

**AGENDA**  
**Borrego Water District Board of Directors**  
**Regular Meeting**  
**July 22, 2015 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda (1-2)
- E. Approval of Minutes
  - Special meeting of June 5, 2015 (3-4)
  - Special meeting of June 16, 2015 (5-7)
  - Regular meeting of June 24, 2015 (8-13)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence:

**II. CURRENT BUSINESS MATTERS**

- A. Discussion and possible approval of Change in Customer Class for Kennedy/Daoust landscaping meter
- B. Discussion and possible approval of budget for Dudek to complete its review and recommendations for changes to the District's and County's water credits policies so as to bring these policies into alignment with the Physical Solution recommended by the Borrego Water Coalition; (15-32)
- C. Discussion and possible approval of budget for Raftelis to develop a Groundwater Sustainability Plan (GSP) development cost sharing model that includes proportional cost sharing options based on: (a) water usage; (b) property values; (c) blended rate based on both water usage and property values;
- D. Discussion and possible approval of budget for Dudek to develop potential incentives for end use efficiency investments by ratepayers to meet the 25% mandatory reduction in water use based on economic benefits to the District for avoiding some of the costs of the recommended GSP reduction program;
- E. Discuss Raftelis draft analysis of the Executive Order B-29-15 (EO) mandatory 25% reduction regulatory cost to the District;
- F. Review and discuss Raftelis' Proposition 218 rate study proposed scope of work; (33-36)
- G. Discussion and possible approval of ***ORDINANCE No. 15-01 OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES; ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCMEENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS***; and set a public hearing to consider adoption of the ordinance (37-42)
- H. Discussion and possible approval of ***ORDINANCE No. 15-02 ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING CONSERVATION ENFORCEMENT MEASURES FOR CUSTOMERS; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS***; and set a public hearing to consider adoption of the ordinance (43-45)

- I. Discussion of proposed updates to Ordinance 90-1.
- J. Discussion of Executive Order B-29-15 regarding emergency twenty-five percent (25%) mandatory water use reductions for District total production from 2013 baseline production amid the current California drought including discussion of potential incentives and/or penalties to achieve water conservation targets by November 30, 2015.
- K. Discussion of application process for Groundwater Sustainability Agency (GSA) status for the Borrego Valley Groundwater Basin (BVGB) along with San Diego County (46-48)
- L. Prop 1 funding update
- M. Review of planning calendar (49-50)
- N. Consideration and approval of cancelling August Workshop and Regular Board meeting

**III. STAFF REPORTS**

- A. Financial Reports – June 2015 (52-65)
- B. General Manager / Operations Report (66-72)
- C. Water and Wastewater Operations Report – June 2015 (73)
- D. Water Production/Use Records – June 2015 (74-77)

**IV. ATTORNEY’S REPORT**

**V. COMMITTEE REPORTS & PROPOSALS:**

**Ad Hoc Committees**

- |                                      |                      |
|--------------------------------------|----------------------|
| 1. Audit Committee                   | (L. Brecht, Tatusko) |
| 2. Due-Diligence                     | (L. Brecht, Tatusko) |
| 3. Strategic Planning Committee      | (Hart, L. Brecht)    |
| 4. Executive Committee               | (Estep, Hart)        |
| 5. Operations & Management Committee | (Delahay, Tatusko)   |
| 6. Parks Committee                   | (Hart, Estep)        |
| 7. CFD Committee                     | (Estep, Delahay)     |
| 8. Conservation Committee            | (Hart, Tatusko)      |

**VI. INFORMATIONAL ITEMS**

- A. Grant for County Neighborhood development (79)
- B. Water recycling system article (80-82)

**VII. CLOSED SESSION**

Conference with Legal Counsel – Anticipated Litigation

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

**VIII. CLOSING PROCEDURE**

The next Special Meeting of the Board of Directors is scheduled for September 15, 2015 at the Borrego Water District  
 The next Regular Meeting of the Board of Directors is scheduled for September 23, 2015 at the Borrego Water District

**Borrego Water District  
MINUTES  
Special Meeting of the Board of Directors  
Friday, June 5, 2015  
8:00 AM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

- A. Call to Order: President Hart called the meeting to order at 8:00 a.m.
- B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.
- C. Roll Call:     Directors:     Present: President Hart, Vice-President Brecht, Secretary/Treasurer Tatusko (via teleconference), Delahay, Estep (via teleconference)  
  
                  Staff:           Morgan Foley, McDougal Love Eckis Boehmer & Foley (via teleconference)  
  
                                  Wendy Quinn, Recording Secretary  
  
                  Public:       Harry Ehrlich                                    Marshal Brecht  
                                  Dick Walker
- D. Approval of Agenda: ***MSC: Brecht/Delahay approving the Agenda as written.***
- E. Comments from Directors and Requests for Future Agenda Items: Director Brecht announced that he had to leave the meeting at 8:30 a.m.
- F. Comments from the Public and Requests for Future Agenda Items: None

**II. CURRENT BUSINESS MATTERS**

A. Discussion and consider introduction of ***ORDINANCE No. 15-01 OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES; ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCEMENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS:***

B. Discussion and consider introduction of ***ORDINANCE No. 15-02 ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING CONSERVATION ENFORCEMENT MEASURES FOR CUSTOMERS; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS:*** Morgan Foley summarized the two ordinances presented for the Board’s consideration. The first would establish the District’s ability to impose administrative fines and penalties, and the second would implement the fines and penalties for exceeding the base water use allocation. Director Brecht asked whether either ordinance would replace existing Ordinance 90-1, and Mr. Foley replied that neither would. They would provide an alternative method of enforcing regulations. The previous ordinance dealt with criminal penalties, rather than administrative. To his knowledge, Ordinance 90-1 has never been invoked. If the Board does not wish to keep the criminal penalties in force, it could repeal the ordinance or amend it.

Mr. Foley outlined the procedures for adopting an ordinance, including introduction, publication and a public hearing. A 218 process is not required, and the fines and penalties do not have to relate to District expenses. The District would set the base usage allocations and the amount of the fines and penalties.

Discussion followed regarding the timing of the ordinances. The fines and penalties would be effective 30 days after adoption. The Board agreed that introduction of the ordinances today would not provide sufficient time for thorough analysis and input from Raftelis. Another issue is the fact that the public has already been told that the District would try voluntary compliance before implementing fines and penalties.

Director Brecht left the meeting at 8:30 a.m.

President Hart asked Mr. Foley to redraft the ordinances for the Board's consideration on June 16. She and Director Estep will work with him.

Mr. Foley pointed out that with the existing Ordinance 90-1, much of the money collected in criminal fines would go to the court system. With the administrative fines proposed in the new ordinances, it would stay with the District.

### **III. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 8:45 a.m. The next Special Meeting of the Board of Directors is scheduled for June 16<sup>th</sup>, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for June 24<sup>th</sup>, 2015 at the Borrego Water District.



**Borrego Water District  
MINUTES  
Special Meeting of the Board of Directors  
Tuesday, June 16, 2015  
9:00 AM  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**I. OPENING PROCEDURES**

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

Staff: Jerry Rolwing, General Manager  
Morgan Foley, McDougal Love Eckis Boehmer & Foley (via teleconference, Items II.A, B and C)  
Wendy Quinn, Recording Secretary

Public: Harry Ehrlich Jeannie Beck, *Borrego Sun*  
Dick Walker Dennis Daoust  
Kathy Johnston Emily Brooks

- D. Approval of Agenda: *MSC: Brecht/Tatusko approving the Agenda as written.*

E. Comments from Directors and Requests for Future Agenda Items: Director Tatusko requested an update on the wastewater treatment plant solar milestones for the next Agenda.

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

**II. CURRENT BUSINESS MATTERS**

A. Discussion and consider introduction of *ORDINANCE No. 15-01 OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES; ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCEMENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS*; and set a public hearing for July , 2015 to consider adoption of the ordinance: President Hart questioned why the Ordinance dealt only with water, not other services provided by the District. Discussion followed. Morgan Foley explained that it could apply to other services, but specific provisions were included for inclusion of fines and penalties on the water bills. Jerry Rolwing added that some violations, for example damage to the sewer system by failure to clean grease traps, were punishable under the District's Administrative Code. Mr. Foley pointed out that the ordinance is not intended to replace the existing Code, but to offer flexibility by providing alternative remedies.

In response to questions from President Hart regarding various time limits during the appeal process, Mr. Foley stated they could be flexible. As to the time for the Board to make a decision on an appeal, Director Estep suggested that it be rendered "forthwith." After discussion of the designation of "hearing officer," the Board or an administrator, Mr. Foley agreed to check the Government Code for appropriate wording.

Discussion followed, arising from Director Brecht's concern about what actions might trigger the invocation of fines and penalties. Issues include the effect of existing

Ordinance 90-1, possible revival of tiered rates after the next 218 process, and the fact that the fines and penalties provided in the Ordinance are intended for customers who regularly use excessive amounts of water rather than those who may experience a leak or meter malfunction. Mr. Foley reiterated that the Ordinance does not replace 90-1 and provides an alternative to tiered rates. Mr. Rolwing noted that the adoption of Ordinances 15-01 and 15-02 can be included in the District's December report to the State Water Resources Control Board, evidencing the Board's efforts to comply with the mandated 25 percent water use reduction.

Harry Ehrlich pointed out that Ordinance 15-01 is effective upon passage, whereas 15-02 is effective 30 days after passage. Mr. Foley agreed that both should be effective upon passage and will make the change.

**B. Discussion and consider introduction of *ORDINANCE No. 15-02 ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING CONSERVATION ENFORCEMENT MEASURES FOR CUSTOMERS; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS;* and set a public hearing for July, 2015 to consider adoption of the ordinance: This item was continued to the next meeting. Mr. Foley will work with the Executive Committee in the meantime.**

**C. Discussion and possible approval of *RESOLUTION 2015-06-01 ADOPTING A POLICY REGULATING PROCEDURES FOR PRESENTING CLAIMS TO THE BORREGO WATER DISTRICT;* Mr. Foley explained that the Resolution would provide a procedure for individuals or agencies to file claims against the District. Claims must be presented within one year of accrual of the cause of action. The Resolution is retroactive to the beginning of fiscal year 2014-15. *MSC: Estep/Brecht adopting Resolution 2015-06-01, a Policy Regulating Procedures for Presenting Claims to the Borrego Water District.***

**D. Discussion of Executive Order B-29-15 regarding emergency twenty-five percent (25%) mandatory water use reductions amid the California drought:** President Hart reported that she and Director Tatusko met with Hispanic gardeners in the community last week and are circulating written information. They also met with homeowners' associations, many of which then sent letters to their residents and are reducing their landscaping. Future meetings may be scheduled with homeowners. The Conservation Committee and Mr. Rolwing are working on a letter to high water users.

Mr. Rolwing reported that he and Director Tatusko attended a conference recently and received information on \$2,000 grants available from DWR for seminars. Customers could have someone evaluate their landscaping and irrigation, as BWD did previously with the irrigation audits. President Hart added that information is available by telephone from a UCSD horticulturist, and Ken Okey is available for local advice. ABDNHA is another local resource.

Mr. Rolwing reported that two types of conservation grants are available to disadvantaged communities. He then demonstrated a free kit, available from ABDNHA, which includes a low flow shower head, faucets and an LED night light.

Director Brecht reported on recent inquiries he had received from customers. Questions included how to set irrigation timers, whether bubblers are considered flood irrigation, turf removal incentives, alternatives to oleanders, whether the 25 percent reduction requirement is for each individual or the community as a whole, and the fact that the reduction requirement does not apply to agriculture and golf courses. Most were in favor of pursuing a solution to the aquifer overdraft, retaining the grass at Christmas Circle and bringing back the irrigation audits and low flow appliance rebates.

**E. Discussion and possible approval of First Amendment agreement, extending the existing contract with Raftelis: *MSC: Brecht/Delahay approving the First Amendment agreement to extend the existing contract with Raftelis.***

F. Discussion and possible approval of disbursement of JPIA rebate: President Hart reported that the Personnel Committee recommended dividing the JPIA rebate for safety achievements equally among the District employees, who will not receive COLAs or merit increases this year. She added that during the coming 218 process, she would like to restore these increases as part of the rate structure. ***MSC: Brecht/Delahay approving disbursement of the JPIA rebate equally among the District employees.***

G. Discussion of potential agenda items for June 24<sup>th</sup> board meeting: Items for the next Agenda will include an update on the Rams Hill Wastewater Treatment Plant solar project and solar performance monitoring; review of the planning calendar; Ordinance 15-01 for possible approval and Ordinance 15-02 for review and discussion; Proposition 1 funding, possible approval of outside engineering services to support the application and the 2016 CIP budget; discussion and possible approval of the District's application for GSA status; and further discussion of the Executive Order requiring a 25 percent water use reduction.

### **III. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 10:30 a.m. The next Regular Meeting of the Board of Directors is scheduled for June 24<sup>th</sup>, 2015 at the Borrego Water District.





H. Correspondence:

Letter from Nilsen:

Letter from B. Shain:

Mr. Rolwing reported that two letters from customers expressed concern regarding the increase in meter rates. He will respond, explaining that the District will go through a 218 process in the fall and address both meter rates and commodity rates.

II. **CURRENT BUSINESS MATTERS**

A. Review of Special Assessments and Administration Report for Fiscal Year 2015-2016 prepared by David Taussig and Associates, Inc. for CFD No. 2007-1 presented by Andrea Roess:

B. Discussion and possible approval of RESOLUTION #2015-06-02 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY:

C. Consideration of RESOLUTION NO. 2015-06-03 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR FISCAL YEAR 2015-2016:

D. Consideration of RESOLUTION NO. 2015-06-04 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2015-2016:

E. Consideration of RESOLUTION NO. 2015-06-05 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016:

F. Consideration of RESOLUTION NO. 2015-06-06 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016:

G. Consideration of RESOLUTION 2015-06-07 RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2015-2016: Ms. Roess summarized the annual special assessments and special tax levies. She explained that some Rams Hill properties continue in default, although the foreclosure proceedings have ceased. The bonds are an obligation of the District, but no payments are



required at this time. The proposed resolutions are basically the same as last year's and will be finalized once the parcel data is available from the County.

President Hart asked whether Taussig and Associates would perform the necessary analysis if the District were to change its assessment rate. Ms. Roess replied that it was not currently in their scope of work, but that could be expanded upon request. **MSC: Delahay/Tatusko adopting RESOLUTION #2015-06-02, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT RESTATING AND ADOPTING A STATEMENT OF INVESTMENT POLICY; RESOLUTION NO. 2015-06-03, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATIONS AND MAINTENANCE OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON LAND WITHIN THE DISTRICT FOR FISCAL YEAR 2015-2016; RESOLUTION NO. 2015-06-04, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COSTS OF OPERATIONS AND MAINTENANCE OF THE DISTRICT, AND TO PAY COSTS OF OPERATIONS AND MAINTENANCE FOR IMPROVEMENT DISTRICT NO. 1 AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS ON CERTAIN LAND IN IMPROVEMENT DISTRICT NO. 1 FOR THE FISCAL YEAR 2015-2016; RESOLUTION NO. 2015-06-05, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF PROVIDING PEST CONTROL SERVICES BY THE DISTRICT AND REQUESTING LEVY AND COLLECTION OF SAID CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016; RESOLUTION NO. 2015-06-06, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, SAN DIEGO COUNTY, CALIFORNIA, LEVYING STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS TO DEFRAY THE COST OF OPERATING AND MAINTAINING THE WATER FACILITIES WITHIN IMPROVEMENT DISTRICT NO. 3 OF THE DISTRICT AND REQUESTING THE LEVY AND COLLECTION OF SAID STANDBY CHARGES AND/OR ACREAGE ASSESSMENTS FOR THE FISCAL YEAR 2015-2016; and RESOLUTION 2015-06-07, RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 OF THE BORREGO WATER DISTRICT AUTHORIZING THE LEVY OF SPECIAL TAXES WITHIN COMMUNITY FACILITIES DISTRICT NO. 2007-1 FOR THE FISCAL YEAR 2015-2016.**

**M. Discussion and possible approval of minimal financial assistance for purchasing four particulate monitors for UCI Steele Bernand Anza Borrego Desert Research Center's dust monitoring program for the Borrego Valley:** Jim Dice and Sicco Rood from UCI addressed the Board regarding a grant which they received for seven dust particulate monitoring stations in the Borrego Valley. The data collected could be of value to the GSP, and UCI hopes BWD will participate in the project financially. Each station costs approximately \$25,000, and UCI proposed that BWD fund four. President Hart asked that the matter be included in the next workshop Agenda and that UCI submit a written cost proposal. Director Tatusko suggested that a station be added closer to the agricultural areas. Mr. Rolwing requested a map of the proposed locations.

**H. Discussion and possible approval of ORDINANCE No. 15-01 OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING**

**ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES, ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCEMENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS;** and set a public hearing for July , 2015 to consider adoption of the ordinance: Mr. Foley joined the meeting at 9:35 a.m. via teleconference. President Hart reiterated her concerns about the time limits set forth in sections 9 through 12 of the proposed Ordinance. Mr. Foley pointed out time limits are already in place in existing policy for termination of water service for nonpayment. If termination is for other reasons, the limits set forth in the Ordinance might be more appropriate. The limits are flexible, and Mr. Rolwing stated he was comfortable with them. Mr. Foley invited the Board's attention to sections 6.A and B, Service of an Administrative Notice of Violation. Section 6.B deals with excessive water use, and 6.B applies to all other violations. Section 12 applies to both types of violation, and Mr. Foley suggested the Board may wish to amend that section to include parts A and B, consistent with section 6. With that amendment, the Board agreed that the Ordinance was acceptable as presented.

**I. Discussion of ORDINANCE No. 15-02 ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING CONSERVATION ENFORCEMENT MEASURES FOR CUSTOMERS; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS;** and set a public hearing for July , 2015 to consider adoption of the ordinance: President Hart referred to a handout setting forth Director Brecht's proposed amendments to Ordinance No. 15-02 to emphasize conservation and end use efficiency (as opposed to temporary measures addressing the drought). She suggested this distinction be clarified in the Ordinance, and noted she would be sending a copy to Mr. Foley. President Hart recommended that the "20" units be deleted from section 2.C for now, since the maximum base water usage has not yet been determined. She further recommended that the definition of "customer" in section 2.E should be consistent with the definition in Ordinance No. 15-01. President Hart reminded the public that the Board hopes to comply with the State's Executive Order through voluntary conservation, but is preparing these Ordinances in case it is not successful.

**J. Discussion of Executive Oder B-29-15 regarding emergency twenty-five percent (25%) mandatory water use reductions for District total production from 2013 baseline production amid the current California drought including discussion of potential incentives and/or penalties to achieve water conservation targets by November 30, 2015;** President Hart reminded the public that Ken Okey is available upon request to offer advice on irrigation and landscaping.

**K. Update on Waste Water Treatment Plant Solar Project and on-line solar performance monitoring;** Mr. Rolwing reported that he had a signed contract for the wastewater treatment plant solar project and two checks, for engineering design and racking structures. Director Tatusko noted that a performance monitoring system is included.

**L. Discussion and possible approval of hiring an engineering service for the Prop 1 funding and discussion of CIP Budget;** Director Tatusko referred to the spreadsheet presented at the last meeting, outlining potential projects for Proposition 1 funding. Since then, the Due Diligence Committee and Mr. Rolwing met with Dudek Engineering to discuss the possibility of their assistance with this. Dudek has presented a proposal. The Committee recommends retaining Dudek, and soliciting proposals from David Dale and Jan Naragon to assist with the grant application. Discussion followed regarding Borrego's designation as a disadvantaged community, whether it could be considered severely disadvantaged based on data from the School District, and whether environmental concerns would be criteria. *MSC: Tatusko/Delahay*  
Minutes: June 24, 2015

*approving the expenditure of a maximum of \$15,000 for the services of Dudek Engineering and other local support to begin the Proposition 1 grant submittal process.*

**N. Discussion of application process for Groundwater Sustainability Agency Status:**

This item was deferred to the July workshop so that all Board members could be present.

**O. Review of planning calendar:**

Ms. Pitman announced that the auditors would be at the District office on June 30 to review inventory, and the audit will begin on August 10. President Hart suggested that review of the draft audit report be moved to October.

Mr. Rolwing reported that Airport Access Permits could be deleted, since the District just obtained a ten-year permit.

**III. STAFF REPORTS**

**A. Financial Reports – May 2015:**

Ms. Pitman reported that receivables are down. Today the District received a \$2,500 apportionment from property taxes and may receive one more before the end of the fiscal year. Total water revenues are down, but so are professional expenses and electricity. Mr. Rolwing reported he is investigating “demand response” electricity billing, whereby the District could save money by turning off some power during peak times of day. Mr. Pitman reported the District had paid off the \$300,000 Viking Ranch note and has approximately \$2.9 million in the bank.

**B. General Manager/Operations Report:**

Mr. Rolwing reported on an issue involving Well 10 in ID 4. It is now back on line, but the crew plans to inactivate it and replace it with a booster station, which will save electricity.

Director Tatusko recommended that Mr. Foley be asked to review the letter to high water users which is being prepared.

**C. Water and Wastewater Operations Report – May 2015:**

**D. Water Production/Use Records – May 2015:**

President Hart asked Mr. Rolwing to look into the terms of the District’s agreement with Rams Hill. Are they allowed five wells or only four?

**IV. ATTORNEY'S REPORT**

None

**V. COMMITTEE REPORTS & PROPOSALS**

**Ad Hoc Committees**

**1. Audit Committee**

No report.

**2. Due-Diligence**

Director Tatusko reported that the Committee met to discuss Proposition 1 funding. Mr. Rolwing reported that he met with the Committee to discuss GSP engineering work.

**3. Strategic Planning Committee/IRWM**

President Hart reported that the Committee met with the County and the Borrego Water Coalition. They plan to submit a proposal for GSA status to the Board of Supervisors by fall. The County feels BWC is ideal for stakeholder input and BWD is the ideal agency to oversee the process.

**4. Executive Committee**

President Hart reported that the Committee had been working with Mr. Foley on resolutions and ordinances.



5. Operations & Management Committee

Director Delahay reported that the Committee had been working on engineering and Proposition 1 funding.

6. Parks Committee

No report.

7. CFD Committee

Mr. Rolwing reported that he had been discussing the CFD and bond counsel with Ms. Roess.

8. Conservation Committee

President Hart reported that Committee was working to educate the public about water conservation. They met with homeowners' associations, e-mailed restaurants and are working on the letter to high water users. Mr. Rolwing suggested contacting home caretakers, who look after residences while the owners are absent. Discussion followed concerning irrigation leaks, and whether the gardeners should be notified in addition to the customers. Mr. Rolwing will look into it.

## VI. INFORMATION ITEMS

Director Tatusko distributed a news article about new home water recycling technology from Australia. He also circulated a JPIA newsletter photo of BWD Board and staff accepting their safety recognition rebate check. Lastly, Director Tatusko announced that Mr. Rolwing would be attending a Proposition 1 workshop on Sunday.

## VII. CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation

A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case: The closed session was cancelled.

## VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:25 a.m. The next Special Meeting of the Board of Directors is scheduled for July 14, 2015 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 22, 2015 at the Borrego Water District.

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July 16, 2015

7801.0001

Mr. Jerry Rolwing  
General Manager  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004  
(Submitted via e-mail: jerry@borrego.org)

**Subject: Proposal for Updated Analysis of Borrego Water District and County of San Diego Demand Offset Water Credits Policy**

Dear Mr. Rolwing:

The District needs to present to the County recommended changes to the existing Demand Offset Mitigation Water Credit Policy (WCP) and specifically the mitigation ratio in the context of bringing the policy into alignment with the physical solution for the Borrego Valley Groundwater Basin (BVGB) overdraft condition. To this end, the water credits policy needs to address the 70% pumping reduction required to reach sustainable yield of the BVGB while facilitating the economic growth of Borrego Springs. This would require retiring 19,000 water credits (WC), and issuing 5,700 production credits (PC) at a ratio of 3.4:1 (WC:PC). Because of slippage and the inherent uncertainty associated with actual BVGB groundwater production and sustainable yield estimates, it is appropriate to apply a ratio of 4:1 (WC:PC) for new development in the Borrego Valley. This would ensure that new development mitigates upfront for its allocated share of the condition of overdraft in the BVGB. Furthermore, upfront mitigation provides funds necessary to fallow irrigated agricultural land and gives certainty as to the full costs involved with new development in the Borrego Valley.

Dudek prepared a working draft memorandum, *Analysis of Borrego Water District and County of San Diego Demand Offset Water Credit Policy* dated September 10, 2014 that supports the conclusion that a 4:1 (WC:PC) policy is warranted. The District would like Dudek to provide an updated analysis that incorporates recommended changes to the existing WCP. Additionally, Dudek will take into consideration economic analysis that discusses timing of conversion of water credits to production credits and overlying water user requirements to prevent hoarding of water/production credits.

## SCOPE OF WORK

### Task 1. Update Technical Memorandum and Provide Recommended Changes to Water Credit Policy

Dudek will update the technical memorandum and provide recommended changes to the WCP. The technical memorandum will present a projection of mitigation of overdraft and timing of conversion of water credits to production credits over a 20 year planning horizon.<sup>1</sup> The technical memorandum will also provide specific recommended changes/edits to the Memorandum of Agreement Between the Borrego Water District and County of San Diego Regarding Water Credits and to the existing WCP.

<sup>1</sup> A 20 year planning horizon is provided as required by SGMA Chapter 6. Section 10727.2(b).

Mr. Rolwing

Subject: Proposal for Updated Analysis of Borrego Water District and County of San Diego Demand Offset Water Credits Policy

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**Deliverables:** Analysis of Borrego Water District and County of San Diego Demand Offset Water Credits Policy Technical Memo, Recommended Changes to WCP

**Total Cost Task 1.....\$4,000.00**

**Task 2. General Project Management, Administration and Meetings**

This task includes general project management, contract administration and meetings in support of the above tasks. We have assumed a single meeting at the District’s office and conference calls as-required to discuss analysis and draft documents.

**Total Cost Task 2.....\$3,000.00**

Dudek will provide the above scope of services for a total fee not to exceed **\$7,000**.

This scope of work assumes:

- District will take the lead on coordination with the County of San Diego, the Borrego Water Coalition, the Borrego Sponsor Group and other stakeholders relative to the water credit policies;
- Adoption of a revised water credit policy may constitute a discretionary action and may be subject to CEQA; Dudek’s assistance with that effort can be scoped once the water credit analysis is complete and impacts are fully understood;

Dudek intends to provide the highest quality, most responsive services to the Borrego Water District. If you have any questions or wish to discuss our proposal, please contact Trey Driscoll at 760.415.1425 (tdriscoll@dudek.com).

Sincerely,  
**DUDEK**



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

Accepted By:

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Borrego Water District

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Date

**DUDEK**  
**2015 STANDARD SCHEDULE OF CHARGES**

**ENGINEERING SERVICES**

Project Director.....	\$255.00/hr
Principal Engineer III.....	\$225.00/hr
Principal Engineer II.....	\$215.00/hr
Principal Engineer I.....	\$205.00/hr
Program Manager.....	\$205.00/hr
Senior Project Manager.....	\$195.00/hr
Project Manager.....	\$190.00/hr
Senior Engineer III.....	\$185.00/hr
Senior Engineer II.....	\$175.00/hr
Senior Engineer I.....	\$165.00/hr
Project Engineer IV/Technician IV.....	\$155.00/hr
Project Engineer III/Technician III.....	\$140.00/hr
Project Engineer II/Technician II.....	\$125.00/hr
Project Engineer I/Technician I.....	\$110.00/hr
Project Coordinator.....	\$85.00/hr
Engineering Assistant.....	\$75.00/hr

**ENVIRONMENTAL SERVICES**

Principal.....	\$235.00/hr
Senior Project Manager/Specialist II.....	\$220.00/hr
Senior Project Manager/Specialist I.....	\$210.00/hr
Environmental Specialist/Planner VI.....	\$190.00/hr
Environmental Specialist/Planner V.....	\$170.00/hr
Environmental Specialist/Planner IV.....	\$160.00/hr
Environmental Specialist/Planner III.....	\$150.00/hr
Environmental Specialist/Planner II.....	\$130.00/hr
Environmental Specialist/Planner I.....	\$120.00/hr
Analyst III.....	\$110.00/hr
Analyst II.....	\$100.00/hr
Analyst I.....	\$90.00/hr
Planning Assistant II.....	\$80.00/hr
Planning Assistant I.....	\$70.00/hr

**COASTAL PLANNING/POLICY SERVICES**

Senior Project Manager/Coastal Planner II.....	\$215.00/hr
Senior Project Manager/Coastal Planner I.....	\$205.00/hr
Environmental Specialist/Coastal Planner VI.....	\$195.00/hr
Environmental Specialist/Coastal Planner V.....	\$175.00/hr
Environmental Specialist/Coastal Planner IV.....	\$165.00/hr
Environmental Specialist/Coastal Planner III.....	\$155.00/hr
Environmental Specialist/Coastal Planner II.....	\$145.00/hr
Environmental Specialist/Coastal Planner I.....	\$135.00/hr

**ARCHAEOLOGICAL SERVICES**

Senior Project Manager/Archaeologist II.....	\$210.00/hr
Senior Project Manager/Archaeologist I.....	\$200.00/hr
Environmental Specialist/Archaeologist VI.....	\$180.00/hr
Environmental Specialist/Archaeologist V.....	\$160.00/hr
Environmental Specialist/Archaeologist IV.....	\$150.00/hr
Environmental Specialist/Archaeologist III.....	\$140.00/hr
Environmental Specialist/Archaeologist II.....	\$130.00/hr
Environmental Specialist/Archaeologist I.....	\$120.00/hr
Environmental Specialist/Paleontologist III.....	\$160.00/hr
Environmental Specialist/Paleontologist II.....	\$140.00/hr
Environmental Specialist/Paleontologist I.....	\$120.00/hr
Paleontological Technician III.....	\$80.00/hr
Paleontological Technician II.....	\$70.00/hr
Paleontological Technician I.....	\$50.00/hr
Archaeologist Technician II.....	\$70.00/hr
Archaeologist Technician I.....	\$50.00/hr

**CONSTRUCTION MANAGEMENT SERVICES**

Principal/Manager.....	\$195.00/hr
Senior Construction Manager.....	\$180.00/hr
Senior Project Manager.....	\$160.00/hr
Construction Manager.....	\$150.00/hr
Project Manager.....	\$140.00/hr
Resident Engineer.....	\$140.00/hr
Construction Engineer.....	\$135.00/hr
On-site Owner's Representative.....	\$130.00/hr
Construction Inspector III.....	\$125.00/hr
Construction Inspector II.....	\$115.00/hr
Construction Inspector I.....	\$105.00/hr
Prevailing Wage Inspector.....	\$135.00/hr

**COMPLIANCE SERVICES**

Compliance Director.....	\$200.00/hr
Compliance Manager.....	\$140.00/hr
Compliance Project Coordinator.....	\$100.00/hr
Compliance Monitor.....	\$90.00/hr

**HYDROGEOLOGICAL SERVICES**

Principal.....	\$235.00/hr
Sr. Hydrogeologist IV/Engineer IV.....	\$215.00/hr
Sr. Hydrogeologist III/Engineer III.....	\$200.00/hr
Sr. Hydrogeologist II/Engineer II.....	\$180.00/hr
Sr. Hydrogeologist I/Engineer I.....	\$165.00/hr
Hydrogeologist VI/Engineer VI.....	\$150.00/hr
Hydrogeologist V/Engineer V.....	\$140.00/hr
Hydrogeologist IV/Engineer IV.....	\$130.00/hr
Hydrogeologist III/Engineer III.....	\$120.00/hr
Hydrogeologist II/Engineer II.....	\$110.00/hr
Hydrogeologist I/Engineer I.....	\$100.00/hr
Technician.....	\$95.00/hr

**DISTRICT MANAGEMENT & OPERATIONS**

District General Manager.....	\$175.00/hr
District Engineer.....	\$160.00/hr
Operations Manager.....	\$150.00/hr
District Secretary/Accountant.....	\$85.00/hr
Collections System Manager.....	\$95.00/hr
Grade V Operator.....	\$100.00/hr
Grade IV Operator.....	\$85.00/hr
Grade III Operator.....	\$80.00/hr
Grade II Operator.....	\$63.00/hr
Grade I Operator.....	\$55.00/hr
Operator in Training.....	\$40.00/hr
Collection Maintenance Worker II.....	\$55.00/hr
Collection Maintenance Worker I.....	\$40.00/hr

**OFFICE SERVICES**

*Technical/Drafting/CADD Services*

3D Graphic Artist.....	\$150.00/hr
Senior Designer.....	\$140.00/hr
Designer.....	\$130.00/hr
Assistant Designer.....	\$125.00/hr
GIS Specialist IV.....	\$150.00/hr
GIS Specialist III.....	\$140.00/hr
GIS Specialist II.....	\$130.00/hr
GIS Specialist I.....	\$120.00/hr
CADD Operator III.....	\$120.00/hr
CADD Operator II.....	\$115.00/hr
CADD Operator I.....	\$100.00/hr
CADD Drafter.....	\$90.00/hr
CADD Technician.....	\$80.00/hr

**SUPPORT SERVICES**

Technical Editor III.....	\$140.00/hr
Technical Editor II.....	\$125.00/hr
Technical Editor I.....	\$110.00/hr
Publications Specialist III.....	\$100.00/hr
Publications Specialist II.....	\$90.00/hr
Publications Specialist I.....	\$80.00/hr
Clerical Administration II.....	\$80.00/hr
Clerical Administration I.....	\$75.00/hr

**Forensic Engineering** – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.

**Emergency and Holidays** – Minimum charge of two hours will be billed at 1.75 times the normal rate.

**Material and Outside Services** – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.

**Travel Expenses** – Mileage at current IRS allowable rates. Per diem where overnight stay is involved is charged at cost.

**Invoices, Late Charges.** – All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within thirty (30) days from the date of the invoice. Client agrees to pay a monthly late charge equal to one percent (1%) per month of the outstanding balance until paid in full.

**Annual Increases** – Unless identified otherwise, these standard rates will increase 3% annually.

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## WORKING DRAFT TECHNICAL MEMORANDUM

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**To:** Jerry Rolwing, General Manager Borrego Water District  
**From:** Trey Driscoll, PG, CHG, Bryn Evans  
**Reviewed By:** Tom Falk, PE  
**Subject:** Analysis of Borrego Water District and County of San Diego Demand Offset Water Credit Policy  
**Date:** September 10, 2014

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### EXECUTIVE SUMMARY

The Borrego Valley Groundwater Basin (BVGB) has been determined to be in “overdraft”. Recent studies estimate that water users (“Owners”) within the Borrego Valley currently withdrawal approximately 19,000 acre-feet per year (AFY) and that the “sustainable yield” of the BVGB is 5,600 AFY. Thus, the current estimated “overdraft” is 13,400 AFY. The withdrawal value of 19,000 AFY is assumed the “baseline” on which the State required Groundwater Sustainability Plan (GSP) will be established and the “sustainable yield” value of 5,600 AFY is assumed the water usage target at the end of the prescribed 20-year water reduction period.

In order to reach the “sustainable yield” value of 5,600 AFY, a 70.5% reduction of groundwater pumping is required over the 20-year GSP implementation timeframe. This would require retiring 19,000 water credits (WC), and issuing 5,600 production credits (PC) at a ratio of 3.4:1 (WC:PC). A “slippage” rate of 20% over the 20-year GSP implementation timeframe was applied to account for variability in the actual or realized water usage reduction. This results in a ratio of 3.9:1 (WC:PC). Because of slippage and the inherent uncertainty associated with actual BVGB groundwater production and “sustainable yield” estimates, it is appropriate to apply a ratio of 4:1 (WC:PC) for new development in the Borrego Valley. This would ensure that new development mitigates upfront for its allocated share of the condition of “overdraft” in the BVGB. Furthermore, upfront mitigation provides funds necessary to fallow irrigated agricultural land and gives certainty as to the full costs involved with new development in the Borrego Valley.

## **BACKGROUND**

In order to address the overdraft condition of the BVGB, the Borrego Water District (BWD, District), in cooperation with the County of San Diego (County), has developed a Demand Offset Mitigation Water Credit Policy (WCP).<sup>1 2</sup>

The WCP was first established as 3:1 groundwater mitigation in 2005. In 2007, the 3:1 groundwater mitigation was reduced to 2:1 groundwater mitigation with the premise that one would satisfy the County requirement and one for the District. The water credit policy for new development consists of two 1:1 policies: one water credit to satisfy the County New Subdivision Policy and one credit to satisfy the District WCP. For existing platted lots in the area, only one water credit is required to fulfill the District's WCP. For all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits.<sup>3</sup> One water credit is defined as a one acre-foot per year and converts to the approximate water demand of a single equivalent dwelling unit (EDU) or single family residence.<sup>4</sup> Thus, for one new EDU with a projected water use of 1 AFY, an equivalent water reduction of 2 AFY is necessary to meet the current County and District permitting requirements. Water credits are available in limited quantity through the District and/or by establishing agreements with private landowners within the BVGB. The policies establish credit procedures for fallowing of agricultural land based on crop type and a defined watering intensity. Table 1 presents the water credit values for permanently fallowing agricultural land as determined by the County. These values represent assumed water usage by crop-type.

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<sup>1</sup> WCP includes without limitation: the District's Demand Offset Water Credits Policy (BWD 2013a), as amended; the County's Groundwater Ordinance for Borrego (County of San Diego 2013); the Memorandum of Agreement between the County and the District (BWD and County of San Diego 2013); and the Borrego Water Coalition (BWC) Draft Groundwater Management Policy Discussion Document v#4.7 (BWC 2014).

<sup>2</sup> The District has groundwater management authority as per the California Water Code and the County has land use authority, and has adopted a Countywide Groundwater Ordinance (County of San Diego 2013).

<sup>3</sup> Policy for Water and Sewer Service to New Development. February 20, 2013 (BWD 2013a).

<sup>4</sup> BWD's EDU average usage is 0.62 AFY as of 2013 (BWD Pers. comm. 2013).



**Table 1**  
**Groundwater Consumptive Use By Crop Type Used to Calculate Water Offset Credits**

Vegetation Type	Plant Factor <sup>2</sup>	Reference Evapotranspiration (feet/year)	Irrigation Efficiency	Groundwater Consumptive Use Per Acre (AFY)
Citrus (all types)	0.65	5.97	0.8	4.9
Nursery plants	0.6	5.97	0.8	4.5
Palms (all types)	0.5	5.97	0.8	3.7
Tamarisk	0.2	5.97	0.7	1.7
Turf (warm season)	0.6	5.97	0.7	5.1
Turf ( winter cool/summer warm)	0.66	5.97	0.7	5.6
Potatoes <sup>1</sup>				0.8

1. According to the BWD, potatoes are a winter crop and are rotated once every three years. Approximately 2.5 acre-feet per acre are applied to potato field over a three year cycle. Therefore, the annual groundwater consumptive use would be 0.8 acre-feet per acre.
  2. Plant factor for other plant types shall be obtained for the most recent publications by the State of California Sources for plant factor: <http://www.water.ca.gov/wateruseefficiency/docs/wucols00.pdf>
  3. 3. Source of Irrigation Efficiency: Turf and Landscape Best Management Practices, April 2005, Water Management Committee of the Irrigation Association
- Source: BWD and County of San Diego, 2012. Memorandum of Agreement Between the Borrego Water District and County of San Diego Regarding Water Credits. February 4, 2013.

The Water Credit Policy was developed on the premise that new development would have no additional impact on the BVGB (i.e. offset demand for groundwater by a ratio of least a one-to-one). While this approach may reduce additional incremental overdraft to the BVGB, it has no direct connection to mitigation of the actual condition of overdraft. In order to mitigate the current overdraft condition, an overall reduction in water demand of the BVGB must occur.

The District is re-evaluating the water credit policy and specifically the mitigation ratio in the context of achieving sustainability for the basin in compliance with the Sustainable Groundwater Management Act (SGMA) passed by the California Legislature on August 29, 2014 and expected to be signed into law by Governor Brown on January 1, 2015.

### **SUSTAINABLE GROUNDWATER MANGEMNT ACT**

Due to prolonged drought and historical overreliance on groundwater that has caused “undesirable results” to the groundwater basins of the State, the California Legislature has passed a series of unprecedented bills: SB 1168, SB 1319 and AB 1739; collectively known as the Sustainable Groundwater Management Act (SGMA). The SGMA will govern groundwater use

in California and provide the clear authority to proactively manage groundwater resources toward the goal of sustainability.

The legislation that affects the BVGB in particular includes, but not limited to, the following:

### **Establishing a Groundwater Sustainability Agency (GSA)**

- A combination of local agencies may form a groundwater sustainability agency (GSA) by using any of the following methods: (1) A joint powers agreement. (2) A memorandum of agreement or other legal agreement [Section 10723.6].<sup>5</sup> In the event that there is an area within a basin that is not within the management area of a groundwater sustainability agency, the county within which that unmanaged area lies will be presumed to be the groundwater sustainability agency for that area [Section 10724(a)].

### **GSA Powers and Authorities**

- A groundwater sustainability agency may conduct an investigation for the purposes of this part, including, but not limited to, investigations for the following: (1) To determine the need for groundwater management. (2) To prepare and adopt a groundwater sustainability plan and implementing rules and regulations. (3) To propose and update fees. (4) To monitor compliance and enforcement [Section 10725.4(a)].
- In connection with an investigation, a groundwater sustainability agency may inspect the property or facilities of a person or entity to ascertain whether the purposes of this part are being met and compliance with this part. The local agency may conduct an inspection pursuant to this section upon obtaining any necessary consent or obtaining an inspection warrant pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure [Section 10725.4(c)].
- A groundwater sustainability agency may require registration of a groundwater extraction facility within the management area of the groundwater sustainability agency [Section 10725.6].
- A groundwater sustainability agency may require through its groundwater sustainability plan that the use of every groundwater extraction facility within the management area of the groundwater sustainability agency be measured by a water-measuring device satisfactory to the groundwater sustainability agency [Section 10725.8(a)].

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<sup>5</sup> Code references are to the new provisions of the Water Code.

- A groundwater sustainability agency may require, through its groundwater sustainability plan, that the owner or operator of a groundwater extraction facility within the groundwater sustainability agency file an annual statement with the groundwater sustainability agency setting forth the total extraction in acre-feet of groundwater from the facility during the previous water year [Section 10725.8(c)].
- A groundwater sustainability agency shall have the following additional authority and may regulate groundwater extraction using that authority: (1) To impose spacing requirements on new groundwater well construction to minimize well interference and impose reasonable operating regulations on existing groundwater wells to minimize well interference, including requiring extractors to operate on a rotation basis. (2) To control groundwater extractions by regulating, limiting, or suspending extractions from individual groundwater wells or extractions from groundwater wells in the aggregate, construction of new groundwater wells, enlargement of existing groundwater wells, or reactivation of abandoned groundwater wells, or otherwise establishing groundwater extraction allocations. A limitation on extractions by a groundwater sustainability agency shall not be construed to be a final determination of rights to extract groundwater from the basin or any portion of the basin. (3) To authorize temporary and permanent transfers of groundwater extraction allocations within the agency's boundaries, if the total quantity of groundwater extracted in any water year is consistent with the provisions of the groundwater sustainability plan. The transfer is subject to applicable city and county ordinances. (4) To establish accounting rules to allow unused groundwater extraction allocations issued by the agency to be carried over from one year to another and voluntarily transferred, if the total quantity of groundwater extracted in any five-year period is consistent with the provisions of the groundwater sustainability plan [Section 10726.4(a)].

### **Groundwater Sustainability Plan (GSP)**

- By January 31, 2020, all basins designated as high- or medium-priority basins by the department that have been designated in Bulletin 118, as may be updated or revised on or before January 1, 2017, as basins that are subject to critical conditions of overdraft shall be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans [Section 10720.7(a)(1)].<sup>6</sup>

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<sup>6</sup> The BVGB is defined in DWR's Bulletin 118 as Basin 7-24 in the Colorado River Hydrologic Region (DWR 2003) and is listed as a medium basin priority in the CASGEM Basin Prioritization Results as pursuant to the California Water Code (CWC §10933) (DWR 2014).

- Measurable objectives, as well as interim milestones in increments of five years, to achieve the sustainability goal in the basin within 20 years of the implementation of the plan [Section 10727.2(b)(1)]. A description of how the plan helps meet each objective and how each objective is intended to achieve the sustainability goal for the basin for long-term beneficial uses of groundwater [Section 10727.2(b)(2)].
- Components relating to the following, as applicable to the basin: (1) The monitoring and management of groundwater levels within the basin. (2) The monitoring and management of groundwater quality, groundwater quality degradation, inelastic land surface subsidence, and changes in surface flow and surface water quality that directly affect groundwater levels or quality or are caused by groundwater extraction in the basin. (3) Mitigation of overdraft. (4) How recharge areas identified in the plan substantially contribute to the replenishment of the basin. (5) A description of surface water supply used or available for use for groundwater recharge or in-lieu use [Section 10727.2(d)].

## **BVGB OVERDRAFT**

The water budget recently developed by the US Geological Survey (USGS) is the benchmark estimate of “sustainable yield” used for this analysis. According to the USGS, estimated combined annual agricultural, recreational, and municipal groundwater production peaked at around 18,500 acre-feet per year (AFY) between 2005 and 2010 (Faunt 2014). Actual groundwater production data is not available for agricultural and recreational use. In order to estimate agricultural and recreational use, the consumptive water use of each land-use type (e.g. citrus grove, golf course fairway) is estimated based on the acreage of land use, evapotranspiration, crop coefficients, and irrigation inefficiencies (i.e. Reference Evapotranspiration x Crop Coefficient x Acres/ Irrigation Efficiency). By applying this estimate of consumptive water use to the agricultural and recreation groundwater withdrawals, and by adding the metered municipal withdrawals, the approximate annual groundwater withdrawals from the BVGB is determined. Thus, the rounded withdrawal value of 19,000 AFY is assumed the “baseline” on which the groundwater sustainability plan will be established given the uncertainty of the actual current groundwater production. The 19,000 AFY accounts for water usage across all sectors with agriculture representing the largest usage at 70%, recreational at 20%, and municipal at 10%.

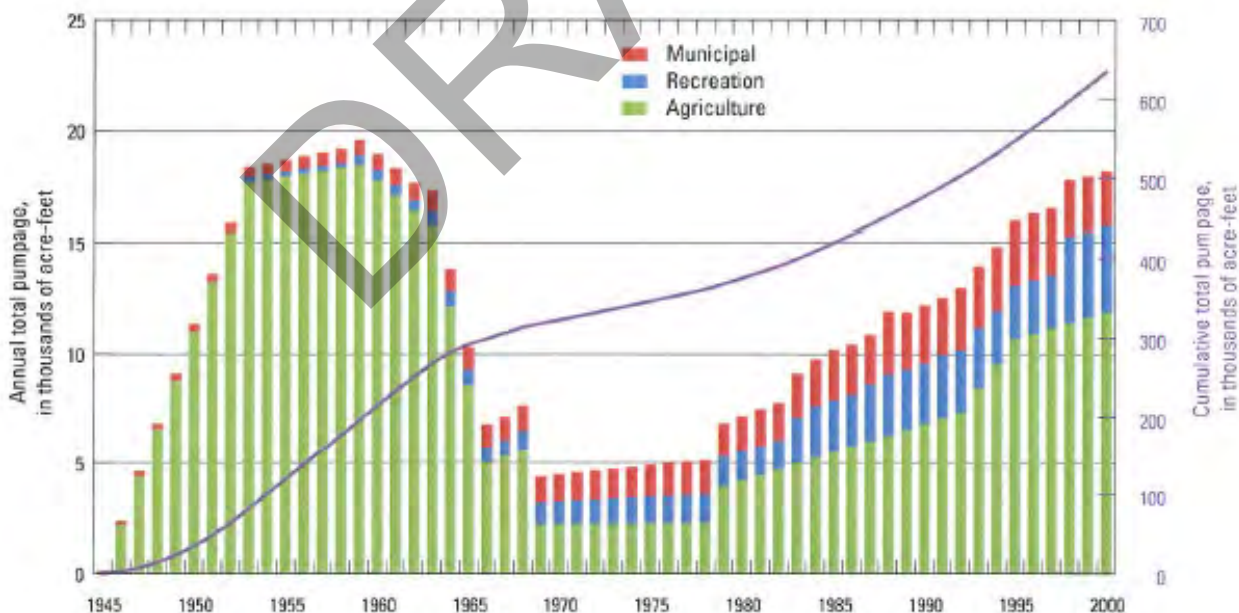
The natural recharge to the BVGB is seepage from the land surface and recharge from streams and underflow from adjacent watersheds. The vast majority of natural recharge is stream flow and underflow and varies from less than 2,000 AFY in drier years to 20,000 AFY in the wettest years (Faunt 2014). The large variability in annual recharge is due to the highly variable annual precipitation in the arid climate. In order to develop a planning number for the sustainable yield,

the average natural recharge from the period 1945-2010 of 6,489 AFY minus outflow from the basin and evapotranspiration of 893 AFY was used to estimate the sustainable yield value of 5,600 AFY (rounded). Thus, 5,600 AFY is assumed to be the sustainable water usage target at the end of the prescribed 20-year planning implementation period.<sup>7</sup> Due to climatic variability, the sustainable yield target should be reevaluated at each five year GSP milestone to determine whether the 5,600 AFY target is suitable to mitigate overdraft.

### Historical Groundwater Production

Until about the mid-1940s, water use from wells mainly was used for domestic purposes, which probably was less than 300 AFY (Faunt 2014). Agriculture expanded rapidly after 1945 and since the late 1940s or early 1950s, annual groundwater production has exceeded the natural recharge of the BVGB for most of the years (Faunt 2014). The estimated cumulative historical groundwater production from 1945 until 2000 is in excess of 600,000 acre-feet (Figure 1). The depletion in groundwater storage over this time period in the BVGB is about 410,000 acre-feet (Faunt 2014).

**Figure 1**  
**BVGB Historical Groundwater Production**



Source: Faunt, 2014.

<sup>7</sup> As indicated in Section 10727.2 of the proposed Water Code (SB 1168) the GSP includes a 20-year sustainability timeframe with up to two 5-year extensions for a maximum 30-year sustainability timeframe.



## Future Groundwater Production Estimates

The SGMA will require metering and reporting of groundwater use from each groundwater user (agriculture, recreation, and municipal). Once the groundwater use data is compiled for an entire year and successive years thereafter, the uncertainty of BVGB groundwater production will be minimal (i.e. 1-5% uncertainty due to accuracy of water meters and reporting issues). Accurate groundwater production data will greatly enhance implementation of the BVGB GSP.

## BVGB GROUNDWATER SUSTAINABILITY PLAN (GSP)

The GSP focuses on: (1) reduction of use in the BVGB by 71% across all sectors (reduction from ~19,000 AFY to ~5,600 AFY); (2) Re-allocation of the sustainable yield “production credits” totaling 5,600 AFY by the end of the 20-year planning horizon; and (3) oversight to ensure that new development secure water credits for sustainable water use over its economic life. A 20-year planning horizon is required as the sustainable management timeframe as per Section 10727.2 of the proposed Water Code in the SGMA.

## Groundwater Overdraft Mitigation Ratio

Reduction of annual water usage from 19,000 AFY to 5,600 AFY, a net reduction of 13,400 AFY, represents an approximate 71% reduction in water usage:

$$\frac{(19,000 - 5,600)}{19,000} = \frac{13,400}{19,000} = 70.5\%$$

The 20-year GSP would set targets for water usage reductions at incremental periods. Table 2 presents an example using 5-year incremental targets.

**Table 2**  
**Sample 20-Year Incremental Reduction Plan**

Year	Water Usage	Net Reduction	Percentage Reduction
(Baseline)	19,000	0	0%
5	15,200	3,800	20%
10	11,400	7,600	40%
15	7,600	11,400	60%
20	5,600	13,400	71%

The working concept for water usage reduction is to require a proportional reduction in water usage across all sectors (agriculture, recreation, and municipal). Certain sectors are more or less flexible in the ability to reduce water usage. Water conservation measures will inevitably change the behaviors within sectors resulting in reduced water usage; however, a significant change in the Borrego Valley land use (i.e., reducing the amount of irrigated land) will be required to meet the reduction goals. Under the proposed Water Credit Program, the BVGB GSA will administer a water credit exchange market by which water and production credits can be bought and sold. The Water Credit Program hinges on the distinction between two water “currencies”:

- Water Credits (WC) represent current water usage with one WC = 1 AFY. From the Baseline water usage of 19,000 AFY, it is assumed that the Water Credit Program contains approximately 19,000 WCs.
- Production Credits (PC) represents the permissible water usage to meet the established sustainable yield of 5,600 AFY. It is assumed that the Water Credit Program contains 5,600 PCs and that 1 PC = 1 AFY.

In order to meet the water reduction plan goals, the water credits must be “retired” and exchanged for production credits. The ratio of WC:PC is:

$$\frac{19,000}{5,600} = 3.39 \text{ OR a ratio of } 3.4:1$$

This ratio does not consider variability in the actual or realized water usage reduction. It can be expected that water usage patterns will change over time in accordance with environmental, social, and economic pressures, which are difficult to predict. To improve confidence level that the water reduction goals will be met at the end of the plan period, consideration should be given to “slippage”. Slippage refers to the statistical unpredictability of multi-variable calculations and is observed in real world scenarios involving the “human factor”.

Taking into account an assumed slippage rate of 20%, an unrealized reduction of 2,680 acre-feet does not occur over the 20-year period due to external factors.<sup>8</sup> Thus the revised WC-PC is:

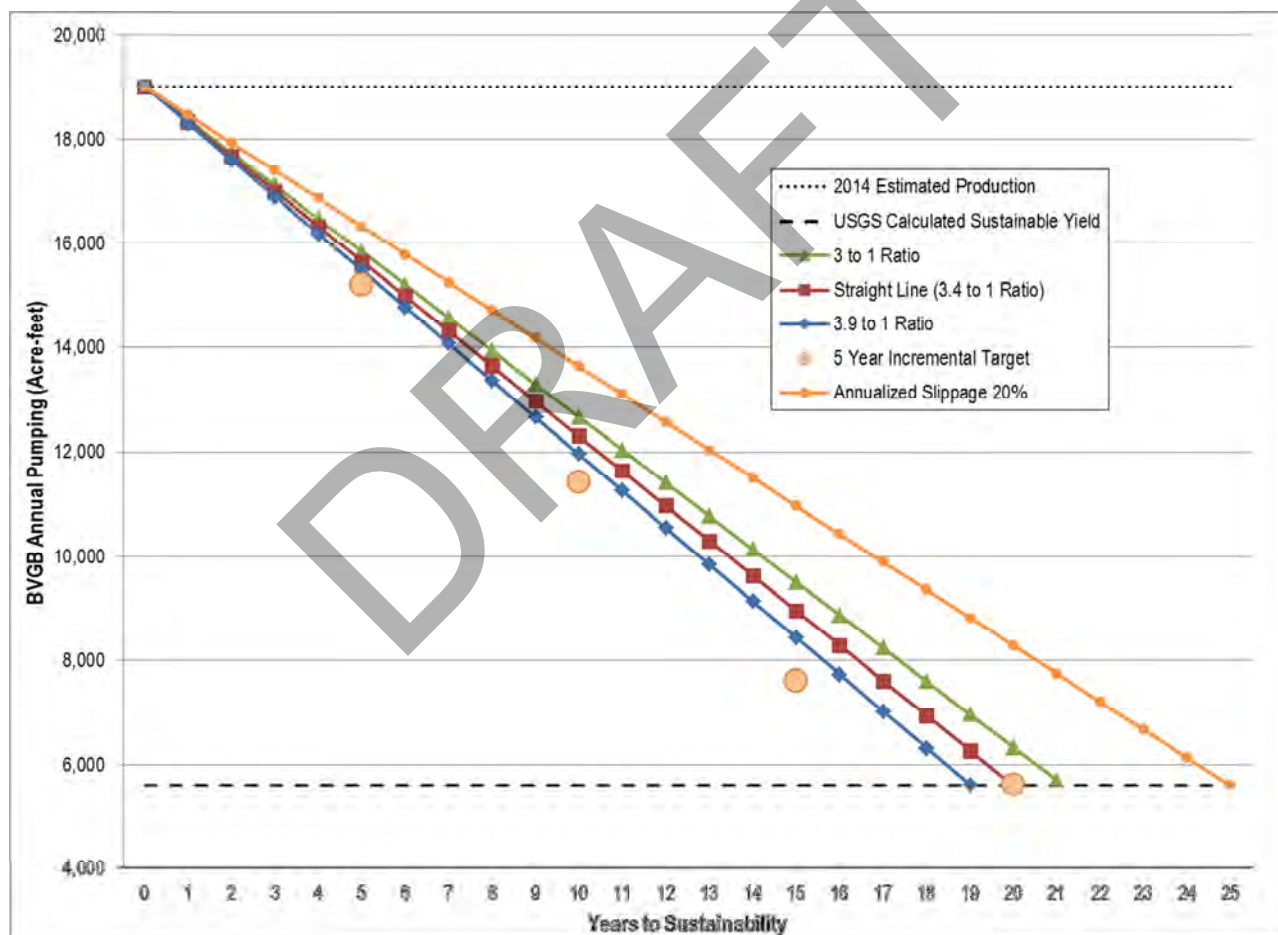
$$\frac{(19,000) + (.20 \times 13,400)}{5,600} = 3.87 \text{ OR a ratio of } 3.9:1$$

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<sup>8</sup> The slippage factor of 20% was selected based on a slippage offset of approximately 20% identified in the US Department of Agriculture’s Conservation Reserve Program (CRP) (Wu 2000).

Because of slippage and the inherent uncertainty associated with actual BVGB groundwater production and “sustainable yield” estimates, it is appropriate to round to a ratio of 4:1. When expressed over the 20-year timeframe of the GSP implementation, the difference between a straight-line ratio of 3.4:1 versus a ratio 3.9:1 ratio appears fairly benign in that it results in only a one year difference in reaching sustainability. However, annualizing the slippage rate of 20% results in an additional 5 years, beyond the 20-year planning timeframe, for the BVGB to reach sustainable yield (Figure 2).

**Figure 2**  
**Projection of Reduction Ratios and 5-Year Incremental Targets**



It is unlikely that the “sustainable yield” target will be achieved by enacting solely the new development portion of a WCP. It would be necessary to construct 3,400 new EDUs to achieve the sustainable yield production in 20 years. Prior to the recent recession, only 42 EDUs were constructed during per year during the housing boom period from 2001 to 2008. Under the 4:1 policy 42 new EDUs per year would retire 126 AFY of groundwater production. Even assuming this peak historical rate of construction for 20 years, only 2,520 AFY production would be retired. This would leave production 10,880 AFY above the sustainable yield goal of 5,600 AFY. Additional programs such as a “Groundwater Sustainability Program” including fees to encourage reduced production will be necessary to achieve sustainable yield. New development is unlikely to bear the cost of “overdraft” mitigation without a complete physical solution.

## **CONCLUSIONS AND RECOMMENDATION**

The variables of groundwater production and “sustainable yield” have been estimated by the USGS. Current withdrawals are approximately 19,000 AFY and that the “sustainable yield” of the BVGB is 5,600 AFY. While the uncertainties of these estimates are not quantified, it is assumed that the percent error is in the range of 10-20%. With metering of recreation and agricultural sector groundwater withdrawals in BVGB, the uncertainty of actual groundwater production can be reduced. Due to future climatic variability, the “sustainable yield” of the basin will potentially vary with time and should be updated at each five-year GSP milestone.

In order to reach the “sustainable yield” value of 5,600 AFY, a 70.5% reduction of groundwater pumping is required over the 20-year GSP implementation timeframe. This would require retiring 19,000 WC, and issuing 5,600 PC at a ratio of 3.4:1 (WC:PC). To determine a water offset ration, a “slippage” rate of 20% over the 20-year GSP implementation timeframe is suggested to account for variability in the actual or realized water usage reduction. This results in a ratio of 3.9:1 (WC:PC). Because of slippage and the inherent uncertainty associated with actual BVGB groundwater production and “sustainable yield” estimates, it is appropriate to round to a ratio of 4:1. This would improve confidence that the safe yield goal is achieved at the end of the 20-year planning period while ensuring that new development mitigates upfront for its allocated share of the condition of “overdraft” in the BVGB. Furthermore, upfront mitigation provides funds necessary to fallow irrigated agricultural land and gives certainty as to the full costs involved with new development in the Borrego Valley.

## DEFINITIONS<sup>9</sup>

*Acre-feet per year (AFY) is equivalent to 325,581 gallons*

*Aquifer:*

“Basin” means a groundwater basin or subbasin identified and defined in Bulletin 118 or as modified pursuant to Chapter 3 (commencing with Section 10722).

“Bulletin 118” means the department’s report entitled “California’s Groundwater: Bulletin 118” updated in 2003, as it may be subsequently updated or revised in accordance with Section 12924.

“Groundwater” means water beneath the surface of the earth within the zone below the water table in which the soil is completely saturated with water, but does not include water that flows in known and definite channels.

“Groundwater Basin”

“Groundwater extraction facility” means a device or method for extracting groundwater from within a basin.

“Groundwater recharge” means the augmentation of groundwater, by natural or artificial means.

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

“Groundwater sustainability plan” or “plan” means a plan of a groundwater sustainability agency proposed or adopted pursuant to this part.

“Groundwater sustainability program” means a coordinated and ongoing activity undertaken to benefit a basin, pursuant to a groundwater sustainability plan.

“Local agency” means a local public agency that has water supply, water management, or land use responsibilities within a groundwater basin.

“Operator” means a person operating a groundwater extraction facility. The owner of a groundwater extraction facility shall be conclusively presumed to be the operator unless a satisfactory showing is made to the governing body of the groundwater sustainability agency that the groundwater extraction facility actually is operated by some other person.

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<sup>9</sup> In order to avoid confusion regarding multiple definitions for technical nomenclature, definitions are provided herewith. Definitions as defined by the California Water Code or State approved Groundwater Management Planning documents were given primary importance. Definitions not available in the CWC or Groundwater Management Planning documents are noted with an asterisk (\*).



“Overdraft”\* means a condition where groundwater extractions exceed the amount of water recharging the basin over a period of time.

“Owner” means a person owning a groundwater extraction facility or an interest in a groundwater extraction facility other than a lien to secure the payment of a debt or other obligation.

“Physical Solution”

“Planning and implementation horizon” means a 50-year time period over which a groundwater sustainability agency determines that plans and measures will be implemented in a basin to ensure that the basin is operated within its sustainable yield.

“Recharge”

“Recharge area” means the area that supplies water to an aquifer in a groundwater basin.

“Sector Producer”

“Safe yield”

“Sustainability goal” means the existence and implementation of one or more groundwater sustainability plans that achieve sustainable groundwater management by identifying and causing the implementation of measures targeted to ensure that the applicable basin is operated within its sustainable yield.

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

“Sustainable yield” means the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result.

“Undesirable result” means one or more of the following effects caused by groundwater conditions occurring throughout the basin:

- (1) Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply if continued over the planning and implementation horizon. Overdraft during a period of drought is not sufficient to establish a chronic lowering of groundwater levels if extractions and recharge are managed as necessary to ensure that reductions in groundwater levels or storage during a period of drought are offset by increases in groundwater levels or storage during other periods.
- (2) Significant and unreasonable reduction of groundwater storage.
- (3) Significant and unreasonable seawater intrusion.
- (4) Significant and unreasonable degraded water quality, including the migration of contaminant plumes that impair water supplies.

(5) Significant and unreasonable land subsidence that substantially interferes with surface land uses.

(6) Surface water depletions that have significant and unreasonable adverse impacts on beneficial uses of the surface water.

“Water budget” means an accounting of the total groundwater and surface water entering and leaving a basin including the changes in the amount of water stored.

“Water year” means the period from October 1 through the following September 30, inclusive.

“Withdrawals”\* means amount of extraction from the groundwater basin.

DRAFT

## **REFERENCES**

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## Attachment A – Statement of Work/Engagement Letter

The following sections outline the tasks to complete a Water and Wastewater Utility Rate Study (Study) to ensure financial sufficiency for the operations and capital costs of the water and wastewater enterprises, and to ameliorate the District's long-term financial sustainability.

### Task 1 – Kick-Off and Data Collection

The kick-off conference call provides a solid foundation for the project and ensures that project participants are in mutual agreement as to the project's approach, work plan, schedule, and the District's priorities. As part of the meeting, RFC will discuss the District's current rates, identify any new customer classes that may be considered as part of update, work with staff to identify and prioritize pricing objectives, develop a framework for the proposed new rate structure, and evaluate the various policy options available for meeting the District's goals and objectives.

The District will provide RFC in a timely manner the data required to conduct the Study for both water and wastewater enterprises as indicated below, preferably in electronic format (Ms Word, Excel or pdf). Several conference calls might be required to discuss and confirm the received data.

#### *Data request list:*

1. Financial statements for the last two fiscal years;
2. Debt service schedules;
3. Detailed operating budgets for the past two fiscal years;
4. current water and wastewater rates;
5. Number of water accounts by customer classes and meter sizes for fiscal year end 2013 & 2014;
6. Number of wastewater accounts by customer classes for fiscal year end 2013 & 2014;
7. Total billed water consumption by Tiers for the past two fiscal years;
8. Total wastewater flows by customer classes for the past two fiscal years;
9. Monthly water consumption for each customer for the past two fiscal years with
  - Customer Unique ID, Customer Class, Meter Size, Improvement District Zone
  - Monthly Consumption and Associated Billing Days (or Days of Service)
10. Monthly total water pumped / produced and wastewater treated for each of the previous two fiscal years;
11. Capital Improvement Projects for water and wastewater systems including:
  - Project descriptions
  - Annual project cost, including studies, design, and construction costs
  - Any notes related to priority, importance and timeline of the projects
12. Master Plan for water and wastewater systems, if available.

**Meeting(s)/Conference(s):** (2) Conference Calls with District Staff to review and collect data

**Deliverable(s):** Data request list and framework memorandum

### Task 2 – Financial Plan Model Development

This task will include the projections of budget items for water, contracted wastewater (ID 2) and wastewater services within ID 1 and ID 5, including annual costs related to the collection system, labor, power, materials, capital expenditures, operating and maintenance (O&M) expenses, reserve contributions, depreciation and debt service, using assumptions based on different economic factors and growth trends.

RFC will develop a forecast of revenue requirements for the next 10-year planning period for water ID 2 and, ID 1 and 5 combined. This will include an estimate of revenues based on current rates, growth in customers and fee levels, as well as other revenues generated from surcharges and other non-operating revenues. Revenue requirements will be projected over the study period considering the current budget, different CIP scenarios, the utilities' existing debt service, other obligations, and current economic trends. RFC will identify funding needs and develop financing options for capital



projects over the long planning horizon allowing the District to make timely adjustments to expenses, reserve balances, or the timing of capital projects to smooth rate impacts and maintain financial sustainability and sufficiency. In addition, the financial model will have the ability to examine the financial consequences of different CIP scenarios and cost saving mechanisms in order to help the District to make informed decisions.

RFC will conduct a cash flow analysis/summary to determine the revenue adjustments needed to meet projected revenue requirements for each year of the planning period. The cash flow worksheet in the Model incorporates revenues generated from different sources, expenses needed to maintain the utilities' systems, any transfers in and out of the working cash fund, as well as the coverage needed to meet current and proposed debt service requirements. RFC will also review reserves policies to recommend appropriate reserves balances, such as operating, capital, rate stabilization, etc., consistent with the District's risk management practices and industry standards.

RFC will conduct one web meeting with District's Staff to review and validate inputs for the Model. Feedback from District Staff will be incorporated into the Model before presenting the District Board in the Workshop in Task 3.

**Meeting(s)/Conference(s):** (2) web-meetings with District Staff to review and finalize Financial Plans

**Deliverable(s):** Financial Plan Model in Microsoft Office Excel® 2007

### **Task 3 – Cost of Service Analysis**

The cost of service study will be performed based on industry standards and methodologies approved by the American Water Works Association (AWWA) MI Rate Manual. Mr. Gaur and Mr. Isaac will collectively ensure that the cost of service allocations focus on service functions, appropriately allocate the cost of service (revenue requirements) to the service functions, determine how those services are used by each customer class, and develop the cost allocation components of the models. Cost allocations among customer classes will likely be based on the AWWA-approved Base-Extra Capacity approach which focuses on the different usage patterns (or peaking factors) demonstrated by each customer class.

Based on the revenue requirements identified in Task 2, the cost of service will be allocated to the various cost components, including capacity-related costs, commodity costs, customer costs, pass through component, and other direct and indirect costs consistent with industry standards. The purpose of this task is to allocate the costs associated with the various costs components of each utility to the various customer classes on the basis of the relative responsibility of each. Costs will be allocated based on the determination of units of service for each customer class and the application of unit costs of service to the respective units. The result is the total cost responsibility required of each customer class in order to maintain the financial stability of the District's utilities. Throughout the cost allocation process, RFC will comply with the District's policy considerations and procedures, as well as current federal, state, and local rules and regulations such as Proposition 218. Although not a law firm, RFC is very familiar with Proposition 218 requirements and its implications on water and wastewater rates. Our Project Team has extensive experience with Proposition 218 and has conducted conference sessions on the matter.

**Meeting(s)/Conference(s):** Conference Calls with District Staff to review COS

**Deliverable(s):** Cost of service analysis for utility service

### **Task 4 – Utility Rate Model Development**

#### **Task 4.1 – Calculate Water and Sewer Utility Rates**

RFC will develop a Water and Sewer Rate Model with the flexibility to compare the current rate structure with any proposed new rate structure, such as, conservation based rate for the water utility.



The models will also have the capability to examine different options to enhance revenue stability while still balancing competing objectives such as affordability for essential needs and signalling conservation. The baseline rate design will maintain the current revenue percentage split between fixed and variable to determine whether to maintain this split or to compare alternative scenarios to this baseline.

To help communicate with customers about the drivers behind any potential rate increases and the rationale behind the proposed rates, the water rates will have several cost components for each tier including water supply costs, the District’s system costs (delivery costs), and peak costs of capital. An example of this type of structuring is the FY 2010 water rates for El Toro, which are shown in the table below. Water supply rates in tiers 1 (indoor allocation) and 2 (outdoor allocation) are associated with low water supply costs, and tiers 3 (50 percent of total allocation) and 4 are based on the cost expanding the supplemental water supply and conservation programs.

Graphical interface showing tier widths and cost component breakdown

Tiers	Current Rates	Proposed Rates				Total
		Water Supply	Delivery	Conservation	Offset	
Tier 1		\$1.86			(\$0.06)	\$1.80
Tier 2	\$1.89	\$1.86	\$0.34			\$2.20
Tier 3	\$1.89	\$3.80	\$0.34	\$0.24		\$4.38
Tier 4	\$1.89	\$5.70		\$0.24		\$5.94
Uniform Rate	\$1.89	\$1.86	\$0.17			\$2.03

Utilizing the Model, RFC will determine the rates required for each tier to collect the required revenues. **RFC will also build-in the capability to conduct various scenario analyses to address different conservation issues such as loss of water supply and different levels of capital funding.** The Dashboard, which displays key variables and results on-screen in real-time, will facilitate discussion for quick consensus building. This has proven to be particularly useful when making presentations to elected officials (e.g. District Board), allowing them to fully appreciate the impacts of their decisions instantly.

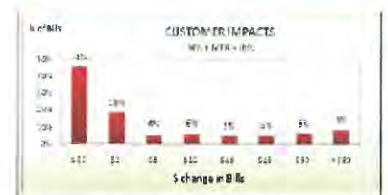
#### Task 4.2 – Perform Customer Impact Analysis

Besides required revenue adjustments, changes to the rate structure itself could also cause “rate shock” to customers. As such, RFC will also determine the potential financial impact on customers that may result from the proposed rate structure. *In our impact analysis graphics we regenerate every bi-monthly bill of each account assuming the new proposed rates were already in place to determine the “true” impact of the new rate structure on District customers.*

The overall financial impacts on customers are a tool for stakeholders to make informed decisions regarding different policy options and variables.



The customer impact illustration displayed to the right shows that 64 percent of the customers will see no more than a \$2 increase in their bill.



Meeting(s)/Conference(s): (2) web-meetings with District Staff

Deliverable(s): Draft Water Rate Model in Microsoft Office Excel® 2007 showing calculated proposed rates and customer impact analyses

#### TASK 5 – CONNECTION FEES, WATER CREDITS AND MISCELLANEOUS FEE MODEL

##### TASK 5.1 –Connection Fees and Water Credits

Concurrently with the Utility Rate Studies, RFC will review the District’s current connection fee to determine whether or not updates are required to ensure full cost recover of capital that is necessary to serve growth and if adjustments should be made to the fee methodology. In addition to connection fees, RFC will also review the current rationale of assigning water credits to certain properties that are moving through development approval.

##### TASK 5.2 –Miscellaneous Fee Model

RFC will develop a model for the District to update its miscellaneous fees (user fees) that are requested by





residents/customers for certain services and activities. The principal goal will be to determine the full cost of the services that are provided which will be structured on a time and materials basis. In addition, RFC will establish a series of additional objectives including:

- Calculate the fully-burdened rates (FBHRs) of employees;
- Enhancing fairness and equity;
- Ensuring compliance with State law; and
- Developing an updatable and comprehensive list of fees.

In order to determine the full cost of service, RFC will first calculate the FBHRs of employees whose duties include request for services, such as, (shut-down activities, backflow devices inspections, water service shut-offs, etc.). FBHRs include salary and benefits, overhead expenses, and materials and supplies. RFC will calculate the FBHR of each District Staff member. FBHRs are one of the primary components in determining the “true” cost of providing services to District customers. RFC will develop a model that the District may use moving forward to determine the true cost of services by using the District time estimates and multiplying them by the FBHR of each employee.

**Meeting(s)/Conference(s):** Conference calls with District to review development fees, water credits, and user fees

**Deliverable(s):** User Fee Model in Microsoft Office Excel® 2007 and Memorandum regarding Connection Fees / Water Credits

#### **TASK 6 – FINAL REPORT PREPARATION AND PUBLIC HEARING**

##### **TASK 6.1 –DRAFT REPORT PREPARATION**

The process for developing the proposed rates will be described in a draft report. This draft report will include an executive summary highlighting the major issues and decisions and an overview of operations, CIP, the financial plan and the final rates resulting from the Study. The discussion on rate structure selection from the report will be presented as a comprehensive section on the rate design assumptions and methodologies used to develop the user-rate calculations and financial planning. Comments from District staff will be incorporated into the Report as appropriate, and the Model will be refined to reflect appropriate issues or concerns raised by stakeholders. The report will be submitted to the District and will include appropriate supporting data from the Model to address the requirements of Proposition 218.

##### **TASK 6.1 –PUBLIC HEARING**

RFC will prepare presentation materials and handouts summarizing the methodologies and assumptions used in the Study, key findings and results of the Study along with the proposed rates. Finally, RFC will present and be available to answer any questions at the Public Hearing, at which time, the recommended rates will be considered for adoption.

**Meeting(s)/Conference(s):** One (1) on-site Public Hearing

**Deliverable(s):** Presentation materials for Public Hearing

**Ordinance No. 15-01**

***ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING ADMINISTRATIVE FINES AND PENALTIES FOR VIOLATIONS OF DISTRICT ORDINANCES; ESTABLISHING ADMINISTRATIVE PROCEDURES GOVERNING THE IMPOSITION, ENFORCEMENT, COLLECTION, AND ADMINISTRATIVE REVIEW OF ADMINISTRATIVE FINES AND PENALTIES AND FOR VIOLATING OTHER WATER USE REGULATIONS AND RESTRICTIONS***

**WHEREAS**, the Borrego Water District (the “District”) is a California Water District created pursuant to the California Water District Law (Division 13 of the California Water Code, section 34000 *et seq.*), located in the County of San Diego, California, and is a local agency, as defined in section 54951 of the California Government Code; and

**WHEREAS**, California Government Code section 53069.4 provides that a local agency, as defined in California Government Code section 54951, may adopt an ordinance making any violation of any ordinance adopted by the District subject to an administrative fine or penalty, and establishing administrative procedures governing the imposition, enforcement, collection, and administrative review by the District for those administrative fines and penalties; and

**WHEREAS**, the District has adopted various ordinances regulating the use of water, and the disposal of sewer, and creating other restrictions on the use of water, and the disposal of sewer, within the District, and may adopt other regulations and restrictions in the future; and

**WHEREAS**, the Board of Directors (the “Board”) believes that establishing procedures for the imposition of fines and penalties, and establishing procedures for the administrative review of any administrative fines and penalties imposed for the violation of District ordinances, is in the best interest of the District and its residents and customers, and will allow the District to better correct violations of its ordinances.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Borrego Water District, as follows:

Section 1. Purpose.

The Board of Directors finds there is a need for an alternative method to enforce violations of ordinances of the Borrego Water District. The Board of Directors further finds that an administrative fine and penalty program is an appropriate method of enforcing violations of the District’s ordinances. The administrative fine and penalty remedy provided in this ordinance is available in addition to any other remedy authorized by law, including the District’s ordinances and Administrative Code.

Section 2. Definitions.

A. Administrative Code. That certain code adopted by the District’s Board of Directors and on file with the District, as may be amended from time to time. The Administrative Code contains additional, alternative, rules and regulations for the conduct of District policies and procedures.

B. Administrative notice of violation. A written notice of violation of a provision of any District ordinance, which includes imposition of an administrative fine. The written notice may be in the manner of a penalty added to a customer's account for a violation in the amounts set forth in the applicable ordinance.

C. Administrative fine; administrative penalty. A fine or penalty imposed on the responsible person as permitted by this ordinance, or as permitted by any other regulatory ordinance adopted by the Board of Directors.

D. Customer. The party responsible for the payment of rates, fees, or other charges against the property receiving a service from the District, regardless of property ownership.

E. Enforcement officer. The General Manager, the Operations Manager, and the Administrative Manager, or any other person authorized by the General Manager to enforce the provisions of any District ordinance.

F. Hearing officer. The General Manager or such person designated by the General Manager to conduct administrative hearings pursuant to the provisions of this ordinance.

G. Responsible party; party responsible. Property owner(s) or such persons responsible for a violation of any District ordinance. A customer is a responsible party.

### Section 3. Authority to enforce.

All authorized personnel shall be vested with the authority to determine whether a violation of a provision of a District ordinance exists and to issue an administrative fine or administrative penalty.

### Section 4. Notice of violation.

A. Prior to issuing an administrative notice of violation, if a violation of a provision of the applicable District ordinance does not create an imminent danger to health or safety, the owner(s) or other responsible party, shall be informed of the violation, and provided a reasonable amount of time to correct, or otherwise remedy said violation. The time period provided to remedy such violation shall not exceed thirty (30) calendar days, or such longer period of time as set forth in Articles VI or VII of the District's Administrative Code.

B. The procedures set forth in subsection A shall not be required for any violations of a District ordinance where a responsible party has exceeded established allocations of water or base level usage by a responsible party; further, the procedures set forth in subsection A shall not be required for violations of a District ordinance establishing water use regulations and restrictions.



Section 5. Administrative notice of violation.

A. Whenever an enforcement officer determines that a violation of a provision of a District ordinance has occurred, he or she shall have the authority to issue an administrative notice of violation to each responsible party for the violation.

B. Each notice of violation shall contain the following information:

1. Date of the violation;
2. Address or a definite description of the location where the violation occurred;
3. The section of the ordinance violated and a description of the violation;
4. The name of the owner or person responsible for the violation;
5. The amount of fine for the ordinance violation;
6. A description of the fine payment process, including a description of the time within which, and the place where the fine is to be paid;
7. An order requiring compliance with the District's ordinance;
8. A description of the administrative citation hearing process, including the time within which the administrative citation may be contested; and
9. The name and signature of the enforcement officer.

C. A separate administrative citation may be issued to each owner and party responsible for the violation, for each and every day, or portion thereof, during which a violation of any provision of ordinance is committed, maintained, continued, or permitted to exist.

Section 6. Service of an administrative notice of violation.

A. Service of an administrative notice of violation for violations subject to section 4(A) of this ordinance shall be by one of the following methods:

1. Personal service upon the owner or person responsible for the violation; or
2. Certified mail with return receipt requested; or
3. Posting the administrative citation in a conspicuous place on the property.

B. Service of an administrative notice of violation for violations subject to section 4(B) of this ordinance shall be by one of the following methods:

1. Personal service upon the owner or person responsible for the violation; or
2. Certified mail with return receipt requested; or
3. Posting the administrative citation in a conspicuous place on the property; or
4. Included in the responsible person's billing for water services immediately following the violation. The responsible person's billing shall also include the charge for the amount of the administrative penalty, which shall be due and payable along with the responsible person's water charges, subject to any right of review as set forth in section 10 of this ordinance.



C. Service to each property owner by certified mail shall be addressed to the address shown on the District's records, or as otherwise known. Service to each responsible party by certified mail, other than the property owner, shall be addressed to such person at his last known business or residence address as the same appears in the public records, or as otherwise known. Service to a responsible party by including in the party's billing for water services shall be by mailing the notice to the customer's address maintained in the District's records of accounts.

D. The failure of any owner or other person responsible for the violation to receive a properly addressed citation shall not affect the validity of the citation.

#### Section 7. Amount of fines.

The amount of administrative fine or penalty, which may be imposed for each separate violation of the same provision of the ordinance, shall be established by resolution of the Board of Directors or as set forth in the ordinance establishing the regulation that was violated. No fine or penalty may exceed two (2) times the amount of the responsible person's actual charges for water services for the billing where the penalty is imposed, if the administrative notice of violation is subject to section 4(B) of this ordinance.

#### Section 8. Payment of fine.

A. For those administrative notices of violation personally served, served by certified mail, or posted on the property, the payment of the administrative fine or penalty may be made in person or by mailing said sum, within fifteen (15) business days of the date of service of the notice, to the Borrego Water District (Attention: General Manager), 806 Palm Canyon Drive, Borrego Springs, CA, 92004.

B. For those administrative notices of violation served by mail and included on the customer's water bill, the payment of the administrative fine or penalty may be included in the payment of that person's water bill.

C. Any administrative fine or penalty paid pursuant to subsections A or B shall be refunded if it is determined after a review (if timely requested), that the person charged in the administrative notice of violation was not responsible for the violation, or that there was no violation as charged in the notice of violation.

D. Payment of a fine under this ordinance shall not excuse or discharge the continuation or repeated occurrence of the violation that has been charged in the administrative notice of violation.

#### Section 9. Hearing and administrative procedures.

The following procedures are in addition to, but not in lieu of, any procedures set forth in the District's Administrative Code, and shall apply only if the District seeks administrative fines or penalties for violations.

A. A customer may appeal a decision, enforcement of a policy or procedure, rate, fee, charge, or penalty by submitting a written appeal to the General Manager of the District. However, the appeal rights set forth in this section shall not apply to termination of service for nonpayment of a domestic water bill. An appeal must be made in writing and submitted to the General Manager within fifteen (15) business days of the effective date of service of the notice of termination (if for reasons other than nonpayment), or within thirty (30) calendar days of the effective date of any other enforcement action or decision. Any such appeal shall include the specific decision or policy, rate, charge, or penalty being challenged, a detailed description regarding the nature of the challenge, evidence supporting the challenge, the remedy requested and contact information including an email, cell phone number or other pertinent contact information.

B. A hearing on the customer's appeal will be conducted by the District's General Manager or his or her designated representative within fifteen (15) calendar days after receipt of the appeal, unless service has been terminated. If service has been terminated, the hearing will be held as soon as practicable but no later than five (5) business days of receipt of the written appeal. The customer shall be promptly notified of the date, time and place of the hearing. At the hearing, the customer shall be given a reasonable opportunity to present information in support of the customer's appeal. The customer may waive his or her right to a hearing within the time prescribed in this section by a continuance approved by the hearing officer.

C. A failure to file a timely appeal in accordance with this section shall be deemed a waiver of the right to appeal and will be considered a failure to exhaust administrative remedies which may impact any attempt by the customer for any judicial review.

Section 10. Suspension of enforcement.

In the event a Customer submits an appeal under the procedures set forth in section 9, above, or section 11, below, enforcement of the violation shall be suspended until written notice of the decision by the General Manager or his or her designated representative has been submitted to the customer. The notice of the decision shall be deemed to be submitted to the customer upon the District depositing it in the U.S. mail, addressed to the customer's last known address, and first class postage prepaid. Termination for nonpayment of a water bill is not subject to appeal and as a result, such enforcement will not be suspended.

Section 11. Appeal to Board of Directors.

Any responsible party may appeal the decision of the hearing officer to the Board of Directors. The appeal must be submitted, in writing, to the General Manager within fifteen (15) days following the date the hearing officer's notice of decision is mailed. Unless continued by the responsible party and the General Manager, the hearing on any appeal to the Board of Directors shall be conducted not less than thirty (30) calendar days following the date that the notice of decision is mailed to the responsible party. The Secretary to the Board shall set the appeal hearing before the Board of Directors at its next regularly scheduled meeting or, if continued, at any meeting of the Board of Directors occurring after the next regularly scheduled meeting. The hearing before the Board shall be conducted consistent with the hearing procedures set forth in section 9, above; provided, however, that the appeal shall be limited to those issues appealed in

the matter before the hearing officer. The Board's review shall be based on the evidence presented to hearing officer as well as at the time of the hearing before the Board.

Section 12. Recovery of administrative fines, penalties, and costs.

Administrative fines or administrative penalties that are not paid within ten (10) days of the date the notice of violation is served, or, where an administrative hearing is held, within ten (10) days of the date the hearing officer mails the written decision upholding the violation, or (if appealed to the Board of Directors and the hearing officer's decision is upheld) within ten (10) days of the date that the Secretary to the Board deposits notice of the decision of the Board of Directors in the U.S. Mail, first class postage prepaid, addressed to the responsible party shall be subject to late payment penalties and administrative fees charged to cover the costs incurred by the District in enforcing the provisions of the ordinance. The District may collect any past due administrative fine, penalty, late penalty, or administrative fee by use of all available legal means.

Section 13. Administrative fine and penalty remedy not exclusive.

The administrative fine and penalty remedy provided in this ordinance is in addition to any existing remedy authorized by law, and is not to be construed as superseding or limiting any other remedies, civil or criminal. The administrative remedy herein provided shall be cumulative and not exclusive.

Section 14. Right to judicial review.

Any person aggrieved by an administrative decision by the Board of Directors may obtain judicial review by filing an appeal within twenty (20) days after the mailing or personal delivery of the Board of Director's final decision. The procedure for appeal of the hearing officer's decision shall be as provided in California Government Code Section 53069.4.

Section 15. This ordinance shall be effective following its passage and adoption.

**Ordinance No. 15-02**

***ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING CONSERVATION ENFORCEMENT MEASURES FOR CUSTOMERS; ESTABLISHING BASE USAGE CRITERIA; AND PROVIDING FOR FINES AND PENALTIES FOR CUSTOMERS EXCEEDING BASE USAGE ALLOCATIONS***

**WHEREAS**, the Board of Directors (the “Board”) of the Borrego Water District (the “District”) recognizes that there is a need to develop alternative methods of encouraging water conservation to halt or mitigate the rate of increase in the existing aquifer overdraft situation, while at the same time finding ways to maintain sufficient revenues for the efficient and economical operation of the District’s water enterprise; and

**WHEREAS**, the Board has previously adopted Resolution No. 2009-4-1, a “Resolution of the Board of Directors of the Borrego Water District, San Diego County, California, Adopting in Principle Tiered Water Rates Subject to Subsequent Compliance With Proposition 218 and Adopting the BWD First Conservation Management Plan,” (the “Resolution”), with the intent of encouraging water use efficiency and conservation by its customers in the form of conservation and end use efficiency incentive measures through various options; and

**WHEREAS**, the conservation and end use efficiency incentive measures do not include incentives such as fines and penalties for excessive use of water by the District’s customers, relying instead upon voluntary efforts of the customers at the risk of consumption that would result in the incurrence of established “tiers” of rates charged to its customers, which methods may not be the most effective measures for encouraging conservation and protecting against overdraft of the aquifer in unusual or extreme cases such as severe drought or sudden water enterprise infrastructure failures; and

**WHEREAS**, the Board has determined that additional alternative measures are required in order to enhance efforts to encourage water conservation and investments in end use efficiency on the part of the District’s water utility customers, which alternative methods include the imposition of administrative fines and penalties for water utility customers exceeding an adopted base usage measurement of water consumed by each customer class during a billing cycle; and

**WHEREAS**, in order to establish administrative fines and penalties the Board must first establish them by ordinance;

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Borrego Water District, as follows:

Section 1.     Purpose.

The purpose of this ordinance is to establish the framework for identifiable administrative fines and penalties that may be imposed by the District for customers of the District’s water services whose consumption of water exceeds the amount allocated by the Board for the billing cycle being charged. Fines and penalties collected may be used for any governmental purpose of the District; however it is the intent of this ordinance that the use of the fines and penalties should be consistent with the District’s conservation measures as outlined in that certain “BWD First Conservation Management Plan,” which is identified in the Resolution.



The imposition of the administrative fines and penalties are subject to those procedures established by ordinance, as amended from time to time, by the Board. The amount of administrative fines and penalties shall not exceed the amounts set forth in this ordinance, but because the District experiences varying degrees of overdraft (due to, adversely, sustained drought conditions or, favorably, improvements in the aquifer as a result of successful conservation efforts and other conditions that might recharge the aquifer) they shall be based upon a determination of base level usage as set by resolution of the Board from time to time and consistent with this ordinance.

Section 2.        Definitions.

In addition to those terms previously defined in this ordinance, for the purposes of this ordinance, and for the purpose of any resolution to implement this ordinance, the following definitions shall apply:

A.        Administrative fine; administrative penalty. A fine or penalty imposed on the responsible party as permitted by this ordinance, in the amount as may be adopted by the Board of Directors by resolution.

B.        Administrative review. The procedures for imposing administrative fines and penalties as set forth in Ordinance No. 15-01. Administrative review includes all procedures involving the appeal of the administrative fines or penalties charged provided, but shall not include any judicial review of a final decision.

C.        Base level usage; allocated amount; water allocation. An amount of water that is fixed by resolution of the Board to be an allowable amount to be consumed by the customer during any billing cycle.

D.        Billing cycle. The period of time that water is delivered to a customer through the District's water facilities. The billing cycle may be monthly, bi-monthly, or whatever period of time is established between the District and the customer by agreement. The billing cycle may be prorated based on the date of the opening or closing of account, including upon the termination of services following a "shut off" notice issued by the District.

E.        Conservation methods. Conservation refers to a temporary change in behavior of how water is used due to water use restrictions. Water use restrictions are often imposed due to a drought or other type of emergency that temporarily constrains supply availability.

F.        Customer. The party responsible (whether person, persons, or entity) for the payment of charges for water delivered by the District to the residence, business, or property. The customer does not need to own the property where the water is delivered.

G.        End use efficiency methods. Water efficiency differs from water conservation in that it focuses on reducing waste, not restricting use. This often involves making investments to be able to perform a similar function with less water use. For example, not flushing the toilet as often would be considered water conserving. Replacing a 3.5 gallon/flush toilet with a 1.28 gallon/flush toilet would be considered an investment in water use efficiency.

H        Enforcement officer. The General Manager, the Operations Manager, and the Administrative Manager, or any other person authorized by the General Manager to enforce the provisions of any District ordinance.



I. Incentive measures. Incentive measures refer to policies that use economic penalties and/or economic benefits to encourage water users to make decisions sooner rather than later to invest in end use efficiency methods and/or to restrict current water use.

J. Responsible party; party responsible. The customer, the property owner (if arrangements are made between the property owner and the District allowing a lien to attach to the property), or such persons responsible for payment of water charges for the account.

K. Unit of water. A unit of water is the equivalent of 748 gallons or 100 cubic feet (HCF).

Section 3. Establishment of administrative fines and penalties.

A. It is a violation of any District customer to use, and it is a violation for any responsible party to allow to be used, more than the base level usage of water for any billing cycle on any account. Any customer whose use exceeds the base level usage of water shall be subject to an administrative fine or administrative penalty that shall be set by a resolution of the Board from time to time for excess of the water allocation that is in effect at the time of the violation.

B. No administrative fine or administrative penalty shall exceed one hundred percent (100%) of the amount of the water charges for the billing cycle on the account for which the customer or the responsible party is determined in violation of this ordinance.

Section 4. Charge of administrative fines and penalties.

Upon a determination that an administrative fine or penalty is chargeable by this ordinance the enforcement officer shall determine the amount, provide notice of administrative fine or penalty, charge it to the customer's account, and include the fine or penalty on the customer's bill for the next billing cycle, all in accordance with Ordinance No. 15-001. The customer shall have the right to the administrative review of any administrative fine or penalty as provided in Ordinance No. 15-001.

Section 5. Failure to pay administrative fines or penalties.

Any administrative fines or penalties not paid, or not credited following any administrative review of the charge, shall continue to be charged to the responsible party until paid. No interest on the unpaid fines or penalties shall apply during any period of administrative review by the District. Upon a final determination of the amount of the fines or penalties, payments on any account shall first be applied to the administrative fines or penalties outstanding, in the order by which they were first charged, and the balance of any payment, following the full payment of fines and penalties, shall be applied to the outstanding balance of the customer's account.

Section 6. Suspension of water allocation; administrative fines or penalties.

The District may suspend the maximum water allocation or base level usage regulation from time to time by resolution adopted by the Board.

Section 7. This ordinance shall be effective following its passage and adoption.

**MEMORANDUM**

To: Board of Directors, Borrego Water District  
From: David Aladjem  
Rebecca Smith  
Date: June 18, 2015  
Re: Process to Become a Groundwater Sustainability Agency

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*Summary*

The District has requested our guidance on how it may elect to become a Groundwater Sustainability Agency (“GSA”) pursuant to the provisions of last year’s Sustainable Groundwater Management Act (“SGMA”). In brief, as outlined below, the District can elect to become a GSA during its meeting on July 29, 2015.

*Discussion*

The steps that the District should take to elect to become a GSA are as follows:

1. *Notice of Public Hearing on Election.* The first step in the process is for the District to notice a public hearing on the question of whether the District should elect to become a GSA for the Borrego Valley Groundwater Basin. A form of notice is attached hereto. Notice of that hearing must be published once a week for two weeks in a newspaper of general circulation. Jerry Rolwing has informed us that the District customarily uses the San Diego *Union Tribune*, which will be perfectly fine.
2. *Public Hearing.* After proper notice, the District must hold a public hearing (which may occur during a regular meeting of the Board of Directors) to hear comments on whether or not the District should elect to become a GSA. If the Board of Directors decides that it wishes to elect to become a GSA, there must be a motion and a recorded vote. A form of resolution electing to become a GSA is attached hereto.
3. *Notice of Intent to Be Provided to the Department of Water Resources.* If the District elects to become a GSA for the Borrego Valley Groundwater Basin, the District must provide the Department of Water Resources with a Notice of Intent to Serve as a GSA within 30 days of that election (i.e., no later than August 28, 2015). The Notice of Intent must include: (1) a description of the service area boundaries the basin the agency is managing, and the other groundwater sustainability agencies operating within the basin; (2) a copy of the resolution forming the new agency; (3) a copy of any new bylaws, ordinances, or new authorities adopted by the local agency; and a (4) a list of interested parties

developed pursuant to Water Code §10723.2,<sup>1</sup> and an explanation of how their interests will be considered in the GSA's development and operation, including the implementation and development of the Groundwater Sustainability Plan. In the event that the District elects to become a GSA, we will work with the General Manager to prepare the Notice of Intent.

It is important to note that the District has a right to elect to become a GSA. The *District* may choose not to become a GSA, but that decision is solely within the control of the Board of Directors. We expect that both Counties will also elect to become GSA and that the District will enter into Memoranda of Understanding with both Counties for the collaborative management of the Borrego Valley Groundwater Basin.

We would be happy to provide the District with additional information relating to the decision to become a GSA.

cc: Jerry Rolwing  
Morgan Foley

Enclosures

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<sup>1</sup> Water Code § 10723.2 requires GSAs to consider the interests "of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans." These interests and users include overlying groundwater users (municipal, agricultural, and domestic), public water systems, environmental users, and local land use planning agencies, among others.

Notice of Hearing – Election to Become Groundwater Sustainability Agency

NOTICE IS HEREBY GIVEN that, pursuant to Water Code section 10723 (SB 1168, Stats. 2014), the Borrego Water District will hold a public hearing during its regular meeting on July 29, 2015, commencing at 9:00 am at the District's offices at 806 Palm Canyon Drive, Borrego Springs, California to determine whether the District will elect to become a Groundwater Sustainability Agency for the Borrego Valley Groundwater Basin. Written comments should be submitted to the District to the attention of Jerry Rolwing, General Manager, no later than 3:00 pm. on July \_\_, 2015. During the hearing, the District will hear oral testimony and receive additional written comments before making a decision.

**[Publish once a week for two weeks in a newspaper of general circulation]**

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



	June	July	August	September	October	November	December
1	6/15/15: commitment of annual spare capacity due from T2 6/30/15: T2 to fallow 200 acre feet 6/30/15: T2 to pay BWD \$110 per a/f over 800.	7/1/17: establish water budget					12/31/14: T2 to purchase land to fallow 12/31/18 lease expires Send invoice for Spare Capacity
2				2nd half of payments due			
3		1st payment due September 1st			Payment due December 1st.		
4							
5							
6	Lease expires 6/30/2017						
7	Agreement expires 6/30/2017	Cost of Water Adjustment each July 1st. With Cameron					
8		Lease contract expires 7/2015					
9		lease expires 7/2017					
10			Annual maintenance contract expires 10/6/15.				
11			contact RDS re: contract renewal 2015				rate valid until 12/2015
12			contact RDS re: contract renewal 2015				rate valid until 12/2015
13							
14						Submit CASGEM water level data	
15					10/1/15 Mail CCR Certification form		
16					Send to County DPLU by 10/31		
17	Occupancy report due						
18							
19				Annual fallow property check			
20							
21			Begin audit	Review of draft audit report			
22							
23					November 2015-Update Development Fees (water credits & infrastructure buy-in costs for new connections)		
24				DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development	Implement GSP funding mechanism; start GSP development		
25	Investment polices restated						
26	Special Assessments resolutions due						
27							
28							

# ITEM III A

# FINANCIALS

	C	D	AV	BI	BJ	BK	BL
1	<b>BWD</b>						
2	<b>CASH FLOW</b>						
3	<b>2014-2015</b>						
4			ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS->
5			BUDGET	JUNE	JUNE	YTD	PROJECTED
6			2014-2015	2015	2015	2014-2015	2014-2015
7	<b>REVENUE</b>						
8	<b>WATER REVENUE</b>						
9	Residential Water Sales		899,221	85,507	94,016	947,932	947,932
10	Commercial Water Sales		120,570	10,279	9,801	124,870	124,870
11	Irrigation Water Sales		142,918	11,029	12,850	159,025	159,025
12	GWM Surcharge		114,930	9,322	10,050	111,570	111,570
13	Water Sales Power Portion		364,158	30,297	32,157	359,966	359,966
14	Drought Penalty-1%						
15	Drought Rates-5.5%						
16	<b>TOTAL WATER COMMODITY REVENUE:</b>		<b>1,641,799</b>	<b>146,435</b>	<b>158,874</b>	<b>1,703,364</b>	<b>1,703,364</b>
17	Readiness Water Charge		1,080,000	94,138	94,000	1,131,989	1,131,989
18	Reconnect Fees		4,080	0	340	2,040	2,040
19	Backflow Testing/installation		4,600	0	0	6,708	6,708
20	Penalty & Interest Water Collection		6,000	1,380	500	12,780	12,780
21	<b>TOTAL WATER REVENUE:</b>		<b>2,773,387</b>	<b>242,043</b>	<b>255,114</b>	<b>3,049,350</b>	<b>3,049,350</b>
22		Receivables					
23	<b>PROPERTY ASSESSMENTS/AVAILABILITY CHARGES</b>	as of 6/30/15					
24	641500 1% Property Assessments -	2,380	64,625	1,466	1,066	74,460	74,460
25	641502 Property Assess wtr/swr/flld -	1,611	1,650	850	462	107,029	107,029
26	641501 Water avail Standby -	18,656	82,559	3,704	2,576	85,650	85,650
27	641504 ID 3 Water Standby (La Casa)	1,644	33,722	489	94	34,648	34,648
28	641503 Pest standby	2,249	17,938	1,144	979	17,889	17,889
29	<b>TOTAL PROPERTY ASSES/AVAIL CHARGES:</b>	<b>26,540</b>	<b>200,493</b>	<b>7,653</b>	<b>5,178</b>	<b>319,677</b>	<b>319,677</b>
30							
31	<b>SEWER SERVICE CHARGES</b>						
32	Town Center Sewer Holder fees		170,190	14,274	14,270	171,284	171,284
33	Town Center Sewer User Fees		38,040	3,330	3,330	36,560	36,560
34	Sewer user Fees		345,125	32,419	26,500	326,873	326,873
35	<b>TOTAL SEWER SERVICE CHARGES:</b>		<b>555,515</b>	<b>50,077</b>	<b>44,100</b>	<b>534,792</b>	<b>534,792</b>
36							
37	<b>OTHER INCOME</b>						
38	Miscellaneous Income (net csd fee/JPIA rebate/check free)		15,880	(33,030)	80	765	765
39	Water Credits income		8,250	0	0	8,000	8,000
40	Interest Income		80	17	16	79	79
41	<b>TOTAL OTHER INCOME:</b>		<b>24,210</b>	<b>(33,013)</b>	<b>96</b>	<b>8,844</b>	<b>8,844</b>
42							
43	<b>TOTAL INCOME:</b>		<b>3,553,605</b>	<b>266,759</b>	<b>304,488</b>	<b>3,912,663</b>	<b>3,912,663</b>
44							
45	<b>CASH BASIS ADJUSTMENTS</b>						
46	Decrease (Increase) in Accounts Receivable			(27,263)	0	6,903	6,903
47	CC Golf Equipment receivable		2,270	189	189	2,270	2,270
48	Other Cash Basis Adjustments-Construction meter deposit			850	0	2,550	2,550
49	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>		<b>2,270</b>	<b>(26,224)</b>	<b>189</b>	<b>11,723</b>	<b>11,723</b>
50							
51	<b>TOTAL INCOME RECEIVED:</b>		<b>3,555,875</b>	<b>240,536</b>	<b>304,677</b>	<b>3,924,386</b>	<b>3,924,386</b>

	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ
1	5/27/2015	CASH FLOW										
2	ADOPTED	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	BUDGET	PROJECTED	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL
4	2015-2016	2015-2016	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016
5												
6												
7	932,150	932,150	87,710	83,229	97,054	87,636	81,976	75,160	58,801	54,142	56,555	84,844
8	128,750	128,750	11,415	11,470	11,613	10,870	12,342	8,486	10,002	9,023	10,208	12,902
9	143,170	143,170	12,862	15,450	12,556	19,012	14,318	8,351	7,704	6,663	7,425	12,736
10	117,420	117,420	11,102	10,728	12,009	11,208	10,588	7,830	6,942	6,993	7,366	10,876
11	373,890	373,890	36,951	34,723	38,768	36,337	34,225	25,372	22,514	22,672	23,874	33,590
12	(9,045)	(9,045)	(1,556)	(1,511)	(1,675)	(1,606)	(1,489)	(1,207)				
13	(40,781)	(40,781)							(5,621)	(5,265)	(5,592)	(8,315)
14	1,645,554	1,645,554	158,484	154,089	170,327	163,457	151,960	123,992	100,341	94,228	99,837	146,632
15												
16												
17	1,335,180	1,335,180	93,500	112,880	112,880	112,880	112,880	112,880	112,880	112,880	112,880	112,880
22	1,700	1,700	0	340	0	0	340	0	340	0	340	0
23	6,500	6,500	0	0	0	0	0	0	6,500	0	0	0
25	9,600	9,600	800	800	800	800	800	800	800	800	800	800
26	2,998,534	2,998,534	252,784	268,109	284,007	277,137	265,980	237,672	220,861	207,908	213,857	260,312
27												
28												
29	64,000	64,000	0	884	630	500	2,938	22,483	13,843	1,906	2,102	18,015
30	60,000	60,000	0	0	236	226	1,759	5,841	47,856	1,018	693	1,072
32	84,000	84,000	0	1,037	795	571	7,235	18,257	29,014	2,438	3,015	4,363
34	34,000	34,000	0	0	0	203	1,562	3,280	14,052	346	889	1,046
35	17,000	17,000	0	113	96	84	1,000	3,426	6,354	329	416	2,063
36	259,000	259,000	0	2,034	1,756	1,583	14,494	53,287	111,118	6,038	7,114	26,558
37												
38												
39	171,240	171,240	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270	14,270
40	39,960	39,960	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330
41	333,900	333,900	27,825	27,825	27,825	27,825	27,825	27,825	27,825	27,825	27,825	27,825
45	545,100	545,100	45,425	45,425	45,425	45,425	45,425	45,425	45,425	45,425	45,425	45,425
46												
47												
51		0	0	0	0	0	0	0	0	0	0	0
52		0	0	0	0	0	0	0	0	0	0	0
56	80	80	2	2	2	15	2	2	16	3	2	16
57	80	80	2	2	2	15	2	2	16	3	2	16
58												
59	3,802,713	3,802,713	298,211	315,571	331,189	324,160	325,901	336,386	377,421	259,375	266,398	332,311
60												
61												
62		0	0	0	0	0	0	0	0	0	0	0
63		0	0	0	0	0	0	0	0	0	0	0
64		0	0	0	0	0	0	0	0	0	0	0
65		0	0	0	0	0	0	0	0	0	0	0
66												
67	3,802,713	3,802,713	298,211	315,571	331,189	324,160	325,901	336,386	377,421	259,375	266,398	332,311



	C	D	AV	BI	BJ	BK	BL
1	<b>BWD</b>						
2	<b>CASH FLOW</b>						
3	<b>2014-2015</b>		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
4			BUDGET	JUNE	JUNE	YTD	PROJECTED
68	<b>EXPENSES</b>		2014-2015	2015	2015	2014-2015	2014-2015
69							
70	<b>MAINTENANCE EXPENSE</b>						
71	R & M Buildings & Equipment		142,000	6,071	10,000	202,283	202,283
72	R & M - WWTP		60,000	2,118	4,000	62,916	62,916
73	Telemetry		20,000	3,604	1,500	10,611	10,611
74	Trash Removal		3,600	287	300	3,331	3,331
75	Vehicle Expense		18,000	6,191	1,500	23,971	23,971
76	Fuel & Oil		33,000	1,303	2,750	20,886	20,886
77	<b>TOTAL MAINTENANCE EXPENSE:</b>		<b>276,600</b>	<b>19,574</b>	<b>20,050</b>	<b>323,997</b>	<b>323,997</b>
78							
79	<b>PROFESSIONAL SERVICES EXPENSE</b>						
80	Tax Accounting (Taussig)		3,000	0	1,500	517	517
81	Administrative Services (ADP/Bank Fees)		6,000	961	500	6,590	6,590
82	Audit Fees		14,439	4,813	0	19,252	19,252
83	Computer billing-TBD		18,250	0	750	4,346	4,346
84	Consulting/Technical/Contract Labor		1,200	0	100	-	-
85	Engineering		35,000	13,850	1,000	25,690	25,690
86	District Legal Services		20,000	6,554	1,500	25,289	25,289
87	Testing/lab work		18,000	325	1,500	13,081	13,081
88	Regulatory Permit Fees		38,000	8	2,123	25,224	25,224
89	<b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b>		<b>153,889</b>	<b>26,511</b>	<b>8,973</b>	<b>119,989</b>	<b>119,989</b>
90							
91	<b>INSURANCE/DEBT EXPENSE</b>						
92	ACWA Insurance		74,000	0	0	57,725	57,725
93	Workers Comp		14,400	4,376	4,000	15,760	15,760
94	COP 2008 Installment		255,713	0	0	255,713	255,713
95	Viking Ranch Refinance closing costs/Interest payment			38,500	18,500	149,630	149,630
96	<b>TOTAL INSURANCE/DEBT EXPENSE:</b>		<b>344,113</b>	<b>42,876</b>	<b>22,500</b>	<b>478,828</b>	<b>478,828</b>
97							
98	<b>PERSONNEL EXPENSE</b>						
99	Board Meeting Expense (board stipend/board secretary)		12,870	1,695	1,170	12,665	12,665
100	Salaries & Wages (gross)		730,000	93,460	59,231	756,566	756,566
101	Taxes on Payroll		15,500	1,509	970	17,640	17,640
102	Medical Insurance Benefits		180,000	(1,206)	0	177,130	177,130
103	Calpers Retirement Benefits		162,000	13,546	13,500	157,923	157,923
104	Salaries & Wages contra account		(12,195)	(34,535)	(1,170)	(44,105)	(44,105)
105	Conference/Conventions/Training/Seminars		7,000	0	100	5,908	5,908
106	<b>TOTAL PERSONNEL EXPENSE:</b>		<b>1,095,175</b>	<b>74,469</b>	<b>73,801</b>	<b>1,083,726</b>	<b>1,083,726</b>
107							
108	<b>OFFICE EXPENSE</b>						
109	Office Supplies		18,000	923	1,000	22,234	22,234
110	Office Equipment/ Rental/Maintenance Agreements		25,000	1,500	1,700	30,236	30,236
111	Postage & Freight		13,000	2,085	50	14,454	14,454
112	Taxes on Property		2,366	0	0	2,375	2,375
113	Telephone/Answering Service		7,674	756	700	8,722	8,722
114	Dues & Subscriptions		3,970	80	45	3,579	3,579
115	Printing, Publications & Notices		838	183	100	1,060	1,060
116	Uniforms		6,000	700	500	4,795	4,795
117	OSHA Requirements/Emergency preparedness		4,500	0	375	3,226	3,226
118	<b>TOTAL OFFICE EXPENSE:</b>		<b>81,347</b>	<b>6,227</b>	<b>4,470</b>	<b>90,681</b>	<b>90,681</b>
119							
120	<b>UTILITIES EXPENSE</b>						
121	Pumping-Electricity		360,000	29,189	40,000	437,235	437,235
122	Office/Shop Utilities		17,319	2,102	1,570	20,068	20,068
123	Cellular Phone		8,000	636	666	7,876	7,876
124	<b>TOTAL UTILITIES EXPENSE:</b>		<b>385,319</b>	<b>31,927</b>	<b>42,236</b>	<b>465,178</b>	<b>465,178</b>
125							
126	<b>TOTAL EXPENSES:</b>		<b>2,336,442</b>	<b>201,585</b>	<b>172,030</b>	<b>2,562,399</b>	<b>2,562,399</b>
127							
128	<b>CASH BASIS ADJUSTMENTS</b>						
129	Decrease (Increase) in Accounts Payable			(81,938)	0	6,173	6,173
130	Increase (Decrease) in Inventory			(3,287)	0	7,227	7,227
131	Other Cash Basis Adjustments-Loss on water credit sold				0	(1,590)	(1,590)
132	<b>TOTAL CASH BASIS ADJUSTMENTS:</b>			<b>(85,225)</b>	<b>0</b>	<b>11,810</b>	<b>11,810</b>
133							
134	<b>TOTAL EXPENSES PAID:</b>		<b>2,336,442</b>	<b>116,360</b>	<b>172,030</b>	<b>2,574,209</b>	<b>2,574,209</b>
135							
136	<b>NET CASH FLOW (O&amp;M)</b>		<b>1,219,433</b>	<b>124,176</b>	<b>132,647</b>	<b>1,350,177</b>	<b>1,350,177</b>

	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ
1	5/27/2015	CASH FLOW										
2	ADOPTED	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	BUDGET	PROJECTED	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL
4	2015-2016	2015-2016	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016
68												
69												
70												
71	185,000	185,000	10,000	10,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000
72	132,000	132,000	6,000	6,000	6,000	6,000	16,000	6,000	6,000	6,000	56,000	6,000
73	10,000	10,000	850	850	850	850	850	850	850	850	800	800
74	4,000	4,000	300	300	300	300	350	350	350	350	350	350
75	18,000	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
76	25,000	25,000	2,000	2,000	2,500	2,000	2,000	2,500	2,000	2,000	2,000	2,000
77	374,000	374,000	20,650	20,650	21,150	20,650	35,700	26,200	25,700	25,700	75,650	25,650
78												
79												
80	3,000	3,000	0	1,500	0	0	0	0	0	0	0	0
81	6,000	6,000	500	500	500	500	500	500	500	500	500	500
82	14,439	14,439	4,813	4,813	4,813	0	0	0	0	0	0	0
83	9,900	9,900	825	825	825	825	825	825	825	825	825	825
84	1,200	1,200	100	100	100	100	100	100	100	100	100	100
85	35,000	35,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
86	30,000	30,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
87	12,000	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
88	33,000	33,000	0	0	3,165	10,968	7,350	0	0	1,250	4,722	422
89	144,539	144,539	11,738	14,238	15,903	18,893	15,275	7,925	7,925	9,175	12,647	8,347
90												
91												
92	59,000	59,000	0	0	24,000	0	0	0	0	0	35,000	0
93	16,000	16,000	0	0	4,000	0	0	4,000	0	0	4,000	0
94	254,525	254,525	0	198,838	0	0	0	0	0	0	55,688	0
95	143,312	143,312		35,828			35,828			35,828		
96	472,837	472,837	0	234,666	28,000	0	35,828	4,000	0	35,828	94,688	0
97												
98												
99	16,500	16,500	1,500	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
100	761,000	761,000	64,850	61,750	63,150	63,150	67,350	64,750	61,750	61,750	64,650	61,750
101	20,000	20,000	1,070	920	1,080	1,055	945	1,050	5,000	2,390	1,078	1,612
102	185,000	185,000	30,210	15,093	15,093	15,093	15,093	15,093	15,325	16,000	16,000	16,000
103	169,200	169,200	78,230	8,270	8,270	8,270	8,270	8,270	8,270	8,270	8,270	8,270
104	(14,520)	(14,520)	(1,320)	0	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)	(1,320)
105	7,000	7,000	1,123	2,340	333	167	395	479	48	790	500	100
106	1,144,180	1,144,180	175,463	88,373	88,106	87,915	92,233	89,822	90,573	89,380	90,678	87,912
107												
108												
109	18,000	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
110	25,000	25,000	1,500	2,000	1,500	4,412	3,288	1,584	1,665	1,552	2,000	2,000
111	13,000	13,000	50	2,100	75	2,100	75	2,100	50	2,100	75	2,100
112	2,500	2,500	0	0	0	2,500	0	0	0	0	0	0
113	8,400	8,400	700	700	700	700	700	700	700	700	700	700
114	3,600	3,600	428	100	36	0	0	0	248	134	200	2,360
115	1,000	1,000	0	0	0	242	0	94	353	94	116	0
116	5,400	5,400	450	450	450	450	450	450	450	450	450	450
117	4,000	4,000	400	400	300	300	400	400	400	250	250	300
118	80,900	80,900	5,028	7,250	4,561	12,204	6,413	6,828	5,366	6,780	5,291	9,410
119												
120												
121	430,000	430,000	45,000	49,000	42,000	43,000	44,000	33,813	27,000	25,554	25,633	30,000
122	19,000	19,000	2,345	2,486	2,361	1,773	1,321	1,030	1,543	1,165	1,286	1,079
123	7,500	7,500	625	625	625	625	625	625	625	625	625	625
124	456,500	456,500	47,970	52,111	44,986	45,398	45,946	35,468	29,168	27,344	27,544	31,704
125												
126	2,672,956	2,672,956	260,849	417,287	202,706	185,059	231,395	170,242	158,732	194,207	306,497	163,022
127												
128												
129	0	0	0	0	0	0	0	0	0	0	0	0
130	0	0	0	0	0	0	0	0	0	0	0	0
131	0	0	0	0	0	0	0	0	0	0	0	0
132	0	0	0	0	0	0	0	0	0	0	0	0
133												
134	2,672,956	2,672,956	260,849	417,287	202,706	185,059	231,395	170,242	158,732	194,207	306,497	163,022
135												
136	1,129,758	1,129,758	37,362	(101,716)	128,483	139,100	94,506	166,144	218,689	65,167	(40,099)	169,289



	C	D	AV	BI	BJ	BK	BL
1	<b>BWD</b>						
2	<b>CASH FLOW</b>		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS>>
3	<b>2014-2015</b>		BUDGET	JUNE	JUNE	YTD	PROJECTED
4			2014-2015	2015	2015	2014-2015	2014-2015
137	<b>NON O &amp; M EXPENSES</b>						
138	<b>Water</b>						
139	Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016)					-	-
140	Pickup					-	-
141	Backhoe					-	-
142	ID 5-5, 200 HP		10,000			-	-
143	Pipeline-Bending Elbow Road-Second Half					-	-
144	Rewind motors-ID1-12/ID5-5		30,000		15,000	-	-
145	Pump and Cleaning Well ID4-4		60,000			-	-
146	Booster Station Motors-Country Club & ID1 station 1 #2 30 hp		16,000		8,000	-	-
147	Circle J Pipeline project		57,000	10,011		10,011	10,011
148	Air Quality Compliance-Wilcox Well		40,000			-	-
151	<b>Sewer</b>						
152	WWTP-Skid Steer		65,000			64,587	64,587
153	WWTP-Portable engine driven trash pump/Backup generator		10,000	3,000		9,448	9,448
154	WWTP-Rehab grit chamber & sludge holding tank diffuser system		30,000		30,000	8,862	8,862
155	WWTP-Rehab grit chamber					-	-
156	WWTP-Jetting & Vactor Truck Service		10,000			10,000	10,000
157	WWTP-Rehab Clarifier/pump/bearings		40,000	4,524	22,902	21,622	21,622
158	WWTP-Video Collection Lines		25,000	20,614	19,348	26,266	26,266
159	WWTP-Solar Project			62,388	45,109	62,388	62,388
160	Collection system repairs \$25,000/manhole replacement \$50,000		75,000		75,000	-	-
162	<b>GWM</b>						
164	GWM -legal/Misc.		15,000	4,670	5,000	130,252	130,252
165	District portion of GSP					-	-
172	218 Process		110,000			-	-
177	<b>OTHER</b>						
178	Lugo building repairs		5,000		700	-	-
179	Trailer to haul pipe		10,000			8,774	8,774
181	GPS Locating System					-	-
183	New Computer for server and new Software system		10,000		10,000	-	-
191	<b>TOTAL NON O&amp;M EXPENSES</b>		<b>688,000</b>	<b>105,206</b>	<b>266,059</b>	<b>466,843</b>	<b>466,843</b>
192							
193	<b>CASH RECAP</b>						
194	Cash beginning of period		1,688,382	2,833,419	2,761,945	1,969,053	1,969,053
195	Net Cash Flow (O&M)		1,219,433	124,176	132,647	1,350,177	1,350,177
196	Total Non O&M Expenses		(688,000)	(105,206)	(266,059)	(466,843)	(466,843)
197	<b>CASH AT END OF PERIOD</b>		<b>2,219,815</b>	<b>2,852,387</b>	<b>2,628,532</b>	<b>2,852,387</b>	<b>2,852,387</b>
198							
199	<b>RESERVES</b>						
200	Debt Reserves						
201	Working Capital (4 months)		(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
203	Contingency Reserves (10% O&M)						
204	Rate Stabilization Reserves						
205	Available for Emergency Reserves		1,169,815	2,102,387	1,878,532	2,102,387	2,102,387
206	<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>
207	<b>Emergency Reserves Deficit</b>		<b>(830,185)</b>	<b>102,387</b>	<b>(121,468)</b>	<b>102,387</b>	<b>102,387</b>
208							
209							
210	<b>SIGNIFICANT ITEMS</b>	<b>ACTUAL</b>	<b>PROJECTED</b>	<b>DIFFERENCE</b>			
211							
212	Miscellaneous Income (net csd fee/JPIA rebate/check free)	33,045	80	32,965	JPIA rebate staff bonus		
213	Engineering Services	13,850	1,000	12,850	Raftelis RHGC fee update \$4,845/ Land Survey WWTP for solar-\$6,695		
214							
215	Viking Ranch Refinance closing costs	38,500	18,500	20,000	Includes Bond Counsel		
216	Postage & Freight	2,085	50	2,035	Paid one month early		
217		<b>ACTUAL</b>	<b>BUDGETED</b>	<b>DIFFERENCE</b>			
218	<b>TOTAL INCOME FY 2015</b>	<b>3,912,663</b>	<b>3,553,605</b>	<b>359,058</b>			
219	<b>TOTAL EXPENSES FY 2015</b>	<b>2,562,399</b>	<b>2,336,442</b>	<b>(225,957)</b>	<b>(\$150,000 refi not budgeted)</b>		
220	<b>TOTAL NON O&amp;M EXPENSES 2015</b>	<b>466,843</b>	<b>688,000</b>	<b>221,157</b>	<b>(\$62,000 solar not budgeted)</b>		
221	<b>CASH AT END OF PERIOD FY 2015</b>	<b>2,852,387</b>	<b>2,219,815</b>	<b>632,572</b>			

	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ
1	5/27/2015	CASH FLOW										
2	ADOPTED	YTD + PROJ MONTHS>>	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
3	BUDGET	PROJECTED	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL
4	2015-2016	2015-2016	2015	2015	2015	2015	2015	2015	2016	2016	2016	2016
137												
138												
139	125,000	125,000										125,000
140	30,000	30,000	30,000									
141	150,000	150,000						150,000				
142	10,000	10,000					10,000					
143	55,590	55,590							35,000		20,590	
144												
145	70,000	70,000				70,000						
146	8,000	8,000					8,000					
147												
148	37,000	37,000							37,000			
151												
152												
153	92,000	92,000		92,000								
154												
155	6,000	6,000							6,000			
156												
157	66,500	66,500				20,000	40,000			6,500		
158												
159	205,088	193,972	13,721	110,000	8,000	23,072	39,179					
160												
162												
164	60,000	60,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
165	80,000	80,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
172	110,000	110,000	9,100	9,100	9,100	9,100	9,200	9,200	9,200	9,200	9,200	9,200
177												
178												
179												
181	12,000	12,000	12,000									
183	85,500	85,500	64,050		7,150	5,720	5,720	2,860				
191	1,202,678	1,191,562	140,371	130,600	127,750	139,392	123,599	173,560	63,700	62,200	41,290	145,700
192												
193												
194	2,611,448	2,852,387	2,852,387	2,749,378	2,517,062	2,517,795	2,517,503	2,488,410	2,480,993	2,635,982	2,638,950	2,557,560
195	1,129,758	1,129,758	37,362	(101,716)	128,483	139,100	94,506	166,144	218,689	65,167	(40,099)	169,289
196	(1,202,678)	(1,191,562)	(140,371)	(130,600)	(127,750)	(139,392)	(123,599)	(173,560)	(63,700)	(62,200)	(41,290)	(145,700)
197	2,538,528	2,790,583	2,749,378	2,517,062	2,517,795	2,517,503	2,488,410	2,480,993	2,635,982	2,638,950	2,557,560	2,581,149
198												
199												
200	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
201	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
203	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
204	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
205	488,528	740,583	699,378	467,062	467,795	467,503	438,410	430,993	585,982	588,950	507,560	531,149
206	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
207	(1,511,472)	(1,259,417)	(1,300,622)	(1,532,938)	(1,532,205)	(1,532,497)	(1,561,590)	(698,427)	(506,450)	(401,877)	(575,451)	(1,468,851)
208												
209												
210												
211												
212												
213												
214												
215												
216												
217												
218												
219												
220												
221												





# BORREGO WATER DISTRICT

	BALANCE SHEET June 30, 2015 (unaudited)	BALANCE SHEET May 31, 2015 (unaudited)	MONTHLY CHANGE (unaudited)
<b>ASSETS:</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,852,388.44	\$ 2,833,418.91	\$ 18,969.53
Accounts receivable from water sales and sewer charges	\$ 354,610.52	\$ 327,347.87	\$ 27,262.65
Interest receivable	\$ -	\$ -	\$ -
Inventory	\$ 123,656.70	\$ 126,943.92	\$ (3,287.22)
Availability charges receivable	\$ -	\$ -	\$ -
Allowance for uncollectable availability charges	\$ -	\$ -	\$ -
Grant Receivable	\$ -	\$ -	\$ -
Prepaid expenses	\$ 30,298.12	\$ 30,298.12	\$ -
Other Receivables	\$ -	\$ 189.40	\$ (189.40)
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 3,360,953.78</b>	<b>\$ 3,318,198.22</b>	<b>\$ 42,755.56</b>
<b>RESTRICTED ASSETS</b>			
Debt Service:			
Deferred amount of COP Refunding	\$ 132,554.49	\$ 132,554.49	\$ -
Unamortized bond issue costs	\$ 92,454.19	\$ 92,454.19	\$ -
Total Debt service	\$ 225,008.68	\$ 225,008.68	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 124,163.16	\$ 123,768.74	\$ 394.42
Total Trust fund	\$ 124,163.16	\$ 123,768.74	\$ 394.42
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 349,171.84</b>	<b>\$ 348,777.42</b>	
<b>UTILITY PLANT IN SERVICE</b>			
Land	\$ 2,815,499.65	\$ 2,815,499.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 271,275.27	\$ 198,876.26	\$ 72,399.01
Sewer Facilities	\$ 5,533,268.63	\$ 5,533,268.63	\$ -
Water facilities	\$ 10,585,969.56	\$ 10,585,969.56	\$ -
Pipelines, wells and tanks	\$ 151,699.02	\$ 151,699.02	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 312,133.38	\$ 312,133.38	\$ -
Vehicles	\$ 562,636.59	\$ 562,636.59	\$ -
Accumulated depreciation	\$ (10,987,728.01)	\$ (10,987,728.01)	\$ -
<b>NET UTILITY PLANT IN SERVICE</b>	<b>\$ 14,571,238.80</b>	<b>\$ 14,498,839.79</b>	<b>\$ 72,399.01</b>
<b>OTHER ASSETS</b>			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
<b>TOTAL OTHER ASSETS</b>	<b>\$ 185,000.00</b>	<b>\$ 185,000.00</b>	
<b>TOTAL ASSETS</b>	<b>\$ 18,466,364.42</b>	<b>\$ 18,354,619.12</b>	<b>\$ 111,745.30</b>

Balance sheet continued

	<b>BALANCE SHEET</b> June 30, 2015 (unaudited)	<b>BALANCE SHEET</b> May 31, 2015 (unaudited)	<b>MONTHLY</b> <b>CHANGE</b> (unaudited)
<b>LIABILITIES:</b>			
<b><i>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</i></b>			
Accounts Payable	\$ 136,746.03	\$ 54,808.38	\$ 81,937.65
Accrued expenses	\$ 127,535.29	\$ 127,535.29	\$ -
Deferred Revenue	\$ -	\$ -	\$ -
Deposits	\$ 22,093.75	\$ 21,243.75	\$ 850.00
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>	<b>\$ 286,375.07</b>	<b>\$ 203,587.42</b>	<b>\$ 82,787.65</b>
<b><i>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</i></b>			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 124,163.16	\$ 123,768.74	\$ 394.42
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 124,163.16</b>	<b>\$ 123,768.74</b>	<b>\$ 394.42</b>
<b><i>LONG TERM LIABILITIES</i></b>			
2008 Certificates of participation (payable from restricted assets)	\$ 2,615,000.00	\$ 2,615,000.00	\$ -
Viking Ranch Note	\$ 1,125,000.00	\$ 1,125,000.00	\$ -
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ 3,740,000.00</b>	<b>\$ 3,740,000.00</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 4,150,538.23</b>	<b>\$ 4,067,356.16</b>	<b>\$ 83,182.07</b>
<b><i>FUND EQUITY</i></b>			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,704,011.84	\$ 4,675,448.61	\$ 28,563.23
Total retained earnings	\$ 4,704,011.84	\$ 4,675,448.61	\$ 28,563.23
<b>TOTAL FUND EQUITY</b>	<b>\$ 14,315,826.19</b>	<b>\$ 14,287,262.96</b>	<b>\$ 28,563.23</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 18,466,364.42</b>	<b>\$ 18,354,619.12</b>	<b>\$ 111,745.30</b>



# BORREGO WATER DISTRICT

## TREASURER'S REPORT JUNE, 2015

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

### Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

WFB/UB General Account/Petty Cash	\$ 2,678,054	\$ 2,637,461	\$ 2,637,461	92.47%	0.00%	N/A	WFB/UB
Payroll Account	\$ 145,703	\$ 143,496	\$ 143,496	5.03%	0.01%	N/A	WFB
MMA	\$ 50,448	\$ 50,448	\$ 50,448	1.77%	0.03%	N/A	WFB
LAIF	\$ 20,967	\$ 20,982	\$ 20,982	0.74%	0.22%	N/A	LAIF
<b>Total Cash and Cash Equivalents</b>	<b>\$ 2,895,172</b>	<b>\$ 2,852,387</b>	<b>\$ 2,852,387</b>	<b>100.00%</b>			

### Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 124,163	\$ 124,163	\$ 124,163				
<b>Total Cash, Cash Equivalents &amp; Investments</b>	<b>\$ 3,019,335</b>	<b>\$ 2,976,551</b>	<b>\$ 2,976,551</b>				

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 24, 2015.

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

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

Kim Pitman, Administration Manager



# BORREGO WATER DISTRICT

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

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<b>A. Vendor disbursements paid during this period:</b>	<b>\$ 216,002.06</b>
<i>Significant items:</i>	
San Diego Gas & Electric	\$ 30,756.92
CalPERS Payments	\$ 16,251.42
Medical Health Benefits (pay in July)	\$ -
Workers Compensation Quarterly Payment	\$ 4,376.00
 <b>B. Capital Projects/Fixed Asset Outlays:</b>	
Downstream services-clean/video sewer line	\$ 20,614.00
BSE Engineering/Universal Racking-Solar WWTP/LTS Solar	\$ 59,388.00
Circle J Pipeline CIP	\$ 10,011.01
 <b>C. Total Professional Services for this Period:</b>	
<i>(included in vendor disbursements paid above)</i>	
Downey Brand, Attorneys	\$ 1,050.00
McDougal Love Eckis	\$ 6,554.00
The Brattle Group	\$ 3,412.50
Dynamic Consulting Engineers	\$ 6,695.00
Hoska, Rotherham & Co.-1st installment	\$ 4,813.00
Raftelis Financial	\$ 4,845.00
 <b>D. Payroll for this Period:</b>	
Gross Payroll (includes \$33,050 bonus checks)	\$ 93,460.16
Employer Payroll Taxes and ADP Fee	\$ 1,509.41
<b>Total</b>	<b>\$ 94,969.57</b>



BORREGO WATER DISTRICT  
FOR BOARD CONSIDERATION AND APPROVAL  
JUNE 30, 2015

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
19979	07/07/15	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	6,763.67
19980	07/07/15	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	271.94
19981	07/07/15	ACWA/JPIA WORKERS COMP 4/1/15 - 6/30/15	4,376.00
19967	06/23/15	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,889.44
19982	07/07/15	AMERICAN LINEN INC. UNIFORMS FOR CREW	700.33
19983	07/07/15	AT CONFERENCE CONFERENCE CALLS	29.60
19984	07/07/15	AT&T MOBILITY CELL PHONES FOR CREW	521.66
20009	07/14/15	AT&T-CALNET 2 PHONE SERVICE, OFFICE, SHOP WWTP	328.86
19985	07/07/15	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	71.08
19959	06/15/15	BORREGO SUN ADVERTISEMENT RATE INCREASE	55.50
19968	06/23/15	BORREGO SUN ADVERTISEMENT FOR EMPLOYMENT	127.75
19969	06/23/15	BSE ENGINEERING, INC ELECTRICAL DESIGN AND PE STAMP BY BSE ENGINEERING	8,000.00
19970	06/23/15	CMS BUSINESS FORMS, INC. BILLING SUPPLIES	555.42
19986	07/07/15	CONTRON SCADA SERVICES SCADA SERVICES SCADA SERVICES	2,546.50
19960	06/15/15	DE ANZA READY MIX CONCRETE FOR PALM CANYON DRIVE PRESSURE REDUCING VALVE CEMENT INSTALLATION OF NEW BOOSTER PUMP WELL 10	485.16
19987	07/07/15	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	371.94
19961	06/15/15	DEBBIE MORETTI PEST CONTROL, OFFICE, WWTP, SHOP	113.00
19962	06/15/15	DOWNEY BRAND PROFESSIONAL SERVICES	1,050.00
19971	06/23/15	DOWNSTREAM SERVICES, INC. CLEAN SEWER LINE FOR CCTV ASSESSMENT	20,614.00
19988	07/07/15	DYNAMIC CONSULTING ENGINEERS LAND SURVEY OF WWTP FOR SOLAR	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JUNE 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		INSTALLATION	6,695.00
20010	07/14/15	E.S. BABCOCK & SONS, INC. WATER SAMPLES TO LAB	280.00
19972	06/23/15	FED EX EXPRESS MAIL SERVICES	107.66
19989	07/07/15	GREEN DESERT LANDSCAPE MANAGEMENT FEE FOR CLUB CIRCLE GOLF COURSE JUNE	5,210.80
19990	07/07/15	HIDDEN VALLEY PUMP SYSTEMS INC REPAIR ON BRUSH AERATOR MOTOR	4,523.81
20011	07/14/15	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	1,099.06
20012	07/14/15	HOSAKA, ROTHERHAM & CO. FIRST INSTALLMENT ON AUDIT SERVICES CONTRACT	4,813.00
19991	07/07/15	ILEANA CHAVARIN TRANSLATION SERVICES	138.00
19992	07/07/15	BORREGO AUTO PARTS, INC. 2 TIRES FOR 2007 DODGE RAM	460.67
19963	06/15/15	JANICE R. NARAGON TRANSLATION SERVICES	43.50
19943	06/11/15	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	-1,500.00
20013	07/14/15	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICE MAY AND JUNE	3,000.00
20014	07/14/15	JOL ENTERPRISES, INC. WASTEWATER LIFT STATION GENERATOR	3,000.00
19964	06/15/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	641.37
19973	06/23/15	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	605.39
20015	07/14/15	KONICA MINOLTA COPIER LEASE	1,362.26
20016	07/14/15	LTS SOLAR ENERGY SOLAR STRUCTURE WWTP	34,609.00
19993	07/07/15	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES	3,419.42
20017	07/14/15	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES JUNE	3,135.00
19994	07/07/15	NAPA AUTO PARTS INC MISC AUTO PARTS	108.01
20018	07/14/15	NORTH GARDENS MANAGEMENT, LLC ENGINEERING ASSISTANCE	810.00
19974	06/23/15	PACIFIC PIPELINE SUPPLY INC PIPE FITTING RESTRAINT 4" INVENTORY SUPPLIES	845.29
19995	07/07/15	PACIFIC PIPELINE SUPPLY INC MATERIALS CIRCLE J PIPELINE REPLACEMENT PROJECT CIRCLE J PIPELINE REPLACEMENT PROJECT	10,011.01
19948	06/11/15	CASH	

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JUNE 30, 2015

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		REPLENISH PETTY CASH	300.00
19965	06/15/15	PUBLIC EMP'S RETIREMENT SYSTEM	
		RETIREMENT BENEFITS	8,125.71
19996	07/07/15	PUBLIC EMP'S RETIREMENT SYSTEM	
		RETIREMENT	8,125.71
19975	06/23/15	PITNEY BOWES/PURCHASE POWER	
		POSTAGE	2,000.00
19966	06/15/15	QUILL CORPORATION	
		OFFICE SUPPLIES	302.43
19997	07/07/15	QUILL CORPORATION	
		OFFICE SUPPLIES	103.11
20019	07/14/15	RAFTELIS FINANCIAL	
		PROFESSIONAL SERVICE EXECUTIVE	
		ORDER & RHGC FEE UPDATE	4,845.00
19998	07/07/15	RAMONA DISPOSAL SERVICE	
		TRASH REMOVAL	
		TRASH REMOVAL	
		TRASH REMOVAL	3,184.50
19976	06/23/15	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	
		ELECTRICITY CHARGES	30,756.92
19977	06/23/15	SECAP FINANCE	
		POSTAGE MACHINE LEASE	137.49
20020	07/14/15	STAPLES CREDIT PLAN	
		SEE INVOICE FOR DETAILS	192.20
19999	07/07/15	STATE OF CALIFORNIA	
		REPORTING FEE LEVIED	168.75
20000	07/07/15	SYNECO SYSTEMS, INC	
		BIOLOGIC FOR ODOR CONTROL	1,946.86
20001	07/07/15	THE BRATTLE GROUP, INC	
		PROFESSIONAL SERVICES	3,412.50
20002	07/07/15	UNDERGROUND SERVICE ALERT	
		DIG ALERTS	7.50
19978	06/23/15	UNIVERSAL RACKING SOLUTIONS	
		SOLAR STRUCTURE AT WWTP	2,500.00
20021	07/14/15	UNIVERSAL RACKING SOLUTIONS	
		SOLAR STRUCTURE FOR WWTP	17,279.00
20022	07/14/15	VERIZON WIRELESS	
		EMERGENCY CELL PHONES	114.28
20003	07/07/15	WENDY QUINN	
		RECORDING SERVICES	210.00
		TOTAL	216,002.06

# GROUND WATER MANAGEMENT ACCOUNTING

**FYE 2015**  
01-5480

MONTH	AT CONFERENCE	DOWNNEY BRAND	TRANSLATION SERVICES	USGS	MCDUGAL	DUDEK	CONFERENCE/ MEALS	BRATTLE GROUP	Monthly Total	FYE 2015 Total
Jul-14	14.14	3,293.00							3,307.14	3,307.14
Aug-14		2,772.94	500.00						3,272.94	6,580.08
Sep-14		7,003.67		3,526.48	759.00				11,289.15	17,869.23
Oct-14		8,636.73							8,636.73	26,505.96
Nov-14	12.38	9,718.33				13,535.00	27.28		23,292.99	49,798.95
Dec-14	16.76	7,371.07					55.05		7,442.88	57,241.83
Jan-15		5,456.69		905.24				8,700.00	15,061.93	72,303.76
Feb-15	28.64	6,126.00		3,615.92			15.00		9,785.56	82,089.32
Mar-15	30.07	3,525.00						13,567.50	17,122.57	99,211.89
Apr-15	35.56	7,137.78					15.00	10,781.25	17,969.59	117,181.48
May-15		5,206.60						12,187.50	17,394.10	134,575.58
Jun-15	10.59	1,050.00	181.50				15.00	3,412.50	4,669.59	139,245.17
<b>Total</b>	<b>148.14</b>	<b>67,297.81</b>	<b>681.50</b>	<b>8,047.64</b>	<b>759.00</b>	<b>13,535.00</b>	<b>127.33</b>	<b>48,648.75</b>	<b>139,245.17</b>	<b>139,245.17</b>



## **Borrego Water District Management Report – July 2015**

*By: Jerry Rolwing*

### **FEDERAL LEVEL**

U.S. Geological Survey: The USGS final report entitled "Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County, California" has been completed and sent to be printed.

U.S. Bureau of Reclamation: The Southeast California Basin Study is still waiting to be released. I contacted Jack Simes on July 15th and he reported that Washington is reviewing and releasing the basin studies one at a time, with Borrego being next in the cue.

### **STATE LEVEL**

The Dept. of Water Resources (DWR) is offering facilitation services for Groundwater Sustainability Planning. I have filed an application on behalf of the District to see if we can get some professional facilitation as we move into this process.

Pursuant to the Sustainable Groundwater Management Act, the DWR is required to identify basins subject to critical conditions of overdraft. On July 13th I was informed that the Borrego Valley Groundwater Basin has been included in the draft determination process (attachment A). This determination will accelerate the timeline for the Groundwater Sustainability Plan due date from January 31, 2022 to January 31, 2020.

### **COUNTY LEVEL**

Work continues with County Department of Planning and Development Services on the formation of the Groundwater Sustainability Agency designation. The County and District are moving towards a Fall 2015 application to the State as the designated Groundwater Sustainability Agencies.

### **DISTRICT LEVEL**

Water Credit Program: Water Restrictive easements are in the signing process for the first phase of the Center Pivot Palm fallowing which incorporates 66.16 acres. The entire property will be fallowed totaling 146.62 acres. The first phase of the Fortiner citrus fallowing is expected to be completed this week encompassing 76.5 acres of the 123.7 acre fallowing plan. The Wright lemon fallowing project is partially complete which totals 27.25 acres. One more application has just been submitted for a portion of the Roadrunner Tree Farm. The Monica property which fallowed 50 acres of lemons in 2007 was inspected for possible dust generation. The original mulch left on the ground has provided excellent ground cover and vegetation is being restored. There was no evidence of blowing or exposed sand.

The Fiscal Year ending 2015 water usage has been analyzed and the average residential water usage remains the same as last year at 0.55 acre feet per year for a single family residence. This equates to about 20 units (15,000 gallons) per month (attachment B).

The Solar Project at the Wastewater Treatment plan is moving forward and construction is expected to begin on July 20th (attachment C).

The first payment has been made to Springbrook for the new billing/accounting system replacing the Datastream system installed in 1998. Springbrook has recently announced that it has been acquired by Accela Finance and Administration services. The conversion will take several months.

[Print](#) | [Close Window](#)

**Subject: Draft Critically Overdrafted Basins Information - July 2015**

**From: "Zimmerman, Matthew@DWR" <Matthew.Zimmerman@water.ca.gov>**

**Date: Mon, Jul 13, 2015 7:27 am**

**To: "jerry@borregowd.org" <jerry@borregowd.org>**

Jerry:

As we discussed in our phone conversation, I am following up with information regarding the draft determination of the critically overdrafted (COD) basin in your area, Borrego Valley Groundwater Basin (7-24).

**Draft Critically Overdrafted Basins Information  
July 2015**

- Pursuant to the Sustainable Groundwater Management Act (SGMA), the Department of Water Resources (DWR) is required to identify basins subject to critical conditions of overdraft. [Water Code 12924].
- By January 31, 2020, all Bulletin 118 basins designated as high- or medium-priority and subject to critical conditions of overdraft shall be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans. [Water Code 10720.7. (a) (1)].
- In 1980, DWR worked with local agencies to identify critically overdrafted groundwater basins. DWR does not have information to suggest the basins are no longer critically overdrafted.
- Groundwater conditions have significantly worsened in some areas in the 35 years since the 1980 list was compiled. Data is limited to conduct a detailed analysis to identify other basins in critical conditions of overdraft.
- DWR has compiled a draft list of COD basins:
  - Basins named in Bulletin 118 1980 remain on the draft list.
  - DWR has identified additional basins that show obvious and significant undesirable results from chronic pumping of the aquifer – including seawater intrusion, subsidence, groundwater depletion and chronic drop in groundwater levels for conditions that occurred or are evident outside of drought conditions.
- DWR relied upon DWR work, various published reports and documents including USGS and reports from local agencies such as Groundwater Management Plans to identify additional critically overdrafted basins.

- As a courtesy, DWR is contacting the local agencies and counties in the critically overdrafted basins prior to releasing the draft list to the public.
- DWR will present the draft list to the California Water Commission (CWC) at the August 19 meeting and will release the list to the public after the meeting.
- DWR will hold a public meeting in late August to release the draft results, explain the process, and solicit public comment (the date has not been set yet).
- There will be a 30 day public comment period after release to the public. DWR will evaluate comments and data and make any needed revisions and plan to release the final list around mid-October.
- To support agencies that need to meet the 2020 deadline to submit the Groundwater Sustainability Plan, DWR will work with local agencies to provide technical assistance, facilitation services, and financial assistance to help local agencies meet the requirements of SGMA.
- DWR is currently providing facilitation services. This will help potential Groundwater Sustainability Agencies (GSA) within basins to work together and begin development of the governance structure and formation of GSAs.
- DWR is working on making Proposition 1 competitive grant funding available for local agencies, federally recognized tribes, certain state tribes, non-profit organization, public utilities, and mutual water companies. A total of \$100 million from Proposition 1 is available for Sustainable Groundwater Planning. It is anticipated that one of the grant program priorities will be basins identified as critically overdrafted.

The FY 2015-16 budget appropriated an initial amount of \$ 60 million Proposition 1, Chapter 10 funds to support groundwater planning efforts. Of this amount, \$48.75 million will be available for grants to local agencies for groundwater sustainability governance and planning. \$10 million will be available for counties with stressed groundwater basins to update or develop ordinances and plans that protect basins and their beneficial users and help facilitate basin wide sustainable groundwater management. The \$10 million for counties with stressed groundwater basins will be made available through an expedited solicitation. Guidelines are currently being developed. DWR will provide more details on those efforts as they become available.

If your agency does not agree that the basin(s) is critically overdrafted, basin managers have the option to challenge DWR's draft determinations and provide compelling data and information that shows the basin is not critically overdrafted. Please submit this information in the next couple of weeks so DWR can review it and evaluate if reconsidering the decision is warranted. Ideally, it would be best to have the opportunity to evaluate the information a week or more before the CWC



meeting. DWR will accept data and information until the close of the public comment period. Please send the information to Timothy Ross in the DWR Southern Region Office. ((818)500-1645 ext. 278; [Timothy.Ross@water.ca.gov](mailto:Timothy.Ross@water.ca.gov); 770 Fairmont Avenue, Suite 102, Glendale, CA 91203). DWR staff at the Southern Region Office is available to answer questions and look forward to working with you.

Thank you,  
Matt

Matthew Zimmerman, PG, CEG  
Engineering Geologist  
California Department of Water Resources  
770 Fairmont Ave., Suite 102  
Glendale, CA 91203-1035  
Ph.: 818-500-1645 Ext. 257  
Fax: 818-543-4604

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<b>FYE 2015 Customer Usage by User Code</b>			<b>Multiple Units</b>	
<i>Revised with 10 year residential historical average</i>			RoadRunner	350
<b>USER CODE</b>	<b>AF/Yr/Account</b>	<b># of Accounts</b>	Desert Sands	71
Residential	0.55	1823	Holiday	60
Public Agency	3.07	35	El Rancho	10
Irrigation	3.66	56	Santiago	80
Multiple Units	5.08	35	Club Circle	80
Commercial	1.96	109	Santa Fe Palms	10
Golf Course		1	Villas Borrego	28
Sub-total		2059	Apartments	25
				714

<b>FYE 2011</b>	<b>FYE 2011</b>	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>	<b>FYE 2015</b>
<b>USER CODE</b>	<b>AF/Yr/Account</b>	<b>AF/Yr/Account</b>	<b>AF/Yr/Account</b>	<b>AF/Yr/Account</b>	<b>AF/Yr/Account</b>
Residential	0.64	0.61	0.59	0.55	0.55
Public Agency	3.05	2.53	2.92	2.95	3.07
Irrigation	4.53	4.29	4.52	3.83	3.66
Multiple Units	8.31	8.47	8.3	7.88	5.08
Commercial	2.1	1.93	1.88	1.71	1.96
Golf Course	376.16	0	0	161.33	412.63

Residential = Single family residences  
 Public Agency = schools, parks, St. Park, churches  
 Irrigation = Homeowners asso., common areas  
 Multiple Units = Apartments, mobile home parks, duplexes (approximately 751 single family residents)  
 Commercial = Restaurants, retail shops, hotels, RV parks  
 Golf Course = Rams Hill, spare capacity plus regular rate

AF/Yr = Acre feet per year  
 1 Acre foot = 435.63 units

<b>Residential Historical Usage</b>	
2005	0.78
2006	0.78
2007	1.08
2008	0.79
2009	0.73
2010	0.64
2011	0.64
2012	0.61
2013	0.59
2014	0.55
2015	0.55
10 Year Averag	0.70

**DRAFT**



LTS SOLAR ENERGY  
18827 Rangeland Rd.  
Ramona, California 92065  
760-505-6822

July 8, 2015

**Jerry Rolwing, General Manager**  
Borrego Water District  
806 Palm Canyon Dr  
Borrego Springs, CA

Ref: BWD Solar Project at Ram's Hill WTP - Project Status and Update

Mr. Rolwing,

Yesterday evening I delivered to BWD the two plan sets for the solar power project at Ram's Hill WTP for your review, comments/questions and approval. Specifically in the set are the site plan, array layout, structural (with stamped calcs), electrical plan set of inverter and disconnects equipment mounting locations inside the maintenance building and the stamped electrical set from BSE Engineering.

In preparation for my plans to start construction July 20, attached are invoices for the balance of the structure and my first payment request. I hope your review, approval of the plan set and payments for the attached invoices can be completed by mid-next week so I can arrange to have structure materials arrive the week of July 20<sup>th</sup>.

As you will see I am proposing Canadian Solar PV modules. In order to secure their availability, I will be sending another invoice for their purchase from CED Electric with their corresponding release.

As to data monitoring and reporting, the Aurovision is specific to use of Power One inverters. The design is based on SMA inverters. The system will have two levels of monitoring, SMA's Sunny Portal which provides information on the performance of their inverters, and a revenue grade monitoring (Also Energy) who will provide data to the District and the California Solar Initiative managing entity for rebate purposes on the total output of the system.

If you have any questions, please call or email.

I am in Ramona the rest of this week, then in SFO Monday-Wed and back on Thursday.

Looking forward to getting the go ahead to start construction.

Larry

A handwritten signature in cursive script that reads "Larry".



# **BORREGO WATER DISTRICT**

**June 2015**

## **WATER OPERATIONS REPORT**

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

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

## **WASTEWATER OPERATIONS REPORT**

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

**Average flow:** 44,690 (gallons per day)

**Peak flow:** 61,381 gpd Saturday June 6, 2015





# BORREGO WATER DISTRICT

## WATER PRODUCTION SUMMARY

June 2015

DATE	ID-1	ID-3	ID-4	DISTRICT-WIDE TOTALS
Jun-13	26.59	12.71	136.04	175.34
Jul-13	27.81	14.19	155.91	197.91
Aug-13	27.96	13.26	125.62	166.84
Sep-13	30.51	11.16	117.30	158.97
Oct-13	29.63	10.86	142.27	182.76
Nov-13	21.45	11.58	118.74	151.77
Dec-13	16.85	6.75	92.64	116.24
Jan-14	12.51	7.44	103.25	123.20
Feb-14	20.59	6.37	93.87	120.83
Mar-14	38.28	6.90	93.46	138.64
Apr-14	55.77	8.32	124.43	188.52
May-14	64.47	8.46	116.31	189.24
Jun-14	78.14	9.52	123.76	211.42
Jul-14	100.19	9.13	141.45	250.77
Aug-14	101.13	9.72	114.76	225.61
Sep-14	89.33	10.49	142.82	242.64
Oct-14	99.66	9.71	130.38	239.75
Nov-14	71.94	10.32	123.00	205.26
Dec-14	38.95	6.96	95.47	141.38
Jan-15	32.95	6.38	85.84	125.17
Feb-15	22.13	6.15	86.06	114.34
Mar-15	16.78	5.94	86.54	109.26
Apr-15	32.79	8.30	129.76	170.85
May-15	29.25	7.28	104.29	140.82
Jun-15	32.44	9.02	116.67	158.13
<b>12 Mo. TOTAL</b>	<b>667.54</b>	<b>99.40</b>	<b>1357.04</b>	<b>2123.98</b>

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

## WATER LOSS SUMMARY (%)

DATE	ID-1	ID-3	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Jun-15	3.95	3.22	15.06	N/A	7.41
<b>12 Mo. Average</b>	<b>0.27</b>	<b>2.37</b>	<b>15.64</b>	<b>N/A</b>	<b>6.09</b>

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

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	-Wells1&2	=TotProdn	LessID3&4
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUN'14	15.43	13.90	0.04	24.42	63.20	0.00	29.33	87.66	78.14
JUL'14	18.94	13.16	0.03	39.19	70.10	0.00	32.10	109.32	100.19
AUG'14	23.93	7.56	0.61	27.67	59.88	22.69	31.49	110.85	101.13
SEP'14	26.13	11.75	0.06	19.00	48.79	31.97	37.88	99.82	89.33
OCT'14	18.53	10.42	0.01	19.36	46.55	43.45	28.95	109.37	99.66
NOV'14	19.97	10.60	0.05	15.19	30.76	36.26	30.57	82.26	71.94
DEC'14	4.60	1.60	0.00	0.00	20.47	25.44	6.20	45.91	38.95
JAN'15	0.00	4.02	0.04	0.00	16.31	22.98	4.02	39.33	32.95
FEB'15	23.23	4.27	0.06	3.62	14.33	10.27	27.50	28.28	22.13
MAR'15	19.16	14.36	0.02	1.81	14.00	6.89	33.52	22.72	16.78
APR'15	31.57	9.59	0.02	0.00	22.01	19.06	41.16	41.09	32.79
MAY'15	26.99	0.00	4.63	0.00	14.61	17.29	26.99	36.53	29.25
JUN'15	29.81	13.05	0.03	0.26	20.84	20.33	42.86	41.46	32.44
TOTALS	242.86	100.38	5.56	126.10	378.65	256.63	343.24	766.94	667.54

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Constrt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUN'14	10.03	12.25	0.00	4.32	50.52	9.52	0.00	86.64	1.02	1.16%
JUL'14	11.26	16.13	0.62	12.03	58.98	9.13	0.00	108.15	1.17	1.07%
AUG'14	13.27	17.82	0.18	0.00	68.48	9.72	0.00	109.47	1.38	1.25%
SEP'14	13.51	13.13	0.00	0.00	61.73	10.49	0.00	98.86	0.96	0.97%
OCT'14	12.23	15.39	0.01	0.00	71.55	9.71	0.00	108.89	0.48	0.45%
NOV'14	10.77	11.82	0.18	0.35	51.35	10.32	0.00	84.79	-2.53	-3.08%
DEC'14	9.05	6.94	0.04	0.00	30.83	6.96	0.00	53.82	-7.91	-17.24%
JAN'15	8.24	6.66	0.00	0.00	17.00	6.38	0.00	38.28	1.05	2.66%
FEB'15	7.89	5.20	0.00	0.00	7.72	6.15	0.00	26.96	1.32	4.67%
MAR'15	7.72	6.13	0.00	0.00	3.03	5.94	0.00	22.82	-.10	-.50%
APR'15	10.21	10.26	0.00	0.00	9.29	8.30	0.00	38.06	3.03	7.40%
MAY'15	8.81	9.36	0.00	0.00	9.47	7.28	0.00	34.92	1.61	4.40%
JUN'15	9.26	10.72	0.00	0.00	10.82	9.02	0.00	39.82	1.64	3.95%
TOTALS	122.22	129.56	1.03	12.38	400.25	99.40	0.00	764.84	2.10	0.27%

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

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
JUN'14	0.00	3.32	0.21	5.81	6.02	0.21	9.13	9.34
JUL'14	0.00	2.88	0.14	5.96	6.10	0.14	8.84	8.98
AUG'14	0.00	3.30	0.17	5.91	6.08	0.17	9.21	9.38
SEP'14	0.00	3.19	0.11	6.97	7.08	0.11	10.16	10.27
OCT'14	0.00	2.94	0.11	6.23	6.34	0.11	9.17	9.28
NOV'14	0.00	4.80	0.25	5.21	5.46	0.25	10.01	10.26
DEC'14	0.00	2.65	0.06	4.23	4.29	0.06	6.88	6.94
JAN'15	0.00	2.63	0.11	3.47	3.58	0.11	6.10	6.21
FEB'15	0.00	2.39	0.10	3.37	3.47	0.10	5.76	5.86
MAR'15	0.00	2.26	0.10	3.54	3.64	0.10	5.80	5.90
APR'15	0.00	3.03	0.14	4.98	5.12	0.14	8.01	8.15
MAY'15	0.00	2.46	0.25	4.37	4.62	0.25	6.83	7.08
JUN'15	0.00	3.32	0.24	5.17	5.41	0.24	8.49	8.73
TOTALS	0.00	35.85	1.78	59.41	61.19	1.78	95.26	97.04

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
JUN'14	9.53	9.34	0.19	1.99%
JUL'14	9.13	8.98	0.15	1.64%
AUG'14	9.72	9.38	0.34	3.50%
SEP'14	10.49	10.27	0.22	2.10%
OCT'14	9.71	9.28	0.43	4.43%
NOV'14	10.32	10.26	0.06	0.58%
DEC'14	6.96	6.94	0.02	0.29%
JAN'15	6.38	6.21	0.17	2.66%
FEB'15	6.15	5.86	0.29	4.72%
MAR'15	5.94	5.90	0.04	0.67%
APR'15	8.30	8.15	0.15	1.81%
MAY'15	7.28	7.08	0.20	2.75%
JUN'15	9.02	8.73	0.29	3.22%
TOTALS	99.40	97.04	2.36	2.37%

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

----- Water Production (Acre Feet) -----											
Date	Well 2	Well 3	Well 4	Well 5	Well 10	Well 11	Well 18	Wilcox	Well 85	Total	Less ID5
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
JUN'14	0.00	0.00	46.08	10.57	9.43	54.04	3.64	0.00	0.00	123.76	121.42
JUL'14	0.00	0.00	49.84	11.88	10.39	64.30	4.96	0.08	0.00	141.45	138.73
AUG'14	0.00	0.00	31.96	8.53	8.86	61.91	3.50	0.00	0.00	114.76	112.59
SEP'14	0.00	0.00	54.73	10.38	10.84	62.48	4.39	0.00	0.00	142.82	140.83
OCT'14	0.00	0.00	43.63	12.00	8.66	62.73	3.36	0.00	0.00	130.38	124.41
NOV'14	0.00	0.00	46.53	9.13	9.26	54.05	4.03	0.00	0.00	123.00	118.23
DEC'14	0.00	0.00	50.05	5.20	9.88	27.86	2.48	0.00	0.00	95.47	95.47
JAN'15	0.00	0.00	46.58	5.52	9.21	22.40	2.13	0.00	0.00	85.84	85.84
FEB'15	0.00	0.00	45.03	5.35	8.85	24.24	2.59	0.00	0.00	86.06	86.06
MAR'15	0.00	0.00	43.04	5.91	8.26	27.25	2.08	0.00	0.00	86.54	86.54
APR'15	0.00	0.00	52.18	10.61	9.98	53.46	3.53	0.00	0.00	129.76	129.76
MAY'15	0.00	0.00	44.16	9.57	6.91	40.55	3.09	0.01	0.00	104.29	104.29
JUN'15	0.00	0.00	50.06	9.12	8.40	45.42	3.67	0.00	0.00	116.67	116.67
TOTALS	0.00	0.00	557.79	103.20	109.50	546.65	39.81	0.09	0.00	1357.04	1339.42
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
=====	=====	=====	=====	=====	=====
JUN'14	123.76	108.44	15.32	12.38%	2.34
JUL'14	141.45	120.81	20.64	14.59%	2.72
AUG'14	114.76	101.51	13.25	11.55%	2.17
SEP'14	142.82	118.27	24.55	17.19%	1.99
OCT'14	130.38	118.27	12.11	9.29%	5.97
NOV'14	123.00	106.94	16.06	13.06%	4.77
DEC'14	95.47	77.31	18.16	19.02%	0.00
JAN'15	85.84	66.24	19.60	22.83%	0.00
FEB'15	86.06	69.74	16.32	18.96%	0.00
MAR'15	86.54	73.17	13.37	15.45%	0.00
APR'15	129.76	106.38	23.38	18.02%	0.00
MAY'15	104.29	87.10	17.19	16.48%	0.00
JUN'15	116.67	99.10	17.57	15.06%	0.00
TOTALS	1357.04	1144.84	212.20	15.64%	17.62
=====	=====	=====	=====	=====	=====



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Auditor and Controller

7/22/15  
INFO ONLY  
JOET.

## Neighborhood Reinvestment Program

The Neighborhood Reinvestment Program provides grant funds to County departments, public agencies, and to non-profit community organizations for one-time community, social, environmental, educational, cultural or recreational needs.



To be eligible, non-profit entities must provide services in one or more of the following areas; educational/recreational projects for children and/or adults; local business and tourism promotional activities; arts and cultural programs; environmental awareness programs or projects, including maintaining and increasing open space holdings; public safety programs including fire protection projects; or health and social service initiatives and programs. Public agencies may apply to fund programs and projects that benefit the community and enhance the region's quality of life.

Grant funds shall not be used for any purposes prohibited by laws governing the use of public funds, including but not limited to, religious, political campaigning, or purely private purposes or activities.

Grant awards are made throughout the fiscal year and there is no deadline for submitting an application.

A higher priority shall be given to requests for capital projects and/or one time expenses.

To apply for Neighborhood Reinvestment Program funding from the County, an applicant must submit a completed application form and cover letter to one or more of the five Supervisors.

PLEASE NOTE: Due to recent redistricting, your County Board of Supervisors elected official may have changed. Follow the instructions at the following link [http://www2.sdcountry.ca.gov/rov/Eng/Edistrict\\_query.asp](http://www2.sdcountry.ca.gov/rov/Eng/Edistrict_query.asp) to ensure that you are submitting your application to the correct Supervisorial District office

Read Board Policy B-72, Neighborhood Reinvestment Program, for more details.

**Subscribe online to receive information on Neighborhood Reinvestment Program via email.**

Please  
Note

**It is recommended that you download and save this form to your computer. To do this, please "right click" on the link and choose "Save As" to save this form to your computer.**

**Make sure you have the latest version of Adobe Reader installed by going to <http://get.adobe.com/reader/>.**

### Neighborhood Reinvestment Program

- Neighborhood Reinvestment Program Application (Fillable version)
- Neighborhood Reinvestment Program Application (non-Fillable version)
- Neighborhood Reinvestment Program Application Instructions

- Documentation of Grant Expenditures Instructional Video
  - Sample of Neighborhood Reinvestment Grant Package
  - List of Expenditures Form and Instructions

Neighborhood Reinvestment Program Awards:

# NEW HOMES FEATURE WATER RECYCLING

## Technology from Australia could cut daily use by as much as 72 percent, backers say

By [Roger Showley](#) [\(/staff/roger-showley/\)](/staff/roger-showley/) 5:05 a.m. June 23, 2015

While water districts around the state have been ordered to cut back usage because of the California drought, cities and counties continue to approve new construction that generates more water demand.

But homebuilders are testing out new conservation efforts.

KB Home, one of the state's largest builders, showed off a new recycling system in San Diego on Monday that eliminates much of the drinking water now used to quench thirsty landscapes. It also drops overall water use by as much as 72 percent. Water officials say it is the first time such a system is being installed in a housing subdivision.

The project's unveiling comes just as homebuilders gather this week in San Diego for the annual Pacific Coast Builders Conference, where water conservation is expected to be a common topic among delegates because of the growing concerns about the ongoing drought.

David Cogdill, CEO of the California Building Industry Association, which runs the conference, took note of the apparent build versus conserve paradox by saying new homes typically are more efficient in water use.

"We are part of the solution and not part of the problem," Cogdill said at the KB Home tour, and it "only makes sense" to move people into more efficient homes, where they can save money.

The \$10,000 system is a standard feature in KB Home's 52-home Sea Cliff project. It routes so-called gray water from showers, bathtubs, washing machines and bathroom sinks through filters that remove most solids and impurities, and makes the water ready for use in each home's landscaping — but not for human consumption.

The project, which held its grand opening over the weekend, is north of state Route 56 in the northern San Diego city neighborhood of Rancho Peñasquitos. Homes range from \$890,000 to just over \$1 million on floor plans of 2,892 to 3,934 square feet. Sales agent Sandro Di Nunzio said the recycling system caught the buyers' attention.

"People just see it as a great innovation. It's setting the community apart from other builders," he said.

KB obtained the system from Nexus eWater, founded in Australia five years ago and recently relocated to California.

"We're the only certified system, and this is the only place (it's been installed)," said Scott Isaksen, Nexus' director of engineering and technical services.

The National Sanitary Foundation, based in Ann Arbor, Mich., has certified the system as the only one currently available nationally for this sort of use. Its NSF350 standard was added to the California plumbing code in its most recent edition.

At a tour Monday, Nexus and KB officials showed how the system works.

Used water is routed from drains and pipes to a 50-gallon underground tank in the side yard. It then runs through a 10-gallon-per-hour filtering system that removes virtually all suspended solids, bacteria and impurities and ends up in a 200-gallon underground tank that feeds the home's landscaping irrigation system.

Ralph Petroff, founder and chairman of Nexus eWater, stressed that the water does not meet state drinking standards and should not be consumed.

A monitoring system connected by cellphone alerts Nexus offices if there is a problem that technicians can be dispatched to fix.

Besides the recycling system, the home features the latest in water-saving fixtures and appliances that comply with the EPA's WaterSense standards program.

Jeff Stephenson, representing the San Diego County Water Authority, said the typical water use of 161 gallons per person per day could be cut by 50 percent with the recycling and higher efficiency features. But Tom Wood, Nexus' chief technology officer, said use could drop as low as 45 gallons per person per day — a 72 percent reduction.

Nexus originally hoped to certify the use of recycled water for KB Home's toilets as well, but city of San Diego building officials said the required annual inspections are not presently available to certify that the additional use would be safe.

Still, Jose Salcedo, a department mechanical engineer and assistant manager, called it a "huge benefit" for homeowners, because it would be included during construction.

Nexus officials said they are ramping up production at new subdivisions and can supply existing homes as well, but at a cost of around \$15,000. They expect the costs to drop in coming years.

Tracy Quinn, a policy analyst at the National Resources Defense Council in Santa Monica, called the Nexus system a "step in the right direction" toward reducing Californians' water "footprint."

"As our water resources continue to diminish and our population continues to grow, I think we'll see an increase in the cost of water," she said. "As more (recycling) products come along, we'll see a cost reduction in those products as well."

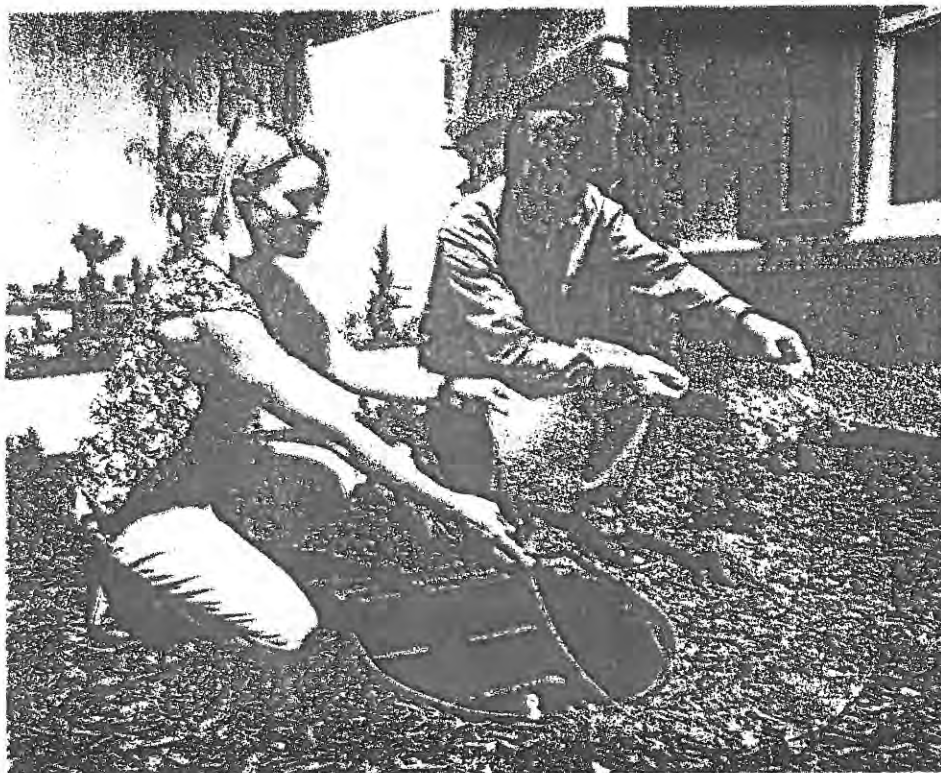
Steve Ruffner, KB regional president, said the company will likely offer the system at other new projects around the state but has not decided if it will be included as a standard or an option.

*roger.showley@utsandiego.com*

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THE SAN DIEGO UNION-TRIBUNE

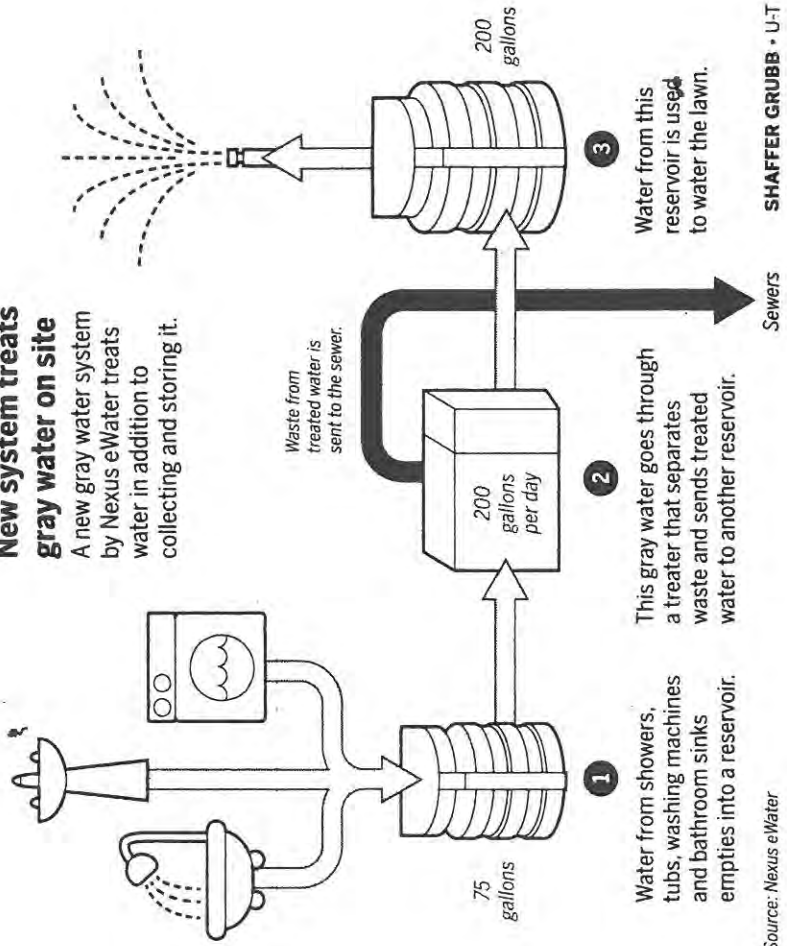


**Heather McPherson and Tom Wood of Nexus eWater, remove the cover of a gray-water tank in the yard of a Sea Cliff home in San Diego. CHARLIE NEUMAN • U-T PHOTOS**



### New system treats gray water on site

A new gray water system by Nexus eWater treats water in addition to collecting and storing it.



Source: Nexus eWater

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