

**AGENDA**  
**Borrego Water District Board of Directors**  
**Special Meeting**  
**May 19, 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. Comments from Directors and Requests for Future Agenda Items
- F. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)

**II. CURRENT BUSINESS MATTERS**

- A. Discussion of Governor Browns April 1<sup>st</sup> Executive Order B-29-15 regarding 25% water reduction (2-21)
- B. Discussion and possible approval of Raftelis services for Executive Order Reduction Analysis and RHGC Fee Update (22-24)
- C. Discussion of Prop 218 for future tiered water rates in the Fall
- D. Discussion and possible approval of revised Water Credit Policy (25-39)
- E. Review of draft budget (40-46)
- F. Discussion and possible approval of Resolution *2015-05-01 AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND PROMISSORY NOTE AND RELATED MATTERS*, for a loan from BBVA Bank to refinance Viking Ranch loan (47-49)
- G. Discussion and possible approval of updating billing system with Springbrook (50-55)
- H. Discussion of potential agenda items for May 27<sup>th</sup> board meeting

**III. INFORMATIONAL ITEMS**

- A. Letters to ACWA/JPIA and ABDNHA (56-57)

**IV. 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.

**V. CLOSING PROCEDURE**

The next Regular Meeting of the Board of Directors is scheduled for May 27<sup>th</sup>, 2015 at the Borrego Water District.

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2015-0032**

TO ADOPT AN EMERGENCY REGULATION FOR  
STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order (April 2014 Proclamation) to strengthen the State's ability to manage water and habitat effectively in drought conditions, and called on all Californians to redouble their efforts to conserve water. The April 2014 Proclamation finds that the continuous severe drought conditions present urgent challenges across the State, including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity, if drought conditions continue into 2015. The April 2014 Proclamation also suspends the environmental review required by the California Environmental Quality Act to allow the emergency regulation and other actions to take place as quickly as possible;
2. The April 2014 Proclamation refers to the [Governor's Proclamation No. 1-17-2014](#), issued on January 17, 2014, declaring a drought State of Emergency to exist in California due to severe drought conditions (January 2014 Proclamation). The January 2014 Proclamation finds that dry conditions and lack of precipitation present urgent problems to drinking water supplies and cultivation of crops, which put farmers' long-term investments at risk. The conditions also threaten the survival of animals and plants that rely on California's rivers, including many species in danger of extinction. The January 2014 Proclamation also calls on all Californians to reduce their water usage by 20 percent;
3. On December 22, 2014, in light of the continued lack of rain, Governor Brown issued [Executive Order B-28-14](#), which extends the California Environmental Quality Act suspension through May 31, 2016 for Water Code section 13247 and certain activities identified in the January 2014 and April 2014 proclamations;
4. On April 1, 2015, Governor Brown issued a new Executive Order that directs the State Water Board to impose restrictions on urban water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems; along with other directives;
5. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";



6. On July 15, 2014, the State Water Board adopted an emergency regulation to support water conservation ([Resolution No. 2014-0038](#)), and that regulation became effective July 28, 2014 upon approval by the Office of Administrative Law (OAL);
7. On March 17, 2015, the State Water Board amended and readopted the emergency regulation to support water conservation ([Resolution No. 2015-0013](#)), which became effective March 27, 2015 upon approval by OAL;
8. The current emergency regulation has supported Californians' water conservation efforts, with over 125 billion gallons saved from August 2014 through March 2015; however, statewide water use is only nine percent less than the same months in 2013. Achieving a 25 percent reduction in use will require even greater conservation efforts across the state. In particular, many communities must dramatically reduce their outdoor water use;
9. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes will survive while receiving a decreased amount of water;
10. Although urban water suppliers have placed restrictions on outdoor watering, the State Water Board continues to receive reports of excessive outdoor water use;
11. Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available later in the season or next year, reducing the likelihood of even more severe water shortages should the drought continue;
12. Education and enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
13. Public information and awareness is critical to achieving conservation goals, and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>);
14. Many California communities are facing social and economic hardship due to this drought. The rest of us can make adjustments to our water use, including landscape choices that conserve even more water;
15. The California Constitution declares, at article X, section 2, that the water resources of the state must be put to beneficial use in a manner that is reasonable and not wasteful. Relevant to the current drought conditions, the California Supreme Court has clarified that "what may be a reasonable beneficial use, where water is present in excess of all needs, would not be a reasonable beneficial use in an area of great scarcity and great need. What is a beneficial use at one time may, because of changed conditions, become a waste of water at a later time." (*Tulare Dist. v. Lindsay Strathmore Dist.* (1935) 3 Cal.2d 489, 567.) In support of water conservation, the legislature has, through Water Code section 1011, deemed reductions in water use due to conservation as equivalent

to reasonable beneficial use of that water. Accordingly, this regulation is in furtherance of article X, section 2 during this drought emergency. This temporary emergency regulation is not to be used in any future administrative or judicial proceedings as evidence or finding of waste and unreasonable use of any individual water user or water supplier subject to this regulation, and are not to affect or otherwise limit any rights to water conserved under applicable law, including without limitation, water conserved consistent with Water Code section 1011;

16. Directive two of the Governor's April 1, 2015 Executive Order directs the State Water Board to consider the relative per capita usage of each urban water supplier's service area and require that areas with high per capita use achieve proportionally greater reductions than areas with low per capita use;
17. On April 7, 2015, the State Water Board issued a draft framework proposing increasing levels of required water reduction based upon residential per capita per day use (R-GPCD) for the proposed regulation, and solicited public comments. The Board received over 300 comments on the framework, primarily relating to the levels of required water reduction;
18. On April 18, the State Water Board issued draft regulatory language for public comment based on the April 7 framework and the comments received. The draft regulatory language reflected careful consideration of all comments including those directed at the levels of required reduction. Again, the Board received close to 300 comments;
19. On April 28, 2015, the State Water Board issued a final version of draft regulatory language for comment, followed on April 29 by a formal public notice that it would consider the adoption of the emergency regulation at the Board's regularly-scheduled May 5 and 6, 2015 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;
20. As discussed above, the State Water Board is adopting the emergency regulation because of the continuing emergency drought conditions, the need for prompt action to prevent the waste and unreasonable use of water and to promote conservation, and the specific actions called for in the Governor's April 1, 2015 Executive Order; and
21. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain the enforcement discretion in enforcing the regulation to the extent authorized. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, section 866 and re-adopts sections 863, 864, and 865, as appended to this resolution as an emergency regulation;



2. State Water Board staff will submit the regulation to OAL for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or the Executive Director's designee may make such changes;
4. This regulation shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulation due to continued drought conditions as described in Water Code section 1058.5;
5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulation and its effect. These updates shall include information regarding the progress of the Building Standards Commission, Department of Housing and Community Development, and other state agencies in the adoption and implementation of emergency regulations or other requirements that implement increased outdoor irrigation efficiency for new construction. These regulations and other requirements will extend existing efficiency standards for new construction to the outdoor environment and ensure that California's new homes are constructed to meet the growing demand with the most efficient standards;
6. The State Water Board directs staff to condition funding upon compliance with the emergency regulation, to the extent feasible;
7. The State Water Board directs staff to work with DWR and the Save Our Water campaign to disseminate information regarding the emergency regulation; and
8. The State Water Board directs staff to update the electronic reporting portal to include data fields for the new reporting required by the emergency regulation.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board shall work with DWR, the Public Utilities Commission, and other agencies to support urban water suppliers' actions to implement rates and pricing structures to incent additional conservation, as required by directive eight in the Governor's April 1, 2015 Executive Order. The Fourth District Court of Appeal's recent Decision in *Capistrano Taxpayer Association Inc. v. City of San Juan Capistrano* (G048969) does not foreclose the use of conservation-oriented rate structures;
10. The State Water Board calls upon water suppliers to:
  - a. ensure that adequate personnel and financial resources exist to implement conservation requirements not only for 2015, but also for another year of drought should it occur. Water suppliers that face budget shortfalls due to reduced sales should take immediate steps to raise necessary revenues in a way that actively promotes continued conservation;
  - b. expedite implementation of new conservation programs by minimizing internal review periods and utilizing emergency authorities, as appropriate;

- c. consider the relative water use and conservation practices of their customers and target those with higher water use to achieve proportionally greater reductions than those with low use;
  - d. minimize financial impacts to low-income customers;
  - e. preserve safe indoor water supplies in areas with very low R-GPCD and where necessary to protect public health and safety;
  - f. promote low-water use methods of preserving appropriate defensible space in fire-prone areas, consistent with local fire district requirements;
  - g. educate customers on the preservation of trees;
  - h. promote on-site reuse of water; and
  - i. promptly notify staff of the supplier's need for an alternate method of compliance pursuant to resolved paragraph 16.
11. The State Water Board calls upon all businesses within California's travel and tourism sectors to inform visitors of California's dire drought situation and actions visitors should take to conserve water;
  12. The State Water Board commends wholesale water agencies that have set aggressive conservation targets for their retail water suppliers;
  13. The State Water Board commends water suppliers that have made investments to boost drought-resistant supplies, such as advanced treated recycled water and desalination. Those investments help to make communities more resilient in the face of drought;
  14. The State Water Board commends the many water suppliers that have already surpassed their 20x2020 conservation targets. Long-term conservation efforts are critical to maintaining economic and social well-being, especially in light of the impacts of climate change on California's hydrology;
  15. During this drought emergency, heightened conservation that extends urban resilience is necessary. The State Water Board's focus is primarily on immediate reductions in outdoor water use. Some short-term conservation efforts, such as landscape conversions and installation of efficient appliances, will also support long-term conservation objectives, and are encouraged wherever possible;
  16. The State Water Board recognizes that some commercial and industrial customers, while accounting for a significant portion of total use in a service area, have already taken steps to significantly reduce their water consumption and cannot further reduce their use without substantial impacts. However, the Board also recognizes that in many areas there are significant opportunities for reductions in water use by industries and commercial enterprises that have yet to take action, especially those with large areas of non-functional turf. The Board directs staff to respond promptly upon receipt of any request for alternate enforceable methods of compliance. If the supplier believes the conservation standard is unachievable due to firm commercial and industrial water use

and residential use reductions that would affect public health and safety, it should provide any supporting information or documentation for an alternate method of compliance; and

17. Some water suppliers have called for further refinement of the tiers to reflect a range of factors that contribute to water use, including but not limited to temperature, lot size, and income. Others have called for an approach that provides greater recognition for early investments in conservation, the development of local, drought resistant water supplies, and health and safety needs. These suggestions and many others are important considerations in the development of a more comprehensive, and long term, conservation framework. The State Water Board directs staff to work with stakeholders on a thoughtful process to devise options for extended and expanded emergency regulations should the drought continue into 2016.

### CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on May 5, 2015.

AYE: Chair Felicia Marcus  
Vice Chair Frances Spivy-Weber  
Board Member Tam M. Doduc  
Board Member Steven Moore  
Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



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Jeanine Townsend  
Clerk to the Board

## ADOPTED TEXT OF EMERGENCY REGULATION

### Article 22.5. Drought Emergency Water Conservation.

#### Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(5) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(6) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

#### Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;



- (5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;
- (6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;
- (7) The irrigation with potable water of ornamental turf on public street medians; and
- (8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 865, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through February 2016 as compared to the amount used from those sources for the same months in 2013.

(d) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivisions (b) or (c), is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

#### Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this section:

(1) "Distributor of a public water supply" has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) "R-GPCD" means residential gallons per capita per day.

- (3) "Total potable water production" means all potable water that enters into a water supplier's distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outside the supplier's service area.
- (4) "Urban water supplier" means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15<sup>th</sup> of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's April 1, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available may, submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified in subdivision (c).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.



(2) Submitting any information pursuant to subdivision (e)(1)(B) or (C) of this section that is found to be materially false by the board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall take one or more of the following actions:

(A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(B) Reduce by 25 percent reduction its total potable water production relative to the amount produced in 2013.

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by December 15, 2015, on a form provided by the Board, that either confirms compliance with subdivision (f)(1)(A) or identifies total potable water production, by month, from June through November, 2015, and total potable water production, by month, for June through November 2013.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

#### Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the board or an officer or employee of the board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the California Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

Authority: Section 1058.5, Water Code.

References: Cal. Const., Art., X § 2; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.



# Media Release

## State Water Board Adopts 25 Percent Mandatory Water Conservation Regulation

For Immediate Release  
May 5, 2015

Contact: George Kostyrko  
gkostyrko@waterboards.ca.gov

**SACRAMENTO** – With emergency drought conditions persisting throughout California, the State Water Resources Control Board Tuesday adopted an emergency regulation requiring an immediate 25 percent reduction in overall potable urban water use statewide in accordance with Gov. Jerry Brown’s April 1 Executive Order.

The Governor’s Executive Order required, for the first time in the state’s history, mandatory conservation for all residents and directed several state agencies, including the State Water Board, to take immediate action to safeguard the state’s remaining potable urban water supplies in preparation for a possible fifth year of drought.

A 25 percent savings in potable urban water use amounts to more than 1.2 million acre-feet of water over the next nine months, or nearly as much water as is currently in Lake Oroville.

Tuesday’s action follows the release of water production figures for the month of March which registered only a slight increase from the amount of water saved in the prior month. The amount of water conserved in March 2015, as compared to March 2013 was 3.6 percent, up less than one percent from February’s results.

Since the State Water Board adopted its initial emergency urban conservation regulation in July 2014, voluntary statewide conservation efforts have reached 9 percent overall – far short of the 20 percent Governor Brown called for in 2014. To see how various regions and communities have done conserving water, please visit this link [here](#).

“This is the drought of the century, with greater impact than anything our parents and grandparents experienced, and we have to act accordingly,” said Felicia Marcus, Chair of the State Water Resources Control Board.

“Today we set a high but achievable bar, with the goal of stretching urban California’s water supply. We have to face the reality that this drought may continue and prepare as if that’s the case. If it rains and snows next winter, we celebrate. If the drought continues, we’ll be glad we took difficult but prudent action today. It’s the responsible thing to do.”



## Conservation Standard

The emergency regulation identifies how much water communities must conserve based on their average residential water use, per person per day, last summer. Every person should be able keep indoor water use to no more than 55 gallons per day. For the most part, the amount of water that each person uses in excess of this amount is water that is applied to lawns and other ornamental landscapes.

On average, 50 percent of total residential use is outdoors, in some cases up to 80 percent. To save water now, during this drought emergency, the regulation targets these outdoor uses. Communities that are approaching, at or below the indoor target, are assigned a modest conservation standard while communities that use water well above the indoor target will be asked to do much more.

To reduce water use by 25 percent statewide, the regulation adopted by the Board this week places each urban water supplier into one of eight tiers which are assigned a conservation standard, ranging between four percent and 36 percent. Each month, the State Water Board will compare every urban water suppliers' water use with their use for the same month in 2013 to determine if they are on track for meeting their conservation standard. Local water agencies will determine the most cost effective and locally appropriate way to achieve their standard. The State Water Board will be working closely with water suppliers to implement the regulations and improve local efforts that are falling short.

"This likely will result in all communities significantly cutting back on outdoor watering, particularly ornamental landscapes surrounding homes, institutions, and businesses, resulting in many golden landscapes statewide," said Marcus. "This will be a heavy lift for some, but we believe that the regulatory strategy adopted today is doable – in fact, many communities that have focused on conserving water have already achieved significant conservation without losing their landscapes."

Residential customers of water suppliers with a conservation standard of 36 percent currently use between 216 and 614 gallons of water per person per day during the months of July, August, and September. Reducing their water use by 36 percent will still leave these residents with a minimum of 137 and up to 393 gallons of water per person per day; far more than the accepted standard of 55 gallons per person per day for indoor use. The difference between 55 gallons per person per day and 137 – 393 gallons per person per day means that these residents will still have water available for outdoor irrigation. Communities using less than 65 gallons per person per day will be required to reduce their overall water use by 8 percent.

"Over the longer term, we have many ways to extend our precious water resources, particularly in urban areas — conservation, recycling, stormwater capture, and desalination in appropriate cases have great promise. Many communities have done a lot already, or have ambitious goals that we hope to help them achieve. In the short run however, conservation is the cheapest, fastest and smartest way to become more resilient in the face of drought today and climate change in the future," said Marcus.



## Summary of New Requirements

- The conservation savings for all urban water suppliers (serving more than 3,000 connections) are allocated across nine tiers of increasing levels of residential gallons per capita per day (R-GPCD) water use to reduce water use by 25 percent statewide and will take effect June 1st. For specific information on the tiers and the suppliers in each tier, please visit [here](#).
- Smaller water suppliers (serving fewer than 3,000 connections) must either reduce water use by 25 percent, or restrict outdoor irrigation to no more than two days per week. These smaller urban suppliers, that collectively serve less than 10 percent of Californians, must submit a report on December 15, 2015 to demonstrate compliance.
- Commercial, Industrial and Institutional properties that are not served by a water supplier (or are self-supplied, such as by a groundwater well) also must either reduce water use by 25 percent or restrict outdoor irrigation to no more than two days per week. No reporting is required but these properties must maintain documentation of their water use and practices.
- The new prohibitions in the Executive Order apply to all Californians and will take effect immediately upon approval of the regulation by the Office of Administrative Law. These include:
  - Irrigation with potable water of ornamental turf on public street medians; and
  - Irrigation with potable water outside of newly constructed homes and buildings not in accordance with emergency regulations or other requirements established by the Building Standards Commission and the Department of Housing and Community Development.
- These are in addition to the existing restrictions that prohibit:
  - Using potable water to wash sidewalks and driveways;
  - Allowing runoff when irrigating with potable water;
  - Using hoses with no automatic shutoff nozzles to wash cars;
  - Using potable water in decorative water features that do not recirculate the water;
  - Irrigating outdoors during and within 48 hours following measureable rainfall; and
  - Restaurants serving water to their customers unless the customer requests it.
- Additionally, hotels and motels must offer their guests the option to not have their linens and towels laundered daily and prominently display this option in each guest room.



### **Enforcement**

In addition to other powers, local agencies can fine property owners up to \$500 a day for failure to implement the water use prohibitions and restrictions. The State Water Board can issue informational orders, conservation orders or cease and desist orders to water suppliers for failure to meet their conservation standard. Water agencies that violate cease and desist orders are subject to a civil liability of up to \$10,000 a day.

### **Next Steps**

Following Board adoption, the regulation will be submitted to the Office of Administrative Law, which has 10 days to approve or deny the regulation. If approved by the Office of Administrative Law, the regulation will take effect immediately and remain in effect for 270 days from that date.

For more information, please visit the [Emergency Water Conservation](#) website.

To learn more about the state's drought response, visit [Drought.CA.Gov](#).

Every Californian should take steps to conserve water. Find out how at [SaveOurWater.com](#).

## Sponsor Group Presentation – 5/7/15

### Borrego Water District

### Beth Hart, President

1. The Emergency Order (EO) issued by the Governor affects all municipal water districts in the state including Borrego and cannot be ignored without creating great peril for the rate payers. The Order includes fines, penalties and the right of direct intervention in some circumstances. While some may argue that Borrego is too small to be in the state's sights, as public officials with a fiduciary duty to our ratepayers, we, as a Board, are not permitted to take that view.
2. The final Order is to be released May 5. It will be in effect as early as May 15 for 9 months. The final Order repeats the Water Control Board's rejection of reasoned requests for exceptions to the original Order. There were two comment periods. A series of reasoned exceptions offered by the Association of California Water Agencies including a request that climate be factored into reduction levels were summarily rejected during the first comment period along with a clear statement that no exceptions would be forthcoming. The final Order has only minor revisions.
3. We also know that Sacramento has been planning this for a while. The Order provides authority to the Water Control Board that until recently didn't have authority over all water districts. Instead, the Dept. of Health was a prime regulator. The consolidation of power under the single agency last year signaled that someone in Sacramento had a plan. The Control Board's implementation of water use restrictions for large municipal users last fall was a preview to its actions this week.
4. There are "end user" restrictions that apply to all users in the state along with reduction and reporting requirements for commercial, industrial and institutional organizations on private wells. I have listed those in the handout. Please take time to review them. They are listed on our website: [www.borregowd.org](http://www.borregowd.org).
5. The EO applies to Borrego in the following manner: We must either limit irrigation to 2 days a week or reduce our municipal use by 25%. Clearly, we are not willing to devastate our valley by destroying all the vegetation here, so our option is to reduce water usage by 25%. We are required to reduce 25% below the levels used in June to November 2013. While the District is exempt from monthly reporting, it must report its water uses in December 2015 and demonstrate it met the required reduction. We don't have a clear answer concerning what the penalty will be if we fail to meet the reduction.
6. A very practical outcome of a 25% reduction in water sales is a corresponding 25% reduction in income. Throughout the state, water agencies have reacted to the Order with drought rates, drought restrictions, policies, penalties and the like to enforce compliance and attempt to recoup some lost income requiring that residents pay more to keep their existing level of use. In Borrego, we have considered these various ideas and decided we would prefer to take a different path - we want to do something constructive for Borrego.



7. During the next two Board meetings on May 19 and May 27, we will be discussing with the public how to create a Borrego response that brings a positive rather than negative result from the Order. We have some positives on our side. A review of our water use in 2014 for the period of June through November shows our ratepayers reduced more than 10% over the same period in 2013. That means if we can responsibly increase our past conservation, we should meet the reduction requirements. In addition, the District is still able to raise rates pursuant to the 218 process that was put in place in 2011. We have the ability to raise our commodity rate by 5% and our base rate by 19%. Rate increases in these categories in recent years have resulted in additional conservation. We will be deciding in our next meetings how to apply these increases, but it means we will have some options for income replacement without necessarily resorting to penalties.

We are also taking what we hope is a constructive, rather than destructive approach. On the back page of the handout is a list of recommendations for ratepayers on how to reduce their use. This is a starting point. We will be working with the public in the next several meetings to come up with some practical ways to reduce consumption without destroying our life styles. We are currently contacting academic or horticultural organizations that share this same desert climate to have some specific help for residents trying to successfully wean plants from excessive watering to more moderate schedules, those making choices to replace plants and those wanting to relocate their vegetation. UCI is helping with this task, but we are also seeking assistance from other organization in the Coachella Valley. We want to provide resources and information for those earnestly working to address their landscape issues.

We are also mulling over how to provide incentives so that ratepayers conserve sooner rather than later and are rewarded for their actions. We have some ideas on how to approach this and again, these ideas will be discussed in our upcoming meetings.

8. Here's the bottom line: We don't want to be derailed from our goal to move forward as a community to build a plan under the Sustainable Groundwater Management Act to address the overdraft. That's our priority. Droughts come and go, but the overdraft remains. To address it: change is inevitable - conservation is here to stay. The District's cost to provide water to ratepayers is bound to rise, but if we work together, pool our resources and think through our objective, we can plan a controlled process so that drought Orders and other State mandates don't divert our resources and create a crisis for our community.

9. Please plan to attend our next two meetings, 9 am, Tuesday, May 19 and Wednesday, May 27. Come think through this process with us. If you can't attend and have some ideas, contact a Board member and share. We want to be as responsive as we legally can be and as considerate as practicable. We recognize that many water users are gone for the summer. We are sensitive to the difficulties of making irrigation changes during the hot months. But there are some who can make changes now that will help us reach our goal to keep the State at bay and stay on track to create a long term success in addressing the overdraft.

BORREGO WATER DISTRICT  
MAY 19, 2015  
CONSERVATION ORDER AND SUGGESTIONS

CALIFORNIA MANDATED WATER USE RESTRICTIONS  
JUNE 1, 2015 – MARCH 1, 2016

The following restrictions are mandated by the State of California effective 6/1/2015 to March 1, 2016 and apply to all "municipal water users" in Borrego.

ALL MEMBERS OF THE COMMUNITY:

- Ornamental turf on public street medians may not be irrigated
- Newly constructed homes may not irrigate with potable water unless they  
Meet certain standards
- Sidewalks and driveways may not be washed with potable water
- Irrigation runoff with potable water is prohibited
- Washing cars without an automatic shutoff nozzle is prohibited
- Decorative fountains must recirculate potable water or go dry
- Irrigating within 48 hours of measurable rain is prohibited
- Restaurants may only serve water upon request
- Hotels and Motels must offer guest the option not to launder linens daily  
and prominently display this option in each guest room

BORREGO WATER DISTRICT:

Borrego Water District must reduce by 25% for the months of June 2015 through February 2016 as compared to the amount used from those sources for the same months in 2013.

CONSERVATION SUGGESTIONS FOR RATEPAYERS

Inside a home:

- Install efficient clothes washer, toilets, shower heads
- Install point of use water heater systems either at a hot water source or  
a recirculating systems with a timer on the water heater
- Wash only a full load of clothes
- Use an efficient dishwasher instead of hand washing dishes

Outside the home:

- Fix all leaks promptly
- Only use a hose with a spray nozzle and a bucket to wash cars or  
wash your car at a commercial facility in town
- Vacuum patios and driveways instead of washing them down
- Don't allow a hose to run without a shutoff nozzle

Turn off decorative fountains, streams and water features for the summer  
Do not refill before December 10, 2015

Around the pool:

Pools should have both a cover and recirculating systems  
Do not exchange pool water until after November 30, 2015  
Plan pool repairs for after November 30, 2015

In the Garden during the summer:

Routinely check water wells and repair blow outs  
Cap or repair leaking irrigation  
Install irrigation timers  
Set timer to run over night, finishing close to dawn  
Mulch beds to reduce evaporation  
Turn the water off to plants slated to be replaced or removed  
Retain a spring watering schedule until daytime temperatures regularly  
exceed 100 degrees. Watch plants for evidence of stress.  
Install more efficient watering system to activate when temperatures drop

After the summer temperatures drop:

Install and operate more efficient watering systems  
Wean plants from summer schedule, keep overnight watering schedule  
In place until cold temperatures arrive  
Plant or transplant drought resistant plants  
Routinely check water wells and repair blow outs, repair leaks

After December 10, 2015:

Okay to refill fountains, decorative water features in public areas  
Okay to refill pools, unless notified otherwise

RESOURCES:

VEGETATION REMOVAL, DISPOSAL AND MULCHING

IRRIGATION SYSTEMS

LANDSCAPE WATERING

TURF WATERING

CHANGING PLANTS WATER SCHEDULES  
HOW TO WEAN AN ESTABLISHED PLANT  
WATERING NEW PLANTINGS AND TRANSPLANTS  
HOW TO WEAN A NURSERY PLANT

SELECTING DROUGHT TOLERANT TREES



SELECTING DROUGHT TOLERANT PLANTS

REPLACING OLEANDER

REPLACING TURF

DECORATIVE ROCK

Appliance Standards adopted 4/8/15 per E.O. B-29-15 –

Toilets shall not consume more than 1.28 Gallons per flush, examples are Kohler \$168.00, Kohler Touchless flush (4AA Batteries) \$218.00, Glacier Bay \$88.00, Glacier Bay Dual Flush 1.1 liquid/1.6 solid gallons per flush \$98.00

Some Clothes Washers have a SDG&E rebate of \$50.00 typical price range of qualifying units are \$700.00-\$800.00

Residential lavatory faucets shall not exceed 1.2 gallons per minute flow rate.

Kitchen facets shall not exceed 1.8 gallons per minute flow rate and may have the capability to increase to 2.2 gallons per minute momentarily for filling pots and pans.

Hot water tank recirculation pumps should be installed to allow quicker hot water service. \$199.00.

Qualifying new hot water tanks, 40 gallon \$ 374.00-\$453.00, 50 gallon \$579.00 also have a SDG&E rebate of \$100.00.



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May 4, 2015

Mr. Jerry Rolwing  
General Manager  
Borrego Water District  
806 Palm Canyon Dr.  
Borrego Springs, CA 92004

**Subject: Scope of Services for Executive Order Reduction Analysis and RHGC Fee Update**

Dear Mr. Rolwing:

Raftelis Financial Consultants, Inc. (RFC) is pleased to submit this scope of services to conduct both the Executive Order Reduction Analysis and RHGC Fee Update for the Borrego Water District (District).

The following sections outline the tasks RFC believes will be involved in completing a study that accomplishes the District's objectives.

### ***Scope of Services***

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#### **Task 1 – Data Collection and Processing**

To conduct the requested analysis, RFC staff must first collect and process the District's usage data for FY 2013. As part of this step a frame work will be developed which will incorporate base usage allocations (a user specified amount of water for each customer account that cannot be reduced) to determine the true level of reduction needed.

**Meeting(s):** None, Conference calls as needed

**Deliverable(s):** Data Request List, presentation materials

#### **Task 2 – Model Development/Target Identification**

Using the data and framework developed in Task 1, RFC staff will develop a model that allows for account level rationale development for District-level usage reduction targets. Once the model has been developed, RFC staff will work with District staff to discuss and develop the appropriate demand reduction assumptions. To facilitate target identification, the model will include a graphic representation of the both the District's existing/baseline usage and the usage resulting from the

**Scope of Services for Executive Order Reduction Analysis and RHGC Fee Update**  
*Borrego Water District*

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targeted cutbacks. The resulting reduction targets will serve as the basis for identifying the District's revenue recovery needs in light of the regulatory mandates.

**Meeting(s):** One (1) webinar via GoToMeeting® to review Model assumptions and results

**Deliverable(s):** Usage Analysis Model in Microsoft Excel™

**Task 3 – Technical Memorandum Write-Up**

The results of the analysis will be summarized in a technical memorandum.

**Meeting(s):** None

**Deliverable(s):** Technical Memorandum summarizing the results of the analysis

**Task 4 – Rams Hill Golf Course ID1 Spare Capacity Cost Analysis**

As part of this task, RFC will update its prior Rams Hill Golf Course ID1 Spare Capacity Cost Analysis. Utilizing the prior model and the usage analysis performed in the above steps, RFC expects this task can be completed with minimal labor hours. The results of the update will be summarized in a technical memorandum.

**Meeting(s):** One (1) webinar via GoToMeeting® to review Model results

**Deliverable(s):** Updated Analysis Model in Microsoft Excel™, Technical Memorandum



**Scope of Services for Executive Order Reduction Analysis and RHGC Fee Update**  
**Borrego Water District**

**Fees and Hours**

RFC proposes to complete the scope of work outlined above on a time-and-materials basis with a not-to-exceed cost of \$6,800. The following work plan provides a breakdown of the estimated level of effort required for completing each task described and the hourly billing rates for the personnel scheduled to

**Borrego Water District - Executive Order Analysis**

Proposed Hours & Fees

Task	Task Descriptions	Web Meetings	No of Meetings	Hours Requirements				Total Fees & Expenses
				SG	FC	Admin	Total	
<b>HOURLY RATES</b>				\$270	\$170	\$70		
1	Data Collection and Processing			1	16	1	18	\$3,240
2	Model Development/Target Identification	1		2	4		6	\$1,280
3	Technical Memorandum Write-Up			2	6		8	\$1,640
4	RHGC ID1 Spare Capacity Cost Analysis	1		1	2		3	\$640
<b>TOTAL ESTIMATED MEETINGS / HOURS</b>		2	0	6	28	1	35	
<b>PROFESSIONAL FEES</b>				\$1,620	\$4,760	\$70	\$6,450	
							<b>Total Fees</b>	<b>\$6,450</b>
							<b>Total Expenses</b>	<b>\$350</b>
							<b>TOTAL FEES &amp; EXPENSES</b>	<b>\$6,800</b>

SG = Sanjay Gaur

FC = Financial Consultant

complete the project.

We appreciate the opportunity to submit this proposal and look forward to assisting the District with this important project. If you have any questions or need additional information, please contact me at (213) 327-4405.

Sincerely,

Sanjay Gaur  
 Vice President

# BORREGO WATER DISTRICT

## DEMAND OFFSET MITIGATION WATER CREDITS POLICY

(revised –January 30, March 25, 2013, June 26, 2013, 1.22.14, 6.25.14, 5.2015)

### **1. PURPOSE**

Groundwater basin studies by the United States Geological Survey (USGS) demonstrate the need for improved management of the Borrego Valley Groundwater Basin (“BVGB”). The 2013 results of the United States Geological Survey (USGS) BVGB study indicates that the overdraft has continued to grow since the USGS study of the BVGB in 1982 and presently represents a serious economic, social, and environmental threat to the Borrego Valley.

It is the desire of the Borrego Water District (“BWD”, “the District”) to encourage the voluntary immediate cessation and/or reduction of measurable water uses through, but not limited to, a permanent removal of turf and/or a permanent fallowing of Irrigated Agricultural Land (“Water Activity”) as one means to mitigate the current overdraft of the BVGB.

The objectives of this Policy include, but are not limited to, the following: (a) to reduce the demand on the upper groundwater aquifer that underlies the Borrego Valley; (b) to provide a mechanism by which new water demands are mitigated in compliance with the California Environmental Quality Act (“CEQA”); and (c) to create economic incentives for property owners engaged in high water demand activities to cease or reduce their groundwater demands consistent with the objectives of the BWD Groundwater Management Plan (GMP) as adopted by the District in 2001, and as subsequently amended and updated.

New groundwater demands shall conform with the Groundwater Mitigation Ordinance of the San Diego County Department of Planning and Development Services (“the County”) as revised from time to time and the most current Memorandum of Agreement (“MOA”) between BWD and the County Regarding Water Credits dated January 30, 2013.

Finally, this Policy establishes the administrative and technical procedures by which Water Credits are issued by the District, and provides for the ongoing administrative functions for controlling, monitoring and enforcing this Policy. Projects located out of the District boundary or not making application for water service from the District are not subject to this policy.

### **2. DEFINITIONS**

A. AFY: acre-feet of water use per year

B. Applicant: the owner of real property who applies for more than one Water Credit pursuant to this Policy.

C. Application: the document by which an Applicant applies for more than one Water Credit pursuant to this Policy.

D. BVGB: Borrego Valley Groundwater Basin

E. BWD or District: the Borrego Water District.

F. Certificate Holder: Rightful owner of the BWD issued valid Water Credit.

G. CEQA: California Environmental Quality Act.

H. Conditional Water Credit Certificate: a document issued by the BWD identifying the number of Water Credits an Applicant will receive upon compliance with any and all conditions set forth therein and/or in this Policy, which certificate shall remain valid so long as this Policy remains in effect.

I. Consumptive Use: the amount of water lost from the groundwater resource due to evapotranspiration (plant use).

J. County: the government of San Diego County.

K. Desertscape: Landscape requiring no irrigation of any kind after an initial period not to exceed two (2) years of watering to establish any planting(s).

L. Developers and/or their Successors in Interest: Persons or entities seeking to commence an activity within the boundaries of the BWD that will create new or increased water demand on the BWD system, including, but not limited to, new residential or commercial development and/or expansion of existing uses/developments (“Development”).

M. PDS: San Diego County Department of Planning and Development Services.

N. Easement: a legal restriction on the land to be fallowed that completely eliminates the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement in perpetuity, unless the project meets the exemptions of section 4A.

O. EDU or Equivalent Dwelling Unit: As of the adoption of this Policy, one EDU equals 1.0 acre foot per year (AFY) and may be recalculated by the District Manager upon direction of the Board of Directors.

P. Irrigated Agricultural Land: Land that is currently irrigated for active agricultural use. For purposes of this Policy, “currently irrigated” shall mean irrigated for agricultural use during the preceding twelve (12) month period -immediately preceding the date of the Application.



Q. Mitigation Policy: The BWD policy regarding mitigation of impacts of new developments on the Borrego aquifer adopted June 22, 2005 and thereafter amended and further amended and restated in Section 3 hereof.

R. MOA: Memorandum of Agreement between the Borrego Water District and the County of San Diego Regarding Water Credits dated January 30, 2013, as amended.

S. Property: the real property owned by the Applicant and to be restricted pursuant to this Policy.

T. Water Activity: one or more measurable water uses, including, but not limited to, irrigated turf and irrigated farmland.

U. Water Credit: the term “water credit” means an entitlement created under the Water Credit and Mitigation Policy of BWD as published on BWD’s website. The purpose of issuing a water credit is to recognize the fallowing of actively irrigated land located in the Borrego Valley Groundwater Basin (BVGB). A water credit may be used in the future to offset the groundwater use of a proposed development. A water credit does not convey, and shall not be construed to convey, water rights, nor is it a guarantee by BWD of the future availability of water from the BVGB. It should be noted that a water credit is not a guarantee that a proposed development, for which a water credit will be used as an offset, can or will be approved by the County. Each water credit shall be equal to one-acre foot of water per year. Water credit calculations that end with .50 to .99 acre-feet shall be rounded up to the next acre-foot, and calculations that end with .01 to .49 acre-feet shall be rounded down to the previous full acre-foot. As further defined in Section 4B & C below, several classes of credits shall be available pursuant to this Policy.

V. Water Credit Certificate: a document issued by the BWD certifying the issuance to an Applicant of one or more Water Credits in conformance with this Policy.

### **3. MITIGATION POLICY**

Persons or entities seeking to commence an activity within the District that will create a new or increased water demand on the BWD system (“Developers”) must provide one (1) Water Credit for every one (1) EDU demand of the proposed use as calculated by the District’s General Manager, consistent with the provisions hereof. Conformance with the District’s Mitigation Policy must be demonstrated prior to the District providing water service and/or a water meter to the Development proposed by the Developer, or its successor in interest.

### **4. WATER CREDITS**

Upon compliance with the procedural requirements set forth in Section 5. hereof, the District will issue Water Credits to an Applicant in accordance with the following:

A. Easement.—The water credits shall be issued in exchange for an easement granted to BWD. The easement shall include the following provisions:

1.. The easement shall permanently and completely eliminate the extraction, use, storage, distribution or diversion of groundwater on the land subject to the easement, except for the following uses:

a.. One-acre foot of groundwater per year to serve a single-family dwelling; or

b. A project that would require discretionary approval by the County if groundwater use reduction measures are implemented that fully offset the amount of groundwater that the project would use. Groundwater use reduction measures that may be used include measures listed in County Code sections 67.720.B.1 and 67.720.B.2 (County Groundwater Ordinance).

2. The easement shall designate the County as a third-party beneficiary with the right, but not the obligation to enforce the easement. The easement shall give the County the same right of access for purposes of monitoring compliance with the easement and the same options for enforcing the easement as the easement gives to BWD. A copy of the draft easement shall be submitted to the Director of Planning and Development for review and approval.

3. Water Credits AG-2 and AG-1 submitted for AG-2 purposes, 3 & 4 or T-2 & 3 may be acceptable for District purposes only where County mitigation has already been satisfied. These credits will be issued at the sole discretion of the District and the County does not need to be included as a third-party beneficiary.

B. Eligible Land. Contiguous irrigated land with an associated consumptive water use of ten (10) acre feet per year and meeting the criteria set forth below is eligible to participate in the program established by this Policy. Based upon the type of Water Credit sought (as defined in Section 4.B., below), either (i) all irrigation of the Property shall be eliminated or (ii) the Applicant shall cause permanent, quantifiable and verifiable reductions of water use on the Property as a condition precedent to issuance of Water Credits.

1. Agricultural Land. To be eligible, the Applicant must establish that agricultural land was utilized for legal agricultural operation at the Property prior to April 9, 2003. Property on which agricultural production commenced after April 9, 2003 may be considered eligible if the Applicant establishes that the agricultural use was approved by the DPDS or is otherwise demonstrated to have been legally conducted.

2. Turf. To be eligible, the Applicant must establish that the Property was irrigated with live turf as of January 1, 2008 and as of the date of Application.



3. Tamarisk. To be eligible, the Applicant must establish that tamarisk or other high water use windbreak trees were planted on the Property as of January 1, 2008 and such trees remain alive as of the date of Application.

4. Special. To be eligible, the Applicant must establish that the high water use water activity existed on the Property as of January 1, 2008.

C. Water Credit Types. The following types of Water Credits shall be issued upon compliance with all requirements of this Policy:

1. Agricultural Credits. Four types of Agricultural Credits are available under this Policy upon full compliance with all its requirements. The Applicant shall remove any and all tamarisk trees or other high water use windbreak trees located on Property for which an Applicant seeks Agricultural Credits at the time the agricultural use is fallowed.

(a) Agricultural-1 (“AG-1 Credits - Standing Crop”) AG-1 Credits will be issued for Irrigated Agricultural Land that currently irrigates a live standing crop, agrees to completely remove the crop pursuant to this Policy and further agrees to place a permanent restriction on all forms of irrigation. AG-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

(b) Agricultural-2 (“AG-2 Credits - Recent Standing Crop”). AG-2 Credits will be issued for Property that is legally entitled to initiate farming within the constraints of existing permits and policies of the DPDS, and/or other regulatory entities with jurisdiction over agricultural activity on the subject Property, but does not currently irrigate a live standing crop. To qualify for AG-2 Credits, the Applicant must:

(i) Establish that as of July 1, 2008, the Property held all necessary approvals to operate an agricultural operation thereon; AND

(ii) Submit an executed Water Credits Agreement to the District within ninety (90) days following adoption of this Policy; AND



(iii) Execute and record with the County Recorder an Exclusive Groundwater Easement (“Easement”) in favor of the District and further complete all actions required pursuant to the Water Credits Agreement within one hundred eighty (180) days of adoption of this Policy. The Easement shall meet the requirements set forth in the most current MOA between BWD and the County of San Diego, including but not limited to designating the County as a third party beneficiary with the right to enforce the easement

(iv) AG-2 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA. AG-1 Credits may be substituted for AG-2 credits by a ratio of 1.33 AG-1 credits per 1 AG-2 Credit.

(c) Agricultural-3 (“AG-3 Credits - Crop to Desertscape”). AG-3 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to Desertscape as defined herein. AG-3 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the District. Water Credit Certificates for AG-3 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District’s General Manager shall determine the apportionment of credits allocated to each such phase.

(d) Agricultural-4 (“AG-4 Credits - Reduced Water Use Crop”). AG-4 Credits will be issued for Irrigated Agricultural Land that is permanently restricted to a lower water use crop type(s). AG-4 Credits will be issued at a rate to be determined by the District’s General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

2. Turf: Three types of Turf credits are available under this Policy upon full compliance with all its terms.

(a) Turf-1 (“T-1 Credits - Turf Removed”). T-1 Credits will be issued for Property that currently irrigates live turf and, pursuant to this Policy, removes all turf and agrees to place a permanent restriction on all forms of irrigation. T-1 Credits will be issued at a rate of 1.0 x the applicable number of credits designated in Exhibit B of the County MOA.

(b) Turf-2 (“T-2 Credits Turf to Desertscape”) T-2 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to Desertscape as defined herein. Eligible projects are required to submit annual water usage reporting, verified with well flow meter records, to the



District. Water Credit Certificates for T-2 Credits will be issued in two phases. A portion of the Water Credit Certificates will issue at the time the Property is converted to Desertscape. The balance of the Water Credit Certificates will issue at the time the Applicant ceases all irrigation on the Property. The District's General Manager shall determine the apportionment of credits allocated to each such phase.

(c) Turf-3 ("T-3 Credits - Reduced Water Usage Landscape"). T-3 Credits will be issued for Property that is currently irrigated with live turf and, pursuant to this Policy, is permanently restricted to quantifiable and verifiable lower water use landscape than the existing use at the time of the Application for Water Credits. T-3 Credits will be issued at a rate to be determined by the District's General Manager based on the Consumptive Use differential between the use existing at the time of the Application and the use to which the Property will be restricted pursuant to this Policy. Eligible properties must provide verified well flow data records for the previous five years and require annual water usage reporting, verified with well flow meter records, submitted to the District.

### 3. Tamarisk.

(a) Tamarisk ("TK Credits"). TK Credits will be issued for Property (i) on which live Tamarisk or other high water use windbreaks greater than one (1) foot in diameter are removed and (ii) that is permanently restricted from all forms of irrigation. Tamarisk credits will be addressed on a case-by case basis.

4. Special. Special Credits will be assigned to any quantifiable, verifiable and permanent reduction in water use that is confirmed by historic records and determined by the ~~District's~~District's General Manager to meet the standards of this Policy.

D. Number of Credits. The number of water credits issued for all vegetation types shall be based on the water use as determined on the chart attached to the MOA as Exhibit A. The water use shall be calculated based on the vegetation types, vegetation area being actively irrigated and corresponding annual groundwater consumptive use as specified in Exhibit A. The assumptions used to calculate the water offset credits are included in Exhibit B of the MOA.

## **PROCEDURE**

E. The Applicant shall make a written application ("Application") to the District's General Manager for issuance of Water Credit Certificates. The Application shall be as set forth in BWD Form 100 and shall be accompanied by:

1. A title report and/or other documentation reasonably acceptable to the BWD evidencing that the Application has been signed by all record owners of the Property, that the water rights in the Property have not been transferred, conveyed or

otherwise encumbered and that the condition of title to the Property is not detrimental to the achievement of the purposes of this Policy. A property survey by a professional land survey may be required at the request of the General Manager.

2. A legal description of the Property in a form reasonably acceptable to the BWD.

3. A Right of Entry Agreement (BWD Form 103) permitting the BWD access to the Property to confirm the ongoing, legal, measurable Water Activity and:

(a) Where any Well(s) serving the Property also serve other property held by the Applicant, which other property the Applicant does not intend to restrict,

(i) Access to any and all Well(s) on the Property and/or serving the Property for monitoring, metering, testing and/or investigating groundwater levels, quality and related matters;

(ii) Access to the Property to confirm the destruction or removal of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iii) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(iv) Such other provisions as the BWD may reasonably require.

(b) Where the Well(s) serving the Property do not serve any property the Applicant does not intend to restrict,

(i) Access to the Property to install, operate, access and maintain a monitoring well in place of any existing well(s) on the Property;

(ii) Access to the Property to cap, seal or otherwise render inoperable existing well(s) on the Property;

(iii) Access to the Property to confirm the destruction of any crops, turf or other Water Activity on the Property pursuant to this Policy;

(iv) Access to the Property to confirm compliance with the terms and requirements of this Policy; and/or

(v) Such other provisions as the BWD may reasonably require.



4. Submit following plan for vegetation removal. Trees and other ~~Vegetation that are available to be replanted~~ must be mulched or removed from Borrego Valley Groundwater basin.

5. A signed Water Credits Agreement. (BWD Form 101).

6. A certification and administration deposit fee of \$1,000 for each Application by the Developer to be used for verifiable expenses.

F. The BWD shall review the Application and confirm the existence of active, ongoing, legal, measurable Water Activity on the Property. Upon such confirmation, the BWD will issue Conditional Water Credit Certificate(s) setting forth the number of Water Credits to which the Applicant will be entitled upon compliance with this Policy as well as any additional conditions or requirements reasonably imposed by the BWD and identified in the Conditional Water Credit Certificate(s).

G. To convert the Conditional Water Credit Certificates to Water Credit Certificates, the Applicant shall:

(i) Sign and submit to the BWD a Grant of Exclusive Groundwater Easement (BWD Form 102), disengage the pump(s) or otherwise render inoperable any and all well(s) located on the Property, if applicable;

(ii) Complete all crop destruction, turf removal or other action to permanently cease and/or reduce the Water Activity on the Property, as applicable, and notify the BWD in writing of the same;

(iii) Provide a certificate by a licensed land surveyor certifying the net acreage under irrigation on the Property (net acreage shall, for Agricultural land, include roads and exclude buildings);

(iv) Submit Form 104 accompanied with, a notarized written request by the Applicant stating the name(s) in which the Water Credit Certificate(s) should be issued and the amounts allocated to each identified person (not to exceed the aggregate total amount awardable pursuant to Exhibit B of the County MOA. hereof for the Property); and

Upon the BWD's verification of the completion of the permanent cessation of the Water Activity and the pump disengagement or otherwise rendering inoperable any and all well(s) located on the Property (where applicable), the BWD shall issue raised-sealed and numbered Water Credit Certificates to the Applicant in amounts pursuant to Exhibit B of the County MOA. hereof.

2. Transfer of Certificates. Upon (i) notarized written request by the recipient of Water Credit Certificates previously issued by the BWD (“Certificate Holder”), (ii) submission of the original Water Credit Certificates to the BWD, and (iii) payment of an administrative fee of \$500 per transaction, the BWD will re-issue Water Credit Certificates to such persons or entities and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by the Certificate Holder) as may be designated by the Certificate Holder. The request must list the actual sale price of the water credit(s) being transferred.

**5. MISCELLANEOUS**

A. The BWD recognizes all Water Credit types set forth in Section 4.B. and C. in satisfaction of the BWD’s Mitigation Policy. The County of San Diego may recognize some or none of the Water Credit types.

B. The BWD may purchase Water Credits for its own account from time to time, as it deems necessary to create a bank of Water Credits for developments that must comply with the provisions of this Policy. The Board of Directors shall set the price of the Water Credits at the time that the Water Credits are sold.

C. The BWD shall be responsible to monitor and enforce this Policy, including, but not limited to, regularly monitoring meters on wells located on Property subject to a Water Credit Agreement, regularly inspecting Property enrolled in the program established by this Policy to ensure compliance with the terms of all requirements to maintain the Water Credits, and providing updates to the County, and/or the District’s board as to the status of Water Credits issued to the Developer, as may be required.

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President of the Board of Directors of  
Borrego Water District

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Secretary of the Board of Directors of  
Borrego Water District

## WATER CREDIT TIMELINE

### A. ISSUANCE OF CERTIFICATES

<u>Timeframe</u>	<u>Activity</u>
(1) At Applicant's discretion	Applicant submits Application Package, including: <ul style="list-style-type: none"><li>• Application (BWD Form 100)</li><li>• Water Credits Agreement (BWD Form 101)</li><li>• Right of Entry Agreement (BWD Form 103)</li><li>• Title report</li><li>• Administrative fee</li></ul>
(2) 30 days (or more as needed) after (1)	BWD reviews Application Package and confirms active, legal, ongoing, measurable Water Activity and determines whether/what removal or destruction of Water Activity will be required.
(3) Upon Completion of 2	The BWD shall determine the number and type of water credits available if the property is fallowed or, when applicable, shall submit its findings to San Diego County for a determination as to the number of water credits available under the County/BWD MOA. Once the District and/or County has determined the number and type of water credits available, the BWD will issue a Conditional Water Credit Certificate..
(4) Upon Completion of (3)	BWD, issues Conditional Water Credit Certificates and notifies Applicant of any special requirements reasonably imposed by BWD and to be met prior to issuance of Water Credit Certificates.

	<u>Timeframe</u>	<u>Activity</u>
(5)	At Applicant's discretion	<p>Applicant signs and submits Grant of Exclusive Groundwater Easement (BWD Form 102) to the BWD.</p> <p>Applicant disengages well(s), as applicable.</p> <p>Applicant removes/destroys Water Activity.</p> <p>Applicant complies with other requirements identified by BWD.</p>
(6)		Applicant pays administrator fee.
(7)	Upon confirmation of actions under (4)	BWD issues Water Credit Certificates to Applicant or Applicant's designee identified in a notarized writing ("Certificate Holder"), accompanied by Form 104.

#### B. TRANSFER OF CERTIFICATES

	<u>Timeframe</u>	<u>Activity</u>
(8)	At Certificate Holder's discretion	Certificate Holder submits original Water Credit Certificates along with administrative fee and notarized written request to the BWD to reissue the Water Credit Certificates to such persons and in such amounts (not to exceed the aggregate total amount of the Water Credit Certificates submitted to the BWD by Certificate Holder) as designated by Certificate Holder.
(9)	10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, voids the same and prepares new Water Credit Certificates per the Certificate Holder's written request.



### C. REDEMPTION OF CERTIFICATES

	<u>Timeframe</u>	<u>Activity</u>
(10)	At Certificate Holder's discretion and not less than 30 days prior to County issuance of building permits.	Certificate Holder submits original Water Credit Certificates along with written request to the BWD to redeem the Water Credit Certificates as mitigation for the development specified in the Certificate Holder's written request.
(11)	10 days (or more as needed)	BWD verifies prior issuance of Water Credit Certificates to Certificate Holder, marks the Water Credit Certificates "REDEEMED," notes the same on the Water Credit Certificate Log and issues a letter to the County identifying the quantity of acre-feet per year redeemed by the Certificate Holder.

**APPLICATION FOR WATER CREDIT CERTIFICATE**  
(BWD Form 100)

Borrego Water District  
Board of Directors  
PO Box 1870  
Borrego Springs, CA 92004

ATTENTION: General Manager

Name:

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Mailing  
Address:

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Phone

Number:

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Assessor's Parcel Number: \_\_\_\_\_ Acreage: \_\_\_\_\_

Address \_\_\_\_\_ of \_\_\_\_\_ Property:

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(if applicable)

Crop cultivation:

Date Cultivation Commenced (must be prior to 4/9/03)	Water Activity (crop, turf, etc.)	Area	<b>For BWD Use Only</b>  Water Entitlement Quantity
1.	2.	3.	4.
5.	6.	7.	8.
9.	10.	11.	12.
13.	14.	15.	16.

Current

Water

Provider:

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I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct of my own personal knowledge.

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Name of Applicant\*/Agent\*

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Date

---

Name of Applicant/Agent

---

Date

\* All legal owners of the property must sign

May 19, 2015

To: Board of Directors

From: Kim Pitman, Administration Manager

RE: O & M and CIP Budget Analysis Explanation

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Below is an explanation of the significant increases/decreases from the FY 2015 budget to the proposed Budget for FY 2016.

### **WATER REVENUE**

Water Revenue Scenarios for FY 2016:

- Without any increases and complying with the Governor's Executive Order, estimated to be approximately (\$50,589) budget is proposed to be (\$11,176) less than FY 2015 budget.
- With 5% water commodity increase (3% net), \$50,190 = \$39,000 over FY 2015 budget.
- With 5% water commodity increase and 19% meter fee increase of \$263,370 = \$252,194 over FY 2015 budget.
- With 5% water commodity increase and 12% meter fee increase of \$134,640 = \$173,654 over FY 2015 budget.
- With 5% water commodity increase and 6% meter fee increase of \$67,320 = \$106,334 over FY 2015 budget.

### **PROPERTY ASSESSMENTS/AVAILABILITY CHARGES**

Proposed increase FY 2016 of approximately \$59,000 due to the decline in delinquencies.

### **SEWER SERVICE CHARGES**

Sewer Service Charges Scenarios for FY 2016:

- Without any increases = \$11,725 increase over FY 2015 budget
- With 5% increase = \$27,625 increase over FY 2015 budget

### **OTHER INCOME:**

Nothing substantial to budget for.



(Budget expense explanation continued)

## **MAINTENANCE EXPENSE**

Proposed budget increase in:

- R&M Buildings and equipment - \$43,000
  - Due to ongoing repairs of aging infrastructure/equipment
  - Re categorized Lugo repairs from CIP to O & M - \$5,000
- R&M WWTP - \$72,000
  - Due to ongoing repairs of aging infrastructure/equipment
  - Re categorized Jetting & Vactor Service from CIP to O&M \$60,000

Decrease in:

- Telemetry - \$10,000
  - Due to YTD/projected costs under budget
- Fuel & Oil - \$8,000
  - Due to YTD/projected costs under budget

Total Maintenance Expense Budget increase for FY 2016 - \$97,400

## **PROFESSIONAL SERVICES EXPENSE**

Proposed budget increase in:

- District Legal Services - \$10,000
  - Due to ongoing District General Counsel matters

Decrease in:

- Computer Billing - \$8,350
  - Due to proposed system changes
- Testing/lab work - \$6,000
  - Due to decrease in samples required for FY 2016
- Regulatory Permit Fees - \$5,000
  - Due to fee decrease

Total Professional Services Expense Budget decrease for FY 2016 – (\$9,350)

## **INSURANCE/DEBT EXPENSE**

Proposed budget increase in:

- Viking Ranch refinance - \$143,312
  - P & I quarterly payments of \$35,828

Decrease in:

- ACWA Insurance – \$15,000
  - Due to continued low loss history

Total Insurance/Debt Expense Budget increase for FY 2016 - \$128,724

(Budget analysis explanation continued)

## **PERSONNEL EXPENSE**

Proposed budget increase in:

- Board Meeting Expense - \$3,630
  - Due to increased stipend participation
- Salaries & Wages - \$52,000
  - Due to hiring 2 part-time staff - \$32,760
    - One to cross train in the office (less than 26 hrs. week/no benefits)
    - One to help in the field (less than 26 hrs. week/no benefits)
  - Cola increase of 1.7% - \$10,700
  - Up to a 5% merit increase at Managers discretion - \$31,675
- Taxes on Payroll - \$4,500
  - Due to increased salaries/staff
- Medical Insurance Benefits - \$5,000
  - Estimated 3% increase
- CalPERS - \$7,200
  - Due to increased salaries/staff

Total Personnel Expense Budget increase for FY 2016 - \$70,000

## **OFFICE EXPENSE**

No significant changes

## **UTILITIES EXPENSE**

Proposed budget increase in:

- Pumping/Electricity - \$70,000
  - Due to YTD/projected costs higher than budgeted

Total Utilities Expense Budget increase FY 2016 - \$71,181

**Overall Expense Budget Increase from FY 2015 to FY 2016 = \$357,514**

(Budget analysis explanation continued)

## **NON O & M EXPENSES**

- **WATER PROJECTS**

- Inside coating of the Twin Tanks - \$125,000
- Crew Truck - \$30,000
- Backhoe - \$150,000
- 200 HP motor for ID5-5 - \$10,000
- Pipeline for second half of Bending Elbow Road
- Pump & Cleaning Well ID4-4 - \$70,000
- Booster Station Motors - \$8,000
- Wilcox Well – Air Quality Compliance - \$37,000

- **SEWER PROJECTS**

- Portable engine driven trash pump & Back-up Generator WWTP- \$92,000
- Rehab Grit Chamber WWTP - \$6,000
- Rehab Clarifier/Pump/Bearings WWTP - \$66,500
- Solar Project WWTP - \$205,088

- **GROUND WATER MANAGEMENT**

- Legal - \$60,000
- District portion of GSP - \$80,000
- 218 Process - \$110,000

- **OTHER PROJECTS**

- GPS Locating System - \$12,000
- New Computer for Server and New Billing/Accounting Software System - \$85,500

**Total Non O & M Expenses FY 2016 - \$1,202,678**



C	AV	BK	BN	BO	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE
<b>BWD CASH FLOW</b>				<b>5% increase</b>			ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	ADOPTED	YTD + PROJ MONTHS>>	PROPOSED	<b>3%</b>			PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
<b>2014-2015</b>	BUDGET	PROJECTED	BUDGET	<b>Net Water</b>			JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
	2014-2015	2014-2015	2015-2016	<b>Increase</b>			2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016	
<b>REVENUE</b>																			
6 WATER REVENUE																			
7 Residential Water Sales	899,221	973,193	932,000	27,960	27,960	27,960	91,467	82,288	96,838	86,421	82,006	73,804	57,293	52,563	55,282	78,505	80,373	95,159	
8 Commercial Water Sales	120,570	125,677	125,000	3,750	3,750	3,750	11,405	11,135	11,275	10,446	11,983	8,131	9,710	8,652	9,911	12,526	10,023	9,802	
9 Irrigation Water Sales	142,918	161,370	139,000	4,170	4,170	4,170	13,258	14,095	12,191	18,458	13,901	8,108	7,480	6,469	7,209	12,500	11,332	14,000	
10 GWM Surcharge	114,930	114,013	114,000	3,420	3,420	3,420	11,391	10,416	11,659	10,882	10,280	7,602	6,740	6,789	7,152	10,571	10,571	9,947	
11 Water Sales Power Portion	364,158	365,285	363,000	10,890	10,890	10,890	36,643	33,712	37,639	35,278	33,228	24,633	21,858	22,012	23,178	31,843	30,818	32,157	
12 Drought Penalty-1%			(9,206)				(1,642)	(1,516)	(1,696)	(1,615)	(1,514)								
13 Drought Rates-5.5%			(41,383)										(5,669)	(5,307)	(5,650)	(8,027)	(7,871)	(8,859)	
14 TOTAL WATER COMMODITY REVENUE:	1,641,799		1,622,411	50,190	50,190	50,190													
15				<b>METER FEE INCREASE</b>															
16				19%	12%	6%													
17 Readiness Water Charge	1,080,000	1,131,938	1,122,000	213,180	134,640	67,320	93,500	93,500	93,500	93,500	93,500	93,500	93,500	93,500	93,500	93,500	93,500	93,500	
18 Readiness Water Charge - Liened properties	27,600	2,068	0				-	-	-	-	-	-	-	-	0	0	0	0	
20 Meter Installation	5,809	930	0				0	0	0	0	0	0	0	0	0	0	0	0	
22 Reconnect Fees	4,080	2,380	1,700				0	340	0	0	340	0	340	0	340	0	340	0	
23 Backflow Testing/Installation	4,600	6,708	6,500				0	0	0	0	0	0	6,500	0	0	0	0	0	
24 Bulk Water Sales	3,500	1,686	0				0	0	0	0	0	0	0	0	0	0	0	0	
25 Penalty & Interest Water Collection	6,000	12,474	9,600				800	800	800	800	800	800	800	800	800	800	800	800	
26 TOTAL WATER REVENUE:	2,773,387	3,087,352	2,762,211	263,370	184,830	117,510	256,823	244,770	262,206	254,170	244,524	215,354	198,552	185,479	191,722	232,218	229,885	246,506	
27																			
28 PROPERTY ASSESSMENTS/AVAILABILITY CHARGES																			
29 641500 1% Property Assessments	64,625	74,261	64,000				0	884	630	500	2,938	22,483	13,843	1,906	2,102	18,015	500	200	
30 641502 Property Assess wtr/swr/flid	1,650	106,179	60,000				0	0	236	226	1,759	5,841	47,856	1,018	693	1,072	1,000	300	
32 641501 Water avail Standby	82,559	86,102	84,000				0	1,037	795	571	7,235	18,257	29,014	2,438	3,015	4,363	15,277	2,000	
34 641504 ID 3 Water Standby (La Casa)	33,722	34,649	34,000				0	0	0	203	1,562	3,280	14,052	346	889	1,046	12,132	490	
35 641503 Pest standby	17,938	17,268	17,000				0	113	96	84	1,000	3,426	6,354	329	416	2,063	2,597	523	
36 TOTAL PROPERTY ASSES/AVAIL CHARGES:	200,493	318,459	259,000				0	2,034	1,756	1,583	14,494	53,287	111,118	6,038	7,114	26,558	31,506	3,513	
37																			
38 SEWER SERVICE CHARGES				<b>5% INCREASE SEWER</b>															
39 Town Center Sewer Holder's Fees	170,190	171,277	171,240				14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	
40 Town Center Sewer User Fees	38,040	36,560	39,960				3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	
41 Sewer user Fees	345,125	321,091	318,000	15,900	15,900	15,900	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	
42 Sewer-liened	2,160	-	0				0	0	0	0	0	0	0	0	0	0	0	0	
45 TOTAL SEWER SERVICE CHARGES:	555,515	528,948	529,200	15,900	15,900	15,900	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	44,100	
46																			
47 OTHER INCOME																			
51 Miscellaneous Income (net csd fee/JPIA rebate/check free)	15,880	33,912	0				0	0	0	0	0	0	0	0	0	0	0	0	
52 Water Credits income-Administrative fee	8,250	5,250	0				0	0	0	0	0	0	0	0	0	0	0	0	
56 Interest Income	80	79	80				2	2	2	15	2	2	16	3	2	16	2	16	
57 TOTAL OTHER INCOME:	24,210	39,240	80				2	2	2	15	2	2	16	3	2	16	2	16	
58																			
59 TOTAL INCOME:	3,553,605	3,973,999	3,550,491	279,270	200,730	133,410	300,925	290,906	308,064	299,868	303,120	312,743	353,786	235,621	242,938	302,892	305,494	294,135	
60																			
61 CASH BASIS ADJUSTMENTS																			
62 Decrease (Increase) in Accounts Receivable		6,753	0				0	0	0	0	0	0	0	0	0	0	0	0	
63 CC Golf Equipment receivable	2,270	2,270	0				0	0	0	0	0	0	0	0	0	0	0	0	
64 Other Cash Basis Adjustments		850	0				0	0	0	0	0	0	0	0	0	0	0	0	
65 TOTAL CASH BASIS ADJUSTMENTS:	2,270	9,873	0				0	0	0	0	0	0	0	0	0	0	0	0	
66																			
67 TOTAL INCOME RECEIVED:	3,555,875	3,983,872	3,550,491	3,829,761	3,751,221	3,683,901	300,925	290,906	308,064	299,868	303,120	312,743	353,786	235,621	242,938	302,892	305,494	294,135	







	C	AV	BK	BN	BO	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE
1	<b>BWD CASH FLOW</b>								ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL			
2		ADOPTED	YTD + PROJ MONTHS>>	PROPOSED					PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	<b>2014-2015</b>	BUDGET	PROJECTED	BUDGET					JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
4		2014-2015	2014-2015	2015-2016					2015	2015	2015	2015	2015	2015	2016	2016	2016	2016	2016	2016
135																				
136	<b>NET CASH FLOW (O&amp;M)</b>	<b>1,219,433</b>	<b>1,258,286</b>	<b>856,536</b>	<b>1,135,806</b>	<b>1,057,266</b>	<b>989,946</b>		<b>36,276</b>	<b>(126,106)</b>	<b>101,483</b>	<b>115,083</b>	<b>68,050</b>	<b>142,751</b>	<b>191,354</b>	<b>41,663</b>	<b>(67,334)</b>	<b>140,120</b>	<b>75,666</b>	<b>137,530</b>
137	<b>NON O &amp; M EXPENSES</b>																			
138	<b>Water</b>																			
139	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)			125,000														125,000		
140	Pickup			30,000					30,000											
141	Backhoe			150,000										150,000						
142	ID 5-5, 200 HP	10,000		10,000									10,000							
143	Pipeline-Bending Elbow Road-Second Half			55,590												35,000	20,590			
144	Rewind motors-ID1-12/ID5-5	30,000	15,000	0																
145	Pump and Cleaning Well ID4-4	60,000		70,000								70,000								
146	Booster Station Motors-Country Club & ID1 station 1 #2 30 hp	16,000	8,000	8,000									8,000							
147	Circle J Pipeline project	57,000		0																
148	Air Quality Compliance-Wilcox Well	40,000		37,000											37,000					
151	<b>Sewer</b>																			
152	WWTP-Skid Steer	65,000	64,587	0																
153	WWTP-Portable engine driven trash pump/Backup generator	10,000	6,448	92,000							92,000									
154	WWTP-Rehab grit chamber & sludge holding tank diffuser system	30,000	38,862	0																
155	WWTP-Rehab grit chamber			6,000											6,000					
156	WWTP-Jetting & Vactor Truck Service	10,000	10,000	0																
157	WWTP-Rehab Clarifier/pump/bearings	40,000	40,000	66,500								20,000	40,000			6,500				
158	WWTP-Video Collection Lines	25,000	25,000	0																
159	WWTP-Solar Project		51,272	205,088					64,090	89,726	51,272									
160	Collection system repairs \$25,000/manhole replacement \$50,000	75,000	75,000	0																
162	<b>GWM</b>																			
164	GWM -legal/Misc.	15,000	110,689	60,000					5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
165	District portion of GSP			80,000					6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	7,500
172	218 Process	110,000		110,000					9,100	9,100	9,100	9,100	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200
177	<b>OTHER</b>																			
178	Lugo building repairs	5,000	1,400	0																
179	Trailer to haul pipe	10,000	10,000	0																
181	GPS Locating System			12,000					12,000											
183	New Computer for server and new Software system	10,000	10,000	85,500					64,050		7,150	5,720	5,720	2,860						
191																				
192	<b>TOTAL NON O&amp;M EXPENSES</b>	<b>688,000</b>	<b>615,891</b>	<b>1,202,678</b>	<b>1,202,678</b>	<b>1,202,678</b>	<b>1,202,678</b>		<b>190,740</b>	<b>110,326</b>	<b>171,022</b>	<b>116,320</b>	<b>84,420</b>	<b>173,560</b>	<b>63,700</b>	<b>62,200</b>	<b>41,290</b>	<b>145,700</b>	<b>21,700</b>	<b>21,700</b>
193																				
194	<b>CASH RECAP</b>																			
195	Cash beginning of period	1,688,382	1,969,053	2,611,448	2,611,448	2,611,448	2,611,448		2,611,448	2,456,985	2,220,553	2,151,014	2,149,777	2,133,408	2,102,598	2,230,252	2,209,716	2,101,091	2,095,511	2,149,477
196	Net Cash Flow (O&M)	1,219,433	1,258,286	856,536	1,135,806	1,057,266	989,946		36,276	(126,106)	101,483	115,083	68,050	142,751	191,354	41,663	(67,334)	140,120	75,666	137,530
197	Total Non O&M Expenses	(688,000)	(615,891)	(1,202,678)	(1,202,678)	(1,202,678)	(1,202,678)		(190,740)	(110,326)	(171,022)	(116,320)	(84,420)	(173,560)	(63,700)	(62,200)	(41,290)	(145,700)	(21,700)	(21,700)
198	<b>CASH AT END OF PERIOD</b>	<b>2,219,815</b>	<b>2,611,448</b>	<b>2,265,306</b>	<b>2,544,576</b>	<b>2,466,036</b>	<b>2,398,716</b>		<b>2,456,985</b>	<b>2,220,553</b>	<b>2,151,014</b>	<b>2,149,777</b>	<b>2,133,408</b>	<b>2,102,598</b>	<b>2,230,252</b>	<b>2,209,716</b>	<b>2,101,091</b>	<b>2,095,511</b>	<b>2,149,477</b>	<b>2,265,306</b>
199																				
200	<b>RESERVES</b>																			
201	Working Capital (4 months)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)		(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
202	Viking Ranch	(300,000)																		
203	Available for Emergency Reserves	1,169,815	1,861,448	1,515,306	1,794,576	1,716,036	1,648,716		1,706,985	1,470,553	1,401,014	1,399,777	1,383,408	1,352,598	1,480,252	1,459,716	1,351,091	1,345,511	1,399,477	1,515,306
204	<b>Target Emergency Reserves</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
205	<b>Emergency Reserves Deficit</b>	<b>(830,185)</b>	<b>(138,552)</b>	<b>(484,694)</b>	<b>(205,424)</b>	<b>(283,964)</b>	<b>(351,284)</b>		<b>(293,015)</b>	<b>(529,447)</b>	<b>(598,986)</b>	<b>(600,223)</b>	<b>(616,592)</b>	<b>(698,427)</b>	<b>(506,450)</b>	<b>(401,877)</b>	<b>(575,451)</b>	<b>(654,489)</b>	<b>(600,523)</b>	<b>(484,694)</b>
206																				



**RESOLUTION NO. 2015-05-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND PROMISSORY NOTE AND RELATED MATTERS**

**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 “Lundavid 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 Lundavid Note; and

**WHEREAS**, the outstanding principal amount of the Lundavid Note is \$1,125,000 and the District Board of Directors has determined that it is in the best interests of the District to refinance the Lundavid Note with a loan from a commercial bank; and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the “Bond Law”), to issue its “revenue bonds” as defined therein, including “bonds, warrants, notes or other evidence of indebtedness” for the purpose of refunding certain outstanding obligations of the District, including the Lundavid Note; and

**WHEREAS**, in accordance with the Bond Law, the District has determined to obtain a loan from BBVA Compass Bank, an Alabama banking corporation, or an affiliate thereof (the “Bank”) pursuant to a Loan Agreement (the “Loan Agreement”), between the District and the Bank and to execute and deliver a Promissory Note (the “Note”) to evidence the obligations of the District to the Bank under the Loan Agreement; and

**WHEREAS**, the Note, and any bonds or other obligations issued on a parity therewith in accordance with the terms of the Loan Agreement, will be payable from and secured by a pledge of and lien on the net revenues derived from the District’s water enterprise (subject to the prior pledge of net revenues securing the District’s 2008 obligations relating to Improvement District No. 4), as expressly set forth in the Loan Agreement; and

**WHEREAS**, forms of the Loan Agreement and Note are on file with the Secretary of the Board of Directors of the District and have been made available to the Board;

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

**Section 1.** The District confirms that the recitals are true and correct.

**Section 2.** The President, Vice-president, or the General Manager, (each, an “Authorized Officer”) is hereby authorized to execute the Loan Agreement and the Note in a principal amount not to exceed \$1,125,000, in substantially the forms submitted to this meeting, with such changes as may be approved by the Authorized Officer executing the Loan Agreement and the Note, with the concurrence of legal counsel to the District, such approval to be conclusively evidenced by the execution and delivery of the Loan Agreement and the Note. 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.** Each Authorized Officer acting alone is hereby authorized and directed to do all things and to sign and deliver all documents he or she deems necessary or desirable to implement the execution and delivery of the Loan Agreement and the Note and otherwise carry out, give effect to, and comply with this resolution; and all such actions previously taken by an Authorized Officer are hereby ratified.

**Section 4.** This resolution takes effect when adopted.

**ADOPTED, SIGNED AND APPROVED** this 19th day of May 2015.

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President of the Board of Directors  
of Borrego Water District

ATTEST:

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Secretary of the Board of Directors  
of Borrego Water District

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

I, Joseph Tatusko, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing Resolution 2015-05-01 was duly adopted by the Board of Directors of said District at a special meeting held on the 19<sup>th</sup> day of May, 2015, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

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Secretary of the Board of Directors  
of Borrego Water District

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

I, Joseph Tatusko, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2015-05-01 , of said Board, and that the same has not been amended or repealed.

Dated: \_\_\_\_\_

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Secretary of the Board of Directors  
of Borrego Water District



May 19, 2015

To: Board of Directors

From: Kim Pitman

RE: New software program with Springbrook

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I have attached the Springbrook Software Proposal and outlined a little of the background below.

Since 2005, we have spent \$162,271 with Datastream, our current billing/accounting system provider. This averages out to approximately \$16,227 annually, \$1,350 monthly. We are unable to change or revise the system ourselves and any problem we have with the system has to be solved by Datastream at \$100 hour. For the most part, this system has served its purpose, though it is very outdated. Datastream began to try and write a Microsoft based system, but decided it was too expensive to convert and maintain.

So, Jane Cassity, Owner of Datastream, began looking for a company that already had the Microsoft based software capabilities to take over her business, as she and her staff are retiring and will no longer be supporting the Datastream system. After this long and tedious search she landed a software company called Springbrook, which she felt was the most competitive and had the basic "customer service" philosophy that Datastream has.

Greg and I went to a Seminar put on by Springbrook at the Datastream office in May, 2014. We were very impressed with the system and how easy it was to "personally" navigate, revise and change.

Down to the bottom line

- Initial cost – \$85,500
- Ongoing annual support/maintenance cost - \$8,800

It is our recommendation and wish the board to consider conversion from Datastream to Springbrook software.



# Borrego Water District

## Borrego Water District Fin/UB

5/12/2015

Presented By:

Marily Rementeria

Senior Partner

[marily.rementeria@sprbrk.com](mailto:marily.rementeria@sprbrk.com)

(503) 820-2201



### Licensed Products and Services

Line	Item	Type	Recurring	QTY	Sales Price	Total Price
1	<p><b>Business Process Study Level 2 - Finance</b>                      This service includes working with a Springbrook Consultant to review current business processes and understand functionality present in the Springbrook application. The findings from this session will be used to formulate an implementation plan that will meet your functional requirements. Following the session your Springbrook Implementation team will deliver a document identifying deviations from the application Best Practices as well as a Statement of Work to document the scope of the project identified.</p>	Service Professional;	<input type="checkbox"/>	1	\$2,000.00	\$2,000.00
2	<p><b>Business Process Study Level 1 - Utility Billing</b>                      This service includes working with a Springbrook Consultant to review current business processes and understand functionality present in the Springbrook application. The findings from this session will be used to formulate an implementation plan that will meet your functional requirements. Following the session your Springbrook Implementation team will deliver a document identifying deviations from the application Best Practices as well as a Statement of Work to document the scope of the project identified.</p>	Service Professional;	<input type="checkbox"/>	1	\$1,000.00	\$1,000.00
3	<p><b>Finance Application Level 3</b>                      Finance Level 3 is available in License Hosted and License deployment models. Level 3 allows for up to Unlimited Funds and is optimized for organizations with up to 10 Banks. Up to twenty-five Full Users and 150 Casual Users are allowed for in Finance Level 3.                      The following features are included as Standard in Finance Level 3:                      General Ledger with Basic Budgeting, Standard Reports Library, Query by Example Ad-Hoc Reporting Tool, and Visual Reporting for CAFR                      Extended Budgeting &amp; Forecasting                      Accounts Payable with Standard Mode (Invoices &amp; Checks), Vouchers Mode (Vouchers &amp; Checks), Warrants Mode (Vouchers &amp; Warrants), Multi-Bank Checking, AP Positive Pay, AP Electronic Check Signature, AP MICR Code, and Electronic AP Payments                      Bank Reconciliation                      Purchase Orders and Requisitions*                      Project/Grant Accounting                      Fixed Assets*                      Inventory Control*                      Work Orders*                      Cash Receipts (Up to 10 Stations)                      Dashboard                      Optional for an additional fee in Finance Level 3: Equipment Maintenance, Inventory Scanner Interface, CR Payment Import                      All standard interfaces included in this product are provided as is. Customization to meet specific 3rd party vendor requirements are billed separately and are not included with this product.                      *This product requires additional Professional Services for use and are listed as a separate line item on this contract*</p>	License Premise;	<input type="checkbox"/>	1	\$20,000.00	\$20,000.00
4	<p><b>Utility Billing Application Level 2</b>                      Utility Billing Level 2 allows for up to 6 services (Electric &amp; Demand), and most commonly serves 5,000-15,000 accounts. Up to 15 Full Users and 20 Casual Users are allowed at Level 2.                      The following features are included as Standard in Utility Billing Level 2:                      Standard Utility Billing with Meter Interface (1), Bill Export, Enhanced Cash Receipts                      Optional for an additional fee in Utility Billing Level 2: CASS Certification, Cash Receipts Import                      All standard interfaces included in this product are provided as is. Customization to meet specific 3rd party vendor requirements are billed separately and are not included with this product.</p>	License Premise;	<input type="checkbox"/>	1	\$20,000.00	\$20,000.00
5	<p><b>DataStream CMT Meter Reader Interface</b>                      DataStream CMT Meter Reader Interface</p>	License Premise;	<input type="checkbox"/>	1	\$0.00	\$0.00
6	<p><b>Finance Conversion Services - Plus</b>                      Finance Conversion Services - Plus is available for all deployment models. Plus Conversion Services are designed to convert critical data necessary for processing in the application. Services at Plus consist of conversion of General Ledger Chart of Accounts Masters, General Ledger Beginning Balances (current and 3 years prior) General Ledger Fiscal Period Balances (3 years prior) and current YTD AP 1099 Vendor totals.</p>	Service Conversion;	<input type="checkbox"/>	1	\$0.00	\$0.00



### Licensed Products and Services

Line	Item	Type	Recurring	QTY	Sales Price	Total Price
	Additionally, Plus Conversion Services also include conversion of Accounts Payable Vendor Masters and Fixed Asset Masters. All Conversion Services identified at this level are Template Conversions. The Client will be responsible for extracting the data from the current system and populating it into the templates provided by Springbrook. Only data populated and available on the template will be converted.					
7	<b>Utility Billing Conversion Services - Plus</b> Utility Billing Conversion Services - Plus consists of a Legacy conversion of 5 years of Account activity that includes account master records, meter history, and transaction history. There is also an option to include Budget Billing information at Plus. With a Legacy Conversion, the client is responsible for providing Springbrook with a copy of their Legacy system database along with a data dictionary. Springbrook Conversion Service staff will work with you to map your legacy system data to available fields in Springbrook. If you are interested in upgrading to include more than 5 years of Account activity and/or Budget Billing, please contact your Sales Representative.	Service Conversion;	<input type="checkbox"/>	1	\$0.00	\$0.00
8	<b>Finance Professional Services - Plus</b> Offering is limited to Professional Services for the following Features and Functions. Additional Professional Services are required for Features and Functions not listed: AP: Application Configuration, Invoice processing, Computer Checks Processing and Reporting GL: Application Configuration, Chart of Accounts Maintenance, Journal Entries, Budgeting, Basic Reporting BR: Application Configuration, Account Reconciliation CH: Application Configuration, Electronic Payment Processing CR: Application Configuration, Cash Receipt Processing PM: Application Configuration, Project Configuration, Task Maintenance and Reporting - Plus includes an assigned Implementation Consultant and Project Manager, as well as access to eLearning materials. The project completion date is approximately 12 weeks from start. Finance Professional Services - Plus provides onsite Parallel Processing and Go-Live assistance with the Consultant. Also included are Best Practice and Standard Application configuration sessions with the Consultant. Basic Chart of Accounts formulation assistance is provided in - Plus. Online webinar training for Reporting Tools and Budgeting is provided. *Additional modules and functions that are necessary after Core System Go-Live require additional post Go-Live Professional Services.	Service Professional;	<input type="checkbox"/>	1	\$12,800.00	\$12,800.00
9	<b>Fixed Assets Professional Services</b> Working with a Springbrook Consultant remotely, you will configure and deploy the Fixed Asset module. Your Springbrook consultant will help to advise you on the depreciation methods, application configuration and synchronizing the depreciation schedules on your capitalized assets. This offering consists of an overview session that will introduce you to the application and the template used to import assets and current depreciation into the application. This will be followed up by a depreciation parallel in a test environment followed by a Go-Live and reporting session. This offering will be completed following the Phase 1 Core Finance Implementation.	Service Professional;	<input type="checkbox"/>	1	\$0.00	\$0.00
10	<b>Inventory Control Professional Services</b> Inventory Control Professional Services	Service Professional;	<input type="checkbox"/>	1	\$0.00	\$0.00
11	<b>Utility Billing Professional Services - Plus</b> Utility Billing Professional Services - Plus is available for all deployment models. Plus includes an assigned Implementation Consultant and Project Manager, as well as access to eLearning materials. Utility Billing Professional Services - Plus provides onsite Best Practice and Standard Application configurations, other minor Application configurations, onsite Parallel Processing assistance and onsite go-live assistance with the Consultant.	Service Professional;	<input type="checkbox"/>	1	\$12,800.00	\$12,800.00
12	<b>DataStream CMT Meter Reader Interface Professional Services</b> DataStream CMT Meter Reader Interface Professional Services	Service Professional;	<input type="checkbox"/>	1	\$0.00	\$0.00
13	<b>Maintenance Finance Level 3</b> Maintenance Finance Level 3	License Maintenance;	<input checked="" type="checkbox"/>	1	\$4,400.00	\$4,400.00
14	<b>Maintenance Utility Billing Level 2</b> Maintenance Utility Billing Level 2	License Maintenance;	<input checked="" type="checkbox"/>	1	\$4,400.00	\$4,400.00





### Licensed Products and Services

Line	Item	Type	Recurring	QTY	Sales Price	Total Price
15	Maintenance DataStream CMT Meter Reader Interface Maintenance DataStream CMT Meter Reader Interface	License Maintenance;	<input checked="" type="checkbox"/>	1	\$1,100.00	\$1,100.00
16	Application User License Application User License, priced per user.	License Premise;	<input type="checkbox"/>	7	\$1,000.00	\$7,000.00
Grand Total						\$85,500.00



### Product Breakdown and Financial Roll-Up

Product Family	Type	Total	Payment Terms
<i>Recurring Costs</i>			
License	Subscription	\$0.00	100% due upon signing, annually thereafter
License	Maintenance	\$9,900.00	100% due upon signing, annually thereafter
IT	Hosting	\$0.00	100% due upon signing, annually thereafter
Service	Subscription	\$0.00	100% due upon signing, annually thereafter
<i>Non-Recurring Costs</i>			
License	Premise	\$47,000.00	100% due upon signing
License	Maintenance Deferred	\$0.00	100% credited upon signing
Service	Professional	\$28,600.00	25% due upon signing, 25% due upon Acceptance of Core Modules Statement of Work, 20% due upon completion of Core Module Setup Phase, 20% upon Core Go-Live acceptance, 10% due upon Full Go-Live Acceptance of all Modules
Service	Conversion	\$0.00	25% due upon signing, 25% due upon Acceptance of Core Modules Statement of Work, 20% due upon completion of Core Module Setup Phase, 20% upon Core Go-Live acceptance, 10% due upon Full Go-Live Acceptance of all Modules
License	Subscription Deferred	\$0.00	100% credited upon signing



# **BORREGO WATER DISTRICT**

April 26, 2015

ACWA Joint Powers Insurance Authority  
P.O. Box 619082  
Roseville, CA 95661-9082

Dear JPIA Executive Committee:

Thank you for presenting the check for \$33,070 at our recent Borrego Water District meeting. BWD Management, the Board of Directors and employees consider safety first in day to day operations. We are pleased to contribute to reducing Liability, Property, and Workers Compensation to create a win-win situation for both organizations.

Sincerely,

Joseph Tatusko  
Secretary/Treasurer  
Borrego Water District



# **BORREGO WATER DISTRICT**

April 22, 2015

Ms. Betsy Knaak  
Executive Director  
ABDNHA  
P.O. Box 310  
Borrego Springs, CA 92004

Dear Ms. Knaak:

The Anza-Borrego Desert Natural History Association continues to present excellent relevant programs appropriate for desert living sustainability. Such was the case April; 10<sup>th</sup> through April 12<sup>th</sup>. Of great interest to the Borrego Water District and its Board of Directors was the two lecture presentations of Dr. Jay Famiglietti. His scientific work using satellite imagery is of great benefit to the State of California and worldwide to understand our water resources. His message that the drought and weather trends of reduced rain and snowfall requires conservation and long term planning. We are pleased you put Borrego Springs with Dr. Famiglietti. We would like to meet and greet any ABDNHA water related speakers you feel would be of value added for guests to Borrego Springs. Once again, thanks you for your important work.

Sincerely,

Joseph Tatusko  
Secretary/Treasurer  
Borrego Water District