATION: [PDS, PCC] [BP, GP, CP, UO] [PDS, FEE]**
INTENT: In order to ensure that all cultural resource artifacts that were discovered during the survey, testing and evaluation phase are curated for future research and study, the artifacts shall be delivered and accepted by a County approved curation facility. **DESCRIPTION OF REQUIREMENT:** All archaeological materials recovered by Micah Hale with ASM & Associates during the work reported in: "Archaeological Significance Testing of Four Sites for the Gilded Solar Project San Diego County, California", prepared by Micah Hale and Chad Willis, dated March 2013, have been curated at a San Diego facility that meets federal standards per 36 CFR Part 79, and therefore would be professionally curated and made available to other archaeologists/researchers for further study. The collections and associated records shall be transferred, including title, to an appropriate curation facility within San Diego County, to be accompanied by payment of the fees necessary for permanent curation. **DOCUMENTATION:** The applicant shall provide a letter from the curation facility, which identifies that the archaeological materials referenced in the final report have been received and that all fees have been paid. **TIMING:** Prior to approval of any plan or issuance of any permit, and prior to use of the premises in reliance of this permit, the artifacts shall be curated. **MONITORING:** The [PDS, PCC] shall review the letter from the curation facility for compliance with this condition.
9. **GRNDWTR#1-GROUNDWATER USE REDUCTION MEASURES: [PDS, PCC] [DGS, RP] [UO] [PDS, FEE X 2].** **INTENT:** In order to offset groundwater impacts and protect long term groundwater resources in the Borrego Valley aquifer, groundwater use reduction measures shall be provided as described in Section 67.720.B. of the Groundwater Ordinance. **DESCRIPTION OF REQUIREMENT:** One of the following groundwater use reduction measures shall be used to permanently stop the withdrawal of at least 2 acre-feet of water annually from the Borrego Valley aquifer:
- **Option 1:** In accordance with the following provisions, grant an easement to the County of San Diego on off-site land within the Borrego Valley Exemption area that is being irrigated with at least 2 acre-feet of water annually from the Borrego Valley aquifer:
 - a) The easement shall permanently and completely prohibit the use, extraction, storage, distribution or diversion of groundwater on the property subject to the easement, except for the use of a maximum of one acre-foot of groundwater for a single-family residence.
 - b) The amount and evidence of historic groundwater use and the terms and conditions of the easement shall be subject to approval of the Director of PDS. Evidence of historic groundwater use on the land subject to the

easement may include, but is not limited to, a survey by a California Professional Land Surveyor or Professional Engineer, historical aerial photographs, and a written description of the historical water use.

- c) The quantity of water available for offset shall be based on the total groundwater consumptive use for each vegetation type on the land subject to the easement as determined by the values in the following table:

Vegetation Type	Groundwater Consumptive Use Per Acre (acre-feet/acre/year)
Citrus (all types)	4.9
Nursery plants	4.5
Palms (all types)	3.7
Tamarisk	1.7
Turf (warm season)	5.1
Turf (winter cool/ summer warm)	5.6
Potatoes	0.8

To determine the groundwater consumptive use for each vegetation type within the easement area, the acreage of irrigated land for a particular vegetation type is multiplied by the "Groundwater Consumptive Use Per Acre" as listed in the table above. The "Groundwater Consumptive Use Per Acre" value for any vegetation types not listed in the table above shall be determined by the Director.

- **Option 2:** Obtain water credits issued by the Borrego Water District equivalent to permanently stopping the withdrawal of at least 2 acre-feet of water annually from the Borrego Valley aquifer. Credits issued by the Borrego Water District must comply with the Memorandum of Agreement between the Borrego Water District and the County of San Diego regarding Water Credits dated January 9, 2013, and any amendments thereto, on file with the Clerk of the Board of Supervisors.

DOCUMENTATION: **Option 1:** The applicant shall prepare the draft plats and legal description of the easement, submit them to [DGS, Real Property Division], and pay all applicable fees associated with preparation of the documents. The applicant shall also provide [DGS, Real Property Division] with evidence of historic groundwater use, for review and approval by [PDS, PCC and PDS Groundwater Geologist]. Upon recordation of the easement, the applicant shall provide copies of the recorded easement documents to [PDS, PCC and PDS Groundwater Geologist] for final approval. **Option 2:** The applicant shall provide a copy of the water credits issued by the Borrego Water District to [PDS, PCC and PDS Groundwater Geologist] for approval. **TIMING:** Prior to approval of any plan or issuance of any permit, and prior to use of the premises in reliance of this permit, one of the following is required to be completed: **Option 1:** The easement shall be recorded. **Option 2:** Water credits shall be approved

by PDS. **MONITORING: Option 1:** The [DGS, RP] shall prepare the easement documents and send them to [PDS, PCC] for pre-approval. The [PDS, PCC] shall pre-approve the documents, location of the easement, and the historic water usage information before the documents are released to the applicant for signature and subsequent recordation. Upon recordation of the easements [DGS, Real Property Division], shall forward a copy of the recorded documents to [PDS, PCC and PDS, Groundwater Geologist] for satisfaction of the condition. **Option 2:** A copy of the water credits shall be submitted to [PDS, PCC and PDS, Groundwater Geologist] for satisfaction of the condition.

10. **BIO#5-BURROWING OWL PRE GRADING SURVEY: [PDS, PCC] [DPW, LDR] [GP, IP, MA] [PDS, FEE X2].** **Intent:** In order to prevent inadvertent disturbance to Burrowing Owls, pre grading surveys shall be conducted prior to initiating grading on the site. **Description of Requirement:** Pre-grading surveys must be completed no more than 30 days before initiating brushing, clearing, grubbing, or grading of the project site. One pre-grading survey shall be conducted consistent with Section 3.1 of the Burrowing Owl Strategy. The results of the pre-grading survey must be immediately reported to the County Mitigation Monitoring Coordinator, CDFW and USFWS prior to grading and must be provided in writing (as by e-mail). The written and signed pre-grading survey report must follow within 14 days of the survey or burrowing owl eviction and include maps of the project site and burrowing owl locations on aerial photos and in the format described in the mapping guidelines of the County's Report Format and Content Requirements – Biological Resources.

No grading may occur within occupied burrowing owl habitat during the burrowing owl breeding season (February 1 through August 31).

If burrowing owls are not detected during pre-grading surveys, based on Section 3.4.1.1 of the Burrowing Owl Strategy, the following shall be required:

- a. Following the initial pre-grading survey, the site must be monitored for new burrows each week until grading is complete.
- b. If burrowing owls were not found on the site during the pre-grading survey but are found to be using the site occasionally for roosting or foraging, they should be allowed to do so with no changes in the grading or grading schedule.
- c. If burrowing owls were not found on the site during the pre-grading survey but are found to be using the site repeatedly for roosting or foraging, the County's mitigation monitor should be notified and the portion of the site that has not been graded should be searched for burrows. If no burrow is found, only notification of the County's mitigation monitor is needed. If an active burrow is found, the procedures in section 3.4.1.2 of the Burrowing Owl Strategy must be followed.
- d. If a burrowing owl begins using a burrow on the site at any time after the initial pre-grading survey grading begins, procedures described in section 3.4.1.2 of the Burrowing Owl Strategy must be followed.

MONITORING: The [PDS, Code Enforcement Division] is responsible for enforcement of this permit.

32. GEN#8-DECOMMISSIONING: [PDS, CODES] [OG].

INTENT: In order to ensure the removal of the Solar Energy System and to comply with Zoning Ordinance Sections 7372 and 6952.b.3.iv.a, the decommissioning plan shall be implemented upon discontinuance of the use. **DESCRIPTION OF REQUIREMENT:** The approved decommissioning plan shall be implemented if at such time the use of the property as a photovoltaic solar farm is discontinued for a period of time pursuant to Section 7372 of the Zoning Ordinance as determined by the Director of PDS. **DOCUMENTATION:** The plan shall be implemented by the landowner and or applicant upon discontinuance of the use. **TIMING:** Upon establishment of the use, this condition shall apply for the duration of the term of this permit. **MONITORING:** The [PDS, Code Enforcement Division] is responsible for enforcement of this permit.

33. GRNDWTR#2-GROUNDWATER COMPLIANCE: [PDS, CODES] [OG].

INTENT: In order to ensure impacts to off-site wells remain less than significant, the project shall have an on-site annual groundwater usage limitation of a maximum of 5 acre feet as evaluated in the County Groundwater Guidelines for Determining Significance. **DESCRIPTION OF REQUIREMENT:** The project shall not use more than 5 acre feet of groundwater annually from on-site wells. **DOCUMENTATION:** The applicant shall comply with the maximum water usage allotment. The following is required:

- a. Groundwater production shall be monitored at all on-site pumping wells for a total groundwater production limit of 5 acre-feet per each calendar year. Groundwater production data shall be collected on a monthly basis.
- b. Groundwater production data shall be reported to [PDS Groundwater Geologist] by January 31st of each year summarizing the past calendar year's monthly and total annual groundwater production.
- c. If the project exceeds 5 acre-feet of on-site groundwater usage at any time throughout the monitoring year, on-site groundwater production shall cease until the next calendar year.

Timing: Upon establishment of the use, this condition shall apply for the duration of the term of this permit. **Monitoring:** The [DPLU, Code Enforcement Division] is responsible for enforcement of this permit.

Grading Plan Notes

In addition to the conditions set forth above, the following grading and/or improvement plan notes shall be placed on the grading plan and made conditions of the issuance of said permits:

PRE-CONSTRUCTION MEETING: (Prior to Preconstruction Conference, and prior to any clearing, grubbing, trenching, grading, or any land disturbances.)

34. BIO#11-"BIOLOGICAL MONITORING: [PDS, PCC] [DPW,PDCI] [PC] [PDS, FEE X3]. **INTENT:** In order to prevent inadvertent disturbance to sensitive habitat or

the four variations of solar technology (Fixed-Axis Rack System, Single-Axis Rack System, Dual-Axis Rack System, or Dual-Axis Tracker Units). With installation of the Dual-Axis Tracker Units, the project design would include construction of one substation, a switchgear yard, up to 46 supporting equipment pads, 6 emergency generators, and an operations/maintenance building within the project area. Combined, these project components would result in approximately 87,766 s.f. of lot coverage. The land area affected by the project would be approximately 338 acres (or 14.7 million s.f.) of the total 440 acres. Accordingly, overall lot coverage within the Project area would generally be approximately one percent or less for any of the four technologies considered.

Existing land uses immediately surrounding the project site consist of undeveloped privately-owned land and single-family residential uses. These uses have lot coverage of less than one percent, which is generally consistent with the project components. (RBF Community Character Analysis 2013.) Therefore, the project's lot coverage would be compatible with existing uses immediately surrounding the Project site.

Density:

As density generally pertains to the number of allowable residential units per acre, the project would not conflict with allowable residential densities because the project is an unmanned solar energy system that does not propose any habitable or residential structures.

2. *The availability of public facilities, services, and utilities*

The project would be conditioned to participate in the Community Facilities District (CFD) that is currently being created by the San Diego County Fire Authority (SDCFA). Joining the CFD for fire protection services and payment of the required fees will ensure that fire protection services will be adequate to serve the project. Because the project is unmanned, it will not require connection to a public sewer system. A septic system will, however, be installed to allow for a restroom in the operations and maintenance building for the benefit of maintenance workers. Electric service is presently provided to the project site. There is no natural gas service, and none will be required. Water for construction of the project would be provided by the proposed onsite well; alternatively, water for construction may be provided via the existing onsite well or via water truck that would be filled at an offsite location and trucked to the site on an as-needed basis. The project would comply with groundwater reduction measures that would result in a "no net increase" of groundwater extraction from Borrego Valley. Water for operations will be sourced from a proposed onsite well (alternatively, via water truck if necessary). The project will generate minimal storm water runoff, which will be treated with onsite Best Management Practices (BMPs) and will not require changes to existing offsite storm drain facilities. Therefore, necessary public services and utilities would be available for the project. Therefore, the project would be compatible with available public facilities, services, and utilities.

Executive Department
State of California

EXECUTIVE ORDER B-29-15

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS California's water supplies continue to be severely depleted despite a limited amount of rain and snowfall this winter, with record low snowpack in the Sierra Nevada mountains, decreased water levels in most of California's reservoirs, reduced flows in the state's rivers and shrinking supplies in underground water basins; and

WHEREAS the severe drought conditions continue to present urgent challenges including: drinking water shortages in communities across the state, diminished water for agricultural production, degraded habitat for many fish and wildlife species, increased wildfire risk, and the threat of saltwater contamination to fresh water supplies in the Sacramento-San Joaquin Bay Delta; and

WHEREAS a distinct possibility exists that the current drought will stretch into a fifth straight year in 2016 and beyond; and

WHEREAS new expedited actions are needed to reduce the harmful impacts from water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.



IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my January 17, 2014 Proclamation, my April 25, 2014 Proclamation, and Executive Orders B-26-14 and B-28-14 remain in full force and effect except as modified herein.

SAVE WATER

2. The State Water Resources Control Board (Water Board) shall impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water suppliers to California's cities and towns to reduce usage as compared to the amount used in 2013. These restrictions should consider the relative per capita water usage of each water suppliers' service area, and require that those areas with high per capita use achieve proportionally greater reductions than those with low use. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.
3. The Department of Water Resources (the Department) shall lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The Department shall provide funding to allow for lawn replacement programs in underserved communities, which will complement local programs already underway across the state.
4. The California Energy Commission, jointly with the Department and the Water Board, shall implement a time-limited statewide appliance rebate program to provide monetary incentives for the replacement of inefficient household devices.
5. The Water Board shall impose restrictions to require that commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water usage in an amount consistent with the reduction targets mandated by Directive 2 of this Executive Order.
6. The Water Board shall prohibit irrigation with potable water of ornamental turf on public street medians.
7. The Water Board shall prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.



8. The Water Board shall direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions. The Water Board is directed to adopt emergency regulations, as it deems necessary, pursuant to Water Code section 1058.5 to implement this directive. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

INCREASE ENFORCEMENT AGAINST WATER WASTE

9. The Water Board shall require urban water suppliers to provide monthly information on water usage, conservation, and enforcement on a permanent basis.
10. The Water Board shall require frequent reporting of water diversion and use by water right holders, conduct inspections to determine whether illegal diversions or wasteful and unreasonable use of water are occurring, and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. Pursuant to Government Code sections 8570 and 8627, the Water Board is granted authority to inspect property or diversion facilities to ascertain compliance with water rights laws and regulations where there is cause to believe such laws and regulations have been violated. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
11. The Department shall update the State Model Water Efficient Landscape Ordinance through expedited regulation. This updated Ordinance shall increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf. It will also require reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015. The Department shall provide information on local compliance to the Water Board, which shall consider adopting regulations or taking appropriate enforcement actions to promote compliance. The Department shall provide technical assistance and give priority in grant funding to public agencies for actions necessary to comply with local ordinances.
12. Agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. The Department shall require those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent data is available. The Department will provide technical assistance to water suppliers in preparing the plans.

13. Agricultural water suppliers that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department by July 1, 2016. These plans shall include a detailed drought management plan and quantification of water supplies and demands in 2013, 2014, and 2015, to the extent that data is available. The Department shall give priority in grant funding to agricultural water suppliers that supply water to 10,000 to 25,000 acres of land for development and implementation of Agricultural Water Management Plans.
14. The Department shall report to Water Board on the status of the Agricultural Water Management Plan submittals within one month of receipt of those reports.
15. Local water agencies in high and medium priority groundwater basins shall immediately implement all requirements of the California Statewide Groundwater Elevation Monitoring Program pursuant to Water Code section 10933. The Department shall refer noncompliant local water agencies within high and medium priority groundwater basins to the Water Board by December 31, 2015, which shall consider adopting regulations or taking appropriate enforcement to promote compliance.
16. The California Energy Commission shall adopt emergency regulations establishing standards that improve the efficiency of water appliances, including toilets, urinals, and faucets available for sale and installation in new and existing buildings.

INVEST IN NEW TECHNOLOGIES

17. The California Energy Commission, jointly with the Department and the Water Board, shall implement a Water Energy Technology (WET) program to deploy innovative water management technologies for businesses, residents, industries, and agriculture. This program will achieve water and energy savings and greenhouse gas reductions by accelerating use of cutting-edge technologies such as renewable energy-powered desalination, integrated on-site reuse systems, water-use monitoring software, irrigation system timing and precision technology, and on-farm precision technology.

STREAMLINE GOVERNMENT RESPONSE

18. The Office of Emergency Services and the Department of Housing and Community Development shall work jointly with counties to provide temporary assistance for persons moving from housing units due to a lack of potable water who are served by a private well or water utility with less than 15 connections, and where all reasonable attempts to find a potable water source have been exhausted.
19. State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including water recycling facilities, reservoir improvement projects, surface water treatment plants, desalination plants, stormwater capture, and greywater systems. Agencies shall report to the Governor's Office on applications that have been pending for longer than 90 days.



20. The Department shall take actions required to plan and, if necessary, implement Emergency Drought Salinity Barriers in coordination and consultation with the Water Board and the Department of Fish and Wildlife at locations within the Sacramento - San Joaquin delta estuary. These barriers will be designed to conserve water for use later in the year to meet state and federal Endangered Species Act requirements, preserve to the extent possible water quality in the Delta, and retain water supply for essential human health and safety uses in 2015 and in the future.
21. The Water Board and the Department of Fish and Wildlife shall immediately consider any necessary regulatory approvals for the purpose of installation of the Emergency Drought Salinity Barriers.
22. The Department shall immediately consider voluntary crop idling water transfer and water exchange proposals of one year or less in duration that are initiated by local public agencies and approved in 2015 by the Department subject to the criteria set forth in Water Code section 1810.
23. The Water Board will prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages. As the Department of Public Health's drinking water program was transferred to the Water Board, any reference to the Department of Public Health in any prior Proclamation or Executive Order listed in Paragraph 1 is deemed to refer to the Water Board.
24. The California Department of Forestry and Fire Protection shall launch a public information campaign to educate the public on actions they can take to help to prevent wildfires including the proper treatment of dead and dying trees. Pursuant to Government Code section 8645, \$1.2 million from the State Responsibility Area Fire Prevention Fund (Fund 3063) shall be allocated to the California Department of Forestry and Fire Protection to carry out this directive.
25. The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation. Title 20, section 1769 of the California Code of Regulations is hereby waived for any such petition, and the Energy Commission is authorized to create and implement an alternative process to consider such petitions. This process may delegate amendment approval authority, as appropriate, to the Energy Commission Executive Director. The Energy Commission shall give timely notice to all relevant local, regional, and state agencies of any petition subject to this directive, and shall post on its website any such petition.



26. For purposes of carrying out directives 2–9, 11, 16–17, 20–23, and 25, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions. This suspension, and those specified in paragraph 9 of the January 17, 2014 Proclamation, paragraph 19 of the April 25, 2014 proclamation, and paragraph 4 of Executive Order B-26-14, shall remain in effect until May 31, 2016. Drought relief actions taken pursuant to these paragraphs that are started prior to May 31, 2016, but not completed, shall not be subject to Division 13 (commencing with section 21000) of the Public Resources Code for the time required to complete them.
27. For purposes of carrying out directives 20 and 21, section 13247 and Chapter 3 of Part 3 (commencing with section 85225) of the Water Code are suspended.
28. For actions called for in this proclamation in directive 20, the Department shall exercise any authority vested in the Central Valley Flood Protection Board, as codified in Water Code section 8521, et seq., that is necessary to enable these urgent actions to be taken more quickly than otherwise possible. The Director of the Department of Water Resources is specifically authorized, on behalf of the State of California, to request that the Secretary of the Army, on the recommendation of the Chief of Engineers of the Army Corps of Engineers, grant any permission required pursuant to section 14 of the Rivers and Harbors Act of 1899 and codified in section 48 of title 33 of the United States Code.
29. The Department is directed to enter into agreements with landowners for the purposes of planning and installation of the Emergency Drought Barriers in 2015 to the extent necessary to accommodate access to barrier locations, land-side and water-side construction, and materials staging in proximity to barrier locations. Where the Department is unable to reach an agreement with landowners, the Department may exercise the full authority of Government Code section 8572.
30. For purposes of this Executive Order, chapter 3.5 (commencing with section 11340) of part 1 of division 3 of the Government Code and chapter 5 (commencing with section 25400) of division 15 of the Public Resources Code are suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.



31. In order to ensure that equipment and services necessary for drought response can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended for directives 17, 20, and 24. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of April 2015.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



MANDATORY CONSERVATION ACHIEVING A 25% STATEWIDE REDUCTION IN POTABLE URBAN WATER USE

FACT SHEET

Background

With California facing one of the most severe droughts on record, Governor Brown declared a drought State of Emergency in January 2014. Since that time, the Governor has issued three additional Executive Orders directing actions to prepare for water shortages. For the first time in state history, the Governor, in his April 1, 2015 Executive Order, directed the State Water Board to implement mandatory water reductions in cities and towns across California to reduce potable urban water usage by 25 percent statewide. This savings amounts to approximately 1.3 million acre-feet of water over the next nine months, or nearly as much water as is currently in Lake Oroville. To achieve these savings, the State Water Board is expediting emergency regulations to set usage targets for communities around the State.

Applicability

The mandatory water reductions, along with specific restrictions on commercial, industrial and institutional irrigation uses, apply to urban water suppliers as defined in water code section 10617, excluding wholesalers. Generally, urban water suppliers serve more than 3,000 customers or deliver more than 3,000 acre feet of water per year. Suppliers regulated by the Public Utilities Commission are included in the mandatory water restrictions. The Executive Order requests that the Public Utilities Commission require investor-owned water utilities to implement reductions consistent with the State Water Board requirements for all other urban water suppliers. The specific restrictions and prohibitions on water use in the Executive Order apply to all Californians and are in addition to the specific restrictions and prohibitions contained in the emergency conservation regulation approved by the Office of Administrative Law (OAL) on March 27, 2015.

Proposed Schedule

The State Water Board is expediting the development and adoption of additional regulations to implement the new restrictions and prohibitions contained in the Executive Order. There will be several opportunities for stakeholder involvement prior to the release of the formal notice of emergency rulemaking. The first opportunity follows the release of a Proposed Regulatory Framework and the second will follow the release of draft a regulation, as follows:

- | | |
|--|-------------------------|
| • Governor issues Drought Executive Order | April 1, 2015 |
| • Notice announcing release of draft regulatory framework and request for public comment | April 7, 2015 |
| • Notice announcing release of draft regulation for informal public comment | April 17, 2015 |
| • Emergency rulemaking formal notice | April 28, 2015 |
| • Board hearing and adoption | May 5 or 6, 2015 |

Content of Emergency Rulemaking Package

This rulemaking package will address the following provisions of the April 1, 2015 Executive Order:

- Ordering Provision 2: Mandatory 25% reduction in potable urban water use;
- Ordering Provision 5: Commercial, industrial and institutional potable water use reductions;
- Ordering Provision 6: Prohibition on using potable water for irrigation of ornamental turf in street medians; and
- Ordering Provision 7: Prohibition on using potable water for irrigation outside of new home construction without drip or micro-spray systems.

Rate structures and other pricing mechanisms, which are very important tools for reducing water use, will be taken up in the coming weeks as required by Ordering Provision 8.

How You Can Help

To meet a mid-May to June 1 timeline for implementation of the emergency regulation, interested persons and organizations will be requested to provide input within one week of a document's release. To assist the Board in most thoughtfully addressing this dire situation, please consider the following general questions as you prepare your comments:

1. Are there other approaches to achieve a 25% statewide reduction in potable urban water use that would also impose a greater responsibility on water suppliers with higher per capita water use than those that use less?
2. How should the regulation differentiate between tiers of high, medium and low per capita water users?
3. Should water suppliers disclose their list of actions to achieve the required water reductions?
4. Should these actions detail specific plans for potable water use reductions in the commercial, industrial, and institutional (CII) sectors?
5. Should additional information be required in the monthly conservation reports for urban water suppliers to demonstrate progress towards achieving the required water reductions?
6. How and when should compliance with the required water reductions be assessed?
7. What enforcement response should be considered if water suppliers fail to achieve their required water use reductions?

How to Provide Input

Information including discussion drafts, draft regulations and related materials will be available on the State Water Board's website at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/emergency_mandatory_regulations.shtml . Clear and concise written comment and questions can be sent to Jessica Bean at jessica.bean@waterboards.ca.gov.

MANDATORY CONSERVATION PROPOSED REGULATORY FRAMEWORK

The Governor's April 1, 2015 Executive Order directs the State Water Board to impose restrictions to achieve an aggregate statewide 25% reduction in potable urban water use through February 2016. The Executive Order stipulates the 25% reduction in water use as compared to 2013, but proposes flexibility in how to achieve this reduction in recognition of the level of conservation already achieved by many communities around the State.

Input Requested: The State Water Board is interested in receiving feedback on these regulatory concepts as well as other ideas on how a 25% reduction could be structured. Please submit comments and ideas on the proposed framework by email to Jessica Bean at Jessica.Bean@waterboards.ca.gov by April 13, 2015.

Urban Water Suppliers

- I. Apportioning Water Supplier Reductions:** The Executive Order directs the State Water Board to consider the relative per capita water usage of each water suppliers' service area, and have those areas with high per capita use achieve proportionally greater reductions than those with low use. Reporting on residential per capita (R-GPCD) water use began in October 2014 for the September 2014 reporting period. Residential per capita water use is highest during the summer months when outdoor irrigation demand is high. Reported summertime water use is also generally more consistent because the weather varies less from year to year than during the winter. Accordingly, September 2014 R-GPCD serves as a reasonable basis for placement of the 411 urban water suppliers into five categories as follows:

R-GPCD Range (Sept 2014)	# of Suppliers within Range	Conservation Standard
Under 55	18	10%
55-110	126	20%
110-165	132	25%
Over 165	135	35%

The proposed breakdown of water suppliers into R-GPCD groupings with corresponding conservation standards is intended to equitably and effectively achieve a 25% aggregate statewide reduction in potable urban water use.

II. **New Reporting Requirements:** To assess compliance by commercial, industrial, and institutional (CII) sector customers and actions taken by urban water suppliers to reduce CII sector use, the following additional reporting requirements are proposed:

- Monthly commercial sector use;
- Monthly large landscape commercial customer use (e.g. golf courses, amusement parks);
- Monthly industrial sector use;
- Monthly institutional sector use; and
- Monthly large landscape institutional customer use (e.g. cemeteries, college campuses).

Reporting requirements under the existing Emergency Regulation that took effect March 27, 2015, will remain in effect.

III. **Compliance Assessment:** To determine if urban water suppliers are meeting required use reductions, water production data, as reported by each individual water supplier for the months of June 2015 through February 2016, will be compared to the same period(s) in 2013. Given the severity of the current drought, the State Water Board will assess suppliers' compliance for both monthly and cumulative water usage reductions.

IV. **Enforcement:**

The State Water Board has a variety of tools available to enforce its regulations:

- Informal enforcement, such as warning letters, can provide a clear reminder to water suppliers of the requirements and an alert that their conservation programs are not achieving the desired water savings. Warning letters would generally not be accompanied by monetary penalties
- Formal enforcement actions include Cease and Desist Orders (CDO) to stop non-compliant activity. These Orders generally contain a description of the specific actions, and a timeline for implementing them, required for the recipient to return to compliance. Non-compliance with a CDO during a drought emergency, such as the current one, can result in a complaint to assess Administrative Civil Liabilities of up to \$10,000 for each day of non-compliance.

In addition to these existing tools, other tools may be needed to ensure compliance for the short duration of the regulations. These tools would be developed through the emergency rulemaking and would remain in effect for its duration (270 days unless extended by the State Water Board). The tools include:

- Informational Orders that would enable the Board to require specific data and other facts on conservation practices if conservation targets are not being met.
- Conservation Orders that would go into effect immediately upon receipt, as opposed to CDOs that can only be issued and enforced after the State Water Board holds an evidentiary hearing, if one is requested. A conservation order would describe the specific actions required for the recipient to come into compliance with the requirements of the regulation. Issuance of a conservation order would be subject to reconsideration by the Board and violation of a conservation order would not be subject to the enhanced penalties associated with violation of a CDO during a drought emergency.

The tools will be used alone, or in combination, to address the following compliance problems:

- Failure of water suppliers to file reports as required by the regulation;
- Failure to implement prohibitions and restrictions as described in the Governor's Executive Orders and the emergency regulation; and
- Failure of water suppliers to meet the assigned water use reduction target.

Small Water Suppliers

There are over 2,600 small water suppliers (those with fewer than 3,000 service connections) that provide water to over 1.5 million Californians. Under the existing Emergency Regulation that took effect March 27, 2015, these suppliers are required to either limit outdoor irrigation to no more than two times per week or to institute measures that achieve a 20% reduction in use. Small suppliers are not required to report their water production to the Board, but are expected to have the data available on request. Small suppliers will need to contribute to achieving the statewide 25% potable urban water use reduction called for in the Executive Order.

- I. **Apportioning Water Supplier Reductions:** Up until the release of the April 1, 2015 Executive Order, all water suppliers were being asked to achieve a voluntary 20% reduction in water use. The existing emergency regulation assigns responsibilities to both larger urban water suppliers and small suppliers to restrict irrigation to achieve the 20% reduction target. Under this proposal, small water suppliers would be required to achieve a 25% water savings as compared to their 2013 water use under the new regulation.

- II. **Reporting Requirements:** To date, small water suppliers have not been required to report on their water use or conservation measures. Small suppliers would now be directed to provide a one-time report to the State Water Board, 180 days after the effective date of the new emergency regulation, addressing at a minimum:
- Potable water production from June-November 2013 and June-November 2015;
 - The number of days per week outdoor irrigation is allowed and other restrictions implemented to achieve a 25% water use reduction; and
 - Specific restrictions on CII sector use.
- III. **Compliance Assessment:** Compliance would be based upon whether small suppliers submitted the required data and met the 25% water use reduction requirement.
- IV. **Enforcement:** The State Water Board may use any of the tools discussed above, as appropriate.

Additional Prohibitions and End-User Requirements

The State Water Board's existing emergency regulation includes a number of water use prohibitions that apply to all Californians and end-user restrictions that apply to specific water users, such as restaurants and hotels. These existing restrictions will remain in effect, and consistent with the Executive Order, the following new prohibitions will be put in place:

- The use of potable water outside of newly constructed homes and buildings that is not delivered by drip or micro-spray systems will be prohibited; and
- The use of potable water to irrigate ornamental turf on public street medians will be prohibited.

The State Water Board will also consider adding requirements for large landscape users (e.g. commercial, industrial, institutional) not served by either type of water supplier discussed above to achieve the 25% statewide reduction in potable urban water use.

BORREGO WATER COALITION POLICY RECOMMENDATIONS

- develop a *Groundwater Sustainability Plan (GSP)*
- reach sustainable yield in no more than 20-years from 2020
- implement penalties for pumpers who do not meet annual reduction targets
- require meters for all production wells in Valley
- [Coalition members represent ~80% of total annual Basin withdrawals & usage]

GSP Development Costs Estimate

Likely ~\$1,500,000 over 2-3 years (+/- ~\$300,000)

WHO PAYS?

- ratepayers or farmers or recreation (golf) - non-defensible
- all present Basin users pay their fair proportional share - defensible

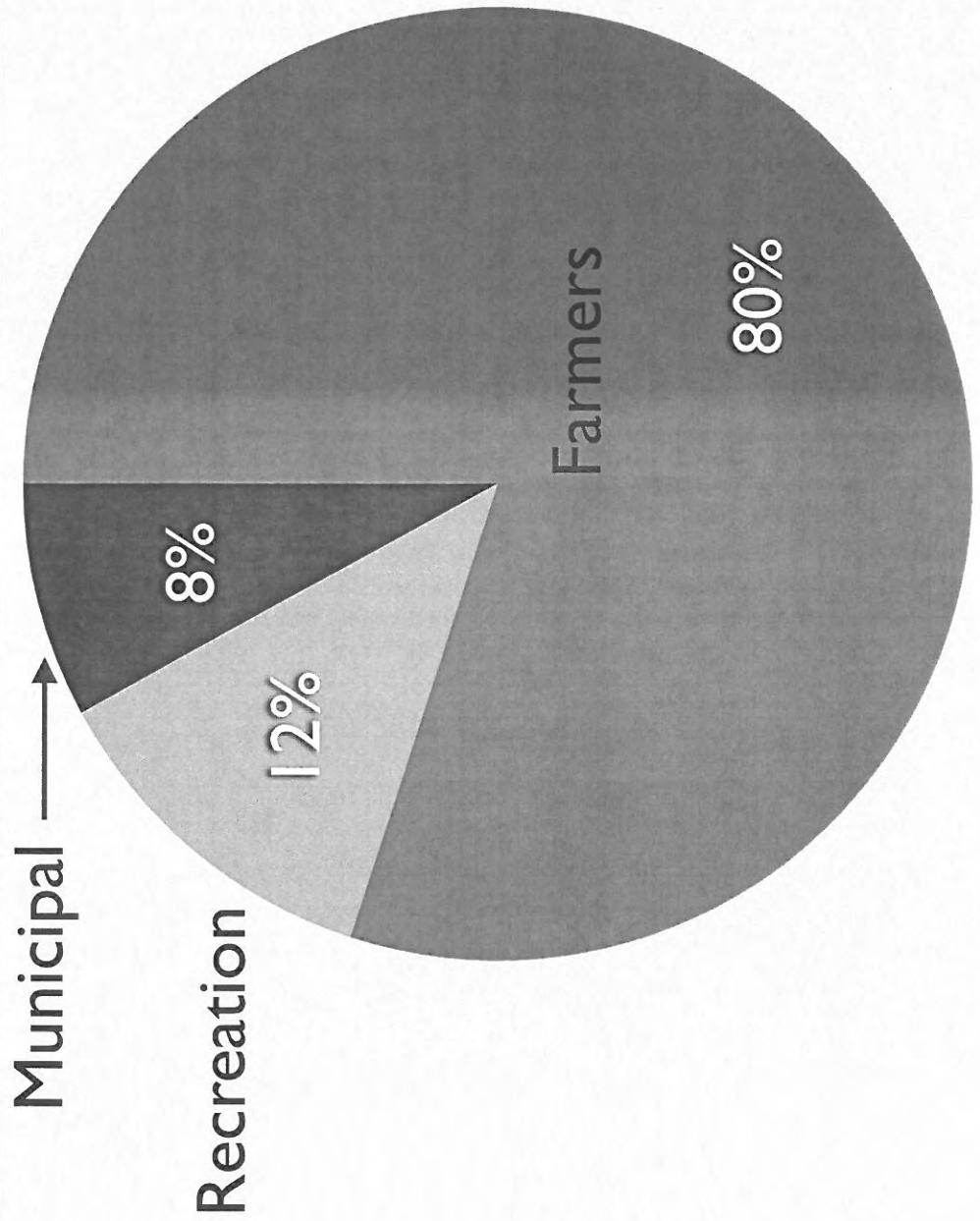
WHAT IS FAIR PROPORTIONAL SHARE OF GSP DEVELOPMENT?

- owned acreage
- annual withdrawals
- property values
- water rights
- blended proportional share

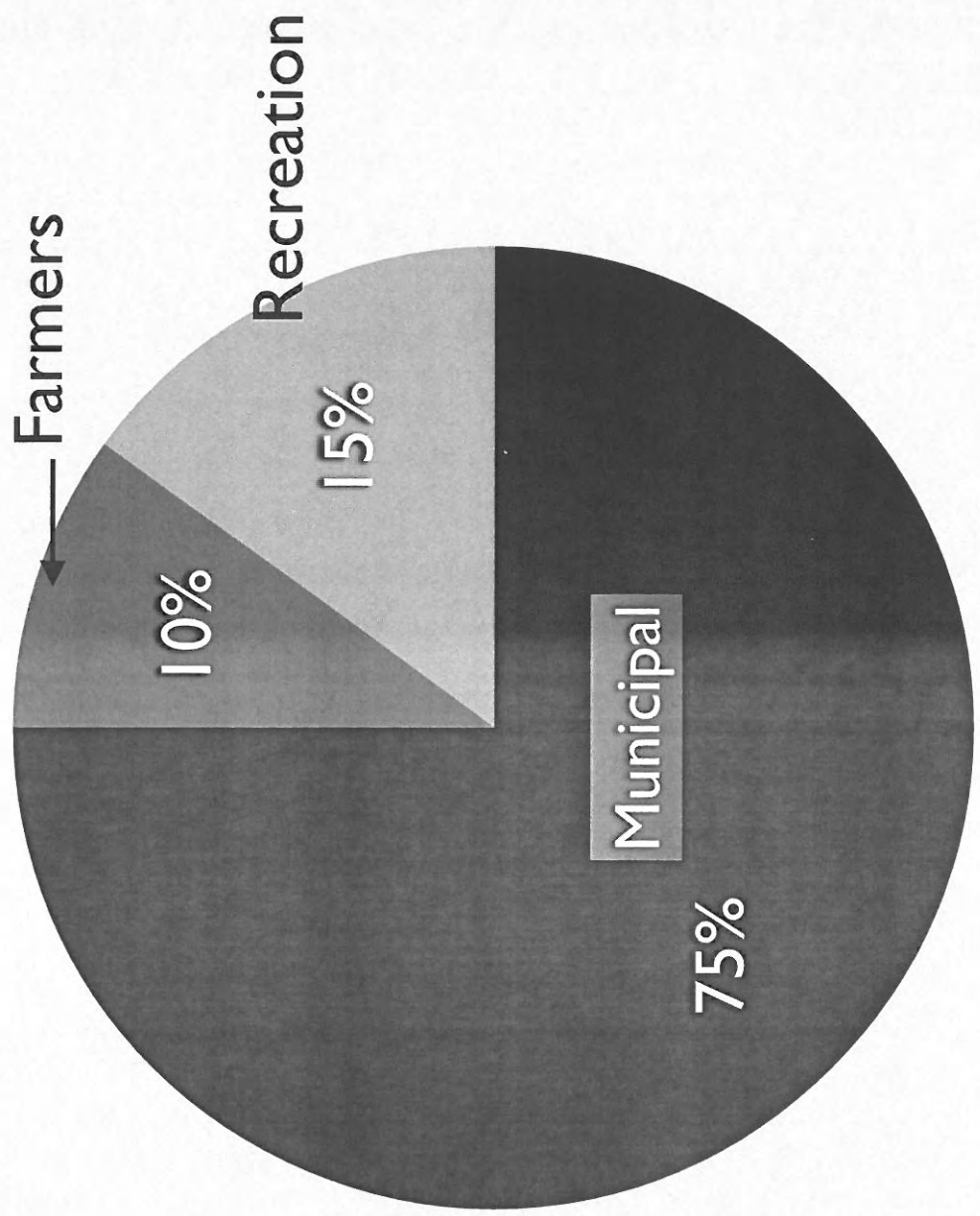
PROPORTIONAL SHARE OF OWNED ACREAGE

- unfair
- three largest land owners in Valley - Anza Borrego Desert State Park, Anza-Borrego Foundation and Dennis Avery estate are some of the lowest water users

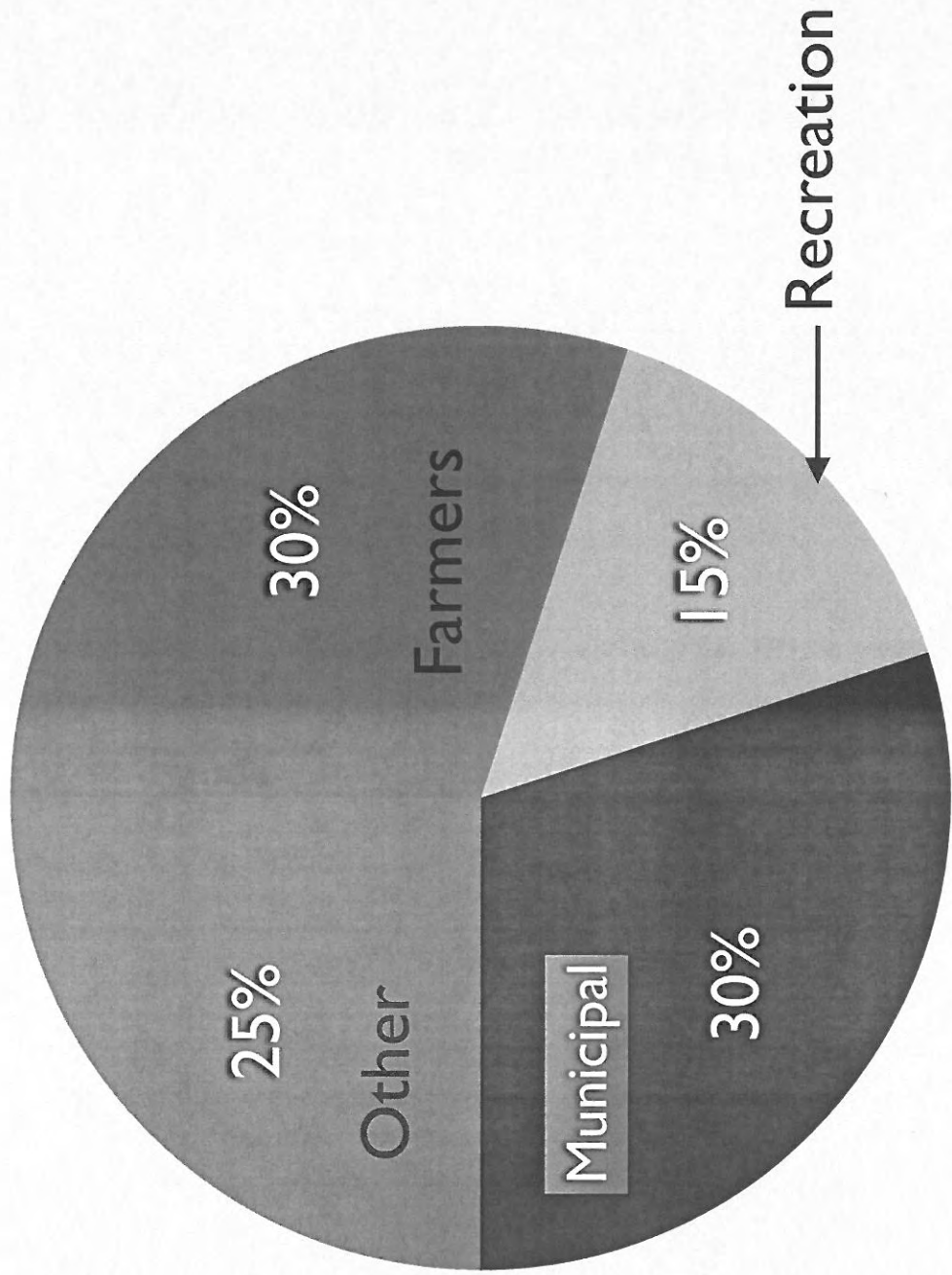
PROPORTIONAL SHARE OF ANNUAL WITHDRAWALS



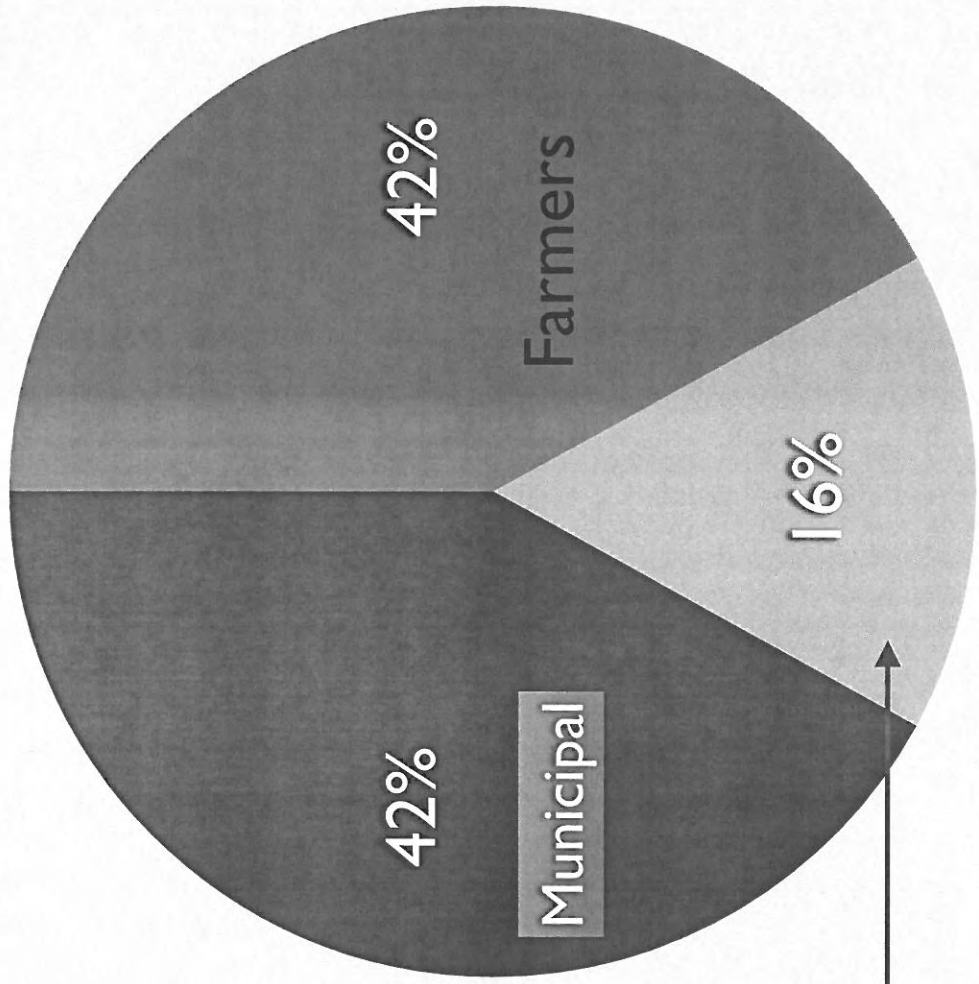
PROPORTIONAL SHARE OF PROPERTY VALUES



PROPORTIONAL SHARE OF WATER RIGHTS



BLENDED PROPORTIONAL SHARE



Recreation

BLENDDED APPORTIONED COSTS

	FARMERS	RECREATION	MUNICIPAL
SHARE OF TOTAL	\$630,000	\$240,000	\$630,000
ANNUAL SHARE PAID 5-YEARS	\$126,000	\$48,000	\$126,000
COST/ AF OF WITHDRAWALS	~\$9.00	~\$18.00	~\$60.00

MUNICIPAL COSTS (ESTIMATED)

# OF RATEPAYERS	USAGE (AFY AVERAGE)	ANNUAL COST FOR 5-YEARS	MONTHLY COST FOR 5-YEARS
141	0	\$0.00	\$0.00
838	0.33	~\$19.80	~\$1.65
275	0.55	~\$33.00	~\$2.75
350	> 1.00	>\$60.00	>\$5.00

STATE GRANTS

- if any grants are awarded to defray the costs of developing the GSP,
- the grant proceeds will reduce the amount of each sector's share of costs proportionally
- during the year the grant funding is actually received, not awarded

WHY DO WE WANT TO ACT NOW, NOT LATER?

- first mover advantage for obtaining state assistance. Waiting reduces probability for state funding
- professional talent is limited. A small Basin like ours will be in competition for professional talent with larger, better funded basins all trying to get work done within state-mandated timeframes
- DWR spent 2-years and \$160,000 to develop the capacity of the Borrego Water Coalition as a legitimate and productive stakeholder group. Requiring them to wait around for many months before the County and District act is a waste of this community resource

VIKING NOTE REFINANCING

Lender: BBVA Compass Bancshares, Inc. [Compass Bank]
(La Jolla, CA & Phoenix, AZ branches)

Type: Taxable

Obligation: \$1,250,000

Term: 10-years

Coupon: 4.95% fixed

Payments: Quarterly of \$35,828.07 (annual amount of \$143,312.28)

Covenants: annual debt service coverage of 1.25x
annual ABT test of 1.25x

Closing: before June 1, 2015

Closing Costs: customary Bank costs
bond counsel fees
investment banking fees
District legal costs
Accrued interest costs on original Viking note

Benefits: \$300,000 discount of original note obligation
\$693,000 approximate interest cost savings
(\$85,000) estimated closing costs less accrued interest costs
\$908,000 approximate NET savings to District

Cost/Benefits of Taxable vs. Non-Taxable Obligation

Cost: \$104,211

Benefit: Operational ability to sell Viking AG-1 credits during next 10-years to willing buyers

RESOLUTION NO. 2015-04-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, AUTHORIZING THE ACCEPTANCE OF TERMS AND CONDITIONS FOR REFINANCING PROMISSORY NOTE IN FAVOR OF LUNDAVID, LLC WITH BBVA COMPASS BANK, AN ALABAMA BANKING CORPORATION FOR DISTRICT PROPERTY

WHEREAS, the Borrego Water District (“District”) entered into that certain Bargain Sale and Donation Agreement (the “Agreement”) with Lundavid, LLC, a Connecticut limited liability company (“Lundavid”) dated October 22, 2010 (the “Agreement”) by which the District agreed to acquire 87.50 acres of real property situated in the District, more particularly described as Assessor’s Parcel Number 140-030-09 (“Parcel 2”), in partial consideration for which the District executed that certain Promissory Note dated September 9, 2013 in favor of Lundavid in the principal amount of \$1,425,000.00 (the “Note”) and Lundavid agreed to donate 62.50 acres of real property immediately adjacent to Parcel 2 (“Parcel 1”); and

WHEREAS, the District and Lundavid thereafter amended the Agreement to change the donated real property and the purchased real property so that District agreed to purchase Parcel 1 otherwise under the same terms and conditions set forth in both the Agreement (as amended) and the Note; and

WHEREAS, the Note bears interest at the rate of four percent (4%) per annum, with interest only paid by the District on a quarterly basis for one year beginning on the fourth anniversary date of the Note, a principal payment in the amount of \$150,000 paid on the fifth anniversary date, and the balance of principal and interest paid in quarterly installments for a period of 25 years beginning after the fifth anniversary date (the “Obligation”); and

WHEREAS, the District Board of Directors has determined that it is in the best interests of the District to refinance the Obligation with a loan from a commercial bank; and

WHEREAS, the District has solicited proposals from qualified commercial banks for a loan to refund the Obligation on terms and conditions that provide for savings to the District; and

WHEREAS, BBVA Compass Bank, an Alabama banking corporation (the “Bank”), has submitted a proposal dated April 13, 2015 (the “Term Sheet”), for refinancing the Obligation, thereby satisfying the terms and conditions of the Agreement and the Note with Lundavid, and providing savings to the District, which proposal must be accepted by the District on or before April 27 2015.

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

Section 1. That the Term Sheet in the substantially the form presented to the Board at this meeting is hereby approved.

Section 2. The President, Vice-president, or the General Manager, (each, an “Authorized Officer”) is hereby authorized to execute the Term Sheet with such changes as may be approved by the Authorized Officer executing the Term Sheet, with the concurrence of legal counsel to the District. The Secretary of the Board of Directors, or the Clerk to the Board of the Directors, is hereby authorized to attest to the signature of the Authorized Officer.

Section 3. The District’s General Manager is hereby authorized and directed to execute all necessary additional documents, with the concurrence of legal counsel to the District, to modify, amend, extend, or terminate the Term Sheet.

Section 4. The Authorized Officers, and each of them, are hereby authorized to negotiate, for and on behalf of the District, the terms of a loan agreement with the Bank (the “Loan Agreement”), and such additional documents (the “Related Documents”), consistent with the Term Sheet and necessary to for refinancing the Obligation, which Loan Agreement and any Related Documents shall be subject to final approval by the Board of Directors.

ADOPTED, SIGNED AND APPROVED this 22nd day of April 2015.

President of the Board of Directors
of Borrego Water District

ATTEST:

Secretary of the Board of Directors
of Borrego Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, _____, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing Resolution 2015-04-01 was duly adopted by the Board of Directors of said District at a regular meeting held on the 22nd of April, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Secretary of the Board of Directors
of Borrego Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, _____, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2015-04-01, of said Board, and that the same has not been amended or repealed.

Dated: _____

Secretary of the Board of Directors
of Borrego Water District

California Water Boards, Water Quality, Supply and Infrastructure Improvement Act of 2014 (Prop 1) Riverside, CA Workshop 3-26-15

- Small Community Wastewater Funding Assembly Bill 1471 authorized \$7.545 billion for wastewater, water recycling, drinking water, storm water and groundwater, \$2.1 Billion 2015/2016
- Small Community Wastewater Prop 1, Chapter 5, Section 79723 \$260 Million total Clean Water State Revolving Fund (CWSRF) \$77 million for 2015/2016
- Allows grants to be easily combined with low-interest financing, eligible projects are funded in the order of application about a 9 month process
- Table 4 funding for disadvantaged communities of less than 20,000 population and median household income (MHI) less than 80% statewide \$48,875 (\$42,230 B.S., U.S. Census 2009-1014)
- Planning projects include feasibility/engineering studies, environmental studies, rate studies up to \$500 K
- BWD possible projects include Treatment Plant Infrastructure , clean and video sewer lines, C.C. sewer pipelines, solar energy efficiency and emergency pumping backup, Santiago Estates hookup to BWD
- Apply through Financial Submittal Tool (FAAST) <https://fasst.waterboards.ca.gov>
Ms. Meghan Tosney, Senior Engineer
meghan.tosney@waterboards.ca.gov (916) 341-5729

Water recycling Funding Program Prop 1, Chapter 9 Water Recycling, Stormwater, Groundwater Sustainability and Senate Bill 445 Site Cleanup

- Clean, safe, and accessible drinking water
- \$625 Million available for grants and loans funding for studies and construction projects, recycled water treatment, recycled water distribution and groundwater recharge/reclamation/reuse
- 50/50 funding match, eligible projects funded in the order received
- Funding workshop Thursday April 16 Perris, CA
- BWD projects include catch recharge basins and land acquisition, tertiary treatment plant update
- Apply through (FAAST) Mr. Dan Newton, Senior Engineer
Daniel.newton@waterboards.ca.gov (916) 324-8404

Stormwater and Groundwater Quality Prop 1 allocates \$200 million for multi-benefit (water quality/supply, flood control, open space) stormwater management projects

- Eligible projects may include green infrastructure, rain water and stormwater capture projects and stormwater treatment facilities, \$180 million
- Similar guidelines as Prop 84
- BWD projects include return flow study funding, rainwater harvesting catch basins, landscaping to catch rainwater and return to the aquifer or reduces reliance on potable water
- Prop 1 Assembly bill 1471, Chapter 10 - \$900 million for cleaning and treatment of contaminants such as nitrates, perchlorate, MTBE, chromium both natural and human made contaminates
- BWD projects may include well water testing for trends, equipment and treatment old underground tank removal SB445
- Same FFAST process Robert Reeves, Senior Engineering Geologist
Robert.reeves@waterboards.ca.gov (916) 341-5877 Stormwater
- Conny Mitterhofer Senior Water Resources Control Engineer, Prop 1 Sustainability Program connie.mitterhofer@waterboards.ca.gov (916)341-5720
- Lisa Babcock, Supervising Engineering Geologist, SB445
lisa.babcock@waterboards.ca.gov (916) 341-5797

Drinking Water Grant and Loan Program \$500K maximum for planning and \$135 million 2015/2016 SB 75 up to \$5 million per grant. \$260 million total, \$20 million for small disadvantaged communities (SDAC). Loans at 1.663% for 30 years based on loan MHI formula

- Funds are for public water system infrastructure improvements and related actions to meet safe drinking water standards
- BWD possible projects include new Wilcox reservoir, new Club Circle pipe lines/retrofit for water pressure, Circle J and also Borrego Springs Road area.
- Dat Tran, P.E. Chief Division of Financial Assistance dat.tran@waterboards.ca.gov (916) 248-2719

Joe Tatusko 3/31/15

California Water Boards, Municipal Waste Water Recycling (Prop 1, 2014) - Perris, CA Workshop 4-16-15

Dan Newton, Program Manager

- Funding is part of the Prop 1 \$1.1 billion. About \$300 million for grants and about \$300 million for low cost 1.7% loans. \$130 million is funded for the first year and funding is to be available in July 2015. First come, first processed.
- All septic to sewer WWTP to recycled water projects considered.
- Projects must benefit the public
- Can get a grant and loan from the same agency
- Can have Prop 1 loan, Prop 1 grant, State Revolving Fund (SRF) and Federal money apply to one project, 4 potential sources of funding
- When FFAST (FAAST.WATERBOARDS.CA.GOV) application is sent electronically a project number is sent back and State Project Engineer assigned and BWD would receive an auto reply.
- Can pick up soft costs of projects, i.e. planning, engineering study, etc.
- Loan payment begins 1 year after project is complete, agency reports recycled water output for 5 years
- CFD'S, HOA'S are not acceptable to apply

Joe Tatusko 4-16-15

California State Prop 1 Funding Summary to BWD Board and BWD Management
4-22-15

Prop 1 funding is for benefiting the public by improvements that support drinking water storage, waste water treatment, recycling water and water quality monitoring and improvements. \$1.1 billion is allocated, \$300 million for low cost 1.66 % loans, and \$300 million for grants. \$130 million is allocated this year and funding begins in July 2015. Grants and loans can be used for the same project also including State Revolving Funds and Federal Money for the same project. The application process involves an online Financial Assistance Application Submittal Tool (FAAST). The form includes a general section, financial section, technical section and an environmental section. When electronically submitted a project number is assigned and a State project engineer assigned. The environmental section is key for approval. Payments for loans begin 1 year after project completion. Soft costs such as planning, engineering studies can be included. The funding is based on when applications are received and processed.

Joe Tatusko 4-16-15

Contract / Project	January	February	March	April	May
PAYMENTS					
1	Viking - payment due on 5th anniversary				
2	T2 Borrego	1/1/15: Pay spare cost in advance		Raffellis spare capacity cost analysis	5/1/15 Notice of 2015/2016 spare capacity due.
3	Airport Access Permits				
4	P & I Payment for ID4 COP's		1st half of payments due		
CONTRACTS					
5	American Red Cross-can cancel any time for any reason				
6	Club Circle (Cameron)		option to renew lease by 2/28/2017		
7	Green Desert Landscape		discuss w/ Bob the option of continuing with contract 2/28/2017		
8	Konika Minolta				
9	Secap - postage machine			4/1/2017 send letter of cancellation if desired	
10	San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)				
11	Ramona Disposal - Club Circle				
12	Ramona Disposal - BWD Dumpsters				
REPORTS					
13	CASGEM			Submit CASGEM water level data	
14	CCR				
15	Cameron Bros. Water Usage Report (golf course) to county				
16	Santago Estate				
17	Annual EAR Report (CDHS)		Due 3/31 for previous year		
18	Check fallow property for water usage				
19	ADMINISTRATIVE				
20	Audit				Begin audit
21	Budget		Pump check	CIP meeting, draft budget document	Final Budget document / FY Rate Resolution
22	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	
23	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
24	Investment Policy				
25	Special Assessments / tax bill resolutions-Taussig				
26	Town Hall Meeting		March 2016		
27	Water Credit Policy		2015- Check if pricing needs to be adjusted (moved to due diligence)		

	June	July	August	September	October	November	December
1		7/8/2017 early payment due for Viking					
2	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.	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	Annual Renewal Due						
4				2nd half of payments due			
5							
6							
7	Lease expires 6/30/2017						
8	Agreement expires 6/30/2017	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					10/1/15 Mail CCR Certification form		
17					Send to County DPLU by 10/31		
18	Occupancy report due						
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	Implement GSP funding mechanism; start GSP development						
26	Investment policies restated						
27	Special Assessments resolutions due						
28							
29							

ITEM III A

FINANCIALS

	C	AV	BF	BG	BH	BI	BJ	BK	BL
1	BWD CASH FLOW								
2		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD - PROJ MONTHS>>>	PROJECTED	PROJECTED	PROJECTED
3	2014-2015	BUDGET	MARCH	MARCH	YTD	PROJECTED	APRIL	MAY	JUNE
4		2014-2015	2015	2015	2014-2015	2013-2014	2015	2015	2015
5	REVENUE								
6	WATER REVENUE								
7	Residential Water Sales	899,221	55,282	53,226	715,631	971,815	80,272	81,896	94,016
8	Commercial Water Sales	120,570	9,911	9,228	92,661	124,012	10,861	10,688	9,801
9	Irrigation Water Sales	142,918	7,209	5,867	124,879	158,711	9,706	11,276	12,850
10	GWM Surcharge	114,930	7,152	6,636	83,248	113,337	9,882	10,157	10,050
11	Water Sales Power Portion	364,158	23,178	21,988	268,182	363,768	32,612	30,818	32,157
12	Readiness Water Charge	1,080,000	93,735	94,000	849,871	1,131,871	94,000	94,000	94,000
13	Readiness Water Charge - Liened properties	27,600	0	750	568	2,818	750	750	750
14	RH Golf Course surplus capacity lease		0	0	189,630	189,630	0	0	0
15	Meter Installation	5,809	0	0	930	930	0	0	0
16	Water hook-up charge		0	0	-	-	0	0	0
17	Reconnect Fees	4,080	0	340	1,700	2,720	340	340	340
18	Backflow Testing/Installation	4,600	1,756	0	6,658	6,658	0	0	0
19	Bulk Water Sales	3,500	0	343	286	2,168	482	750	650
20	Penalty & Interest Water Collection	6,000	1,295	500	9,900	11,400	500	500	500
21	TOTAL WATER REVENUE:	2,773,387	199,517	192,879	2,344,143	3,079,836	239,405	241,174	255,114
22						-			
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES								
24	641500 1% Property Assessments	64,625	2,102	2,102	46,287	73,540	18,105	7,882	1,267
25	641502 Property Assess wtr/swr/fid (25 parcels \$86 ea(1,650))	1,650	693	693	58,528	59,600	1,072	0	0
27	641501 Water avail Standby	82,559	3,015	3,015	62,861	85,712	4,363	14,332	4,156
29	641504 ID 3 Water Standby (La Casa)	33,722	889	889	20,332	23,693	617	2,254	490
30	641503 Pest standby	17,938	416	416	11,322	15,001	559	2,597	523
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	200,493	7,114	7,114	199,331	257,546	24,715	27,065	6,435
32						-			
33	SEWER SERVICE CHARGES								
34	Town Center Sewer Holder's Fees	170,190	14,274	14,000	128,463	170,463	14,000	14,000	14,000
35	Town Center Sewer User Fees	38,040	3,330	3,170	26,570	36,080	3,170	3,170	3,170
36	Sewer user Fees	345,125	26,640	30,250	241,201	322,201	27,000	27,000	27,000
37	Sewer-liened	2,160	0	180	-	540	180	180	180
38	Penalty Interest-Sewer		0	0	20	20	0	0	0
39	Sewer Capacity Fees		0	0	-	-	0	0	0
40	TOTAL SEWER SERVICE CHARGES:	555,515	44,244	47,600	396,255	529,305	44,350	44,350	44,350
41						-			
42	OTHER INCOME								
45	Fire Hydrant Installation		0	0	-	-	0	0	0
46	Miscellaneous Income (net csd fee/JPIA rebate/check free)	15,880	19	80	595	835	80	80	80
47	Water Credits income	8,250	0	0	5,250	8,000	2,750	0	0
51	Interest Income	80	2	2	45	79	16	2	16
52	TOTAL OTHER INCOME:	24,210	21	82	5,890	8,914	2,846	82	96
53						-			
54	TOTAL INCOME:	3,553,605	250,896	247,676	2,945,618	3,875,601	311,316	312,671	305,995
55						0			
56	CASH BASIS ADJUSTMENTS								
57	Decrease (Increase) in Accounts Receivable		(3,634)	0	50,990	50,990	0	0	0
58	CC Golf Equipment receivable	2,270	189	189	1,702	2,270	189	189	189
59	Other Cash Basis Adjustments		0	0	850	850	0	0	0
60	TOTAL CASH BASIS ADJUSTMENTS:	2,270	(3,445)	189	53,542	54,110	189	189	189
61									
62	TOTAL INCOME RECEIVED:	3,555,875	247,451	247,865	2,999,161	3,929,711	311,505	312,861	306,184

	C	AV	BF	BG	BH	BI	BJ	BK	BL
1	BWD CASH FLOW								
2		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED
3	2014-2015								
4		BUDGET	MARCH	MARCH	YTD	PROJECTED	APRIL	MAY	JUNE
63	2014-2015								
64	EXPENSES								
65	MAINTENANCE EXPENSE								
66	R & M Buildings & Equipment	142,000	2,795	10,000	169,248	199,248	10,000	10,000	10,000
67	R & M - WWTP	60,000	4,799	4,000	52,319	64,319	4,000	4,000	4,000
68	Telemetry	20,000	1,133	2,000	3,732	8,732	1,500	2,000	1,500
69	Trash Removal	3,600	287	300	2,470	3,370	300	300	300
70	Vehicle Expense	18,000	0	1,500	17,759	22,259	1,500	1,500	1,500
71	Fuel & Oil	33,000	1,847	2,750	17,239	25,489	2,750	2,750	2,750
72	TOTAL MAINTENANCE EXPENSE:	276,600	10,661	20,550	262,766	323,416	20,050	20,550	20,050
73									
74	PROFESSIONAL SERVICES EXPENSE								
75	Tax Accounting (Taussig)	3,000	0	0	517	2,017	0	0	1,500
76	Administrative Services (ADP/Bank Fees)	6,000	409	500	3,931	5,431	500	500	500
77	Audit Fees	14,439	0	0	14,439	14,439	0	0	0
78	Computer billing-TBD	18,250	475	750	4,014	6,264	750	750	750
79	Consulting/Technical/Contract Labor	1,200	0	100	-	300	100	100	100
80	Engineering	35,000	103,466	2,900	106,351	13,151	(99,000)	2,900	2,900
81	District Legal Services	20,000	1,383	2,000	16,155	21,155	1,500	2,000	1,500
82	Testing/lab work	18,000	1,805	1,200	10,906	15,106	1,200	1,500	1,500
83	Regulatory Permit Fees	38,000	1,082	4,722	23,938	29,635	399	3,175	2,123
84	TOTAL PROFESSIONAL SERVICES EXPENSE:	153,889	108,620	12,172	180,251	107,499	(94,551)	10,925	10,873
85									
86	INSURANCE/DEBT EXPENSE								
87	ACWA Insurance	74,000	34,444	11,000	57,725	90,725	33,000	0	0
88	Workers Comp	14,400	3,551	4,000	11,384	15,384	0	0	4,000
89	COP 2008 Installment	255,713	58,838	58,838	255,713	255,713	0	0	0
90	TOTAL INSURANCE/DEBT EXPENSE:	344,113	96,833	73,838	324,822	361,822	33,000	0	4,000
91									
92	PERSONNEL EXPENSE								
93	Board Meeting Expense (board stipend/board secretary)	12,870	2,190	1,170	8,845	12,355	1,170	1,170	1,170
94	Salaries & Wages (gross)	730,000	56,871	59,231	546,857	727,792	60,852	60,852	59,231
95	Taxes on Payroll	15,500	1,076	1,200	14,286	17,856	1,500	1,100	970
96	Medical Insurance Benefits	180,000	15,093	15,584	148,149	178,335	15,093	15,093	0
97	Calpers Retirement Benefits	162,000	12,647	13,500	118,388	158,888	13,500	13,500	13,500
98	Salaries & Wages contra account	(12,195)	(1,980)	(1,170)	(7,755)	(11,265)	(1,170)	(1,170)	(1,170)
99	Conference/Conventions/Training/Seminars	7,000	0	500	5,626	6,426	100	600	100
100	TOTAL PERSONNEL EXPENSE:	1,095,175	85,897	90,015	834,397	1,090,388	91,045	91,145	73,801
101									
102	OFFICE EXPENSE								
103	Office Supplies	18,000	2,146	1,000	19,277	23,277	1,500	1,500	1,000
104	Office Equipment/ Rental/Maintenance Agreements	25,000	1,457	1,700	25,394	30,494	1,700	1,700	1,700
105	Postage & Freight	13,000	15	50	10,306	12,456	50	2,050	50
106	Taxes on Property	2,366	0	0	2,375	2,375	0	0	0
107	Telephone/Answering Service	7,874	707	700	6,251	8,351	700	700	700
108	Dues & Subscriptions	3,970	2,589	200	3,499	5,954	2,360	50	45
109	Printing, Publications & Notices	838	72	116	877	977	0	0	100
110	Uniforms	6,000	307	500	3,417	4,917	500	500	500
111	OSHA Requirements/Emergency preparedness	4,500	0	375	555	1,680	375	375	375
112	TOTAL OFFICE EXPENSE:	81,347	7,292	4,641	71,950	90,480	7,185	6,875	4,470
113									
114	UTILITIES EXPENSE								
115	Pumping-Electricity	360,000	25,286	40,000	349,721	469,721	40,000	40,000	40,000
116	Office/Shop Utilities	17,319	1,286	1,032	15,310	19,295	1,179	1,237	1,570
117	Cellular Phone	8,000	615	666	5,985	7,983	666	666	666
118	TOTAL UTILITIES EXPENSE:	385,319	27,188	41,698	371,016	496,999	41,845	41,903	42,236
119									
120	TOTAL EXPENSES:	2,336,442	336,492	242,914	2,045,201	2,470,602	98,573	171,398	155,430
121									
122	CASH BASIS ADJUSTMENTS								
123	Decrease (Increase) in Accounts Payable		(92,535)	0	3,123	3,123	0	0	0
124	Increase (Decrease) in Inventory		5,535	0	7,294	7,294	0	0	0
125	Other Cash Basis Adjustments		0	0	1,160	1,160	0	0	0
126	TOTAL CASH BASIS ADJUSTMENTS:		(87,000)	0	11,577	11,577	0	0	0
127									
128	TOTAL EXPENSES PAID:	2,336,442	249,492	242,914	2,056,778	2,482,179	98,573	171,398	155,430
129									
130	NET CASH FLOW (O&M)	1,219,433	(2,041)	4,951	942,383	1,447,532	212,932	141,463	150,754

	C	AV	BF	BG	BH	BI	BJ	BK	BL
1	BWD CASH FLOW								
2		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED
3	2014-2015								
4		BUDGET	MARCH	MARCH	YTD	PROJECTED	APRIL	MAY	JUNE
131	NON O & M EXPENSES								
132		2014-2015	2015	2015	2014-2015	2013-2014	2015	2015	2015
132	USGS Basin study				7,142	7,142			
133	GWM -Plan Completion-Marketing GSP-legal	15,000	17,123	1,250	90,219	93,969	1,250	1,250	1,250
140	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)				-	-			
142	ID4, Reducing Station design and installation (rescheduled to 2014-2015)			0	-	20,000			20,000
146	ID 5, Reducing Station design and installation(rescheduled to 2014-2015)	10,000		0	-	10,000			10,000
147	GWM-Plan conversion to IRWM	35,000		3,500	-	17,500	3,500	7,000	7,000
148	Application for IRWMP round three implementation	35,000		3,500	-	17,500	3,500	7,000	7,000
149	Collection system repairs \$25,000/manhole replacement \$50,000	75,000		25,000	-	75,000	0		75,000
151	Lugo building repairs	5,000		700	-	2,100	700	700	700
152	Pipeline-Country Club Road Booster Sta #3 south to Slash M				-	-		0	
154	Rewind motors-ID1-10/ID4-11(rescheduled to 2014-2015)				-	30,000	15,000		15,000
155	Rewind motors-ID1-12/ID5-5	30,000		0	-	15,000	15,000		
156	ID 1-16 pump and casing cleaning(rescheduled to 2014-2015)				96,269	96,269			
157	ID4-4 pump and casing cleaning	60,000		0	-	60,000		60,000	
159	Booster Station Motors	16,000			-	16,000	8,000		8,000
160	WWTP-Skid Steer	65,000			64,587	64,587			
161	WWTP-Portable engine driven trash pump	10,000			6,448	6,448		0	
162	WWTP-Rehab grit chamber & sludge holding tank diffuser system	30,000			-	30,000	0		30,000
163	WWTP-Jetting & Vactor Truck Service	10,000		0	-	10,000	0	10,000	
164	WWTP-Rehab Clarifier	40,000	10,507	0	17,098	40,000	0	22,902	
165	WWTP-Video Collection Lines	25,000			-	25,000		25,000	
170	Blower Unit for Equalization Basin Upgrade WWTP (not budgeted)				11,222	11,222			
171	218 Process	110,000		0	-	-	0	0	0
172	Circle J Pipeline project (FY 2016)	57,000			-	-	0	0	0
173	Trailer to haul pipe	10,000			-	-			
174	Air Quality Compliance	40,000		40,000	-	40,000			40,000
175	New Computer for server	10,000			-	10,000	0	10,000	
176	TOTAL NON O&M EXPENSES	688,000	27,630	73,950	292,984	697,736	46,950	143,852	213,950
177						0			
178	CASH RECAP								
179	Cash beginning of period	1,688,382	2,648,123	2,543,548	1,969,053	1,969,053	2,618,435	2,784,435	2,782,046
180	Net Cash Flow (O&M)	1,219,433	(2,041)	4,951	942,383	1,447,532	212,932	141,463	150,754
181	Total Non O&M Expenses	(688,000)	(27,630)	(73,950)	(292,984)	(697,736)	(46,950)	(143,852)	(213,950)
182	CASH AT END OF PERIOD	2,219,815	2,618,453	2,474,549	2,618,451	2,718,848	2,784,435	2,782,046	2,718,849
183									
184	RESERVES								
185	Working Capital (4 months)	(750,000)	(750,000)	(750,000)	(750,000)		(750,000)	(750,000)	(750,000)
186	Viking Ranch	(300,000)	(300,000)	(300,000)	(300,000)		(300,000)	(300,000)	(300,000)
187	Available for Emergency Reserves	1,169,815	1,568,453	1,424,549	1,568,451		1,734,435	1,732,046	1,668,849
188	Target Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000
189	Emergency Reserves Deficit	(830,185)	(431,547)	(575,451)	(431,549)		(265,565)	(267,954)	(331,151)
190									
191	SIGNIFICANT ITEMS								
192		PROJECTED	ACTUAL						
193	Engineering	2,900	103,466	(100,566)	\$99,000 to be reimb by RHGC				
194	ACWA Insurance	11,000	34,444	(23,444)	ACWA changed premium due dates				
195									
196									
197									
198									
199									



BORREGO WATER DISTRICT

	BALANCE SHEET March 31, 2015 (unaudited)	BALANCE SHEET February 28, 2015 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,618,453.20	\$ 2,648,123.22	\$ (29,670.02)
Accounts receivable from water sales and sewer charges	\$ 310,523.71	\$ 306,890.02	\$ 3,633.69
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 138,565.57	\$ 133,030.08	\$ 5,535.49
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 30,298.12	\$ -
Other Receivables	\$ 567.80	\$ 757.00	\$ (189.20)
TOTAL CURRENT ASSETS	\$ 3,098,408.40	\$ 3,119,098.44	\$ (20,690.04)
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	\$ 82,836.71	\$ 81,655.58	\$ 1,181.13
Total Trust fund	\$ 82,836.71	\$ 81,655.58	\$ 1,181.13
TOTAL RESTRICTED ASSETS	\$ 307,845.39	\$ 306,664.26	
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	\$ 203,311.26	\$ 192,804.05	\$ 10,507.21
Sewer Facilities	\$ 5,524,406.16	\$ 5,524,406.16	\$ -
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	\$ 14,823,538.40	\$ 14,813,031.19	\$ 10,507.21
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,414,792.19	\$ 18,423,793.89	\$ (9,001.70)

Balance sheet continued

	BALANCE SHEET March 31, 2015 (unaudited)	BALANCE SHEET February 28, 2015 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
<i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i>			
Accounts Payable	\$ 139,795.46	\$ 47,260.19	\$ 92,535.27
Accrued expenses	\$ 173,602.49	\$ 173,602.49	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 22,093.75	\$ 22,093.75	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 335,491.70	\$ 242,956.43	\$ 92,535.27
<i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i>			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 82,836.71	\$ 81,655.58	\$ 1,181.13
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 82,836.71	\$ 81,655.58	\$ 1,181.13
<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	\$ 4,458,328.41	\$ 4,364,612.01	\$ 93,716.40
<i>FUND EQUITY</i>			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,344,649.43	\$ 4,447,367.53	\$ (102,718.10)
Total retained earnings	\$ 4,344,649.43	\$ 4,447,367.53	\$ (102,718.10)
TOTAL FUND EQUITY	\$ 13,956,463.78	\$ 14,059,181.88	\$ (102,718.10)
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,414,792.19	\$ 18,423,793.89	\$ (9,001.70)



BORREGO WATER DISTRICT

TREASURER'S REPORT MARCH, 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	\$ 2,546,268	\$ 2,506,946	\$ 2,506,946	95.74%	0.00%	N/A	WFB/UB
Payroll Account	\$ 42,299	\$ 40,109	\$ 40,109	1.53%	0.01%	N/A	WFB
MMA	\$ 50,444	\$ 50,444	\$ 50,444	1.93%	0.03%	N/A	WFB
LAIF	\$ 20,954	\$ 20,954	\$ 20,954	0.80%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 2,659,964	\$ 2,618,453	\$ 2,618,453	100.00%			

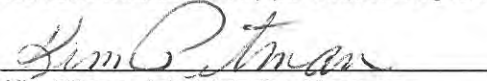
Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 82,837	\$ 82,837	\$ 82,837				
Total Cash,Cash Equivalents & Investments	\$ 2,742,801	\$ 2,701,290	\$ 2,701,290				

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 March, 2015

A. Vendor disbursements paid during this period:	\$	324,567.20
<i>Significant items:</i>		
San Diego Gas & Electric	\$	23,929.28
RHGC portion of San Diego Gas & Electric	\$	2,070.00
CalPERS Payments	\$	15,172.81
Medical Health Benefits	\$	16,299.11
ACWA-Property Renewal & Difference in Conditions policies	\$	34,444.00
ACWA-Workers Comp quarterly payment	\$	3,551.00
B. Capital Projects/Fixed Asset Outlays:		
Citizens Bank-COP 2008 Debt Service Payment	\$	58,837.50
Whymore Inc., Industries-Rehab Clarifier-WWTP	\$	10,507.21
C. Total Professional Services for this Period:		
<i>(included in vendor disbursements paid above)</i>		
Downey Brand, Attorneys	Legal-general GWM	
	\$	3,525.00
	Total Invoice:	\$ 3,525.00
McDougal Love Eckis	Legal-general GWM	
	\$	1,382.93
	Total Invoice:	\$ 1,382.93
The Brattle Group	GWM	
	\$	11,328.75
Dudek	RHGC RHGC-Reimburse	
	\$	99,468.92
	\$	(99,468.92)
	Total Invoice:	\$ -
D. Payroll for this Period:		
Gross Payroll	\$	56,870.67
Employer Payroll Taxes and ADP Fee	\$	1,249.00
Total	\$	58,119.67

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

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19816	04/02/15	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	226.32
19784	03/19/15	A-1 IRRIGATION, INC. PRESSURE GAUGES FOR CHECKING SYSTEM PRESSURE	66.16
19795	03/25/15	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	238.79
19785	03/19/15	CB&T ACWA-JPIA HEALTH COVERAGE	16,299.11
19786	03/19/15	ACWA/JPIA PROPERTY PROGRAM RENEWAL 04.01.15 - 04.01.16	9,500.00
19796	03/25/15	ACWA/JPIA POLICY: FA-0230320-15 EXCESS PUBLIC EMPLOYEE FIDELITY PROGRAM 4/1/15-4/1/16 DIFFERENCE IN CONDITIONS 4/1/15 - 4/1/16	24,944.31
19832	04/03/15	ACWA/JPIA WORKERS COMPENSATION 1/1/15 - 3/31/15	3,551.00
19807	03/30/15	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,889.44
19797	03/25/15	AMERICAN BACKFLOW SPECIALTIES BACKFLOW REPAIR KITS/PARTS	618.90
19833	04/14/15	AMERICAN LINEN INC. UNIFORMS FOR CREW	306.84
19808	03/30/15	ASBURY ENVIRONMENTAL SERVICES EPA CERTIFIED HAZARDOUS WASTE REMOVAL	360.48
19817	04/02/15	AT CONFERENCE CONFERENCE CALLS	30.07
19818	04/02/15	AT&T MOBILITY CELL PHONES FOR CREW	500.92
19819	04/02/15	AT&T-CALNET 2 PHONES, OFFICE, WWTP, SHOP	329.53
19834	04/14/15	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	8.00
19798	03/25/15	BORREGO SUN TOWN HALL ADVERTISEMENT	72.25
19787	03/19/15	CITIZENS BUSINESS BANK INSTALLMENT AGREEMENT #08-043 REFINANCE OF 1997 & 1998 COP	58,837.50
19799	03/25/15	CMS BUSINESS FORMS, INC. ENVELOPES, LETTERHEAD	1,236.95
19835	04/14/15	CONTRON TELEMETRY WORK AT WELL #16 COMPUTER CHECK, APPLICATIONS AND DATA FILES BACKED UP	1,132.70

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

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19809	03/30/15	COUNTY OF SAN DIEGO UNIFIED PROGRAM FACILITY INV DEH2005-HUPFP-204659 WILCOX UNIFIED PROGRAM FACILITY INV DEH2005-HUPFP-204660 WELL #11	886.00
19810	03/30/15	COUNTY OF SAN DIEGO AIRPORT USE LICENSE FOR MONITORING WELLS AT BV AIRPORT	175.00
19836	04/14/15	DE ANZA READY MIX CONCRETE	239.88
19820	04/02/15	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	241.17
19788	03/19/15	DEBBIE MORETTI PEST CONTROL	113.00
19789	03/19/15	DLT SOLUTIONS, INC. AUTODESK SUBSCRIPTION	2,588.81
19800	03/25/15	DOWNEY BRAND PROFESSIONAL SERVICES	3,525.00
19821	04/02/15	DUDEK PROFESSIONAL SERVICES RAMS HILL GOLF COURSE, OCTOBER 2014 - FEB 2015	99,468.92
19822	04/02/15	E.S. BABCOCK & SONS, INC. WATER SAMPLES TO LAB	1,775.00
19823	04/02/15	ESCONDIDO METAL SUPPLY MISC. METAL FOR CHAIN HOIST TO LIFT PUMP & MOTOR RHWTF	306.33
19801	03/25/15	FED EX SHIPPING CHARGES	11.31
19794	03/23/15	FIRST AMERICAN TITLE CO. REQUEST FOR PRELIMINARY TITLE REPORT AND PLOTTED EASEMENTS 198-251-23, 04-0702-2, REID	395.00
19830	04/03/15	GRAINGER FUEL TRANSFER PUMP AND 50' HOSE / SEWER PLANT	1,300.73
19824	04/02/15	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE GOLF COURSE	5,210.80
19837	04/14/15	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES MARCH 2015	1,500.00
19790	03/19/15	KENNY STRICKLAND, INC. GAS FOR DISTRICT VEHICLES	566.64
19811	03/30/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES FUEL FOR DISTRICT VEHICLES	1,080.66
19838	04/14/15	KONICA MINOLTA COPIER LEASE	1,319.59
19802	03/25/15	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES	1,382.93
19839	04/14/15	NAPA AUTO PARTS INC MISC AUTO PARTS	1.08
19825	04/02/15	NORTH GARDENS MANAGEMENT, LLC	

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

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19791	03/19/15	ENGINEERING ASSISTANCE WWTP SOLAR SYSTEM RFP	2,497.50
19803	03/25/15	PACIFIC PIPELINE SUPPLY INC FITTINGS FOR CHECKING SYSTEM PRESSURE	161.64
19812	03/30/15	PACIFIC PIPELINE SUPPLY INC PARTS FOR INVENTORY PARTS FOR HYDRANT INSTALLATION	3,604.77
19792	03/19/15	PACIFIC PIPELINE SUPPLY INC INVENTORY, SPARE PARTS GATE CAPS, COUPLING, HYDRANT CAPS	1,311.82
19813	03/30/15	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	7,144.61
19826	04/02/15	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	8,028.20
19793	03/19/15	PUMP CHECK ANNUAL PUMP EFFICIENCY TESTING	2,160.00
19840	04/14/15	QUILL CORPORATION OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES	499.21
19831	04/03/15	QUILL CORPORATION OFFICE SUPPLIES	61.88
19814	03/30/15	RAMONA DISPOSAL SERVICE TRASH SERVICE: CLUB CIRCLE, OFFICE, WWTP	3,184.50
19827	04/02/15	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	22,884.01
19804	03/25/15	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	3,115.27
19828	04/02/15	SECAP FINANCE POSTAGE MACHINE LEASE	137.49
19805	03/25/15	SPRINGBROOK SOFTWARE INC. HP 9000 PROGRAMMING	475.00
19815	03/30/15	THE BRATTLE GROUP, INC PROFESSIONAL SERVICES	11,328.75
19841	04/14/15	THE BRATTLE GROUP, INC PROFESSIONAL SERVICES	2,238.75
19842	04/14/15	UNDERGROUND SERVICE ALERT DIG ALERTS	21.00
19843	04/14/15	VERIZON WIRELESS EMERGENCY CELL PHONES	114.22
19829	04/02/15	WENDY QUINN RECORDING SERVICES	210.00
19806	03/25/15	WYMORE, INC. INDUSTRIES REHAB PROJECT FOR CLARIFIER #1, WWTP	10,507.21
		XYLEM WATER SOLUTIONS USA, INC IMPELLER KIT FOR SUBMERSIBLES AT TCS LIFT STATION	2,644.25
		TOTAL	324,567.20

GROUND WATER MANAGEMENT ACCOUNTING

FYE 2015

01-5480

MONTH	AT CONFERENCE	DOWNEY BRAND	NARAGON	USGS	MCDUGAL	DUDEK	CONFERENCE/ MEALS	BRATTLE GROUP	Monthly Total	FYE 2015 Total
Jul-14	14.14	3,293.00							3,307.14	3,307.14
Aug-14		2,772.94	500.00						3,272.94	6,580.08
Sep-14		7,003.67		3,526.48	759.00				11,289.15	17,869.23
Oct-14		8,636.73							8,636.73	26,505.96
Nov-14	12.38	9,718.33				13,535.00	27.28		23,292.99	49,798.95
Dec-14	16.76	7,371.07					55.05		7,442.88	57,241.83
Jan-15		5,456.69		905.24				8,700.00	15,061.93	72,303.76
Feb-15	28.64	6,126.00		3,615.92			15.00		9,785.56	82,089.32
	30.07	3,525.00						13,567.50	17,122.57	99,211.89
Jan-00									-	99,211.89
Jan-00									-	99,211.89
Jun-15									-	99,211.89
Total	101.99	53,903.43	500.00	8,047.64	759.00	13,535.00	97.33	22,267.50	99,211.89	99,211.89

Borrego Water District Management Report – April 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 March 24th we received updated draft tables and text. I was told updated figures would follow but nothing yet. The last report from USGS staff suggested a final by May or June.

STATE LEVEL

On April 1st, Governor Brown issued an executive order calling for 25% water reductions for all water agencies across the State. On April 7th, the State Water Resources Control Board (SWRCB) issued a "Mandatory Conservation Proposed Regulatory Framework" document and solicited comments due April 13th. With the assistance of legal counsel, the District responded (attachment A). The SWRCB timeframe reflects Board hearing and adoption on May 5th or 6th, 2015.

The proposed framework calls for a baseline of June-November 2013 to work from on the 25% reduction. I reviewed the water sales for this period and compared them to the same months in 2014 (attachment B). This graphic show some months of different customer classes have already achieved reductions, some exceeded.

COUNTY LEVEL

County Hydrogeologist Jim Bennett made an excellent presentation of the Sustainable Groundwater Management Act (SGMA) at the 14th Annual Town Hall meeting on March 25, 2015. We continue to work with the County Planning and Development Services staff on the process for becoming the Groundwater Sustainable Agency (GSA) status to build a Groundwater Sustainability Plan (GSP). There may be a quiz on these acronyms in the future so please work them into your daily vocabulary.

DISTRICT LEVEL

Director Joe Tatusko and I attended a workshop presented by the SWRCB on the Proposition 1 Water Bond passed by the voters last election. Two upcoming grants pertain to Small Water System Wastewater due to be released in May and Clean Safe, Reliable Drinking Water later this summer. The grants will require a 50% match with an affordable criteria chart for a Disadvantaged Community (DAC). Borrego Springs qualifies as a DAC by State standards and I submitted a comment letter requested less match for the DACs. For DAC status, an area must have a Median Household Income (MHI) of less than \$48,875. The latest census data for Borrego Springs reflects \$42,230. According to their Proposed Local Cost Share Requirements" (attachment C), they propose using water rate as a percent of MHI. The District fits into the 1.5 to 2%, which they would fund 65% and we would need to match 35%. The comment letter (attachment D), suggests less match for DACs.

The O&M ad hoc committee met with staff, District Consulting Engineer David Dale and our wastewater consultant JC Labs to create a plan for grant applications. This process will go through the State Revolving Fund with an open application process, not restricted to a designated period to apply.

All presentations from the 14th Annual Town Hall meeting are featured on the District's website. Thank you to all presenters and public for attending.



BORREGO WATER DISTRICT

April 13, 2015

Ms. Jessica Bean
State Water Resource Control Board
via email: jessica.bean@waterboards.ca.gov

Dear Ms. Bean:

The Borrego Water District is a small public water agency in an unincorporated region of San Diego County. The community is totally reliant on groundwater with no option for imported water. The District is actively working on a Groundwater Sustainability Plan (GSP) as mandated by the Sustainable Groundwater Management Act (SGMA) signed last September by Governor Brown. The new 25% reduction as required by the Governor's April 1st Executive Order is a good first step for our groundwater reduction and should dovetail nicely into our Plan. We would like to assist the SWRCB in this effort but it would be extremely helpful if you could provide some tools for our agency to initiate this program.

The community of Borrego Springs is completely surrounded by the Anza-Borrego Desert State Park. A good portion of our residents are environmentally conscious and many are very frugal with their water usage to a point there is no more conservation achievable. A 25% reduction across the board will be an extreme hardship for this class of customers. It would be very helpful for the regulations to clarify that small water agencies with frugal water users can contribute by reducing their usage by less than 25%, just as the framework proposes for larger water utilities.

In addition, we are concerned about the pending court decision that may prevent an agency like ours from adopting tiered water rates without an onerous process under Proposition 218. Because time is so short before the summer, it would be very helpful for the SWRCB to provide guidance to local agencies on what ordinances/regulations we can adopt to impose tiered pricing to encourage conservation. It might also be helpful for the SWRCB to delegate authority it received under the Executive Order, provided that it is used in specified ways.

Even if we were to adopt tiered water rates, those rates would have little effect on the groundwater pumpers in the Valley who do not utilize the Borrego Water District for water service. This is the primary reason we are proceeding with the SGMA to build a reduction program that includes all pumpers. Presently, agriculture pumps approximately 70% of the groundwater in our basin, recreation (mainly golf courses) pump 20% and the District pumps 10% for domestic use. Might it be possible for the SWRCB to clarify that any water conservation measures will apply to all water uses (including commercial, industrial and

institutional) within the boundaries of a local agency? Again, delegating authority that the SWRCB received under the Executive Order and/or providing guidance about how we could implement such a reduction would be very helpful.

In summation, we applaud the efforts of the SWRCB and the speed with which you were able to generate the framework document.

Sincerely,

Jerry Rolwing
General Manager

Cc: Bill DiBiase, SWRCB, Field Operations Branch, San Diego Region

2013		Jun	Jun 75%	Jul	Jul 75%	Aug	Aug 75%	Sep	Sep 75%	Oct	Oct 75%	Nov	Nov 75%
Class	R	98.64	73.98	101.80	76.35	115.75	86.81	94.97	71.23	104.81	78.61	83.13	62.35
	IR	24.20	18.15	27.62	20.72	33.35	25.01	17.96	13.47	35.44	26.58	34.38	25.79
	CM	15.83	11.87	18.27	13.70	21.28	15.96	22.86	17.15	15.66	11.75	14.96	11.22
	MU	19.08	14.31	18.14	13.61	20.88	15.66	16.14	12.11	18.73	14.05	16.55	12.41
	PA	11.85	8.89	16.45	12.34	16.30	12.23	11.95	8.96	10.52	7.89	7.75	5.81
		169.60	127.20	182.28	136.71	207.56	155.67	163.88	122.91	185.16	138.87	156.77	117.58
2014		Jun	Jun 75%	Jul	Jul 75%	Aug	Aug 75%	Sep	Sep 75%	Oct	Oct 75%	Nov	Nov 75%
Class	R	89.94	67.46	106.09	79.57	91.27	68.45	83.71	62.78	91.55	68.66	81.9	61.43
	IR	16.93	12.70	22.29	16.72	23.56	17.67	22.83	17.12	27.2	20.40	18.77	14.08
	CM	15.91	11.93	19.11	14.33	17.02	12.77	14.09	10.57	15.74	11.81	14.66	11.00
	MU	19.01	14.26	20.14	15.11	16.72	12.54	13.93	10.45	14.96	11.22	19.02	14.27
	PA	18.37	13.78	8.85	6.64	10.1	7.58	8.61	6.46	9.1	6.83	7.13	5.35
		160.16	120.12	176.48	132.36	158.67	119.00	143.17	107.38	158.55	118.91	141.48	106.11
% of 2013		Jun	Jul	Aug	Sep	Oct	Nov						
Class	R	0.91	1.04	0.79	0.88	0.87	0.99						
	IR	0.70	0.81	0.71	1.27	0.77	0.55						
	CM	1.01	1.05	0.80	0.62	1.01	0.98						
	MU	1.00	1.11	0.80	0.86	0.80	1.15						
	PA	1.55	0.54	0.62	0.72	0.87	0.92						
			2014 usage exceeded 2013										
			2014 usage is 25% less than 2014										

DRAFT

Table 1 - Proposed Local Cost Share Requirements

Affordability Criteria		Grant Amount	
	Water Rate as Percent of MHI ¹	Percentage of Total Project Cost ²	Maximum Grant Amount (\$ million) ³
DAC	WMHI < 1.5%	Loan to Raise Rates to ≥ 1.5%	
	1.5 ≤ WMHI < 2	65%	5
	2 ≤ WMHI < 2.5	70%	5
	WMHI ≥ 2.5%	80%	5
SDAC	NA	100%	5

¹Public Schools for which water rates are not charged, the Division may approve 100% grant up to a maximum of \$5 million.

Economically distressed areas as defined by Chapter 2, Section 79702

²Remainder of Project Cost will can be a Drinking Water Loan or other non-state water board grant.

³A maximum grant amount of \$5 million per project, or \$20 million per regional project where at least one entity is a DAC.

⁴These approximations were based on 2015 MHI amounts of \$48,875 to qualify as a DAC and \$36,656 to qualify as a SDAC. Applicants will use the MHI for their service area to calculate % of water rate to MHI.



BORREGO WATER DISTRICT

April 1, 2015

Ms. Meghan Tosney, Senior Engineer
California State Water Resources Control Board
via email: meghan.tosney@waterboards.ca.gov

RE: Comment on CWSRF

Dear Ms. Tosney:

Thank you for providing an opportunity to comment on the draft SFY 2015/16 CWSRF IUP. My only comment revolves around the matching requirement for disadvantaged communities (DAC). Our remote, rural community has an HMI of \$42,230 and we have recently raised our water rates over 100% in the past five years. This still leaves us less than 2% of the water rate percent of MHI. It will be very difficult for our little agency (2,125 customers) to come up with a 65% match as per Table 1 - Proposed Local Cost Share Requirements. The increase has been a great hardship for our residents living on fixed incomes and those struggling to survive with the high cost of living in Southern California. We understand the need for matching funds; however, this requirement will have a negative effect on being able to apply for much needed infrastructure funding.

Please reconsider how much match will be required for DAC's so funds can actually go to areas that are truly in need of State funding. I would propose starting with 85% for the 1.5 to 2.0 percent, 90% for 2.0 to 2.5 and 95% for greater than 2.5. This would dovetail nicely into the SDAC rate of 100%.

Sincerely,

Jerfy Rolwing
General Manager



BORREGO WATER DISTRICT

March 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: 91,426 (gallons per day)

Peak flow: 112,102 gpd Saturday March 7, 2015



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

March 2015

DATE	ID-1	ID-3	ID-4	DISTRICT-WIDE TOTALS
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
Mar-15	50.30	5.94	86.54	142.78
12 Mo. TOTAL	991.78	101.10	1339.36	2432.24

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
Mar-15	-0.50	0.67	15.23	N/A	5.13
12 Mo. Average	-0.16	2.00	14.40	N/A	5.41

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

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	Wells 1&2	Total	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
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
MAR'15	19.16	14.36	0.02	1.81	14.00	6.89	33.52	22.72	50.30
TOTALS	194.58	116.94	2.51	210.71	459.37	199.95	311.52	872.54	1082.96

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Const'rt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
MAR'14	6.88	4.98	1.88	3.62	15.75	6.90	0.00	40.01	5.17	11.44%
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%
MAR'15	7.72	6.13	0.00	0.00	3.03	5.94	0.00	22.82	-1.10	-5.00%
TOTALS	122.02	128.69	3.12	33.87	485.15	101.10	0.00	873.95	-1.41	-1.6%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 3
 Month of March 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			
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
MAR'15	0.00	2.26	0.10	3.54	3.64	0.10	5.80	5.90
TOTALS	0.00	36.97	1.46	60.65	62.11	1.46	97.62	99.08

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
MAR'14	6.89	6.88	0.01	0.15%
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%
MAR'15	5.94	5.90	0.04	0.67%
TOTALS	101.10	99.08	2.02	2.00%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of March 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
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
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
MAR'15	0.00	0.00	43.04	5.91	8.26	27.25	2.08	0.00	0.00	86.54	86.54
TOTALS	0.00	0.00	552.89	104.67	112.89	559.29	41.00	0.08	0.00	1370.82	1339.36
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
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
MAR'15	86.54	73.36	13.18	15.23%	0.00
TOTALS	1370.82	1173.46	197.36	14.40%	31.46
=====	=====	=====	=====	=====	=====

California Assembly members push to speed up water storage construction

By [Dakota Smith](#), Los Angeles Daily News

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Amid a crippling state drought, several state Assembly members are pushing a bill intended to speed up construction of water storage facilities by changing the state-mandated environmental review process.

Introduced last month, AB 311 creates a window to resolve litigation over environmental reviews of new water storage facilities.

Assemblywoman Kristin Olsen, R-Modesto, co-author of AB 311, said her bill addresses the “abuse” within the environmental review process, which has “stifled California’s economic growth.”

“We have to move away from outdated thinking in state government,” Olsen said.

Olsen’s bill and eight others were part of a package of proposed legislation highlighted Thursday by Assembly Republicans, laws that “will keep California at the leading edge of the modern economy,” backers said.

Both AB 311 and AB 641, a similar bill announced Thursday to speed up the environmental review process for housing projects, target the California Environmental Quality Act, a state statute that requires the environmental impacts of a project be studied.

AB 311 and AB 641 are similar to bills written for the Sacramento Kings stadium and the now-defunct Farmers Field football stadium in downtown Los Angeles, an Olsen spokeswoman said. Both those projects got CEQA exemptions intended to stave off lawsuits that could slow down construction.

4/17/2015

California Assembly members push to speed up water storage construction

Environmentalists credit CEQA with protecting California from overdevelopment, while business groups say opponents file frivolous CEQA-related lawsuits to kill or slow down projects.

AB 311 and AB 641 drew praise Thursday from Stuart Waldman, president of the Valley Industry and Commerce Association. “We have been fighting for CEQA reform for decades,” Waldman said.

Los Angeles City Councilman Mitch Englander, the lone Republican on the council, also said in a statement that “sensible” CEQA “reform supports our environmental goals while creating a competitive business climate in the state.”

David Pettit, attorney for the Natural Resources Defense Council, said shortening the time frame to resolve lawsuits is a measure that isn’t enforceable.

Pettit, who supported the Farmers Field legislation, said that a better solution would be to shorten the time the city or state has to prepare the paperwork during a lawsuit.

APA asphaltroads1