

**AGENDA**  
**Borrego Water District Board of Directors**  
**Regular Meeting**  
**February 24, 2016 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 January 19, 2016
  - Regular meeting of January 27, 2015
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence: Letter from Oasis Ranch

**II. CURRENT BUSINESS MATTERS**

- A. Discussion and possible approval of Ordinance on mandatory drought-related conservation targets for governor's Drought Executive Order for 2016
- B. Discussion and possible approval of Water Credit Policy change and Resolution regarding 4:1 requirement
- C. Discussion of Dudek market evaluation for Water Credits
- D. Review of Raftelis rate study
- E. Discussion of Public Hearing of Proposition 218
- F. Review of Town Hall Agenda
- G. Consideration and possible approval of process for handling claims received for Tier 2 refunds.
- H. Review of planning calendar

**III. STAFF REPORTS**

- A. Financial Reports – January 2016
- B. General Manager / Operations Report
- C. Water and Wastewater Operations Report – January 2016
- D. Water Production/Use Records – January 2016

**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**

**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 March 15, 2016 at the Borrego Water District  
The next Regular Meeting of the Board of Directors is scheduled for March 23, 2016 at the Borrego Water District  
Town Hall Meeting March 30, 2016 at the Performing Arts Center





a member said it would not cost the County money to become a GSA. However, they have added a staff member to oversee it. Mr. Rolwing expressed concern that the County would try to shift General Plan amendment costs to BWD. Director Brecht recommended that the development costs be amortized over five years. President Hart explained an issue that has arisen regarding collection of GSP development costs on the property tax rolls. These collections usually require voter approval, but since the development costs are regulatory fees, the issue needs to be clarified.

**E. Discussion of Resolution 2016-01-01 of the Board of Directors of the Borrego Water District, Stating the Policy on Water Credits for New developments to comply with the requirements of the Sustainable Groundwater Management Act:** Mr. Rolwing presented the proposed Resolution for discussion today and possible approval at the next Board meeting. Mr. Driscoll explained that to comply with SGMA, a 4:1 water use mitigation ratio for new development is proposed. This would apply to developers requesting building permits on previously approved plats.

**F. Discussion of the District's consulting engineers' (Dudek) work on the economic value of potable water from the BVGB under SGMA:** Mr. Driscoll explained that based on data from the 2013 Bureau of Reclamation Study, he calculated the replacement value of potable water if it were to be purchased at \$1,340 per acre-foot. In addition, because of the potential for aquifer overdraft in the future necessitating additional treatment, especially for removal of arsenic, additional costs of anywhere from \$62 to \$548 per acre foot could be incurred. He suggested starting out with the lower figure, representing capital costs, and addressing operations and maintenance expenses in the future. Director Brecht pointed out that these costs should be built into future tiered rates, and Mr. Rolwing agreed to forward the Dudek report to Raftelis, the District's financial consultant. President Hart suggested that Mr. Rolwing, Director Brecht, Dudek and Raftelis get together to discuss the subject, and Mr. Rolwing recommended referring it to the Due Diligence Committee. Mr. Driscoll noted that SGMA allows the imposition of pumping fees, and Director Tatusko observed that this is an important point to highlight during the 218 process to confirm that agriculture and golf courses will share SGMA-related costs.

**G. Discussion of FY 2017-2021 rate structure and rates changes messaging:** Director Brecht noted that many citizens feel water rates are too high, but they don't have a basis for this opinion. At the next Town Hall Meeting, he wanted to spend some time explaining why the District treats water, what it costs and what it would cost not to treat it. He invited comments on his proposed presentation, included in the Board package.

**H. Discussion of a formal note of appreciation to the US Geological Service and the Department of the Interior Bureau of Reclamation for the excellent studies they completed for the benefit of the District's management of the BVGB:** Mr. Rolwing agreed to draft the letters for the Board's consideration.

**I. Discussion and approval of electing members to LAFCO:** Mr. Rolwing reported he had discussed the candidates for LAFCO with Harry Ehrlich, but typically selected the candidates geographically closest to Borrego Springs. He welcomed Board input, and agreed to check with Mr. Ehrlich again. Absent other recommendations, he will follow his usual course of action.

**J. Discussion of potential agenda items for January 27<sup>th</sup> board meeting:** Agenda items for the next Board meeting will include progress in meeting the water use reduction Executive Order and a report from the Ad Hoc Citizens Committee (combined), Tier 2 water rate refunds, Resolution stating the policy on water credits, setting public meeting on the BVGB boundary adjustment, Resolution on the BVGB boundary adjustment to be included in the GSA application (Mr. Driscoll will draft it), status of Rams Hill Water purchase (included in

Manager's Report), closed session, progress report on new billing system (in Manager's Report), status of Raftelis study (in Manager's Report), and an information item on "Rudyville."

### **III. INFORMATIONAL ITEMS**

- Marketing the SGMA: Applying economics to solve California's Groundwater problem: The article was included in the Board package.

### **IV. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 10:40 a.m. The next Regular Meeting of the Board of Directors is scheduled for January 27, 2016 at the Borrego Water District.





Director Brecht emphasized the need to consider cash flow projections and rate structure, taking into consideration the Wilcox Reservoir construction and water quality issues. He suggested asking David Aladjem for input. President Hart expressed support for the Committee's recommendations and suggested sharing them with the public. Mr. Peterson felt the best vehicle to publicize the program would be the *Borrego Sun*. President Hart suggested posting flyers on public bulletin boards and using existing e-mail lists. After discussion, the Board agreed to assign the task of implementing the Committee's recommendations to the Operations & Management Committee, working with Mr. Rolwing, and request a report in February. The Citizens' Committee will work on a flyer to be posted, highlighting toilet rebates and turf removal.

Sara Lockett suggesting using Facebook and/or Twitter. Harry Ehrlich noted that help was available from ACWA, and Director Tatusko suggested seeking a high school student to advise.

**B. Discussion of District's application and public hearing for a Borrego Valley Groundwater Basin (BVGB) boundary adjustment by the California Department of Water Resources:** Trey Driscoll of Dudek explained that SGMA requires groundwater basin boundaries. The current BVGB extends into Imperial County and south to Ocotillo, too large an area to effectively manage. Looking at scientific and jurisdictional aspects, a boundary adjustment is proposed to terminate BVGB at the San Felipe Wash. The initial application is due to DWR by March 31, and prior to that the District needs to receive public comments, now set for the February 16 Board meeting. After submitting the application to DWR, DWR will have another 30-day period for public comments to them. Mr. Rolwing reported he had requested support letters from the Counties of San Diego and Imperial and from Imperial Irrigation District. San Diego has already responded.

Discussion followed concerning notice requirements for the public hearing. Mr. Driscoll said the statute does not specify the procedure, so the District should follow its normal notification practices (advertise in *Borrego Sun* and *Union Tribune*).

**C. Discussion of Resolution 2016-01-01 of the Board of Directors of the Borrego Water District, Stating the Policy on Water Credits for New Developments to comply with the requirements of the Sustainable Groundwater Management Act (SGMA):** President Hart explained that the proposed Resolution addresses water use mitigation credits for new development on previously platted property. It provides for a 4:1 mitigation ratio. She questioned whether a person who doesn't plan to landscape, leaving the property in a "desert natural" condition, could qualify for a reduced mitigation ratio. Mr. Rolwing suggested a restrictive easement, such as used for fallowing farmland. President Hart asked about enforcement. Director Brecht felt such a policy would not be worthwhile from a cost, time and enforcement perspective for individual property owners. Marshal Brecht agreed with Director Brecht and expressed support for the 4:1 ratio, as did Director Tatusko, who reiterated his support for the Dudek analysis, as well. Director Brecht asked about developers who had already satisfied the existing mitigation ratio. Would they be grandfathered in? Mr. Rolwing noted that there is only one such owner, Mesquite Trails, which has been in works for 20 years. President Hart asked Mr. Rolwing to contact Mesquite Trails and ascertain their views. Director Tatusko suggested involving Mr. Aladjem.

**D. Discussion and possible approval of Resolution 2016-01-02 regarding the BVGB basin boundary adjustment:** *MSC: Tatusko/Brecht adopting Resolution 2016-01-02 regarding the BVGB basin boundary adjustment.*

**E. Consideration and possible approval of process for handling claims received for Tier 2 refunds:** *MSC: Brecht/Delahay approving 18 claims for Tier 2 refunds totaling \$7,449.91.* To date, with this action, 92 claims have been paid, totaling \$48,132.24.

F. Review of planning calendar: President Hart noted that the 218 process, entitled “Utility Rate Study Schedule,” had been added per the Board’s request but needs an item number.

### III. STAFF REPORTS

A. Financial Reports – December 2015: Kim Pitman reported there was an extra expense of approximately \$11,000 for the new Scada system at the wastewater treatment plant. The last payment on the solar system was made. Finalization of the new computer system has been delayed until May. The District had already paid \$70,000, and President Hart recommended requesting a refund or accruing interest.

B. General Manager/Operations Report: Mr. Rolwing invited the Board’s attention to his written report, included in the Board package.

C. Water and Wastewater Operations Report – December 2015:

D. Water Production/Use Records – December 2015: The Water and Wastewater Operations Report and the Water Production/Use Records were included in the Board package.

### IV. ATTORNEY'S REPORT

President Hart reported that the Board had considered retaining Wendy Quinn to report on Board meetings for the *Borrego Sun* and Jeannie Beck to analyze the Governor’s drought mandate and ramifications of SGMA, also for the *Borrego Sun*. Legal Counsel said as long as the pieces were informational, not intended for persuasion or campaigning, the proposal was approved.

### V. COMMITTEE REPORTS & PROPOSALS

#### Ad Hoc Committees

##### 1. Audit Committee

Director Brecht invited the Board’s attention to material in the Board package, showing what the Committee has done and where we are now in terms of cash flow.

##### 2. Due-Diligence

Director Brecht referred to information on the economics of SGMA in the Board package. He noted that a USGS water quality study contemplates a 20-year timeline. Is this too long? Director Brecht recommended more data on water quality from USGS and economic data from Dudek. Mr. Driscoll reported he spoke with Claudia Faunt at USGS and they agreed on a need for additional water quality studies. Director Brecht wanted a cost and time estimate. Mr. Rolwing expressed concern about possible continuing serial studies. Would one study be enough?

##### 3. Strategic Planning Committee

President Hart reported that the Committee was continuing to work with the County and the Borrego Water Coalition. Efforts are continuing to create an agreement between BWD and the County that will satisfy DWR and enable two GSAs to operate in one zone. The Committee hopes to have approval by the Town Hall Meeting.

##### 4. Executive Committee

No report.

##### 5. Operations & Management Committee

Director Delahay reported the Committee had been working with the Ad Hoc Citizens’ Committee. Director Tatusko added that they were updating the CIP. Two Proposition 1 grant applications were submitted yesterday. The Neighborhood Reinvestment Grant application has not yet been approved, but still has a chance in June.

##### 6. Parks Committee

No report.

##### 7. CFD Committee

No report.



8. Conservation Committee

No report.

**VI. INFORMATION ITEMS**

**A. Letter from Tubb Canyon Conservancy regarding the nexus between the County's land use decisions and SGMA with respect to the Rudyvill new development approval process in the BVGB:** The letter was included for information. Is it appropriate for the County to approve a development without complying with SGMA?

**B. Letter from the Anza-Borrego Desert State Park regarding the County's land use decision process regarding Rudyvill:** Another information item. President Hart stated the District has no legal position on the issue and the County's response is not yet known.

**C. Discussion of County's grant application to support sustainable groundwater management act:** Director Tatusko thanked Jim Bennett for compiling a draft regarding GSA/GSP funding. He read from attachments 5 (San Diego County SA Formation and GSP Task Development), Board package page 95; and 7 (Disadvantaged Community), Board package page 97, for the record.

**D. News articles regarding the Borrego aquifer:** News articles were included in the Board package for information.

**E. Notice of Violation from State Water Resources Control Board:** President Hart announced that the District had not met its State-mandated 25 percent water use reduction. Discussion followed concerning whether the District could change its guidelines in an effort to achieve future compliance. Mr. Rolwing will investigate.

**VII. CLOSED SESSION**

Conference with Legal Counsel – Anticipated Litigation

**A. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case:** The Board adjourned to closed session at 10:40 a.m., and the open session reconvened at 11:40. No reportable action.

**VIII. CLOSING PROCEDURE**

There being no further business, the Board adjourned at 11:40. The next Special Meeting of the Board of Directors is scheduled for February 16, 2016 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for February 24, 2016 at the Borrego Water District.

**Oasis Ranch Management, Inc.**  
**PO Box 818**  
**Coachella, CA 92236**  
**(760) 398-8850**

February 11, 2016

Borrego Springs Water District  
806 Palm Canyon Drive  
Borrego Springs, CA 92004

Dear Board Members,

I am writing the district with a request for assistance concerning citrus properties that we manage in the northern Borrego Valley. Our company has been managing citrus farming operations for the owner in the Borrego Springs valley for over 20 years. The owners are aware of the current water situation in Borrego through information that I provide them while being a representative within the Borrego Water Coalition.

A while ago, I provided the owners with a proposal which might assist them in the reduction of their farming operation. That proposal included the idea of donating their farms and receiving tax credits for doing so. Last summer I became aware of a program that might work for the owners and wanted to share with the District Board this program.

Everyone in Borrego Springs is keenly aware of the overdraft in the basins aquifer, and the owners are trying to be proactive in coming up with a solution to this situation. To that end, I have been working with the Borrego Water Coalition and its intelligent group of individuals with the forth thought of balancing the social and economic concerns as we look for alternatives in water reduction.

I am requesting the Borrego Springs Water District assistance in reviewing the documentation of The Natural Heritage Preservation Tax Credit Act of 2000. I would like to know if this program would be considered by the District for becoming the recipient of possible donation of our farming acreage.

Secondly, it is requested that we continue farming operations and lease back the donated farming properties for consideration and with a contract which would allow for partial fallowing farmland over a given time period. This would allow for a slow, gradual and specific reduction of our farming operation and at the same time a reduction in extractions from the aquifer. The eventual goal would be complete withdrawal of our portion of farming in Borrego Springs.

While all parties must agree on the details, I believe this could assist the owners and valley residences to obtain everyone's goal of "water for the future".

Sincerely,



Dennis J. Jensen, President  
Oasis Ranch Management, Inc.

**Ordinance No. 16-01**

***AN URGENCY ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ADDING ESTABLISHING WATER CONSERVATION REQUIREMENTS BY LIMITING LANDSCAPE WATERING, TO TAKE EFFECT IMMEDIATELY***

**WHEREAS**, the Board of Directors (the "Board") of the Borrego Water District (the "District") recognizes that there is a need to develop mandatory conservation measures during identified and declared emergency circumstances, including drought conditions; 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**, on January 17, 2014, the Governor of the State of California issued a proclamation of a state of emergency under the California Emergency Services Act based on existing drought conditions, which state of emergency was continued by the Governor on April 25, 2014, and remains in effect; and

**WHEREAS**, on April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Water Resources Control Board to impose restrictions on water suppliers in order to achieve a statewide reduction of potable water use by not less than 25 percent through February 2016, which directives were extended to October 31, 2016 by a second Executive Order on November 13, 2015, should the drought conditions continue through January 2016; and

**WHEREAS**, the State Water Resources Control Board adopted regulations to impose restrictions on non-urban water suppliers, such as Borrego Water District, to either reduce its total potable water production by 25 percent relative to the amount produced in 2013 or limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two (2) days per week; and

**WHEREAS**, the voluntary conservation and end use efficiency incentive measures identified in the Resolution have not achieved the required 25 percent reduction, making it mandatory for the District to limit outdoor irrigation of ornamental landscapes or turf with potable water by the District's customers to no more than twice each week or suffer fines from the State Board in the amount of \$500 per day for each violation

;

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

**Section 1.      Declaration and Finding of Urgency.**

**A.**      On January 17, 2014, Governor Brown issued a proclamation of a state of emergency under the California Emergency Services Act (Government Code section 8550 et seq.), as a result of ongoing drought conditions throughout the State of California. Governor Brown issued a proclamation of a continued state of drought emergency on April 25, 2014. On April 1, 2015, as a result of unabated

drought conditions, Governor Brown issued Executive Order No. 8-29-15 directing the State Water Resources Control Board ("State Board"), which includes restrictions imposed on water suppliers to achieve a 25% reduction in potable urban water usage through February 28, 2016, as compared to 2013.

B. In May 2015 the State Board implemented the 25% reduction mandated by the Executive Order requiring each distributor of public water supply (as defined in Water Code section 350), that is not an urban water supplier, to either (1) limit outdoor irrigation of ornamental landscapes or turf with potable water to not more than two (2) days per week; or (2) implement other mandatory conservation measures intended to achieve a 25% reduction in potable water consumption.

C. Immediate implementation of the proposed ordinance will serve to achieve the mandated emergency regulations, thereby helping to protect the public health and safety by conserving dwindling potable water supplies for human consumption and other more essential purposes. The Board finds that the ordinance should be adopted on an urgency basis to ensure greater water conservation with such ordinance effective immediately upon passage.

**Section 2. Purpose.**

A. The purpose of this ordinance is to establish water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable methods of use of water within the Borrego Water District order to assure adequate supplies of water to meet the needs of the public, and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought, but at all times of emergencies.

B. This ordinance establishes regulations to be implemented during times of declared water shortages, declared water shortage emergencies, or other emergencies affecting the ability of the District to maintain an adequate supply of potable water for its customers.

**Section 3. Limitations on outdoor landscapes and turf irrigation.**

1. Effective immediately, outdoor landscapes and turf irrigation restrictions are hereby imposed in order to preserve and protect the District's supply of potable water or to comply with regulations adopted by the State of California are as follows:

- a. Watering outdoor landscapes and turf irrigation are hereby restricted to two (2) days per calendar week for each property.
- b. The days for permitted outdoor watering are designated as Mondays and Thursdays of the week for addresses ending in odd integers, and Tuesdays and Fridays of the week for addresses ending in even integers.
- c. No outdoor watering shall exceed a total of 18 hours of day during which outdoor landscapes and turf may be irrigated.
- d. No outdoor watering shall occur within 48 hours after measurable rainfall.

**D. Failure to comply with irrigation restrictions.**

Any customer or responsible party found in violation of any order of the General Manager or the Board imposed by this Section may be subject to administrative fines or penalties as set forth in this Administrative Code, in Ordinance No. 15-01, or as otherwise established by the Board.

**Section 3. This ordinance shall be effective following its passage and adoption.**

**RESOLUTION NO. 2016-01-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, STATING THE POLICY ON WATER CREDITS FOR NEW DEVELOPMENTS TO COMPLY WITH THE REQUIREMENTS OF THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

**WHEREAS**, the Borrego Water District (“District”)in cooperation with the County of San Diego (“County”), developed and implemented a Demand Offset Mitigation Water Credit Policy (“WCP”); for the result of “no net gain” in the overall rate of extraction of groundwater;<sup>1</sup>and

**WHEREAS**, the current WCP for new development consists of two 1:1 policies: one water credit to satisfy the County New Subdivision Policy (the “County Water Credit”) and one water credit to satisfy the District WCP (the “District Water Credit”); and

**WHEREAS**, currently for existing platted lots in the District, only one of either the County Water Credit or the District Water Credit is required to fulfill the District’s WCP; ;whereas for all new subdivisions, both 1:1 policies must be satisfied for a total of two water credits; and

**WHEREAS**, the planning number for the sustainable yield of the Borrego Valley Groundwater Basin (“BVGB”) is 5,700 acre-feet per year (“AFY”)<sup>2</sup>; and

**WHEREAS**, the planning number for the current groundwater extractions from the BVGB is 19,000AFY<sup>3</sup>; and

**WHEREAS**, the Sustainable Groundwater Management Act (“SGMA”) passed by the California Legislature on August 29, 2014, and signed into law by Governor Brown on September 16, 2014, requires measurable objectives, as well as interim milestones in increments of five years, to achieve the sustainability goal in the BVGB within 20 years of the implementation of the Groundwater Sustainability Plan (“GSP”)<sup>4</sup>; and

**WHEREAS**, the GSP focuses on reduction of groundwater use in the BVGB by 70% (reduction from ~19,000 AFY to ~5,700 AFY)is required over the 20-year GSP implementation timeframe; and

**WHEREAS**, this would require retiring 19,000 water credits (“WC”), and issuing 5,700 production credits (“PC”) at a ratio of 3.33:1 (WC: PC); and

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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); and the Memorandum of Agreement between the County and the District (BWD and County of San Diego 2013).

<sup>2</sup> In order to develop a planning number for the sustainable yield, the total recharge estimate of 5,670 AFY by Netto (2001, page 138) is used. This rounded value (5,700 AFY) is a little higher than the 4,500 AFY average natural recharge estimated by Faunt (2015, page 51) for modeled recharge.

<sup>3</sup> The BWD estimates the annual BVGB pumping is 18,639 acre-feet (BWD 2015). USGS estimates pumpage totals around 19,000 AFY in recent years (2005-2010) (Faunt 2015).

<sup>4</sup>California Water Code section 10727.2(b)(1)



**WHEREAS**, it is appropriate to apply a ratio of 4:1 (WC: PC) for new development in the Borrego Valley to account for slippage or variability in the actual or realized water usage reduction; and

**WHEREAS**, a ratio of 4:1 (WC:PC) for new development in the Borrego Valley would ensure that new development is required to mitigate for its allocated share of the condition of “overdraft” in the BVGB when approved by the County, and prior to actual development.

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

**Section 1.** All new development in the BVGB obtain 4 WC for every 1 PC required to meet new water demands. Each water credit requirement may be met through County Water Credits, District Water Credits, or any equivalent combination thereof.

**Section 2.** The District’s General Manager is hereby authorized and directed to coordinate with the County to update the Demand Offset Water Credits Policy to incorporate the revised Board Policy.

**ADOPTED, SIGNED AND APPROVED** this 24th day of February 2016.

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President of the Board of Directors  
of Borrego Water District

**ATTEST:**

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Secretary of the Board of Directors  
of Borrego Water District

## DATA REQUEST LIST

**Agency:** Borrego Water District  
**Study:** Water and Wastewater Rate Studies  
**Date:** December 9, 2015

The following is a preliminary list of data requirements to conduct the Water and Wastewater Rate Studies for the Borrego Water District (District). Whenever possible, we would appreciate that the District be able to provide requested financial and usage data in electronic format (Microsoft Excel format is preferred). We anticipate that this initial list will encompass the majority of the information necessary to conduct the studies; however, if we determine that additional data is required during the course of our analysis, we will notify the District at that time.

### Water and Wastewater Rate Studies

Our analysis will be based on the data available. The preliminary list of data requirements includes:

#### 1. Financial information for the Water Fund and Sewer Fund

- a. Fiscal Year 2014-15 Budget (Actuals)
- b. Current fiscal year (FY) budget (FYE 2016)
- c. Long-term Capital Improvement Plan (CIP) including funding sources, separated by CIP that is growth related versus replacement and refurbishment (R&R). Preferably a 10 year CIP schedule.
- d. District's Water and Sewer Master Plans
- e. Any strategic / long term planning documents identifying the District's goals or objectives.
- f. Any outstanding debt service payment schedules (principal and interest) and the appropriate section of the Official Statements that describes the calculation associated with coverage ratio for all existing debts. For any proposed debt, please provide any proposed debt schedule and terms you may have. The financial model that will be developed will have the ability to do this.
- g. Estimated beginning balances of the water and sewer enterprises' unrestricted and restricted reserves for the current fiscal year (FY 2015-2016) (e.g. operating reserve, capital reserve, rate stabilization reserve, etc.)
- h. Detailed schedule of revenues for water and sewer for the past two fiscal years and projected revenue for current fiscal year (FYE 2014, FYE 2015, and projected FYE 2016)
  - i. **Please provide a break out of rate revenues between fixed and variable commodity revenues.**
  - ii. **Existing Rate Schedule for Water and Wastewater Enterprise**

## Water Rate Study

It is important that the consumption data is cleaned for duplicates and negative values are removed

1. **Customer Data (Account & Consumption) Table** – identifies each individual customer account & provides an accounting of water consumption by each account for the last two years. The consumption table will include one record per account per billing period for those months that the account received a bill. The table should resemble the image below:
  - a. Unique account number – It is important that there be no duplicates in this table.
  - b. Meter size - For compound meters with multiple dials, the meter size should be identified in the same manner as that used to determine the monthly meter charge.
  - c. Tenant Type/Customer Type - Either single-family, multifamily, irrigation or commercial. If needed, provide a separate table to explain the coding.
  - d. Number of dwelling units served by the meter – (for MFR, if available)
  - e. Days of Service (DOS) – number of days in the billing period.
  - f. Billed Consumption – this is the consumption occurring in the billing period for the account. The units should be consistent with the units used to create the bill (i.e., rounded appropriately, etc.) For compound meters, the consumption on all relevant dials should be summed to create this value.
  - g. Billed Amount – the total billed amount for the billing period for the account
  - h. It is important that we understand what each column of information is in the data. Therefore please include a legend or key when appropriate. For instance in the example data below, the service class or rate code would need a legend so that we know the meaning of each entry.

| Serv ID | Service Class | Rate Code | Meter Size | Oct-05 | Sep-05 | Aug-05 | Jul-05 | Jun-05 | May-05 | Apr-05 | Mar-05 | Feb-05 | Jan-05 | Dec-05 | Nov-05 |
|---------|---------------|-----------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 7085-0  | 1             | 1         | 1-1/2      | 2      | 3      | 3      | 1      | 1      | 7      | 2      | 0      | 0      | 0      | 0      | 0      |
| 7018-1  | 1             | 1         | 3          | 2      | 3      | 10     | 7      | 3      | 9      | 0      | 7      | 3      | 1      | 0      | 1      |
| 9132-1  | 1             | 1         | 1          | 2      | 5      | 2      | 3      | 1      | 1      | 2      | 0      | 1      | 1      | 2      | 1      |
| 6041-1  | 1             | 1         | 3/4        | 2      | 30     | 46     | 40     | 32     | 16     | 11     | 7      | 2      | 15     | 7      | 7      |
| 9080-4  | 1             | 1         | 1          | 2      | 248    | 537    | 156    | 84     | 106    | 27     | 8      | 9      | 29     | 43     | 83     |
| 3087-2  | 1             | 1         | 1          | 3      | 2      | 2      | 2      | 3      | 2      | 1      | 0      | 0      | 1      | 0      | 0      |
| 8039-1  | 1             | 1         | 1          | 3      | 2      | 2      | 4      | 3      | 3      | 2      | 2      | 2      | 2      | 3      | 2      |
| 6056-1  | 1             | 1         | 1          | 3      | 2      | 4      | 1      | 3      | 2      | 1      | 1      | 2      | 1      | 2      | 2      |
| 7013-0  | 1             | 1         | 1          | 3      | 2      | 6      | 3      | 3      | 2      | 1      | 1      | 2      | 0      | 2      | 1      |
| 6055-2  | 1             | 1         | 3/4        | 3      | 3      | 4      | 3      | 3      | 3      | 0      | 1      | 51     | 49     | 19     | 73     |
| 9158-0  | 1             | 1         | 1          | 3      | 3      | 4      | 4      | 4      | 4      | 2      | 1      | 3      | 1      | 2      | 2      |
| 6063-0  | 1             | 1         | 1          | 3      | 4      | 6      | 6      | 7      | 2      | 1      | 1      | 0      | 4      | 2      | 8      |
| 3060-2  | 1             | 1         | 1          | 3      | 6      | 2      | 3      | 0      | 0      | 0      | 1      | 0      | 1      | 0      | 4      |
| 3157-0  | 1             | 1         | 1          | 3      | 8      | 4      | 5      | 4      | 5      | 5      | 5      | 4      | 5      | 4      | 8      |
| 8083-0  | 1             | 1         | 3/4        | 3      | 8      | 17     | 8      | 7      | 10     | 13     | 12     | 12     | 8      | 6      | 10     |
| 3101-1  | 1             | 1         | 1          | 3      | 10     | 7      | 5      | 4      | 5      | 5      | 5      | 6      | 6      | 6      | 8      |
| 9504-4  | 1             | 10        | 3          | 3      | 17     | 20     | 0      | 3      | 5      | 0      | 7      | 6      | 4      | 5      | 7      |

2. **Water Account and Usage Summary** – To verify information provided in the customer billing database above, the following data is required (see attached MS Excel file for preferred format):
  - a. Number of accounts by customer classes and meter sizes for the last two fiscal years
  - b. Total usage by customer classes and by tiers for the last two fiscal years

c.

**3. Other Information for Water Fund**

- a. Maximum day and maximum hour peaking factors for the system
- b. Customer growth projections (consumption and accounts)
- c. Water supply information by supply sources for the last two years
  - i. Quantity available in acre ft.
  - ii. Estimated water loss
  - iii. Total Water Production for the last two fiscal years
  - iv. Cost of each source of supply by acre ft
- d. Water Asset Information (see attached MS Excel file for preferred format)
  - i. **Please provide the Depreciation Schedule in a MS Excel file. Thank you.**
- e. Any other information you may think helpful.

**Wastewater Rate Study**

**1. Customer Data (Account & Consumption) Table** – identifies each individual customer account & provides an accounting of flow by each account for the last three to five years. The consumption table will include one record per account per billing period for those months that the account received a bill. The table should include:

- a. Unique account number – It is important that there be no duplicates in this table.
- b. Tenant Type/Customer Type - Either single-family, multifamily, commercial categories (Low Strength, Med Strength, High Strength).
- c. Number of dwelling units served by the meter – (for MFR and Commercial Units, if available)
- d. Days of Service (DOS) – number of days in the billing period.
- e. Billed HCF (when applicable) – this is the flow occurring in the billing period for the account. The units should be consistent with the units used to create the bill (i.e., rounded appropriately, etc.).

**2. Account and Discharge Summary** – Because we may not get the complete database in the customer data table above, the following data is required (see attached MS Excel file for preferred format):

- a. Number of accounts by customer classes for the last two fiscal years
- b. Total flow by customer classes for the last two fiscal years
- c. Total flow to Wastewater Treatment Plant

**3. Other Information for Wastewater Fund**

- a. BOD and TSS factors by customer class, if available
- b. Customer growth projections **(if different from water growth projections)**
- c. Wastewater Asset Information (see attached MS Excel file for preferred format)
  - i. **Please provide the Depreciation Schedule in a MS Excel file. Thank you.**
- d. Any other information you may think helpful.





BORREGO WATER DISTRICT 2016 TOWN HALL  
*Sustainable Groundwater Management for the Borrego Valley Groundwater Basin*  
MARCH 30, 2016 4:00PM - 5:30PM  
PERFORMING ARTS CENTER  
590 Palm Canyon Drive  
Borrego Springs, CA 92004

**DRAFT AGENDA**

- 1) Greetings and Introductions. Jerry Rolwing, General Manager
- 2) State of the District infrastructure briefing. Greg Holloway, Operations Manager
- 3) Overview of the Sustainable Groundwater Management Act and Basin Boundary Adjustment. Trey Driscoll, Principal Hydrogeologist, Dudek Engineering and Environmental
- 4) Groundwater Management Agency formation. Jim Bennett, San Diego County Department of Planning and Development Services
- 5) TBD topic ? - Board Vice-president Lyle Brecht
- 6) TBD topic ? - Board President Beth Hart
- 7) Moderated, written questions from the audience for specific presenters
- 8) Comments from the audience

February 24, 2016

MEMO TO: Board of Directors

FROM: Kim Pitman, Administration Manager *Kim*

SUBJECT: Board to consider and possibly approve claims received for "Tier 2" Conservation rate refunds

Since Board approval of Tier 2 refunds on December 16, four (4) more claim forms have been completed and returned to the office. I have reviewed and concur with the total refund requested for each claim. Each claim complies with Resolution/Policy NO. 2015-06-01, stating overpayment of water rates, by paying tier 2 rates. The total of these claims comes to \$1,389.90.

Once this claim is paid, we will have paid 96 claims, totaling \$49,522.14, which leaves approximately \$123,000 of possible refunds left to pay.

Thank you for your consideration in this matter.

| Contract / Project  | January  | February  | March  | April   | May  |
|---|--|---|--|---|--|
| <b>PAYMENTS</b>   |  |   |  |   |  |
| 1<br>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<br>P & I Payment for ID4 COP's  |  |   | 1st half of payments due   |   |  |
| 3<br>Compass Bank   |  | 2016 - payment due March 1st.   |  |   | 2016 - payment due June 1st.                   |
| <b>CONTRACTS</b>  |  |   |  |   |  |
| 4<br>American Red Cross-can cancel any time for any reason                          |  |   |  |   |  |
| 5<br>Club Circle (Cameron)  |  | option to renew lease by 2/28/2017  |  |   |  |
| 6<br>Green Desert Landscape   |  | discuss w/ Bob the option of continuing with contract 2/28/2017   |  |   |  |
| 7<br>Xerox  |  |   |  |   |  |
| 8<br>Secap - postage machine  |  |   |  | 4/1/2017 send letter of cancellation if desired   |  |
| 9<br>San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine) |  |   |  |   |  |
| 10<br>Ramona Disposal - Club Circle   |  |   |  |   |  |
| 11<br>Ramona Disposal - BWD Dumpsters   |  |   |  |   |  |
| 12<br><b>REPORTS</b>  |  |   |  |   |  |
| 13<br>CASGEM  |  |   |  | Submit CASGEM water level data  |  |
| 14<br>CCR   |  |   |  |   |  |
| 15<br>Cameron Bros. Water Usage Report (golf course) to county                      |  |   |  |   |  |
| 16<br>Santago Estate  |  |   |  |   |  |
| 17<br>Annual EAR Report (CDHS)  |  |   | Due 3/31 for previous year   |   |  |
| 18<br>Check fallow property for water usage   |  |   |  |   |  |
| 19<br><b>ADMINISTRATIVE</b>   |  |   |  |   |  |
| 20<br>Audit   |  |   |  |   |  |
| 21<br>Budget  |  |   | Pump check   | CIP meeting, draft budget document  | Final Budget document / FY Rate Resolution     |
| 22<br>Business Plan   | Raftelis begins rate analysis  | February 2016 -Update Development Fees (water credits & infrastructure buy-in costs for new connections)  | Prop 218 rate for FY 2017 - Fy 2021 public hearing                   |   | FY Budget and new rates approved               |
| 23<br>Utility Rate Study Schedule   | Preliminary Rates Disseminated by 1/29/2016  | ..Rates Finalized 2/19/2016 ...Initial Draft Report Disseminated 2/24/2016 ... Prop 218 Notice Mailed 2/26/2016   | Receive edits and finalize report                                    | Public Hearing 4/15/2016  |  |
| 24<br>Groundwater Sustainability Plan (GSP)   | District Meeting Jan. 20 to discuss policy recommendations, DRAFT MOU between County & District. Submit boundary adjustment to DWR | 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 |  |
| 25<br>Investment Policy   |  |   |  |   |  |
| 26<br>Special Assessments / tax bill resolutions-Taussig                            |  |   |  |   |  |
| 27<br>Town Hall Meeting   |  |   | March 2016'  |   |  |
| 28<br>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 7/2020                        |   |  |                                     |                                |  |
| 9  |   | lease expires 7/2017                                 |   |  |                                     |                                |  |
| 10 |   |  | Annual maintenance contract expires 10/6/16 |  |                                     |                                |  |
| 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 |   | New rates go into effect                             |   | March 2015-Identify & Implement Mechansim to pay for GSP costs. March 2016- Update rate structure & water, sewer & WWT rates |                                     |                                |  |
| 24 |   |  |   |  |                                     |                                |  |
| 25 |   |  |   | DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development                        |                                     |                                | Agree on GSP funding mechanism; start GSP development  |
| 26 | Investment polices restated   |  |   |  |                                     |                                |  |
| 27 | Special Assessments resolutions due   |  |   |  |                                     |                                |  |
| 28 |   |  |   |  |                                     |                                |  |
| 29 |   |  |   |  |                                     |                                |  |



|    | C   | D                    | BQ               | BR             | BS               | BT               | BU                       |
|----|---|----------------------|------------------|----------------|------------------|------------------|--------------------------|
| 1  | <b>BWD</b>  |                      | <b>5/27/2015</b> |                |                  |                  | <b>CASH FLOW</b>         |
| 2  | <b>CASH FLOW</b>  |                      | <b>ADOPTED</b>   | <b>ACTUAL</b>  | <b>PROJECTED</b> | <b>ACTUAL</b>    | <b>YTD + PROJ MONTHS</b> |
| 3  | <b>2015-2016</b>  |                      | <b>BUDGET</b>    | <b>JANUARY</b> | <b>JAN</b>       | <b>YTD</b>       | <b>PROJECTED</b>         |
| 4  |   |                      | <b>2015-2016</b> | <b>2016</b>    | <b>2016</b>      | <b>2015-2016</b> | <b>2015-2016</b>         |
| 5  | <b>REVENUE</b>  |                      |                  |                |                  |                  |                          |
| 6  | <b>WATER REVENUE</b>                                      |                      |                  |                |                  |                  |                          |
| 7  | Residential Water Sales                                   |                      | 932,150          | 50,634         | 58,801           | 517,870          | 878,453                  |
| 8  | Commercial Water Sales                                    |                      | 128,750          | 8,187          | 10,002           | 72,107           | 124,660                  |
| 9  | Irrigation Water Sales                                    |                      | 143,170          | 5,134          | 7,704            | 82,447           | 135,363                  |
| 10 | GWM Surcharge   |                      | 117,420          | 6,158          | 6,942            | 64,875           | 111,887                  |
| 11 | Water Sales Power Portion                                 |                      | 373,890          | 19,923         | 22,514           | 210,028          | 355,029                  |
| 12 | Drought Penalty-1%  |                      | (9,045)          | (900)          |                  | (9,473)          | 0                        |
| 13 | Drought Rates-5.5%  |                      | (40,781)         | (4,952)        | (5,621)          | (4,952)          | (35,161)                 |
| 14 | <b>TOTAL WATER COMMODITY REVENUE:</b>                     |                      | <b>1,645,554</b> | <b>90,036</b>  | <b>100,341</b>   | <b>932,902</b>   | <b>1,555,805</b>         |
| 15 |   |                      |                  |                |                  |                  |                          |
| 16 |   |                      |                  |                |                  |                  |                          |
| 17 | Readiness Water Charge                                    |                      | 1,335,180        | 111,804        | 112,880          | 766,024          | 1,330,424                |
| 19 | RH Golf Course surplus capacity lease                     |                      | 0                | 0              | 0                | 9,630            | 9,630                    |
| 20 | Meter Installation  |                      | 0                | 0              | 0                | 6,876            | 6,876                    |
| 22 | Reconnect Fees  |                      | 1,700            | 0              | 340              | 1,700            | 2,380                    |
| 23 | Backflow Testing/installation                             |                      | 6,500            | 0              | 6,500            | -                | 6,500                    |
| 24 | Bulk Water Sales  |                      | 0                | 0              | 0                | 249              | 249                      |
| 25 | Penalty & Interest Water Collection                       |                      | 9,600            | 1,311          | 800              | 7,887            | 11,887                   |
| 26 | <b>TOTAL WATER REVENUE:</b>                               |                      | <b>2,998,534</b> | <b>203,150</b> | <b>220,861</b>   | <b>1,708,513</b> | <b>2,906,996</b>         |
| 27 |   | <b>Receivables</b>   |                  |                |                  |                  |                          |
| 28 | <b>PROPERTY ASSESSMENTS/AVAILABILITY CHARGES</b>          | <b>as of 2/12/16</b> |                  |                |                  |                  |                          |
| 29 | 641500 1% Property Assessments                            | 29,509               | 64,000           | 10,235         | 10,235           | 36,330           | 58,254                   |
| 30 | 641502 Property Assess wtr/swrr/fld                       | 49,974               | 60,000           | 49,490         | 49,490           | 57,307           | 60,966                   |
| 32 | 641501 Water avail Standby                                | 43,427               | 84,000           | 26,716         | 26,716           | 56,358           | 83,554                   |
| 34 | 641504 ID 3 Water Standby (La Casa)                       | 16,099               | 34,000           | 14,464         | 14,464           | 19,269           | 33,977                   |
| 35 | 641503 Pest standby                                       | 9,056                | 17,000           | 7,044          | 7,044            | 10,487           | 16,397                   |
| 36 | <b>TOTAL PROPERTY ASSES/AVAIL CHARGES:</b>                | <b>148,065</b>       | <b>259,000</b>   | <b>107,949</b> | <b>107,949</b>   | <b>179,752</b>   | <b>253,148</b>           |
| 37 |   |                      |                  |                |                  |                  |                          |
| 38 | <b>SEWER SERVICE CHARGES</b>                              |                      |                  |                |                  |                  |                          |
| 39 | Town Center Sewer Holder fees                             |                      | 171,240          | 14,992         | 14,270           | 101,572          | 172,922                  |
| 40 | Town Center Sewer User Fees                               |                      | 39,960           | 3,700          | 3,330            | 24,076           | 40,726                   |
| 41 | Sewer user Fees   |                      | 333,900          | 27,628         | 27,825           | 193,245          | 332,370                  |
| 45 | <b>TOTAL SEWER SERVICE CHARGES:</b>                       |                      | <b>545,100</b>   | <b>46,651</b>  | <b>45,425</b>    | <b>319,262</b>   | <b>546,387</b>           |
| 46 |   |                      |                  |                |                  |                  |                          |
| 47 | <b>OTHER INCOME</b>                                       |                      |                  |                |                  |                  |                          |
| 51 | Miscellaneous Income (net csd fee/JPIA rebate/check free) |                      |                  | 277            | 0                | 1,216            | 1,216                    |
| 52 | Water Credits income                                      |                      |                  | 0              | 0                | 1,000            | 1,000                    |
| 56 | Interest Income   |                      | 80               | 0              | 16               | 24               | 63                       |
| 57 | <b>TOTAL OTHER INCOME:</b>                                |                      | <b>80</b>        | <b>277</b>     | <b>16</b>        | <b>2,240</b>     | <b>2,279</b>             |
| 58 |   |                      |                  |                |                  |                  |                          |
| 59 | <b>TOTAL INCOME:</b>                                      |                      | <b>3,802,713</b> | <b>358,028</b> | <b>374,252</b>   | <b>2,240,947</b> | <b>3,739,991</b>         |
| 60 |   |                      |                  |                |                  |                  |                          |
| 61 | <b>CASH BASIS ADJUSTMENTS</b>                             |                      |                  |                |                  |                  |                          |
| 62 | Decrease (Increase) in Accounts Receivable                |                      |                  | 18,973         | 0                | 32,480           | 32,480                   |
| 64 | Construction Meter deposit                                |                      |                  | 850            | 0                | 850              |                          |
| 65 | Other Cash Basis Adjustments-Tier 2 refund                |                      |                  | (7,377)        | 0                | (47,209)         | (47,209)                 |
| 66 | <b>TOTAL CASH BASIS ADJUSTMENTS:</b>                      |                      |                  | <b>12,447</b>  | <b>0</b>         | <b>(13,879)</b>  | <b>(13,879)</b>          |
| 67 |   |                      |                  |                |                  |                  |                          |
| 68 | <b>TOTAL INCOME RECEIVED:</b>                             |                      | <b>3,802,713</b> | <b>370,474</b> | <b>374,252</b>   | <b>2,227,068</b> | <b>3,726,112</b>         |



|    | BV             | BW             | BX             | BY             | BZ             |
|----|----------------|----------------|----------------|----------------|----------------|
| 1  |                |                |                |                |                |
| 2  | PROJECTED      | PROJECTED      | PROJECTED      | PROJECTED      | PROJECTED      |
| 3  | <b>FEB</b>     | <b>MARCH</b>   | <b>APRIL</b>   | <b>MAY</b>     | <b>JUNE</b>    |
| 4  | <b>2016</b>    | <b>2016</b>    | <b>2016</b>    | <b>2016</b>    | <b>2016</b>    |
| 5  |                |                |                |                |                |
| 6  |                |                |                |                |                |
| 7  | 54,142         | 56,555         | 84,844         | 67,841         | 97,201         |
| 8  | 9,023          | 10,208         | 12,902         | 10,324         | 10,096         |
| 9  | 6,663          | 7,425          | 12,736         | 11,672         | 14,420         |
| 10 | 6,993          | 7,366          | 10,876         | 10,888         | 10,888         |
| 11 | 22,672         | 23,874         | 33,590         | 31,743         | 33,122         |
| 12 |                |                |                |                |                |
| 13 | (5,265)        | (5,592)        | (8,315)        | (7,079)        | (8,910)        |
| 14 | 94,228         | 99,837         | 146,632        | 125,389        | 156,817        |
| 15 |                |                |                |                |                |
| 16 |                |                |                |                |                |
| 17 | 112,880        | 112,880        | 112,880        | 112,880        | 112,880        |
| 19 | 0              | 0              | 0              | 0              | 0              |
| 20 | 0              | 0              | 0              | 0              | 0              |
| 22 | 0              | 340            | 0              | 340            | 0              |
| 23 | 6,500          | 0              | 0              | 0              | 0              |
| 24 | 0              | 0              | 0              | 0              | 0              |
| 25 | 800            | 800            | 800            | 800            | 800            |
| 26 | 214,408        | 213,857        | 260,312        | 239,409        | 270,497        |
| 27 |                |                |                |                |                |
| 28 |                |                |                |                |                |
| 29 | 1,107          | 2,102          | 18,015         | 500            | 200            |
| 30 | 594            | 693            | 1,072          | 1,000          | 300            |
| 32 | 2,542          | 3,015          | 4,363          | 15,277         | 2,000          |
| 34 | 151            | 889            | 1,046          | 12,132         | 490            |
| 35 | 311            | 416            | 2,063          | 2,597          | 523            |
| 36 | 4,705          | 7,114          | 26,558         | 31,506         | 3,513          |
| 37 |                |                |                |                |                |
| 38 |                |                |                |                |                |
| 39 | 14,270         | 14,270         | 14,270         | 14,270         | 14,270         |
| 40 | 3,330          | 3,330          | 3,330          | 3,330          | 3,330          |
| 41 | 27,825         | 27,825         | 27,825         | 27,825         | 27,825         |
| 45 | 45,425         | 45,425         | 45,425         | 45,425         | 45,425         |
| 46 |                |                |                |                |                |
| 47 |                |                |                |                |                |
| 51 | 0              | 0              | 0              | 0              | 0              |
| 52 | 0              | 0              | 0              | 0              | 0              |
| 56 | 3              | 2              | 16             | 2              | 16             |
| 57 | 3              | 2              | 16             | 2              | 16             |
| 58 |                |                |                |                |                |
| 59 | <u>264,542</u> | <u>266,398</u> | <u>332,311</u> | <u>316,342</u> | <u>319,451</u> |
| 60 |                |                |                |                |                |
| 61 |                |                |                |                |                |
| 62 | 0              | 0              | 0              | 0              | 0              |
| 64 |                |                |                |                |                |
| 65 | 0              | 0              | 0              | 0              | 0              |
| 66 | 0              | 0              | 0              | 0              | 0              |
| 67 |                |                |                |                |                |
| 68 | <b>264,542</b> | <b>266,398</b> | <b>332,311</b> | <b>316,342</b> | <b>319,451</b> |

|     | C  | D | BQ               | BR             | BS             | BT               | BU                |
|-----|--|---|------------------|----------------|----------------|------------------|-------------------|
| 1   | <b>BWD</b>   |   | 5/27/2015        |                |                |                  | <b>CASH FLOW</b>  |
| 2   | <b>CASH FLOW</b>                                       |   | ADOPTED          | ACTUAL         | PROJECTED      | ACTUAL           | YTD + PROJ MONTHS |
| 3   | <b>2015-2016</b>                                       |   | BUDGET           | JANUARY        | JAN            | YTD              | PROJECTED         |
| 4   |  |   | 2015-2016        | 2016           | 2016           | 2015-2016        | 2015-2016         |
| 69  | <b>EXPENSES</b>  |   |                  |                |                |                  |                   |
| 70  |  |   |                  |                |                |                  |                   |
| 71  | <b>MAINTENANCE EXPENSE</b>                             |   |                  |                |                |                  |                   |
| 72  | R & M Buildings & Equipment                            |   | 185,000          | 17,475         | 15,000         | 68,997           | 168,997           |
| 73  | R & M - WWTP   |   | 132,000          | 7,073          | 6,000          | 30,148           | 110,148           |
| 74  | Telemetry  |   | 10,000           | 2,372          | 0              | 8,082            | 12,371            |
| 75  | Trash Removal  |   | 4,000            | 287            | 350            | 2,069            | 3,819             |
| 76  | Vehicle Expense  |   | 18,000           | 1,526          | 1,500          | 17,030           | 24,530            |
| 77  | Fuel & Oil   |   | 25,000           | 338            | 2,000          | 13,325           | 23,325            |
| 78  | <b>TOTAL MAINTENANCE EXPENSE:</b>                      |   | <b>374,000</b>   | <b>29,071</b>  | <b>24,850</b>  | <b>139,651</b>   | <b>343,190</b>    |
| 79  |  |   |                  |                |                |                  |                   |
| 80  | <b>PROFESSIONAL SERVICES EXPENSE</b>                   |   |                  |                |                |                  |                   |
| 81  | Tax Accounting (Taussig)                               |   | 3,000            | 0              | 0              | 1,055            | 2,555             |
| 82  | Administrative Services (ADP/Bank Fees)                |   | 6,000            | 344            | 500            | 3,280            | 5,780             |
| 83  | Audit Fees   |   | 14,439           | 0              | 0              | 14,439           | 14,439            |
| 84  | Computer billing-TBD                                   |   | 9,900            | 0              | 825            | 3,380            | 7,505             |
| 85  | Consulting/Technical/Contract Labor                    |   | 1,200            | 0              | 100            | 50               | 550               |
| 86  | Engineering  |   | 35,000           | 1,144          | 3,000          | 44,834           | 59,834            |
| 87  | District Legal Services                                |   | 30,000           | 1,634          | 2,500          | 5,603            | 18,103            |
| 88  | Testing/lab work                                       |   | 12,000           | 2,035          | 1,000          | 5,986            | 10,986            |
| 89  | Regulatory Permit Fees                                 |   | 33,000           | 3,907          | 0              | 30,336           | 41,853            |
| 90  | <b>TOTAL PROFESSIONAL SERVICES EXPENSE:</b>            |   | <b>144,539</b>   | <b>9,064</b>   | <b>7,925</b>   | <b>108,962</b>   | <b>161,604</b>    |
| 91  |  |   |                  |                |                |                  |                   |
| 92  | <b>INSURANCE/DEBT EXPENSE</b>                          |   |                  |                |                |                  |                   |
| 93  | ACWA Insurance   |   | 59,000           | 0              | 0              | 24,670           | 59,670            |
| 94  | Workers Comp   |   | 16,000           | 0              | 0              | 8,303            | 16,303            |
| 95  | COP 2008 Installment                                   |   | 254,525          |                | 0              | 198,838          | 254,525           |
| 96  | Viking Ranch Debt Payment                              |   | 143,312          |                |                | 71,724           | 143,468           |
| 97  | <b>TOTAL INSURANCE/DEBT EXPENSE:</b>                   |   | <b>472,837</b>   | <b>0</b>       | <b>0</b>       | <b>303,534</b>   | <b>473,966</b>    |
| 98  |  |   |                  |                |                |                  |                   |
| 99  | <b>PERSONNEL EXPENSE</b>                               |   |                  |                |                |                  |                   |
| 100 | Board Meeting Expense (board stipend/board secretary)  |   | 16,500           | 495            | 1,500          | 6,245            | 13,745            |
| 101 | Salaries & Wages (gross)                               |   | 761,000          | 65,885         | 61,750         | 449,327          | 763,777           |
| 102 | Taxes on Payroll                                       |   | 20,000           | 6,424          | 5,000          | 13,853           | 22,733            |
| 103 | Medical Insurance Benefits                             |   | 185,000          | 19,333         | 17,200         | 138,810          | 207,610           |
| 104 | Calpers Retirement Benefits                            |   | 169,200          | 7,244          | 8,270          | 119,058          | 160,408           |
| 105 | Salaries & Wages contra account                        |   | (14,520)         | (4,202)        | (1,320)        | (11,196)         | (17,796)          |
| 106 | Conference/Conventions/Training/Seminars               |   | 7,000            | 700            | 48             | 6,373            | 8,489             |
| 107 | <b>TOTAL PERSONNEL EXPENSE:</b>                        |   | <b>1,144,180</b> | <b>95,880</b>  | <b>92,448</b>  | <b>722,469</b>   | <b>1,158,965</b>  |
| 108 |  |   |                  |                |                |                  |                   |
| 109 | <b>OFFICE EXPENSE</b>                                  |   |                  |                |                |                  |                   |
| 110 | Office Supplies  |   | 18,000           | 1,246          | 1,500          | 10,250           | 17,750            |
| 111 | Office Equipment/ Rental/Maintenance Agreements        |   | 25,000           | 1,810          | 1,665          | 15,493           | 24,545            |
| 112 | Postage & Freight                                      |   | 13,000           | 3              | 50             | 6,116            | 12,566            |
| 113 | Taxes on Property                                      |   | 2,500            | 0              | 0              | 2,388            | 2,388             |
| 114 | Telephone/Answering Service                            |   | 8,400            | 789            | 700            | 5,186            | 8,686             |
| 115 | Dues & Subscriptions                                   |   | 3,600            | 123            | 248            | 294              | 3,083             |
| 116 | Printing, Publications & Notices                       |   | 1,000            | 0              | 353            | 816              | 1,126             |
| 117 | Uniforms   |   | 5,400            | 370            | 450            | 3,104            | 5,354             |
| 118 | OSHA Requirements/Emergency preparedness               |   | 4,000            | 87             | 400            | 750              | 2,150             |
| 119 | <b>TOTAL OFFICE EXPENSE:</b>                           |   | <b>80,900</b>    | <b>4,429</b>   | <b>5,366</b>   | <b>44,396</b>    | <b>77,647</b>     |
| 120 |  |   |                  |                |                |                  |                   |
| 121 | <b>UTILITIES EXPENSE</b>                               |   |                  |                |                |                  |                   |
| 122 | Pumping-Electricity                                    |   | 430,000          | 23,849         | 27,000         | 205,099          | 351,286           |
| 123 | Office/Shop Utilities                                  |   | 19,000           | 1,445          | 1,543          | 16,191           | 22,332            |
| 124 | Cellular Phone   |   | 7,500            | 714            | 625            | 5,051            | 8,176             |
| 125 | <b>TOTAL UTILITIES EXPENSE:</b>                        |   | <b>456,500</b>   | <b>26,008</b>  | <b>29,168</b>  | <b>226,340</b>   | <b>381,793</b>    |
| 126 |  |   |                  |                |                |                  |                   |
| 127 | <b>TOTAL EXPENSES:</b>                                 |   | <b>2,672,956</b> | <b>164,451</b> | <b>159,757</b> | <b>1,545,353</b> | <b>2,597,165</b>  |
| 128 |  |   |                  |                |                |                  |                   |
| 129 | <b>CASH BASIS ADJUSTMENTS</b>                          |   |                  |                |                |                  |                   |
| 130 | Decrease (Increase) in Accounts Payable                |   |                  | 81,871         | 0              | 87,370           | 87,370            |
| 131 | Increase (Decrease) in Inventory                       |   |                  | 6,638          | 0              | 22,564           | 22,564            |
| 132 | Other Cash Basis Adjustments-Loss on water credit sold |   |                  |                | 0              | -                | 0                 |
| 133 | <b>TOTAL CASH BASIS ADJUSTMENTS:</b>                   |   |                  | <b>88,509</b>  | <b>0</b>       | <b>109,934</b>   | <b>109,934</b>    |
| 134 |  |   |                  |                |                |                  |                   |
| 135 | <b>TOTAL EXPENSES PAID:</b>                            |   | <b>2,672,956</b> | <b>252,960</b> | <b>159,757</b> | <b>1,655,288</b> | <b>2,707,099</b>  |
| 136 |  |   |                  |                |                |                  |                   |
| 137 | <b>NET CASH FLOW (O&amp;M)</b>                         |   | <b>1,129,758</b> | <b>117,514</b> | <b>214,495</b> | <b>571,780</b>   | <b>1,019,013</b>  |

|     | BV             | BW              | BX             | BY             | BZ             |
|-----|----------------|-----------------|----------------|----------------|----------------|
| 1   |                |                 |                |                |                |
| 2   | PROJECTED      | PROJECTED       | PROJECTED      | PROJECTED      | PROJECTED      |
| 3   | <b>FEB</b>     | <b>MARCH</b>    | <b>APRIL</b>   | <b>MAY</b>     | <b>JUNE</b>    |
| 4   | <b>2016</b>    | <b>2016</b>     | <b>2016</b>    | <b>2016</b>    | <b>2016</b>    |
| 69  |                |                 |                |                |                |
| 70  |                |                 |                |                |                |
| 71  |                |                 |                |                |                |
| 72  | 15,000         | 15,000          | 15,000         | 40,000         | 15,000         |
| 73  | 6,000          | 56,000          | 6,000          | 6,000          | 6,000          |
| 74  | 850            | 800             | 800            | 800            | 1,039          |
| 75  | 350            | 350             | 350            | 350            | 350            |
| 76  | 1,500          | 1,500           | 1,500          | 1,500          | 1,500          |
| 77  | 2,000          | 2,000           | 2,000          | 2,000          | 2,000          |
| 78  | 25,700         | 75,650          | 25,650         | 50,650         | 25,889         |
| 79  |                |                 |                |                |                |
| 80  |                |                 |                |                |                |
| 81  | 0              | 0               | 0              | 0              | 1,500          |
| 82  | 500            | 500             | 500            | 500            | 500            |
| 83  | 0              | 0               | 0              | 0              | 0              |
| 84  | 825            | 825             | 825            | 825            | 825            |
| 85  | 100            | 100             | 100            | 100            | 100            |
| 86  | 3,000          | 3,000           | 3,000          | 3,000          | 3,000          |
| 87  | 2,500          | 2,500           | 2,500          | 2,500          | 2,500          |
| 88  | 1,000          | 1,000           | 1,000          | 1,000          | 1,000          |
| 89  | 1,250          | 4,722           | 422            | 3,000          | 2,123          |
| 90  | 9,175          | 12,647          | 8,347          | 10,925         | 11,548         |
| 91  |                |                 |                |                |                |
| 92  |                |                 |                |                |                |
| 93  | 0              | 35,000          | 0              | 0              | 0              |
| 94  | 0              | 4,000           | 0              | 0              | 4,000          |
| 95  | 0              | 55,688          | 0              | 0              | 0              |
| 96  | 35,872         |                 |                | 35,872         |                |
| 97  | 35,872         | 94,688          | 0              | 35,872         | 4,000          |
| 98  |                |                 |                |                |                |
| 99  |                |                 |                |                |                |
| 100 | 1,500          | 1,500           | 1,500          | 1,500          | 1,500          |
| 101 | 61,750         | 64,650          | 61,750         | 63,150         | 63,150         |
| 102 | 2,390          | 1,078           | 1,612          | 2,200          | 1,600          |
| 103 | 17,200         | 17,200          | 17,200         | 17,200         | 0              |
| 104 | 8,270          | 8,270           | 8,270          | 8,270          | 8,270          |
| 105 | (1,320)        | (1,320)         | (1,320)        | (1,320)        | (1,320)        |
| 106 | 790            | 500             | 100            | 600            | 126            |
| 107 | 90,580         | 91,878          | 89,112         | 91,600         | 73,326         |
| 108 |                |                 |                |                |                |
| 109 |                |                 |                |                |                |
| 110 | 1,500          | 1,500           | 1,500          | 1,500          | 1,500          |
| 111 | 1,552          | 2,000           | 2,000          | 1,500          | 2,000          |
| 112 | 2,100          | 75              | 2,100          | 75             | 2,100          |
| 113 | 0              | 0               | 0              | 0              | 0              |
| 114 | 700            | 700             | 700            | 700            | 700            |
| 115 | 134            | 200             | 2,360          | 50             | 45             |
| 116 | 94             | 116             | 0              | 0              | 100            |
| 117 | 450            | 450             | 450            | 450            | 450            |
| 118 | 250            | 250             | 300            | 300            | 300            |
| 119 | 6,780          | 5,291           | 9,410          | 4,575          | 7,195          |
| 120 |                |                 |                |                |                |
| 121 |                |                 |                |                |                |
| 122 | 25,554         | 25,633          | 30,000         | 32,000         | 33,000         |
| 123 | 1,165          | 1,286           | 1,079          | 1,100          | 1,511          |
| 124 | 625            | 625             | 625            | 625            | 625            |
| 125 | 27,344         | 27,544          | 31,704         | 33,725         | 35,136         |
| 126 |                |                 |                |                |                |
| 127 | <u>195,451</u> | <u>307,697</u>  | <u>164,222</u> | <u>227,347</u> | <u>157,094</u> |
| 128 |                |                 |                |                |                |
| 129 |                |                 |                |                |                |
| 130 | 0              | 0               | 0              | 0              | 0              |
| 131 | 0              | 0               | 0              | 0              | 0              |
| 132 | 0              | 0               | 0              | 0              | 0              |
| 133 | 0              | 0               | 0              | 0              | 0              |
| 134 |                |                 |                |                |                |
| 135 | <u>195,451</u> | <u>307,697</u>  | <u>164,222</u> | <u>227,347</u> | <u>157,094</u> |
| 136 |                |                 |                |                |                |
| 137 | <u>69,091</u>  | <u>(41,299)</u> | <u>168,089</u> | <u>88,995</u>  | <u>162,357</u> |

|     | C  | D | BQ                 | BR                 | BS               | BT                  | BU                       |
|-----|--|---|--------------------|--------------------|------------------|---------------------|--------------------------|
| 1   | <b>BWD</b>   |   | 5/27/2015          |                    |                  |                     | <b>CASH FLOW</b>         |
| 2   | <b>CASH FLOW</b>   |   | <b>ADOPTED</b>     | <b>ACTUAL</b>      | <b>PROJECTED</b> | <b>ACTUAL</b>       | <b>YTD + PROJ MONTHS</b> |
| 3   | <b>2015-2016</b>   |   | <b>BUDGET</b>      | <b>JANUARY</b>     | <b>JAN</b>       | <b>YTD</b>          | <b>PROJECTED</b>         |
| 4   |  |   | <b>2015-2016</b>   | <b>2016</b>        | <b>2016</b>      | <b>2015-2016</b>    | <b>2015-2016</b>         |
| 138 | <b>NON O &amp; M EXPENSES</b>                                  |   |                    |                    |                  |                     |                          |
| 139 | <b>Water</b>   |   |                    |                    |                  |                     |                          |
| 140 | Twin Tanks, 1970's-inside coating (rescheduled into 2015-2016) |   | 125,000            |                    |                  | -                   | 125,000                  |
| 141 | Pickup   |   | 30,000             |                    |                  | 28,784              | 28,784                   |
| 142 | Backhoe  |   | 150,000            |                    |                  | -                   | 150,000                  |
| 143 | ID 5-5, 200 HP   |   | 10,000             |                    |                  | -                   | 0                        |
| 144 | Pipeline-Bending Elbow Road-Second Half/Circle J pipeline      |   | 55,590             | 7,137              |                  | 7,137               | 55,590                   |
| 146 | Pump and Cleaning Well ID4-4                                   |   | 70,000             |                    | 35,000           | -                   | 70,000                   |
| 147 | Booster Station Motors-Country Club & ID1 station 1 #2 30 hp   |   | 8,000              |                    |                  | 14,054              | 14,054                   |
| 149 | Air Quality Compliance-Wilcox Well                             |   | 37,000             |                    | 37,000           | -                   | 37,000                   |
| 152 | <b>Sewer</b>   |   |                    |                    |                  |                     |                          |
| 154 | WWTP-Portable engine driven trash pump/Backup generator        |   | 92,000             |                    |                  | -                   | 0                        |
| 156 | WWTP-Rehab grit chamber  |   | 6,000              |                    | 6,000            | -                   | 6,000                    |
| 158 | WWTP-Rehab Clarifier/pump/bearings                             |   | 66,500             |                    |                  | 6,709               | 66,500                   |
| 160 | WWTP-Solar Project   |   | 205,088            | 230                | 0                | 202,762             | 202,762                  |
| 164 | <b>GWM</b>   |   |                    |                    |                  |                     |                          |
| 166 | GWM -legal/Misc.-prop 1 grant/USGS                             |   | 60,000             | 2,419              | 5,000            | 45,014              | 70,014                   |
| 167 | District portion of GSP  |   | 80,000             |                    | 8,500            | 22,351              | 63,000                   |
| 174 | 218 Process  |   | 110,000            |                    | 17,000           | -                   | 88,000                   |
| 179 | <b>OTHER</b>   |   |                    |                    |                  |                     |                          |
| 183 | GPS Locating System  |   | 12,000             |                    | 12,000           | -                   | 0                        |
| 185 | New Computer for server and new Software system                |   | 85,500             | 232                | 5,720            | 90,166              | 93,026                   |
| 193 | New Scada System at WWTP/District                              |   |                    |                    |                  | 11,630              | 11,630                   |
| 194 | <b>TOTAL NON O&amp;M EXPENSES</b>                              |   | <b>1,202,678</b>   | <b>10,019</b>      | <b>126,220</b>   | <b>428,608</b>      | <b>1,081,361</b>         |
| 195 |  |   |                    |                    |                  |                     |                          |
| 196 | <b>CASH RECAP</b>  |   |                    |                    |                  |                     |                          |
| 197 | Cash beginning of period                                       |   | 2,611,448          | 2,888,066          | 2,888,066        | 2,852,387           | 2,852,387                |
| 198 | Net Cash Flow (O&M)  |   | 1,129,758          | 117,514            | 214,495          | 571,780             | 1,019,013                |
| 199 | Total Non O&M Expenses   |   | (1,202,678)        | (10,019)           | (126,220)        | (428,608)           | (1,081,361)              |
| 200 | <b>CASH AT END OF PERIOD</b>                                   |   | <b>2,538,528</b>   | <b>2,995,561</b>   | <b>2,976,341</b> | <b>2,995,561</b>    | <b>2,790,039</b>         |
| 201 |  |   |                    |                    |                  |                     |                          |
| 202 | <b>RESERVES</b>  |   |                    |                    |                  |                     |                          |
| 203 | Debt Reserves  |   | (400,000)          | (400,000)          | (400,000)        | (400,000)           | (400,000)                |
| 204 | Working Capital (4 months)                                     |   | (900,000)          | (900,000)          | (900,000)        | (900,000)           | (900,000)                |
| 206 | Contingency Reserves (10% O&M)                                 |   | (270,000)          | (270,000)          | (270,000)        | (270,000)           | (270,000)                |
| 207 | Rate Stabilization Reserves                                    |   | (480,000)          | (480,000)          | (480,000)        | (480,000)           | (480,000)                |
| 208 | Available for Emergency Reserves                               |   | 488,528            | 945,561            | 926,341          | 945,561             | 740,039                  |
| 209 | <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>         |
| 210 | <b>Emergency Reserves Deficit</b>                              |   | <b>(1,511,472)</b> | <b>(1,054,438)</b> | <b>(506,450)</b> | <b>(1,054,439)</b>  | <b>(1,259,961)</b>       |
| 211 |  |   |                    |                    |                  |                     |                          |
| 212 |  |   |                    |                    |                  |                     |                          |
| 213 | <b>SIGNIFICANT ITEMS</b>                                       |   |                    | <b>ACTUAL</b>      | <b>PROJECTED</b> |                     |                          |
| 214 |  |   |                    |                    |                  |                     |                          |
| 215 | Backflow Testing/installation                                  |   |                    | 0                  | 6,500            | Bill BF in February |                          |
| 216 | Non O & M Projects   |   |                    | 10,019             | 126,220          | Put off projects    |                          |
| 217 |  |   |                    |                    |                  |                     |                          |
| 218 |  |   |                    |                    |                  |                     |                          |
| 219 |  |   |                    |                    |                  |                     |                          |



|     | BV               | BW               | BX               | BY               | BZ               |
|-----|------------------|------------------|------------------|------------------|------------------|
| 1   |                  |                  |                  |                  |                  |
| 2   | PROJECTED        | PROJECTED        | PROJECTED        | PROJECTED        | PROJECTED        |
| 3   | <b>FEB</b>       | <b>MARCH</b>     | <b>APRIL</b>     | <b>MAY</b>       | <b>JUNE</b>      |
| 4   | <b>2016</b>      | <b>2016</b>      | <b>2016</b>      | <b>2016</b>      | <b>2016</b>      |
| 138 |                  |                  |                  |                  |                  |
| 139 |                  |                  |                  |                  |                  |
| 140 |                  |                  | 125,000          |                  |                  |
| 141 |                  |                  |                  |                  |                  |
| 142 |                  |                  |                  |                  | 150,000          |
| 143 |                  |                  |                  |                  |                  |
| 144 |                  | 20,590           | 27,863           |                  |                  |
| 146 |                  | 35,000           |                  | 35,000           |                  |
| 147 |                  |                  |                  |                  |                  |
| 149 |                  |                  | 37,000           |                  |                  |
| 152 |                  |                  |                  |                  |                  |
| 154 |                  |                  |                  |                  |                  |
| 156 |                  |                  | 6,000            |                  |                  |
| 158 |                  | 6,500            | 20,000           |                  | 33,291           |
| 160 |                  |                  |                  |                  |                  |
| 164 |                  |                  |                  |                  |                  |
| 166 | 5,000            | 5,000            | 5,000            | 5,000            | 5,000            |
| 167 | 8,500            | 8,500            | 8,500            | 7,500            | 7,649            |
| 174 | 17,000           | 17,000           | 18,000           | 18,000           | 18,000           |
| 179 |                  |                  |                  |                  |                  |
| 183 |                  |                  |                  |                  |                  |
| 185 | 2,860            |                  |                  |                  |                  |
| 193 |                  |                  |                  |                  |                  |
| 194 | <b>33,360</b>    | <b>92,590</b>    | <b>247,363</b>   | <b>65,500</b>    | <b>213,940</b>   |
| 195 |                  |                  |                  |                  |                  |
| 196 |                  |                  |                  |                  |                  |
| 197 | 2,995,561        | 3,031,292        | 2,897,403        | 2,818,129        | 2,841,624        |
| 198 | 69,091           | (41,299)         | 168,089          | 88,995           | 162,357          |
| 199 | (33,360)         | (92,590)         | (247,363)        | (65,500)         | (213,940)        |
| 200 | 3,031,292        | 2,897,403        | 2,818,129        | 2,841,624        | 2,790,039        |
| 201 |                  |                  |                  |                  |                  |
| 202 |                  |                  |                  |                  |                  |
| 203 | (400,000)        | (400,000)        | (400,000)        | (400,000)        | (400,000)        |
| 204 | (900,000)        | (900,000)        | (900,000)        | (900,000)        | (900,000)        |
| 206 | (270,000)        | (270,000)        | (270,000)        | (270,000)        | (270,000)        |
| 207 | (480,000)        | (480,000)        | (480,000)        | (480,000)        | (480,000)        |
| 208 | 981,292          | 847,403          | 768,129          | 791,624          | 740,039          |
| 209 | <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> |
| 210 | (401,877)        | (575,451)        | (1,231,871)      | (1,208,376)      | (1,259,961)      |
| 211 |                  |                  |                  |                  |                  |
| 212 |                  |                  |                  |                  |                  |
| 213 |                  |                  |                  |                  |                  |
| 214 |                  |                  |                  |                  |                  |
| 215 |                  |                  |                  |                  |                  |
| 216 |                  |                  |                  |                  |                  |
| 217 |                  |                  |                  |                  |                  |
| 218 |                  |                  |                  |                  |                  |
| 219 |                  |                  |                  |                  |                  |





# BORREGO WATER DISTRICT

|  | BALANCE SHEET<br>January 31, 2016<br>(unaudited) |                      | BALANCE SHEET<br>December 31, 2015<br>(unaudited) |                      | MONTHLY<br>CHANGE<br>(unaudited) |
|--|--|----------------------|---|----------------------|----------------------------------|
| <b>ASSETS:</b>   |  |                      |   |                      |                                  |
| <b>CURRENT ASSETS</b>                                  |  |                      |   |                      |                                  |
| Cash and cash equivalents                              | \$   | 2,995,560.87         | \$  | 2,888,065.85         | \$ 107,495.02                    |
| Accounts receivable from water sales and sewer charges | \$   | 318,164.84           | \$  | 337,138.22           | \$ (18,973.38)                   |
| Inventory  | \$   | 135,275.16           | \$  | 128,636.99           | \$ 6,638.17                      |
| Prepaid expenses                                       | \$   | 33,692.09            | \$  | 33,692.09            | \$ -                             |
| <b>TOTAL CURRENT ASSETS</b>                            | <b>\$</b>  | <b>3,482,692.96</b>  | <b>\$</b>   | <b>3,387,533.15</b>  | <b>\$ 95,159.81</b>              |
| <b>RESTRICTED ASSETS</b>                               |  |                      |   |                      |                                  |
| Debt Service:  |  |                      |   |                      |                                  |
| Deferred amount of COP Refunding                       | \$   | 122,550.33           | \$  | 122,550.33           | \$ -                             |
| Unamortized bond issue costs                           | \$   | 85,965.97            | \$  | 85,965.97            | \$ -                             |
| Viking Ranch Refinance issue costs                     | \$   | 56,000.00            | \$  | 56,000.00            | \$ -                             |
| Deferred Outflow of Resources-calPERS                  | \$   | 138,759.00           | \$  | 138,759.00           | \$ -                             |
| Total Debt service                                     | \$   | 403,275.30           | \$  | 403,275.30           | \$ -                             |
| Trust fund:  |  |                      |   |                      |                                  |
| Investments with fiscal agent -CFD 2007-1              | \$   | 136,930.49           | \$  | 95,525.45            | \$ 41,405.04                     |
| Total Trust fund                                       | \$   | 136,930.49           | \$  | 95,525.45            | \$ 41,405.04                     |
| <b>TOTAL RESTRICTED ASSETS</b>                         | <b>\$</b>  | <b>540,205.79</b>    | <b>\$</b>   | <b>498,800.75</b>    |                                  |
| <b>UTILITY PLANT IN SERVICE</b>                        |  |                      |   |                      |                                  |
| Land   | \$   | 2,321,191.65         | \$  | 2,321,191.65         | \$ -                             |
| Flood Control Facilities                               | \$   | 4,319,603.58         | \$  | 4,319,603.58         | \$ -                             |
| Capital Improvement Projects                           | \$   | 574,177.51           | \$  | 566,578.26           | \$ 7,599.25                      |
| Sewer Facilities                                       | \$   | 5,533,268.63         | \$  | 5,533,268.63         | \$ -                             |
| Water facilities                                       | \$   | 10,620,984.07        | \$  | 10,620,984.07        | \$ -                             |
| Pipelines,wells and tanks                              | \$   | 151,699.02           | \$  | 151,699.02           | \$ -                             |
| General facilities                                     | \$   | 1,006,881.13         | \$  | 1,006,881.13         | \$ -                             |
| Equipment and furniture                                | \$   | 323,763.86           | \$  | 323,763.86           | \$ -                             |
| Vehicles   | \$   | 591,420.89           | \$  | 591,420.89           | \$ -                             |
| Accumulated depreciation                               | \$   | (11,581,213.50)      | \$  | (11,581,213.50)      | \$ -                             |
| <b>NET UTILITY PLANT IN SERVICE</b>                    | <b>\$</b>  | <b>13,861,776.84</b> | <b>\$</b>   | <b>13,854,177.59</b> | <b>\$ 7,599.25</b>               |
| <b>OTHER ASSETS</b>                                    |  |                      |   |                      |                                  |
| Water rights -ID4                                      | \$   | 185,000.00           | \$  | 185,000.00           | \$ -                             |
| <b>TOTAL OTHER ASSETS</b>                              | <b>\$</b>  | <b>185,000.00</b>    | <b>\$</b>   | <b>185,000.00</b>    |                                  |
| <b>TOTAL ASSETS</b>                                    | <b>\$</b>  | <b>18,069,675.59</b> | <b>\$</b>   | <b>17,925,511.49</b> | <b>\$ 144,164.10</b>             |

Balance sheet continued

|   | BALANCE SHEET<br>January 31, 2016<br>(unaudited) | BALANCE SHEET<br>December 31, 2015<br>(unaudited) | MONTHLY<br>CHANGE<br>(unaudited) |
|---|--|---|----------------------------------|
| <b>LIABILITIES:</b>   |  |   |                                  |
| <b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>              |  |   |                                  |
| Accounts Payable  | \$ 72,520.42                                     | \$ 154,391.52                                     | \$ (81,871.10)                   |
| Accrued expenses  | \$ 113,983.36                                    | \$ 113,983.36                                     | \$ -                             |
| Deposits  | \$ 23,793.75                                     | \$ 22,943.75                                      | \$ 850.00                        |
| <b>TOTAL CURRENT LIABILITIES PAYABLE<br/>FROM CURRENT ASSETS</b>    | <b>\$ 210,297.53</b>                             | <b>\$ 291,318.63</b>                              | <b>\$ (81,021.10)</b>            |
| <b>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</b>            |  |   |                                  |
| Debt Service:   |  |   |                                  |
| Accounts Payable to CFD 2007-1                                      | \$ 136,930.49                                    | \$ 95,525.45                                      | \$ 41,405.04                     |
| Tier 2 Rate Refund Payable  | \$ 124,135.84                                    | \$ 131,512.67                                     | \$ (7,376.83)                    |
| <b>TOTAL CURRENT LIABILITIES PAYABLE<br/>FROM RESTRICTED ASSETS</b> | <b>\$ 261,066.33</b>                             | <b>\$ 227,038.12</b>                              | <b>\$ 34,028.21</b>              |
| <b>LONG TERM LIABILITIES</b>  |  |   |                                  |
| 2008 Certificates of participation                                  | \$ 2,475,000.00                                  | \$ 2,475,000.00                                   | \$ -                             |
| BBVA Compass Bank Loan  | \$ 1,082,237.81                                  | \$ 1,082,237.81                                   | \$ -                             |
| Net Pension Liability-calPERS                                       | \$ 699,055.00                                    | \$ 699,055.00                                     | \$ -                             |
| Deferred Inflow of Resources-calPERS                                | \$ 160,113.00                                    | \$ 160,113.00                                     | \$ -                             |
| <b>TOTAL LONG TERM LIABILITIES</b>                                  | <b>\$ 4,416,405.81</b>                           | <b>\$ 4,416,405.81</b>                            | <b>\$ -</b>                      |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 4,887,769.67</b>                           | <b>\$ 4,934,762.56</b>                            | <b>\$ (46,992.89)</b>            |
| <b>FUND EQUITY</b>  |  |   |                                  |
| Contributed equity  | \$ 9,611,814.35                                  | \$ 9,611,814.35                                   | \$ -                             |
| Retained Earnings:  |  |   |                                  |
| Unrestricted Reserves/Retained Earnings                             | \$ 3,570,091.57                                  | \$ 3,378,934.58                                   | \$ 191,156.99                    |
| Total retained earnings   | \$ 3,570,091.57                                  | \$ 3,378,934.58                                   | \$ 191,156.99                    |
| <b>TOTAL FUND EQUITY</b>  | <b>\$ 13,181,905.92</b>                          | <b>\$ 12,990,748.93</b>                           | <b>\$ 191,156.99</b>             |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>                            | <b>\$ 18,069,675.59</b>                          | <b>\$ 17,925,511.49</b>                           | <b>\$ 144,164.10</b>             |



# BORREGO WATER DISTRICT

## TREASURER'S REPORT JANUARY, 2016

| Bank<br>Balance | Carrying<br>Value | Fair<br>Value | % of Portfolio    |                     |          |  | Valuation<br>Source |
|-----------------|-------------------|---------------|-------------------|---------------------|----------|--|---------------------|
|                 |                   |               | Current<br>Actual | Rate of<br>Interest | Maturity |  |                     |

### Cash and Cash Equivalents:

Demand Accounts at WFB/UB/LAIF

|  |                     |                     |                     |                |       |     |      |
|--|---------------------|---------------------|---------------------|----------------|-------|-----|------|
| WFB/UB General Account/Petty Cash      | \$ 2,952,106        | \$ 2,893,993        | \$ 2,893,993        | 96.61%         | 0.00% | N/A | UB   |
| Payroll Account                        | \$ 82,504           | \$ 80,569           | \$ 80,569           | 2.69%          | 0.00% | N/A | UB   |
| LAIF                                   | \$ 20,999           | \$ 20,999           | \$ 20,999           | 0.70%          | 0.22% | N/A | LAIF |
| <b>Total Cash and Cash Equivalents</b> | <b>\$ 3,055,609</b> | <b>\$ 2,995,561</b> | <b>\$ 2,995,561</b> | <b>100.00%</b> |       |     |      |

### Facilities District No. 2007-1

|   |                     |                     |                     |  |  |  |  |
|---|---------------------|---------------------|---------------------|--|--|--|--|
| First American Treas Obligation -US BANK              | \$ 136,930          | \$ 136,930          | \$ 136,930          |  |  |  |  |
| <b>Total Cash, Cash Equivalents &amp; Investments</b> | <b>\$ 3,192,539</b> | <b>\$ 3,132,491</b> | <b>\$ 3,132,491</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 January, 2016

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**Vendor disbursements paid during this period:** **\$ 125,309.70**

Significant items:

|                          |              |
|--------------------------|--------------|
| San Diego Gas & Electric | \$ 24,598.91 |
| CalPERS Payments         | \$ 4,883.13  |
| Medical Health Benefits  | \$ 20,734.26 |

**Capital Projects/Fixed Asset Outlays:**

|  |             |
|--|-------------|
| Pacific Pipe-Circle J pipeline project | \$ 5,801.06 |
|--|-------------|

**Total Professional Services for this Period:**

|                                  |               |             |
|----------------------------------|---------------|-------------|
| McDougal, Love, Eckis, Attorneys | Legal-general | \$ 1,633.50 |
| Downey Brand, Attorneys          | GWM           | \$ 2,369.50 |
| Raftelis                         | Rate Study    | \$ 5,537.50 |

**Payroll for this Period:**

|                                    |                     |
|------------------------------------|---------------------|
| Gross Payroll                      | \$ 65,885.42        |
| Employer Payroll Taxes and ADP Fee | \$ 5,183.36         |
| <b>Total</b>                       | <b>\$ 71,068.78</b> |

BORREGO WATER DISTRICT  
FOR BOARD CONSIDERATION AND APPROVAL  
JANUARY 31, 2016

GENERAL ACCOUNT

| CHECK# | DATE     | PAYEE & DESCRIPTION  | AMOUNT    |
|--------|----------|--|-----------|
| 30322  | 02/10/16 | U.S.BANK CORPORATE PAYMENT SYS<br>SEE INVOICE FOR DETAILS<br>SEE INVOICE FOR DETAILS   | 2,428.32  |
| 30323  | 02/10/16 | CB&T ACWA-JPIA<br>MEDICAL COVERAGE FOR FEBRUARY  | 20,734.26 |
| 30297  | 01/26/16 | AFLAC<br>EMPLOYEE PAID SUPPLEMENTAL INS  | 1,834.90  |
| 30306  | 02/04/16 | ALEX SHACHNOWICH<br>TIER 2 REFUND  | 698.24    |
| 30324  | 02/10/16 | AMERICAN LINEN INC.<br>UNIFORMS FOR CREW   | 369.81    |
| 30325  | 02/10/16 | AT CONFERENCE<br>CONFERENCE CALLS  | 54.25     |
| 30326  | 02/10/16 | AT&T MOBILITY<br>CELL PHONES FOR CREW  | 600.22    |
| 30327  | 02/10/16 | AT&T-CALNET 2<br>PHONES, OFFICE, WWTP, SHOP  | 344.49    |
| 30328  | 02/10/16 | AUTOMATED WATER TREATMENT<br>CALCIUM HYPOCHLORITE TABLETS  | 11,298.12 |
| 30329  | 02/10/16 | BORREGO SPRINGS BOTTLED WATER<br>WATER FOR CREW  | 8.00      |
| 30330  | 02/10/16 | BUD PEREZ<br>REIMBURSE FOR WORK BOOT   | 86.78     |
| 30331  | 02/10/16 | PUBLIC EMP'S RETIREMENT SYSTEM<br>RETIREMENT BENEFITS  | 4,883.13  |
| 30307  | 02/04/16 | CHARLES STEIDTMANN<br>TIER 2 REFUND  | 679.36    |
| 30332  | 02/10/16 | CMS BUSINESS FORMS, INC.<br>WINDOW ENVELOPES   | 558.87    |
| 30333  | 02/10/16 | CONTRON<br>SCADA SERVICES AT RHWTF<br>SCADA SERVICES AT RHWTF ID4<br>AND WATER   | 2,371.91  |
| 30334  | 02/10/16 | CORRPRO COMPANIES<br>CATHODIC PROTECTION FOR RAMS<br>HILL #1 RESERVOIR<br>ANNUAL SERVICE                                       | 775.00    |
| 30298  | 01/26/16 | COUNTY OF SAN DIEGO<br>PERMIT DEH2015-HUPFP-001989<br>2/26/2016 - 2/28/2017  | 292.00    |
| 30308  | 02/04/16 | DANA AND PEGGY SKULSKY<br>TIER 2 REFUND  | 52.30     |
| 30335  | 02/10/16 | DE ANZA READY MIX<br>CONCRETE PAD FOR NEW GENERATOR<br>AT THE LIFT STATION (TCS)<br>KICKER FOR HYDRANT ON CIRCLE<br>J PIPELINE | 1,004.16  |
| 30336  | 02/10/16 | JAMES G HORMUTH/DBA TRUE VALUE<br>SEE INVOICE FOR DETAILS  | 143.55    |
| 30299  | 01/26/16 | DOWNEY BRAND   |           |

BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2016

| CHECK# | DATE     | PAYEE & DESCRIPTION   | AMOUNT   |
|--------|----------|---|----------|
| 30337  | 02/10/16 | PROFESSIONAL SERVICES<br>E.S. BABCOCK & SONS, INC.  | 2,369.50 |
| 30338  | 02/10/16 | WATER SAMPLES JAN AND FEB<br>EMPIRE SOUTHWEST<br>350 KW GENERATOR C15 MAINTENAN<br>AGREEMENT                          | 2,005.00 |
| 30339  | 02/10/16 | GREEN DESERT LANDSCAPE<br>MANAGEMENT FEE CLUB CIRCLE JAN  | 2,401.00 |
| 30309  | 02/04/16 | HAROLD COHEN<br>TIER 2 REFUND   | 4,770.00 |
| 30340  | 02/10/16 | HIDDEN VALLEY PUMP SYSTEMS INC<br>REPLACE STEP DOWN TRANSFORMER<br>AT ID-1 WELL 8                                     | 88.76    |
| 30341  | 02/10/16 | HOME DEPOT CREDIT SERVICES<br>SEE INVOICE FOR DETAILS   | 615.84   |
| 30310  | 02/04/16 | JACK LAUGHLIN<br>TIER 2 REFUND  | 223.19   |
| 30311  | 02/04/16 | JAMES MELVIN<br>TIER 2 REFUND   | 49.65    |
| 30342  | 02/10/16 | JC LABS & MONITORING SERVICE<br>WASTEWATER CONSULTING SERVICES  | 73.08    |
| 30312  | 02/04/16 | JOHN DELANEY<br>TIER 2 REFUND   | 1,500.00 |
| 30313  | 02/04/16 | JOHN RUDDLEY<br>TIER 2 REFUND   | 24.36    |
| 30343  | 02/10/16 | KENNY STRICKLAND, INC.<br>FUEL FOR DISTRICT VEHICLES  | 3,874.30 |
| 30314  | 02/04/16 | LINDA HOPPE<br>TIER 2 REFUND  | 338.18   |
| 30315  | 02/04/16 | LUCY SCHAACK<br>TIER 2 REFUND   | 203.00   |
| 30316  | 02/04/16 | MARGARET LACEY SCHNEIDER<br>TIER 2 REFUND   | 43.61    |
| 30300  | 01/26/16 | McCALLS METERS, INC<br>2" METERS INVENTORY  | 641.36   |
| 30301  | 01/26/16 | McDOUGAL LOVE ECKIS<br>PROFESSIONAL SERVICES  | 3,537.01 |
| 30317  | 02/04/16 | MILTON CALDWELL<br>TIER 2 REFUND  | 1,633.50 |
| 30318  | 02/04/16 | MONICA HERRLIN<br>TIER 2 REFUND   | 122.64   |
| 30344  | 02/10/16 | MRC SMART TECHNOLOGY SOLUTIONS<br>COPIER USAGE  | 9.28     |
| 30345  | 02/10/16 | NAPA AUTO PARTS INC<br>MISC AUTO PARTS  | 330.74   |
| 30302  | 01/26/16 | PACIFIC PIPELINE SUPPLY INC<br>INVENTORY SPARE PARTS<br>PIPELINE IMPROVEMENT MATERIALS<br>CIRCLE J PROJECT ID4        | 66.42    |
| 30346  | 02/10/16 | PACIFIC PIPELINE SUPPLY INC<br>REPAIR CLAMPS AND FITTINGS FOR<br>SEWER PLANT INVENTORY<br>1-1/2" BRASS VALVE FOR WWTP | 5,801.06 |
| 30291  | 01/21/16 | CASH  | 706.70   |



BORREGO WATER DISTRICT  
 FOR BOARD CONSIDERATION AND APPROVAL  
 JANUARY 31, 2016

| CHECK# | DATE     | PAYEE & DESCRIPTION  | AMOUNT     |
|--------|----------|--|------------|
| 30347  | 02/10/16 | REIMBURSE PETTY CASH<br>QUILL CORPORATION                                    | 300.00     |
| 30292  | 01/21/16 | OFFICE SUPPLIES<br>RAFTELIS FINANCIAL  | 345.35     |
| 30348  | 02/10/16 | PROFESSIONAL SERVICES<br>FINANCIAL PLANNING STUDY<br>RAMONA DISPOSAL SERVICE | 5,537.50   |
| 30319  | 02/04/16 | TRASH SERVICE OFFICE/SHOP<br>WASTE REMOVAL CLUB CIRCLE<br>TRASH REMOVAL WWTP | 3,184.50   |
| 30320  | 02/04/16 | RICHARD RUSSELL<br>TIER 2 REFUND   | 86.14      |
| 30303  | 01/26/16 | ROBERT PHILLIPS<br>TIER 2 REFUND   | 581.23     |
| 30321  | 02/04/16 | SAN DIEGO GAS & ELECTRIC<br>ELECTRICITY CHARGES                              | 24,598.91  |
| 30293  | 01/21/16 | SEAN TILLEMA<br>TIER 2 REFUND  | 149.52     |
| 30349  | 02/10/16 | STATE WATER RESOURCE CONTROL<br>GRADE 3 CERTIFICATION                        | 300.00     |
| 30294  | 01/21/16 | STATE WATER RESOURCE CONTROL<br>GRADE 3 EXAM CODY COX                        | 50.00      |
| 30304  | 01/26/16 | SUNSET ELECTRIC POWER<br>SERVICE AND REPAIR CLA-VAL<br>ID1 -WELL 12          | 1,963.84   |
| 30305  | 01/26/16 | TEMECULA VALLEY PIPE & SUPPLY<br>WELL 12 AUTOMATIC CONTROL<br>VALVE PARTS    | 3,868.13   |
| 30350  | 02/10/16 | THOMSON REUTERS/WEST<br>CA CODE 2016 2ND HALF                                | 52.93      |
| 30351  | 02/10/16 | TROY DEPRIEST<br>REIMBURSEMENT FOR D3 EXAM AND<br>LICENSE                    | 190.00     |
| 30352  | 02/10/16 | UNDERGROUND SERVICE ALERT<br>DIG ALERTS                                      | 9.00       |
| 30353  | 02/10/16 | VERIZON WIRELESS<br>EMERGENCY CELL PHONE                                     | 114.25     |
| 30296  | 01/21/16 | WILLOW INDUSTRIES, LLC<br>BIOLOGIC FOR ODOR CONTROL                          | 2,632.55   |
|        |          | WQI<br>SEMINAR FOR WASTEWATER TRAININ  | 700.00     |
|        |          | TOTAL  | 125,309.70 |

**GROUNDWATER MANAGEMENT**  
**Accounting-FY 2016**  
01-5480

| MONTH        | DOWNEY BRAND    | UC REGENTS       | CONFERENCE/ AT CONF/MEALS | USGS            | RAFTELIS        | DUDEK            | WENDY QUINN MINUTES | MONTHLY TOTAL    | FYE 2016 TOTAL   |
|--------------|-----------------|------------------|---------------------------|-----------------|-----------------|------------------|---------------------|------------------|------------------|
| Jul-15       | 534.95          | 15,000.00        |                           |                 |                 |                  |                     | 15,534.95        | 15,534.95        |
| Aug-15       |                 |                  | 8.31                      |                 |                 |                  |                     | 8.31             | 15,543.26        |
| Sep-15       | 1,312.50        |                  | 50.36                     |                 |                 |                  |                     | 1,362.86         | 16,906.12        |
| Oct-15       | 1,900.67        |                  | 211.59                    | 4,426.18        |                 |                  |                     | 6,538.44         | 23,444.56        |
| Nov-15       | 450.00          |                  | 6.94                      |                 | 5,375.00        | 16,976.40        |                     | 22,808.34        | 46,252.90        |
| Dec-15       | 1,462.50        |                  | 27.96                     |                 |                 | 14,285.00        | 80.00               | 15,855.46        | 62,108.36        |
| Jan-16       | 2,369.50        |                  | 49.99                     |                 |                 |                  |                     | 2,419.49         | 64,527.85        |
| Feb-16       |                 |                  |                           |                 |                 |                  |                     | -                |                  |
| Mar-16       |                 |                  |                           |                 |                 |                  |                     | -                |                  |
| Apr-16       |                 |                  |                           |                 |                 |                  |                     | -                |                  |
| May-16       |                 |                  |                           |                 |                 |                  |                     | -                |                  |
| Jun-16       |                 |                  |                           |                 |                 |                  |                     | -                |                  |
| <b>Total</b> | <u>8,030.12</u> | <u>15,000.00</u> | <u>355.15</u>             | <u>4,426.18</u> | <u>5,375.00</u> | <u>31,261.40</u> | <u>80.00</u>        | <u>64,527.85</u> | <u>64,527.85</u> |

# **Borrego Water District Management Report – February 2016**

*By: Jerry Rolwing*

## **FEDERAL LEVEL**

No recent activity.

## **STATE LEVEL**

The draft Emergency Regulations for Groundwater Sustainability Plans and Alternatives has been posted on the Department of Water Resources website. The link is:

<http://www.water.ca.gov/groundwater/sgm/gsp.cfm>

## **COUNTY LEVEL**

Work progresses with Department of Planning and Development Services on the creation of a memorandum of understanding as we move towards becoming a Groundwater Sustainability Agency.

I received a call from Sheryl Landrum from the Resource Conservation District of Greater San Diego County (RCD). The RCD helped us out several years ago as we created the Anza Borrego Desert Integrated Regional Water Management Program. Since we were unsuccessful in acquiring grants to build a Plan, this process has been on hold. Ms. Landrum recently read the article published in the San Diego Union-Tribune and has asked what they can do to assist. One area that will need attention as we move forward is the fallowing of farmland. I will keep in contact with the RCD for input on this issue. Our thanks go out Ms. Landrum for the thoughtful consideration.

## **DISTRICT LEVEL**

A new generator was purchased for the sewer lift station located on Borrego Valley Road. The existing backup power supply was not adequate to run the pumps in an emergency situation. It is a requirement by the Regional Water Quality Control Board that we have a backup power supply. Permitting has been completed with the San Diego Air Pollution Control District and the new unit arrived on February 18th.

On February 17th and 18th I attended a conference sponsored by the American Groundwater Trust in Ontario, CA. The conference focused on the Sustainable Groundwater Management Act (SGMA), as well as water quality and reports on governmental issues. A report on this conference will follow.



# BORREGO WATER DISTRICT

## WATER PRODUCTION SUMMARY JANUARY 2016

| DATE                | ID-1          | ID-3         | ID-4           | DISTRICT-WIDE TOTALS |
|---------------------|---------------|--------------|----------------|----------------------|
| 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               |
| Jul-15              | 29.94         | 10.04        | 108.89         | 148.87               |
| Aug-15              | 28.19         | 8.51         | 113.56         | 150.26               |
| Sep-15              | 29.17         | 9.63         | 132.98         | 171.78               |
| Oct-15              | 32.88         | 9.23         | 117.32         | 159.43               |
| Nov-15              | 25.27         | 8.24         | 113.84         | 147.35               |
| Dec-15              | 17.25         | 7.39         | 99.01          | 123.65               |
| Jan-16              | 13.70         | 7.25         | 72.07          | 93.02                |
| <b>12 Mo. TOTAL</b> | <b>309.79</b> | <b>96.98</b> | <b>1280.99</b> | <b>1687.76</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 (%)

**PROGRAM DID NOT CALCULATE WATER LOSS FOR JANUARY IN TIME FOR THIS REPORT**

| DATE                  | ID-1        | ID-3        | ID-4         | ID-5       | DISTRICT-WIDE AVERAGE |
|-----------------------|-------------|-------------|--------------|------------|-----------------------|
| Jan-16                | 8.01        | 3.31        | 18.51        | N/A        | 9.94                  |
| <b>12 Mo. Average</b> | <b>5.33</b> | <b>1.99</b> | <b>16.32</b> | <b>N/A</b> | <b>7.88</b>           |



# **BORREGO WATER DISTRICT**

**January 2016**

## **WATER OPERATIONS REPORT**

| <b>WELL</b> | <b>TYPE</b> | <b>FLOW RATE</b> | <b>STATUS</b> | <b>COMMENT</b>                        |
|-------------|-------------|------------------|---------------|---------------------------------------|
| 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        |                                       |
| ID4-11      | 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. Layfield is still in the process of completing repair on the 800 Tank.

## **WASTEWATER OPERATIONS REPORT**

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

**Average flow:** 91,057 (gallons per day)

**Peak flow:** 121,702 gpd Friday January 1, 2016

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 1  
 Month of January 2016

| ----- Water Production (Acre Feet) ----- |        |        |        |         |         |         |           |           |           |
|--|--------|--------|--------|---------|---------|---------|-----------|-----------|-----------|
| Date                                     | Well 1 | Well 2 | Well 8 | Well 10 | Well 12 | Well 16 | -Wells1&2 | =TotProdn | LessID3&4 |
| -----                                    | -----  | -----  | -----  | -----   | -----   | -----   | -----     | -----     | -----     |
| 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     |
| JUL'15                                   | 31.62  | 0.00   | 0.02   | 0.00    | 27.10   | 12.86   | 31.62     | 39.98     | 29.94     |
| AUG'15                                   | 29.12  | 0.00   | 8.17   | 2.56    | 18.88   | 7.09    | 29.12     | 36.70     | 28.19     |
| SEP'15                                   | 26.32  | 0.00   | 17.31  | 8.03    | 8.96    | 4.50    | 26.32     | 38.80     | 29.17     |
| OCT'15                                   | 22.39  | 0.00   | 0.03   | 3.93    | 24.16   | 13.99   | 22.39     | 42.11     | 32.88     |
| NOV'15                                   | 10.12  | 12.75  | 0.05   | 10.48   | 21.01   | 1.97    | 22.87     | 33.51     | 25.27     |
| DEC'15                                   | 9.77   | 10.22  | 0.02   | 7.65    | 16.96   | 0.01    | 19.99     | 24.64     | 17.25     |
| JAN'16                                   | 1.88   | 1.37   | 1.36   | 6.34    | 12.20   | 1.05    | 3.25      | 20.95     | 13.70     |
| TOTALS                                   | 261.98 | 65.61  | 31.72  | 44.68   | 215.06  | 115.31  | 327.59    | 406.77    | 309.79    |

| ----- Water Use (Acre Feet) ----- |          |           |           |             |                |       |       |        |            |        |
|-----------------------------------|----------|-----------|-----------|-------------|----------------|-------|-------|--------|------------|--------|
| Date                              | Domestic | Irrigat'n | Constrt'n | Golf Course | Golf Spare Cap | ID 3  | ID 4  | Total  | Water Loss | % Loss |
| -----                             | -----    | -----     | -----     | -----       | -----          | ----- | ----- | -----  | -----      | -----  |
| JAN'15                            | 7.85     | 6.82      | 0.00      | 0.00        | 17.00          | 6.38  | 0.00  | 38.05  | 1.28       | 3.25%  |
| FEB'15                            | 7.58     | 5.30      | 0.00      | 0.00        | 7.72           | 6.15  | 0.00  | 26.75  | 1.53       | 5.44%  |
| MAR'15                            | 7.41     | 6.18      | 0.00      | 0.00        | 3.03           | 5.94  | 0.00  | 22.56  | 0.16       | 0.65%  |
| APR'15                            | 9.63     | 10.38     | 0.00      | 0.00        | 9.29           | 8.30  | 0.00  | 37.60  | 3.49       | 8.51%  |
| MAY'15                            | 8.29     | 9.21      | 0.00      | 0.00        | 9.47           | 7.28  | 0.00  | 34.25  | 2.28       | 6.23%  |
| JUN'15                            | 8.72     | 10.93     | 0.00      | 0.00        | 10.82          | 9.02  | 0.00  | 39.49  | 1.97       | 4.76%  |
| JUL'15                            | 10.09    | 14.86     | 1.18      | 0.00        | 2.47           | 10.04 | 0.00  | 38.64  | 1.34       | 3.35%  |
| AUG'15                            | 10.71    | 13.84     | 1.16      | 0.00        | 0.00           | 8.51  | 0.00  | 34.22  | 2.48       | 6.79%  |
| SEP'15                            | 10.22    | 13.04     | 1.39      | 0.00        | 2.57           | 9.63  | 0.00  | 36.85  | 1.95       | 5.02%  |
| OCT'15                            | 10.67    | 11.10     | 1.34      | 0.00        | 8.19           | 9.23  | 0.00  | 40.53  | 1.58       | 3.76%  |
| NOV'15                            | 10.12    | 8.67      | 0.91      | 0.00        | 4.22           | 8.24  | 0.00  | 32.16  | 1.35       | 4.02%  |
| DEC'15                            | 8.03     | 6.95      | 0.43      | 0.00        | 0.00           | 7.39  | 0.00  | 22.80  | 1.84       | 7.49%  |
| JAN'16                            | 7.26     | 4.29      | 0.48      | 0.00        | 0.00           | 7.25  | 0.00  | 19.28  | 1.67       | 8.01%  |
| TOTALS                            | 108.73   | 114.75    | 6.89      | 0.00        | 57.78          | 96.98 | 0.00  | 385.13 | 21.64      | 5.33%  |



BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 3  
 Month of January 2016

| Date   | La Casa del Zorro<br>Total Acre Feet |          | Deep Well Trail / Others<br>Acre Feet |          |       | Total<br>Irrigat'n | Total<br>Domestic | Total<br>Acre Feet |
|--------|--------------------------------------|----------|---------------------------------------|----------|-------|--------------------|-------------------|--------------------|
|        | Irrigat'n                            | Domestic | Irrigat'n                             | Domestic | Total |                    |                   |                    |
| 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               |
| JUL'15 | 0.00                                 | 3.46     | 0.13                                  | 5.93     | 6.06  | 0.13               | 9.39              | 9.52               |
| AUG'15 | 0.00                                 | 3.43     | 0.16                                  | 5.28     | 5.44  | 0.16               | 8.71              | 8.87               |
| SEP'15 | 0.00                                 | 3.33     | 0.14                                  | 6.03     | 6.17  | 0.14               | 9.36              | 9.50               |
| OCT'15 | 0.00                                 | 3.36     | 0.22                                  | 5.49     | 5.71  | 0.22               | 8.85              | 9.07               |
| NOV'15 | 0.00                                 | 3.10     | 0.08                                  | 4.97     | 5.05  | 0.08               | 8.07              | 8.15               |
| DEC'15 | 0.00                                 | 2.91     | 0.07                                  | 4.23     | 4.30  | 0.07               | 7.14              | 7.21               |
| JAN'16 | 0.00                                 | 2.86     | 0.09                                  | 4.06     | 4.15  | 0.09               | 6.92              | 7.01               |
| TOTALS | 0.00                                 | 35.91    | 1.72                                  | 57.42    | 59.14 | 1.72               | 93.33             | 95.05              |

| Date   | Water Produced<br>Acre Feet | Water Delivered<br>Acre Feet | Wtr Loss | % Loss |
|--------|-----------------------------|------------------------------|----------|--------|
| 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%  |
| JUL'15 | 10.04                       | 9.52                         | 0.52     | 5.18%  |
| AUG'15 | 8.51                        | 8.87                         | -0.36    | -4.23% |
| SEP'15 | 9.63                        | 9.50                         | 0.13     | 1.35%  |
| OCT'15 | 9.23                        | 9.07                         | 0.16     | 1.73%  |
| NOV'15 | 8.24                        | 8.15                         | 0.09     | 1.09%  |
| DEC'15 | 7.39                        | 7.21                         | 0.18     | 2.44%  |
| JAN'16 | 7.25                        | 7.01                         | 0.24     | 3.31%  |
| TOTALS | 96.98                       | 95.05                        | 1.93     | 1.99%  |

BORREGO WATER DISTRICT  
 Water Production / Use Records  
 ID # 4  
 Month of January 2016

| ----- 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 |
| -----                                    | -----  | -----  | -----  | -----  | -----   | -----   | -----   | -----  | -----   | -----   | -----    |
| 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   |
| JUL'15                                   | 0.00   | 0.00   | 40.26  | 18.80  | 0.00    | 46.40   | 3.43    | 0.00   | 0.00    | 108.89  | 108.89   |
| AUG'15                                   | 0.00   | 0.00   | 42.85  | 18.74  | 0.00    | 48.91   | 3.05    | 0.01   | 0.00    | 113.56  | 113.56   |
| SEP'15                                   | 0.00   | 0.00   | 47.84  | 22.20  | 0.00    | 59.16   | 3.74    | 0.04   | 0.00    | 132.98  | 132.98   |
| OCT'15                                   | 0.00   | 0.00   | 41.80  | 20.80  | 0.00    | 51.34   | 3.38    | 0.00   | 0.00    | 117.32  | 117.32   |
| NOV'15                                   | 0.00   | 0.00   | 42.96  | 18.46  | 0.00    | 49.35   | 3.07    | 0.00   | 0.00    | 113.84  | 113.84   |
| DEC'15                                   | 0.00   | 0.00   | 44.32  | 16.53  | 0.00    | 35.72   | 2.44    | 0.00   | 0.00    | 99.01   | 99.01    |
| JAN'16                                   | 0.00   | 0.00   | 43.27  | 12.26  | 0.00    | 15.00   | 1.54    | 0.00   | 0.00    | 72.07   | 72.07    |
| TOTALS                                   | 0.00   | 0.00   | 537.77 | 168.35 | 42.40   | 496.80  | 35.61   | 0.06   | 0.00    | 1280.99 | 1280.99  |

| Date   | Water Produced<br>Acre Feet | Water Use<br>Acre Feet | Wtr Loss | % Loss | ID 5<br>Acre Feet |
|--------|-----------------------------|------------------------|----------|--------|-------------------|
| -----  | -----                       | -----                  | -----    | -----  | -----             |
| 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                      | 99.06                  | 17.61    | 15.09% | 0.00              |
| JUL'15 | 108.89                      | 94.21                  | 14.68    | 13.48% | 0.00              |
| AUG'15 | 113.56                      | 96.54                  | 17.02    | 14.99% | 0.00              |
| SEP'15 | 132.98                      | 108.92                 | 24.06    | 18.09% | 0.00              |
| OCT'15 | 117.32                      | 100.23                 | 17.09    | 14.57% | 0.00              |
| NOV'15 | 113.84                      | 94.66                  | 19.18    | 16.85% | 0.00              |
| DEC'15 | 99.01                       | 83.23                  | 15.78    | 15.94% | 0.00              |
| JAN'16 | 72.07                       | 58.73                  | 13.34    | 18.51% | 0.00              |
| TOTALS | 1280.99                     | 1071.97                | 209.02   | 16.32% | 0.00              |

## Related People

- David R. E. Aladjem
- J. Mark Atlas
- Arielle O. Harris

## Related Industries

- Food & Agriculture
- Water Rights & Resources

## Related Practices

- Water Law

# DWR Releases Draft Emergency Regulations for Groundwater Sustainability Plans

February 23, 2016

Last Thursday, the Department of Water Resources ("DWR" or "Department") released draft emergency regulations governing the preparation, evaluation, and implementation of groundwater sustainability plans ("GSPs" or "Plans") as well as coordination agreements among Groundwater Sustainability Agencies ("GSAs"). The Sustainable Groundwater Management Act ("SGMA") directs DWR to adopt final regulations by June 1, 2016.

DWR's timely adoption of these regulations is essential as some of SGMA's key deadlines approach. Once adopted, DWR's regulations will provide the framework for GSAs in developing and implementing GSPs, and the standards that DWR will use in evaluating those GSPs. By January 31, 2020, all high- and medium-priority basins subject to critical conditions of overdraft must be managed under an approved GSP, and all other high- and medium-priority basins must have an approved GSP by January 31, 2022. SGMA requires each GSP to provide "measurable objectives" that will allow the basin to achieve a "sustainability goal in the basin within 20 years of the implementation of the Plan." (Water Code, § 10727.2(b)(1).)

The draft regulations are voluminous (almost 60 pages) and provide a comprehensive set of procedures, technical standards, and substantive mandates concerning GSP preparation. The regulations attempt to both promote groundwater sustainability through local management and also provide a set of statewide standards that all GSAs must apply in managing a given basin and setting numeric targets.

Provisions in the regulations include: the required contents of GSPs; minimum standards for monitoring sites, data and reporting standards; notification procedures; required information concerning basin conditions; criteria for sustainable management of the basin; water budgeting; dispute resolution; annual reporting requirements; requirements for coordination agreements; and the methodology and criteria for GSP alternatives and for adjudicated areas. Key elements of the draft regulations are summarized below.

## Minimum Thresholds and Measurable Objectives for Critical Parameters

The draft regulations set forth the formula for developing minimum numeric thresholds for the six critical parameters provided in SGMA: (1) chronic lowering of groundwater levels, (2) reduction in groundwater storage, (3) seawater intrusion, (4) degraded water quality, (5) land subsidence, and (6) depletions of interconnected surface water. Each GSP is required to "include one or more measurable objectives for each critical parameter that has an

established minimum threshold." It is these measurable objectives that must "ensure that the basin is managed to avoid undesirable results within 20 years of Plan implementation." The regulations repeat SGMA's requirement that GSPs provide interim milestones for each measurable objective in increments of 5 years. The selection of quantitative standards by GSAs for their measurable objectives and minimum thresholds is an issue that is likely to lead to controversy. For instance, in areas already suffering from seawater intrusion, it may not be reasonable to maintain or improve existing basin conditions (at least initially), and so a GSA may instead focus on slowing the rate of seawater intrusion. Determining how much is enough will be challenging, and a great deal of uncertainty exists regarding how stakeholders and DWR will evaluate a chosen objective or threshold.

## Projects and Management Actions

The draft regulations require each Plan to provide a description of the projects and management actions proposed or approved to meet the Plan's measurable objectives and prevent undesirable results. The regulations also require each Plan to provide "contingency" projects or actions for each measurable objective that will be implemented in the event that groundwater conditions have not adequately responded to other measures or those measures are no longer feasible. Plans must also describe "emergency contingency" projects or actions that will be implemented in the event that groundwater conditions in the basin have passed a minimum threshold or that undesirable results have occurred or are imminent. The "emergency contingency" projects and plans must also be "designed to achieve immediate results such that the Agency is able to demonstrate that the emergency has been abated by or before the next annual report."

With respect to the selection and implementation of projects, in particular emergency contingency projects, the issue of environmental review under the California Environmental Quality Act ("CEQA") may significantly delay a GSA's ability to implement a given project. While SGMA explicitly states that the preparation and adoption of GSPs is not subject to CEQA, no such blanket exemption was provided for proposed projects or management actions provided in a GSP. (Water Code, § 10728.6.) On the other hand, especially in the context of the "emergency contingency" projects, it would seem that the CEQA exemption for emergencies should apply.

## Monitoring Network

Under the regulations each GSA must "develop a monitoring network capable of collecting sufficient data to demonstrate short-term, seasonal, and long-term trends in surface and groundwater conditions and [that] yields representative information about changes relative to the minimum thresholds and measurable objectives for the basin." Each GSA may develop its own best management practices ("BMPs") for monitoring, but the regulations provide certain minimum standards in developing those BMPs for each critical parameter. Where a GSA's monitoring network contains data gaps, the regulations require the GSA to describe the steps that will be taken to fill those gaps within the first five years of implementation of the GSP. One of the interesting areas of likely controversy will be GSAs' efforts to use available and new data to interpolate groundwater contours for management purposes. Many basins lack quantitative groundwater models and extensive stratigraphy and lithography; thus, the opportunity for controversy as a GSA

extrapolates groundwater contours for management is great.

## Evaluation and Assessment

The draft regulations describe the procedures, methodology, and criteria for DWR's evaluation and assessment of GSPs. For example, DWR must provide a minimum of 60 days for public comments on adopted GSPs, prior to DWR issuing its assessment. DWR must evaluate GSPs within two years of the submittal date and issue a written assessment of the Plan, which DWR will post on its website. DWR will evaluate GSPs based on their "substantial compliance" with DWR's regulations and the goals of SGMA. Substantial compliance will be found where:

"the Agency has attempted to comply with [the] regulations in good faith, that the supporting information is sufficiently detailed and the analyses sufficiently thorough and reasonable, in the judgment of the Department, to permit evaluation of the Plan, and the Department determines that any discrepancy would not materially affect the ability of the Agency to achieve the sustainability goal or of the Department to evaluate the likelihood of the Plan to attain the goal." (Section 355.4.)

Certain GSP requirements, however, are mandatory. DWR will make a determination of whether a GSP falls into one of three categories (1) adequate, (2) conditionally adequate, or (3) inadequate. Where a Plan has "minor deficiencies that preclude an adequacy determination, but that could be rectified" by the GSA, it will be considered "conditionally adequate" and the GSA will have up to 180 days in most cases to address the deficiencies. A Plan that does not meet the mandatory criteria for all GSPs, and contains significant deficiencies that cannot be rectified in a timely manner, however, will be deemed inadequate. DWR will review GSPs at least every five years and whenever a Plan is amended.

Once again, we anticipate that there will be a great deal of controversy over the definition of "minor" deficiencies in a GSP and whether or not those "minor" deficiencies move an otherwise adequate plan into the "conditionally adequate" or "inadequate" categories. While there is likely to be widespread agreement on wholly inadequate plans, those plans are also not likely to occur in basins that are having groundwater management problems. It is much more likely that, for political, financial or geophysical reasons, a GSA may choose to gloss over some of the more difficult management issues in the first iteration of a GSP. If DWR finds those creative ambiguities sufficient to trigger a finding of "inadequacy" this may have the perverse effect or undermining local determination in favor of state intervention.

## Comment Period on Draft Regulations

Written comments on the draft regulations are due no later than March 25, 2016. DWR will hold three public meetings, which are tentatively planned for March 21-25, 2016. DWR anticipates presenting final GSP regulations to the California Water Commission for consideration and adoption in Spring 2016. The draft regulations are available on DWR's website at:  
<http://www.water.ca.gov/groundwater/sgm/gsp.cfm>.

For more information, please feel free to contact each of us using the contact



| Date       | Milestone   | Notes  |
|------------|---|--|
| 12-11-2015 | CIP Provided to RFC   | Per 12-7-2015 CC   |
| 12-18-2015 | All required data provided to RFC to meet Proposed Schedule | Includes everything within data request  |
| 1-14-2016  | Data discrepancies resolved                                 | RFC's Calculated Revenue in-line with Borrego's budget forecast                            |
| 2-29-2016  | Preliminary Rates Disseminated                              | Rates will be provided in PowerPoint structure   |
| 3-04-2016  | Rates Finalized   | Final rates for Notice   |
| 3-11-2016  | Initial Draft Report Disseminated                           | 1 <sup>st</sup> draft of Report which would be on file in preparation of Prop. 218 Notices |
| 3-11-2016  | Prop. 218 Notice Mailed                                     | Meets 45-day requirement   |
| March 2016 | Receive edits to Report and finalize                        | Edits will be incorporated, but no substantive changes are expected                        |
| 4-27-2016  | Public Hearing  | Conduct hearing on proposed rates  |

**Well Meter Reads for drought reduction period: June - January Acre Feet**

| <b>2013-2014</b>                       |              |              |               |              |               |              |               |              |               |             |                |                        |
|--|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|-------------|----------------|------------------------|
| MONTH                                  | ID1-8        | ID1-10       | ID1-12        | ID1-16       | ID4-4         | ID4-10       | ID4-11        | ID4-18       | ID5-5         | Wilcox      | Total          |                        |
| Jun                                    | 6.78         | 0.04         | 32.48         |              | 0.88          | 9.52         | 102.65        | 6.02         | 16.22         | 0.75        | 175.34         |                        |
| Jul                                    | 0.02         | 7.16         | 34.82         |              | 10.28         | 11.12        | 114.63        | 0.04         | 19.46         | 0.38        | 197.91         |                        |
| Aug                                    | 0.08         | 13.53        | 27.61         |              | 3.08          | 9.31         | 98.37         | 3.03         | 11.83         |             | 166.84         |                        |
| Sep                                    | 1            | 10.35        | 30.32         |              |               | 9.42         | 95.61         | 4.33         | 7.6           | 0.34        | 158.97         |                        |
| Oct                                    | 0.06         | 11.21        | 29.22         |              | 0.09          | 10.69        | 113.95        | 4.64         | 12.89         | 0.01        | 182.76         |                        |
| Nov                                    |              | 11.99        | 21.04         |              | 0.22          | 9.41         | 93.97         | 4.29         | 10.85         |             | 151.77         |                        |
| Dec                                    | 0.94         | 7.26         | 15.4          |              | 15.89         | 9.26         | 59.13         | 2.32         | 5.63          | 0.41        | 116.24         |                        |
| Jan                                    |              | 0.09         | 19.86         |              | 53.25         | 10.82        | 29.03         | 3.24         | 6.89          | 0.02        | 123.2          |                        |
| <b>Totals</b>                          | <b>8.88</b>  | <b>61.63</b> | <b>210.75</b> | <b>0</b>     | <b>83.69</b>  | <b>79.55</b> | <b>707.34</b> | <b>27.91</b> | <b>91.37</b>  | <b>1.91</b> | <b>1273.03</b> |                        |
| <b>2015 - 2016</b>                     |              |              |               |              |               |              |               |              |               |             |                |                        |
| MONTH                                  | ID1-8        | ID1-10       | ID1-12        | ID1-16       | ID4-4         | ID4-10       | ID4-11        | ID4-18       | ID5-5         | Wilcox      | SubTotal       |                        |
| Jun                                    | 0.03         | 0.26         | 20.84         | 20.33        | 50.06         | 8.4          | 45.42         | 3.67         | 9.12          |             | 158.13         |                        |
| Jul                                    | 0.02         |              | 27.1          | 12.86        | 40.26         |              | 46.4          | 3.43         | 18.8          |             | 148.87         |                        |
| Aug                                    | 8.17         | 2.56         | 18.88         | 7.09         | 42.84         |              | 48.91         | 3.05         | 18.74         | 0.01        | 150.25         |                        |
| Sep                                    | 17.31        | 8.03         | 8.95          | 16.12        | 47.84         |              | 59.16         | 3.73         | 22.2          | 0.04        | 183.38         |                        |
| Oct                                    | 0.03         | 3.93         | 24.16         | 13.99        | 41.8          |              | 51.34         | 3.38         | 20.8          | 0           | 159.43         |                        |
| Nov                                    | 0.05         | 10.48        | 21.01         | 1.97         | 42.96         |              | 49.35         | 3.07         | 18.46         |             | 147.35         |                        |
| Dec                                    | 0.02         | 7.65         | 16.96         | 0.01         | 44.32         |              | 35.72         | 2.44         | 16.53         | 0           | 123.65         |                        |
| Jan                                    | 1.36         | 6.34         | 12.2          | 1.05         | 43.27         |              | 15            | 1.54         | 12.26         |             | 93.02          |                        |
| <b>Totals</b>                          | <b>26.99</b> | <b>39.25</b> | <b>150.1</b>  | <b>73.42</b> | <b>353.35</b> | <b>8.4</b>   | <b>351.3</b>  | <b>24.31</b> | <b>136.91</b> | <b>0.05</b> | <b>1164.08</b> |                        |
| <b>% Reduction over 2 Year Period:</b> |              |              |               |              |               |              |               |              |               |             |                |                        |
|  |              |              |               | Jun          | Jul           | Aug          | Sep           | Oct          | Nov           | Dec         | Jan            | <b>8 MONTH AVERAGE</b> |
|  |              |              |               | -10          | -25           | -10          | 15            | -13          | -3            | 6           | -24            | <b>-8</b>              |