

AGENDA
Borrego Water District Board of Directors
Regular Meeting
July 27, 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
- E. Approval of Minutes
 - Special meeting of June 9, 2016 (3-5)
 - Special meeting of June 21, 2016 (6)
 - Regular meeting of June 22, 2016 (7-12)
- F. Comments from Directors and Requests for Future Agenda Items
- G. Comments from the Public and Requests for Future Agenda Items (comments will be limited to 3 minutes)
- H. Correspondence from the Public: (13-14)
 - Letter from Ray Schindler

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. Discussion and approval of EDU transfers (15-18)
 - 3 (three) EDU's from Philip Cleary to RTA Borrego Valley LLC
- B. Discussion and approval of Tier 2 refunds. (19-20)
- C. Review of planning calendar (21-22)
- D. USGS Depth-Dependent Water Sampling in the Borrego Valley Groundwater Basin (23-35)
- E. Adopting Memorandum of Understanding (MOU) between BWD and County of San Diego for Development of a Groundwater Sustainability Plan (GSP) in the Borrego Valley Groundwater Basin. Resolution No. 2016-07-08: (36-51)
- F. Consideration and approval of cancelling August Workshop and Regular Board meeting: Resolution No. 2016-07-09 (52-54)

III. STAFF REPORTS

- A. Financial Reports – May (55-66)
- B. Financial Reports – June (67-81)
- C. General Manager / Operations Report (82)
- D. Water and Wastewater Operations Report – June 2016 (83-84)
- E. Water Production/Use Records – June 2016 (85-89)

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 & Maintenance Committee | (Delahay, Tatusko) |
| 6. Parks Committee | (Hart, Tatusko) |
| 7. CFD Committee | (Estep, Delahay) |
| 8. Conservation Committee | (Hart, Tatusko) |
| 9. Personnel | (Hart, Tatusko) |

VI. INFORMATIONAL ITEMS

- A. Future Maintenance of Christmas Circle Park (90)
- B. Filing of Administration Report for Fiscal Year 2016-2017 Prepared by David Taussig and Associates, Inc. for CFD No. 2007-1 (91-132)
- C. SGMA Groundwater Sustainability Plan Request for Proposal components, draft version #10, for discussion purposes. (Director Brecht) (133-136)
- D. MANGING THE BUISNESS RISK OF SGMS, discussion deck, version #2, developed by Director Brecht based on July 19th special meeting discussions. (Director Brecht) (137-144)
- E. SGMA Questions & Answers draft V#6 based on public comments to date. (Director Brecht) (145-149)

VII. CLOSING PROCEDURE

The next Special Meeting of the Board of Directors is scheduled for September 20, 2016 at the Borrego Water District
The next Regular Meeting of the Board of Directors is scheduled for September 28, 2016 at the Borrego Water District

but had to be postponed due to an error in the original mailing notification. President Hart added that the District's financial consultant had been late in its analysis.

Charles Frank, also of Desert Sands, expressed concern about the high fixed cost of the water meters. Mr. Rolwing explained that under the rate changes being considered today, the meter cost would decrease.

The next question concerned the provision on page 2 of the Notice of Public Hearing that commercial projected EDU requirements are determined on a case-by-case basis. Who makes the determination? Mr. Rolwing replied that it would be made by the District's engineer, depending on the number of hookups or rooms.

There being no further comments, President Hart adjourned the hearing at 9:20 a.m. Kim Pitman announced that 12 valid protests to the rate changes had been received. **MSC: Brecht/Delahay adopting Resolution No. 2016-06-02, Resolution of the Board of Directors of the Borrego Water District Establishing Water and Sewer Service Rates.**

B. Discussion and possible approval of FY 2017 Budget: Ms. Pitman summarized her memo to the Board on the Operations and Maintenance and Capital Improvement Program budget analysis. Water revenue for FY 17 is estimated at approximately \$37,000 less than FY 16 without rate increases. With the increases approved today, it should increase by approximately \$114,000. The estimated sewer revenue is approximately \$367,000 over FY 16. Maintenance expenses are expected to increase by \$18,000, primarily due to work planned at the wastewater treatment plant. Mr. Rolwing noted that some of this may be offset by pending grant applications. Ms. Pitman noted that professional service expenses are estimated at approximately \$13,000 over FY 16, primarily due to increases in regulatory permit fees. Since District employees have had no salary increases for five years, a five percent adjustment was factored in over the next five years. With that and an increase in medical insurance costs, the estimated increase is \$56,000. With projected office expenses at \$19,000 over FY 16 and utilities at \$74,000 under primarily due to the WWTP solar system, the overall expense budget increase from FY 16 to FY 17 is \$33,163.

Ms. Pitman went on to outline the non-O&M expenses, including water and sewer projects and other non-CIP projects, for an estimated total of \$1,448,500. Director Tatusko reported that the O&M Committee had reviewed the budget and concurred. **MSC: Brecht/Tatusko approving the FY 2017 budget as proposed.** Director Brecht asked Ms. Pitman to attach her analysis to the budget document.

C. Discussion and possible approval regarding the Memorandum of Understanding between the Borrego Water District and the County with such changes as may be approved by the President upon the advice of the District's General Counsel: President Hart announced that the County had not completed its internal review of the MOU and asked that it be postponed until July. Hopefully it can be included on the July 19 Agenda. Mr. Rolwing explained that a public hearing is not required, but there will be stakeholder review and comments on July 19 and consideration of approval on July 27.

D. Discussion and Consideration of Recommendation of Personnel Committee for General Manager selection; approval of appointment of General Manager: Harry Ehrlich reported that the Personnel Committee met yesterday. Recruitment closed on June 7. There were 54 applications, 14 of which were from viable candidates. President Hart asked Mr. Ehrlich for a list of the viable candidates. She and Director Tatusko will conduct telephone interviews and then meet personally with the best of those prior to the next Board meeting. At

its June 22 meeting, the Board will be asked to make a final decision and extend an offer. Further discussion was continued to closed session.

E. Discussion of possible approval of interim personnel contract with Dudek Engineering: President Hart pointed out that if an offer is extended to a General Manager applicant on June 22, he or she may very well be unable to start work until after Mr. Rolwing's departure on July 15. She proposed an interim contract with Dudek Engineering, beginning now, to coordinate the transition. Director Tatusko expressed support, citing the need for continuity in ongoing tasks relative to the Borrego Water Coalition, SGMA, the GSA process and pending grant applications. President Hart noted that Dudek's proposal is for time and materials, \$200 per hour for actual time spent. A motion was made by Director Brecht and seconded by Director Tatusko to approve Dudek's proposal for interim personnel support.

Director Delahay suggested that since at least one current District employee had applied for the General Manager position, the in-house applicant(s) could oversee the transition. He expressed concern regarding the expense of Dudek's services at an estimated two days a week. Discussion followed regarding narrowing the scope of the services outlined in Dudek's proposal. ***SUBSTITUTE MSC: Brecht/Tatusko approving an interim General Manager support contract with Dudek Engineering subject to negotiations by the Personnel Committee.*** Director Estep voted against the motion, stating that he would prefer to have the options laid out by the Personnel Committee, after discussion with Dudek, before voting. All other Directors voted in favor.

F. Discussion of potential agenda items for June 22nd board meeting: Items for the next Agenda will include an RFP for a consultant to develop the GSP, deliverables for the BWC, transition for District data required for the GSP, the Borrego Basin boundary adjustment, a consultant to assess potential potable water supply, a consultant to forecast the District's ability to provide water to unbuilt lots, whether the SWRCB will accept mixing to meet potable water standards, a consultant to forecast future water quality changes, a consultant to establish protocol for reductions under SGMA and ongoing well metering, consultants to update the water credit program and estimate the value of water credits, formation of a Water Advisory Committee to assist the GSAs, list of critical District non-SGMA-related issues, updating of billing software, the District's public education program, employment of a new General Manager (in both open and closed session), and a closed session regarding the MOU with the County. President Hart asked Rick Alexander to work with the Due Diligence Committee on his proposal prior to putting it on the Agenda. She also recommended inviting the BWC to the next meeting.

III. CLOSED SESSION

A. Public Employee Appointment (Government Code section 54957):

Title: General Manager

The Board adjourned to closed session at 10:25 a.m., and the open session reconvened at 11:15 a.m. There was no reportable action.

IV. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:15 a.m. The next Regular Meeting of the Board of Directors is scheduled for June 22, 2016 at the Borrego Water District.

Letter from Christmas Circle Park

Mr. Wilson explained that the Christmas Circle Park Board had looked at several options to address the park's recent loss of 40 percent of its funding. They concluded that the best option would be for BWD to activate its park powers, and requested that the Parks Committee or other appropriate committee investigate and report to the Board in July. After discussion, it was agreed that Director Tatusko will work with Mr. Wilson and the matter will be on the July 19 Agenda. Mr. Rolwing suggested that Ron Poitras and/or Rick Alexander might help with the investigation.

II. CURRENT BUSINESS MATTERS

A. Discussion and possible approval of special consideration of Country Club sewer pipeline: Mr. Rolwing presented the background of a proposed sewer pipeline to serve the proposed new library at Country Club and Sunset. The library will be built on property donated by Bill Wright. The District approved the project, including Mr. Wright's request to locate the new sewer line on the side of the road instead of the usual center. Mr. Wright has now asked to extend the line past the library to serve future projects on the remainder of his property, but the District wants to locate that portion in the center of the road because there are two existing water lines, a possible need for a third to serve the new reservoir, and the center location would facilitate excavation and odor control.

Mr. Wright expressed concern regarding the additional cost required to locate the sewer line extension in the center of the street. He preferred to use a dedicated easement at the side of the road, adjacent to the existing right-of-way. Ken Discenza, Mr. Wright's consulting engineer on the project, presented drawings of the proposal. Mr. Rolwing suggested that the extension could be placed in that location as a private lateral, relieving the District from maintenance and odor control responsibilities. Greg Holloway added that the District's regulations require that the use of a new sewer line be determined prior to its approval, and the future use of Mr. Wright's property (except for the library site) is unknown.

President Hart referred the matter to the Operations & Management Committee and asked them to get a written recommendation from the District's engineer.

B. Discussion and possible approval for change order by Dudek: Trey Driscoll requested Board approval of a change order to Dudek's contract, including additional work on SGMA, administrative work, water quality and engineering. Director Delahay requested a breakdown, and further consideration was continued to the end of the meeting so that the backup material could be copied and distributed.

C. Discussion and possible approval of Support for Water Quality Risk Assessment Cost Analysis by Dudek: Mr. Driscoll summarized his proposal for a water quality risk assessment cost analysis. He had been working with Mr. Rolwing and USGS to sample and analyze all District wells in an effort to protect future drinking water standards. Mr. Rolwing noted that Proposition 1 planning grants may be available to assist, and Director Tatusko reported that \$120,000 had been earmarked in the new budget for such a study. ***MSC: Brecht/Tatusko approving support for a water quality risk assessment cost analysis by Dudek.***

D. Discussion and possible action regarding the Due Diligence Committee's draft of the components for the Request for Proposal (RFP) to hire a consultant for developing the Groundwater Sustainability Plan (GSP) for the Borrego Valley Groundwater Basin (Borrego Basin) that meets not only the regulatory requirements of the Sustainable Groundwater Management Act (SGMA) but that also addresses the business requirements of the District to provide potable water to its municipal customers:

E. Discussion and possible action regarding Jerry's list of incomplete deliverables for the Borrego Water Coalition (the Coalition) ongoing negotiations:

F. Discussion of transition requirements for the location and publishing of existing District data required for the SGMA-required GSP:

G. Discussion and possible action regarding GSP planning assumptions, given the Borrego Basin boundary adjustment and the California Department of Water Resources (DWR) plan to not rule on this request until 2017:

H. Discussion and potential action for hiring a consultant to assess the District's potential potable water supply liability (water supply shortage over time under SGMA) and development of a schedule for acquiring new capacity for its existing customer base:

I. Discussion and potential action for hiring a consultant to forecast the District's ability to provide municipal water for the inventory of present un-built lots under the County's current zoning, and any potential additional lots under the County's current up-zoning requests:

J. Discussion and potential action for tasking the District's engineer to develop a brief that definitively answers the question of whether the State Water Resources Control Board (SWRCB) will accept mixing as a strategy for meeting potable water quality standards:

K. Discussion and potential action regarding hiring a consultant to develop a forecast of future water quality changes necessary for: (1) establishing the District's eligibility for low cost financing for its proposed mixing and centralized storage CIP; (2) establishing an economically-driven timeframe to reach sustainability before the District's municipal customers are liable for the costs of advanced treatment to meet the State's drinking water quality standards:

L. Discussion and potential action for hiring a consultant to establish a draft benchmarking protocol for reductions under SGMA and ongoing well metering program implementation and data collection standards for ongoing discussions with the Coalition. *Note: a cap on annual withdrawals is necessary under SGMA to meet reduction requirements and is also necessary for water credits (an accounting of permanent acre-feet per year [AFY] withdrawals from the basin) to have any validity or value under SGMA:*

M. Discussion and potential action for hiring a consultant to develop a draft set of market rules to update the District's water credit program that will enable the District to secure adequate potable supply for its present and future customers under SGMA (the District will need to acquire new supply under SGMA through water market transactions). *Note: water markets need clear rules to function fairly and efficiently:*

N. Discussion and potential action for hiring a consultant to develop a model for estimating the economic value of water credits (a permanent reduction in the use of an AFY of water from the basin) under a variety of scenarios over the estimated 20-year timeframe of SGMA:

O. Discussion and potential action for engaging the District's Department of Water Resources (DWR) grant to engage the Center for Collaborative Policy (CCP) regarding the formation of a Water Advisory Committee to assist the Groundwater Sustainability Agencies (GSAs) in developing a GSP in a timely fashion, given the critical nature of the Borrego Valley Groundwater Basin's overdraft:

P. Discussion and possible action regarding Jerry's list of critical District non-SGMA-related business issues for FY 2017:

Director Brecht introduced Agenda Items II.D through II.P on behalf of the Due Diligence Committee. He welcomed input from the Borrego Water Coalition and others in the community. Director Brecht expressed concern regarding business issues related to SGMA and costs to ratepayers. He opined that how you get to sustainability is just as important as achieving it, maybe more so. He suggested using consultants to approach the GSP from a business perspective and to develop a cost structure from an operations perspective.

Director Brecht pointed out that each of these Agenda items needn't be addressed individually today, but he invited the Board's attention to Item II.I and suggested that Mr. Rolwing and Mr. Driscoll develop a two or three-page draft brief forecasting the District's ability

to provide municipal water for the inventory of present un-built lots under the County's current zoning, and any potential additional lots under the County's current up-zoning requests.

Mr. Rolwing referred to Item II.G and explained that although the Department of Water Resources does not plan to rule on the Borrego Basin boundary adjustment request until 2017, they intend to provide enough information by July 2016 so that BWD and the County can proceed with their GSP planning.

Director Estep expressed concern regarding the number of consulting services proposed and the cost of those services. Director Brecht felt it was a worthwhile expenditure.

Q. Update, discussion, and potential action regarding the District's ability to update its billing software system in a timely and economically advantageous fashion, given the delays and operational risks introduced by its present software vendor: Mr. Holloway reported that the software vendor had begun transferring data into the new program. BWD's project was delayed because of its relatively small size. Additional training will be provided in July.

R. Discussion and possible action regarding the District's ongoing public education program: The Board discussed whether to continue running articles in the *Borrego Sun*. President Hart recommended that Wendy Quinn's articles continue, and the Board concurred.

S. Discussion and Consideration of Recommendation of Personnel Committee for General Manager selection; approval of appointment of General Manager: This item was continued to closed session.

President Hart declared a recess at 10:25 a.m., and the Board reconvened at 10:35 a.m.

T. Review of planning calendar: In response to Director Delahay's inquiry about the Club Circle Golf Course lease, Mr. Rolwing reported he was working with Mr. Poitras on the District's park powers and waiting to find out the position of the new Borrego Springs Resort owners. If necessary, the lease might be extended.

Mr. Holloway reported that the CC&Rs are ready to be distributed.

III. STAFF REPORTS

A. Financial Reports: No report.

B. General Manager/Operations Report: Mr. Rolwing reported he was working through a list of eight topics for the new General Manager and had completed six. They include information and status pertaining to grants, water credits, groundwater monitoring, District history and consolidations, among others.

C. Water and Wastewater Operations Report – May 2016: Mr. Holloway reported that a claim for repairs to the 800 Tank had been forwarded to JPIA. The water quality report is complete, and the nitrate report is due in August.

D. Water Production/Use Records – May 2016: Mr. Holloway reported that water production for May 2016 was 25 acre-feet less than in May 2015. Director Delahay noted that water loss was down, and overall pumpage was down. Water conservation is continuing.

IV. ATTORNEY'S REPORT

Mr. Rolwing reported that Morgan Foley had concluded that the Board needs to repeal, amend or suspend Ordinance 16-01 by Resolution. At its May Regular Meeting, they had simply voted to rescind the Ordinance, which limited landscape irrigation to two days a week and was no longer required by the State. President Hart pointed out that to repeal the ordinance, public notice and hearing would be required. She suggested suspending it, ceasing enforcement and considering a resolution at the next meeting.

Mr. Rolwing reminded the Board that a report to the State is due in December, explaining the District's conservation efforts. Director Brecht asked that this be included on the Planning Calendar. Mr. Rolwing agreed to write down some suggestions for the report, including how the Minutes: June 22, 2016

District is working to spread costs among all water users in Borrego Valley, not just the District ratepayers.

V. COMMITTEE REPORTS & PROPOSALS

Ad Hoc Committees

1. Audit Committee

Director Brecht reported that the Committee had prepared a draft audit transmittal letter and a draft of financial highlights. Mr. Rolwing reported that the auditors would visit the District on July 1 for inventory.

2. Due-Diligence

Director Brecht noted that the Committee's efforts were evidenced by the earlier Agenda items.

3. Strategic Planning Committee

President Hart reported the Committee had been meeting with the BWC and working with the County on the GSA MOU. She hoped to present the MOU to the Board in July.

4. Executive Committee

No report.

5. Operations & Management Committee

Director Tatusko recommended that the Committee meet with David Dale soon regarding the library sewer.

6. Parks Committee

Director Tatusko will replace Director Estep on the Parks Committee.

7. CFD Committee

Director Brecht reported that there had been some Bloomberg reports intimating that the CFD was at fault for the Rams Hill bankruptcy. The Committee is working to correct this error so it doesn't interfere with future loan applications. Mr. Rolwing added that some Dunn & Bradstreet inquiries were incomplete. Kim Pitman will deal with this when she returns from vacation.

8. Conservation Committee

Mr. Rolwing reported that Ken Okey was continuing to assist District customers with landscaping and irrigation issues. He suggested the Board may want to expand the conservation program with funds from the new budget. Mr. Rolwing complimented Mr. Holloway and Cody Cox for their recent program and tour for the local GATE students. President Hart suggested resurrecting the student conservation art contest.

9. Personnel Committee

The Committee's work will be covered during closed session.

VI. INFORMATION ITEMS

A. Email from A. Keslin, Policy Advisor, Chairman Bill Horn: President Hart referred to the message from Supervisor Horn's Policy Advisor, indicating that the District application for an NRP grant had been denied. Another opportunity will be available soon. Director Tatusko suggested seeking grant funds to assist Christmas Circle. Mr. Rolwing cautioned that the project should be appropriately worded so as not to conflict with Christmas Circle's own grant application.

II. CURRENT BUSINESS MATTERS (continued)

B. Discussion and possible approval for change order by Dudek (continued): Mr. Driscoll invited the Board's attention to a handout outlining the tasks included in Dudek's proposed change order. He explained that there was more research required that originally contemplated, and some additional resolutions requested by the Board. He agreed that some of

the items could be included in the water quality risk assessment cost support approved today. He further suggested that the forecast referenced in Item II.I regarding the District's ability to provide municipal water for un-built lots and potential additional lots could be covered by a contract amendment at a not-to-exceed cost. ***MSC: Brecht/Delahay approving Dudek's change order as amended, including the Item II.I forecast and including some items in the Item II.C risk assessment, at no additional cost.***

Mr. Rolwing invited the Board's attention to a message from Jim Dice on behalf of UCI concerning the current status of the local weather stations.

VII. CLOSED SESSION

A. (10:30 a.m.) Public Employee Appointment – (Government Code Section 54957):

Title: General Manager

This session was cancelled.

B. (1:00 p.m.) Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9. One potential case: President Hart declared a recess at 11:20 a.m., and the closed session convened at 1:00 p.m. Following the closed session, the meeting was recessed until 10:00 a.m., Friday, June 24, then recessed until 10:00 a.m. on Saturday, June 25, 2016 and adjourned at 11:35 a.m. Saturday, June 25, 2016. Reportable action taken during the closed session: The Board gave direction to the Personnel Ad Hoc Committee defining parameters for final employment terms.

VIII. CLOSING PROCEDURE

There being no further business, the Board adjourned at 11:35 a.m. on Saturday, June 25, 2016. The next Special Meeting of the Board of Directors is scheduled for July 19, 2016 at the Borrego Water District. The next Regular Meeting of the Board of Directors is scheduled for July 27, 2016 at the Borrego Water District.

>> From: Ray <rayshindler8@gmail.com>
>> Date: July 14, 2016 at 11:50:05 AM PDT
>> To: jerry@borregowd.org
>> Subject: Fwd: Docs for Lyle's presentation at the sponsor group today
>> Lyle asked for comments on his documents. Could you include this in the Board package? Thanks.
>> From: Ray Shindler
>> To: Borrego Water Board
>> Re: Comments on Lyle's opinions.

Developing market rules could become very problematic. The farmers will receive around 4,000 acre feet. Both the Water District and the golf courses will compete for that allocation. The farmers may decide to just keep their portion and not sell. If they sell, the costs could become very high for a scarce commodity. Market rules! Very dicey proposition for the ratepayers and the Water District. The District is going to spend substantial ratepayer dollars to acquire this water.

Hearings and a vote on any plan should be required by Borregans. It seems the people most affected should have some say in the final plan instead of leaving it up to the bureaucrats.

There is no evidence to support the statement that a State mandated plan would be worse. This only occurs if we cannot reach agreement. Then will need to have some third party make the tough decisions we were unable to make.

Adjudication is an option specifically outlined in the SGMA as passed by the legislature. Groundwater basins that have completed adjudications or are in the process of one were specifically exempted for the groundwater planning process. There is no evidence that an adjudication will cost more. The SGMA process has never been tried and is much like an adjudication...the costs are likely to be the same.

Just like in an adjudication attorney fees will be substantial. A third party must approve of a plan. In an adjudication it is the judge, in the SMGA it is the Water Resources Control Board. The Mojave adjudication was much like the SMGA process. The locals agreed upon a plan and went to the judge for approval. The judge looked at the agreed upon plan and also approved it. They are well on their way to sustainability.

The SGMA process should work unless someone wants to contest a water right. The State admitted when they passed the legislation that this process does not address water rights which could become an Achilles heel if anyone wants to contest it.

Under an adjudication farmers would be required to reduce most of the water they now use. No matter what process we use, adjudication, or SGMA, the results will still be we can only use our safe yield amount....5,700 acre feet. The farmers currently use 14,000 acre feet. Under any method used to get to sustainability the farmers are likely to get 4,000 acre feet maximum. Under adjudication/SMGA farmers and golf courses would have to pay fees to pay for the costs and meter their water use.

The statement that the only purpose of adjudication is to determine water rights is false.

The purpose of an adjudication is to get to sustainability. The legislation is clear...no matter what method we use, adjudication or SMGA, the goal is to only use the amount of water up to safe yield.

Allocating water rights is an efficient way to do it. Adjudication also requires metering, fees, monitoring, water quality, and whatever else the locals decide they need to get to sustainability.

It is not true that adjudications have not achieved the purposes of the SGMA. I talked to eight districts that have completed adjudications and all are on their way to sustainability. Just like the plan we are going to create it takes time to implement any plan over many years...this is what the districts I talked to are doing. They have plans that are court ordered. They have to get to sustainability by law.

Adjudications are a tried and true process used for a long time all over the western United States. The SGMA process has never been tried...we are creating a wheel.

Why hasn't the Board done something before! The Board could have asked the County to take action...I don't remember any Board asking the County to do anything like this.

The Board had the power to assess pump fees as described by Board lawyers in 2004 and 2008, if carefully crafted, especially the way the funds would be used. The courts backed this up.

Why 70 percent reductions? There is a section of California water law that gives priority to water districts to receive current use water in an adjudication process. We seem to have given up that option at the start by agreeing to receiving only 10 percent of Borrego Aquifer water. In an adjudication the Water Board attorney would start from the position of getting at least current use water.

Sincerely,

Ray Shindler
Borrego Springs

A side note. I am not sure why so much time is given to attacking adjudications when we are embarked on another process. It seems counter productive. But, because it is being described the way it is another informative viewpoint should be considered.

**BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING –JULY 27, 2016**

AGENDA BILL II.A

July 21, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: ITEM II.A: Discussion and approval of EDU Transfers
3 (three) EDU's from Philip Cleary to RTA Borrego Valley LLC

SUMMARY: Transfer of ownership 3 EDU's from Philip Cleary to RTA Borrego Valley LLC

RECOMMENDED ACTION: Approval of Ownership Transfer.

FISCAL IMPACT: Recurring Monthly charges as per Current rates

ITEM DESCRIPTION: Per the BWD approval of the TOWN CENTER SEWER AGREEMENT on July 13, 1988 holders may assign their EDU's only with the express written approval of the Board of Directors of the District, by delivering the District written notice, signed and notarized by each Assignor (Holder) and each Assignee (Purchaser). Once written notice is received it is placed on the agenda for approval.

ATTACHMENTS: Borrego Water District Assignment signed and notarized by Assignor (holder) and Assignee (Purchaser)

BORRERO WATER DISTRICT

ASSIGNMENT

PHILIP J. CLEARY

Holder hereby assigns and transfers to

RTA BORRERO VALLEY, LLC

Assignee, all of Holder's rights under the Agreement Respecting in the Town Center Sewer and Deed, dated as of July 13, 1988, with the BORRERO WATER DISTRICT, with respect to the following number of EDUs: (3) three

Assignee hereby promises to perform all Holders' duties under said Agreement with respect to said EDUs.

Nothing in this Assignment shall modify the rights or obligations of Holder or District under such Agreement and Deed with respect to any of Holder's EDUs which are not being assigned to Assignee.

This Assignment shall become effective on the approval of the Board of Directors of the BORRERO WATER DISTRICT.

DATED: June 6, 2016 BY: Philip J. Cleary
Holder/Assignor

DATED: June 27, 2016 BY: Michael B. Earl
Purchaser/Assignee

Michael B. Earl
Vice President

Acknowledgements attached hereto and made a part hereof.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

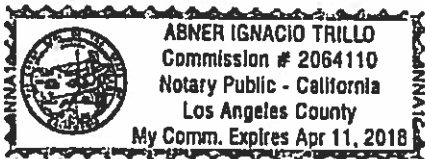
On June 6, 2016 before me, Abner Ignacio Trillo, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Philip J Cleary
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ORANGE)

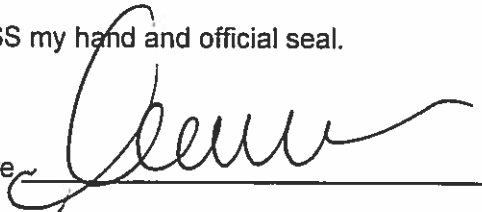
On June 27, 2016 before me, N. MAURIELLO, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared MICHAEL B. EARL
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

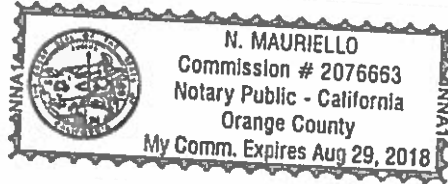
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



**BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING –JULY 27, 2016**

AGENDA BILL II.B

July 20, 2016

TO: Board of Directors, Borrego Water District

FROM: Kim Pitman, Administration Manager

SUBJECT: ITEM II.B: Approval of Claims for Tier 2 Refunds

SUMMARY: Approval of Claims for Tier 2 Refunds

RECOMMENDED ACTION: Approval of Refund in the amount of \$14.70.

FISCAL IMPACT: One-time payment of \$14.70

ITEM DESCRIPTION: Per the BWD approval of Resolution/Policy NO. 2015-06-01, Stating overpayment of water rates, by paying tier 2 rates claims were presented and accepted through June 30, 2016 for approval of refunds from the District Board of Directors.

ATTACHMENTS: Memo from Administration Manager to the Board.



BORREGO WATER DISTRICT

July 27, 2016

MEMO TO: Board of Directors

FROM: Kim Pitman, Administration Manager

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, 2015, as of June 30, 2016, one (1) more claim form which has been completed and returned to the office in the amount of \$14.70. I have reviewed and concur with the total refund requested for this claim.

Claims received for Board approval from December 16, 2015 through June 30, 2016 total \$53,839.12 and all have complied with Resolution/Policy NO. 2015-06-01, stating overpayment of water rates, by paying tier 2 rates.

Once this claim is paid, we will have paid 110 claims, and have complied with Resolution/Policy NO. 2015-06-01, accepting claims through 6/30/16.

Thank you for your consideration in this matter.

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

	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				rate valid until 12/2016
12			contact RDS re: contract renewal				rate valid until 12/2016
13							
14						Submit CASGEM water level data	
15		CCR to be distributed July 1st			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						Report Due	
21			Begin audit	Review of draft audit report			
22	Approval of Budget June 9th						
23		New rates go into effect		March 2015 Identify & Implement Mechanism to pay for GSP costs. March 2016- Update rate structure & water, sewer & WWT rates			
24	Public Hearing 6/9/2016						
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 policies restated						
27	Special Assessments resolutions due						
28							
29							
30							

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING –JULY 27, 2016
AGENDA BILL - II.D

July 21, 2016

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: AGENDA ITEM II.D: USGS Depth-Dependent Water Sampling in the Borrego Valley Groundwater Basin.

RECOMMENDED ACTION: Receive Presentation from USGS staff and authorize BWD staff to continue to work on developing Depth-Dependent Groundwater Testing Program for FY 2016-17 and beyond.

ITEM DESCRIPTION: BWD and the USGS have worked together for years on groundwater issues in the Borrego Basin. USGS has access to various groundwater monitoring techniques including depth dependent sampling equipment that provides both well borne flow and depth-dependent water quality data. As the well is being used, water samples are taken from various depths within the well to determine quality at different elevations. The information provided from this analysis is extremely valuable in quantifying the relationship between pumping flow rates and the water quality at various levels within the well.

The staff at BWD and USGS have come up with a tentative schedule for sampling 2 BWD wells during FY 2016-2017. At the BWD Special Board Meeting on July 19th, discussion occurred about the possibility of expanding the sampling efforts to privately owned, non-producing wells in the Valley. BWD staff discussed this option with USGS staff and they had some hesitations about testing the non-producing wells due to the unknowns, especially the condition of the well and its casing. In addition, the USGS staff felt that the location of some of the non-producing wells are not ideal because they are physically separate and do not necessarily reflect what is happening near BWD wells. The issue of liability also comes up in the case that damage occurs to private property when BWD/USGS samples privately owned wells. The USGS staff felt a case-by-case evaluation of the possible options would be a logical next step to identify the non BWD wells that have the greatest potential to produce the most useful sampling results.

On the topic of BWD wells, USGS staff feel that the planned sampling on BWD well 1.12 has the greatest potential to produce the most useful results since that well is located relatively close to other BWD wells and pumping from approximately the same depth. The results we see at this well has the greatest likelihood to represent what is happening in other BWD wells nearby in the opinion of USGS staff.

Representatives from the USGS San Diego office will be present at the meeting to explain the logic behind the well selected for 2016-17, the benefits/risks of testing other wells, the sampling technology/procedure proposed and answer any questions.

As a follow up to a question from the July 19th Special Board Meeting, the length of the downtime is site specific and dependent on various factors such as bowl size, casing size, location of the well in the system, reservoir storage availability and others. USGS staff typically can conduct the tests within a 36-hour period.

It is Staff's intention to discuss the various issues with USGS staff and provide the Board with a matrix in September showing general information on the various known wells in the Valley and the pros and cons associated with testing each one.

FISCAL IMPACT: The initial estimated cost for USGS depth dependent testing services only is \$68,400 per well, and that amount includes 10% funding from USGS. Other costs for Engineering (Dudek) and BWD labor would also be associated with this project and those estimates have not been completed at this time. USGS staff has informed BWD that the USGS component can be adjusted downward depending upon the duties of each agency by having USGS do less of the work. However, in this case the costs would be still transferred to BWD. It is recommended that the staffs from both agencies continue to discuss ways in which the cost can be reduced for this Project, and return to the Board at the September 2016 meeting with the results as well as a Plan that identifies the wells with the greatest potential.

Information of this type is critical to understanding the current groundwater depth and quality in the Borrego Basin. The cost of not monitoring the Basin could result in a situation where extremely expensive water pumping, distribution, storage and treatment systems are needed that could easily exceed \$10 million in capital cost to ratepayers.

ATTACHMENTS: USGS Draft Proposal.

Scope of Work

Use of Vertical Flow and Chemistry Profiles to Determine Vertical Gradients of Groundwater Quality in Support of Groundwater Management Plan Development, Borrego Valley, CA

Michael T. Wright, Claudia Faunt, Allen Christensen and
Matthew Landon
U.S. Geological Survey, California Water Science Center

Problem: Groundwater is virtually the sole source of water supply in Borrego Valley, California (fig. 1). Groundwater in the Borrego Valley basin has been developed for agricultural, recreational and municipal uses. Because there is relatively little groundwater recharge in the basin, pumping for anthropogenic purposes have resulted in a groundwater-level declines (Moyle, 1982; Mitten and others, 1988; Henderson, 2001; and Netto, 2001). The recent development and calibration of a three-dimensional (3D) integrated hydrologic flow model, the Borrego Valley Hydrologic Model (BVHM), indicates that water levels are likely to continue decline in the foreseeable future (Faunt and others, 2015). Model simulations indicate that if current (2010) stresses on the groundwater basin are constant over a 50-year period, groundwater-level decline will be > 125 ft in the largely agricultural northern portion of the basin and 25 -125 ft in middle portion of the basin where the majority of municipal pumpage occurs. In the most drastic, but realistic, management scenario (6) where municipal and recreational pumpage are reduced by 50 percent and agricultural pumpage by 40 percent over a 20-year period, water levels are still predicted to decline 25-50 ft in the northern and middle portions of the basin.

As groundwater levels decline, there is the potential to change the distribution of flow from the underlying aquifers to wells. Lowering the water table in shallow aquifers may draw chemical constituents (e.g. nitrate and totals dissolved solids) from anthropogenic sources present near the water table into a well. Declining water levels also cause a decrease in the saturated thickness of shallow aquifers, which may result in a larger proportion of the groundwater withdrawn from a well perforated in deeper aquifers and may have poorer water quality. Groundwater from deeper aquifers is typically older, has been in contact with aquifer materials longer, and may contain more dissolved chemical constituents (e.g. arsenic and fluoride), resulting in the degradation of the water quality.

To ensure long-term dependability of groundwater resources in the Borrego Valley, and to comply with Sustainable Groundwater Management Act (SGMA) of California, a groundwater management plan will need to consider how water quality will change over time with corresponding declines in water level. Because the vertical distribution groundwater chemistry will likely vary systematically across the basin, and because little is known about the vertical distribution of water quality in the Borrego Valley basin, collecting detailed profiles of wellbore flow and water quality in select wells will be important for understanding how the quality of groundwater withdrawn from supply wells may change over time. In addition, the installation of an unsaturated zone (UZ)/water table well site to determine rate of movement and quality of water within the UZ, and near the water table, would be an important measure of how water quality may change in the future as water moves through unsaturated zone and is recharged at the water table. Data from these analyses, can be used in conjunction with the BVHM particle-tracking simulations to provide groundwater managers with the necessary information on expected timing and changes in groundwater quality and extremely useful when making informed groundwater management decisions.

Objectives: The purpose of this work is to determine the vertical distribution of groundwater flow and chemistry within the perforated intervals of selected wells and to use this data with the particle tracking capabilities of the BVHM to simulate changes in the quality of groundwater withdrawn from supply wells associated with declines in groundwater levels. The UZ well site will provide information about the rate of vertical movement and quality of water that is moving through the thick unsaturated zone. Understanding the rate of movement and quality of the water in the unsaturated zone is a needed component for a better understanding of future changes in water level and water quality. These analyses will provide for the identification of chemical constituents, if any, which may be of concern for the management of usable groundwater resources in the Borrego Valley basin.

Science Plan:

Wellbore-flow Profile and Vertical Distribution of Water Chemistry within Wells

Detailed data collection, analysis, and modeling of the vertical distribution of groundwater flow and chemistry in up to three wells will be used to inform groundwater managers on potential issues regarding the management of groundwater quality in the Borrego Valley Basin. The primary analyses proposed are: (1) Examine wellbore flow under ambient (unpumped) conditions to determine if groundwater from different aquifer zones is mixing when wells are not being pumped; (2) Determine wellbore flow under pumping conditions to determine the portions of the aquifer system(s) that are contributing water and what the relative contributions are to total flow; (3) Determine the vertical distribution of water-quality constituents and isotopic tracers in the aquifer systems (upper, middle and lower) contributing flow to the well. Based on the vertical distribution of constituents, determine what aquifer zones, if any, have chemical constituents with concentrations near or above, health-based or aesthetic water-quality benchmarks; (4) The BVHM will be used in conjunction with the particle tracking program MODPATH to simulate how concentrations of water quality constituents of interest may change over time in groundwater being pumped by production wells in response to declining water levels.

Monitoring Well Construction

The USGS is proposing to construct monitoring sites(s) in the Borrego Groundwater Basin based on land use and results for the wellbore flow and vertical water quality profiles. The site(s) instrumentation includes a well screened at the water table, matric-potential sensors for determining the direction and magnitude of water movement, and suction-cup lysimeters to collect water samples in the unsaturated zone. Data collected from the proposed monitoring site(s) will be used to determine the vertical rate of movement of water, and to monitor changes in water chemistry from the land surface through the unsaturated zone to the water table. These data will be used to construct profiles of water content and soil water chemistry within the unsaturated zone. Location for monitoring sites should include areas where land use activities may have contributed to the buildup of nitrate and other salts in the unsaturated zone and in groundwater near the water table. Possible well locations to consider are areas with agricultural land use, areas where septic tank effluent is discharged to the subsurface and undeveloped areas where natural recharge occurs. Comparison of the vertical rates of water and chemical movement between undeveloped and agricultural land can help determine the effects of agricultural land use on water quality in the unsaturated zone and in the upper most portion of the water table. This data can be used to help predict future changes in water quality in the aquifer(s) as water moves through unsaturated zone to the water table. This information may be especially valuable if agricultural pumpage decreases in the future which may cause increased groundwater flow from the northern portion of the basin towards the southern portion of the basin where most of the municipal pumpage occurs.

Task 1: Study Design FY 2017—

The USGS, Borrego Water District (BWD) and Dudek Environmental Consults shall consult on selecting up to three production or other suitable wells for measuring profiles of well-bore flow and water quality. Production wells

selected for sampling should coincide with scheduled well rehabilitation in order to be as cost efficient as possible. Considerations for selecting wells should include: 1) Areal location of a well in the basin. The selected wells should be located in areas where pumping, and water-level decline, is currently the greatest and is likely to remain so in the near future; 2) the depth of the wells. Perforated intervals of selected wells should be open to the aquifer system that is currently used, or planned use, for groundwater production. For example, a well sampled in the northern portion of the basin is likely perforated in the upper and middle aquifers and is important for groundwater extraction for irrigation, whereas in the middle portion of the basin the middle and some cases lower aquifer becomes important for domestic and municipal supply; 3) Pumping water levels should also be considered since setting the temporary well pump above the upper-most well perforations will allow for the most robust analysis of well-bore flow and vertical distribution of water quality.

Task 2: Collection and interpretation of well-bore flow and chemistry, three production wells in FY 2017-19

Well-Bore Flow: Well-bore flow profiles will be collected from the study wells under unpumped conditions using an electromagnetic (EM) flow meter or spinner tool; use of the EM flow meter will also provide fluid temperature and resistivity measurements. Prior to data collection, the thickness of any oil that is used to lubricate well pumps and that is floating on the surface of the water column must be measured and possibly removed, if other operational solutions cannot be devised, to avoid contaminating and/or damaging equipment and possibly biasing the data collected. Under some circumstances, it may be possible to work in wells with floating oil. These conditions will have to be assessed on a site by site basis. Costs for removing oil are not included in this proposal.

The EM flow meter has a large dynamic range capable of measuring both unpumped and pumped flows (Newhouse and others, 2005). Fluid temperature and fluid resistivity sensors embedded within the EM flow meter will be used to confirm measurements of unpumped flow. These data will be used to assess redistribution of water having potentially different quality through wells under unpumped conditions. Wellbore flow data will also be collected under pumped conditions using the EM or spinner logging tool. The EM flowmeter is typically able to measure flow more accurately than a spinner-type flowmeter, particularly at low flow rates. However, the use of Pacific Survey's Full-Bore Spinner Tool make provide comparable data that is more cost effective. Velocity measurements will be collected at several different flow meter drop rates to provide calibration data for the instrument and evaluate the reproducibility of the velocity profile. The velocity profile will be converted to a volumetric flow rate using the cross-sectional area of the wellbore. The flow rates determined from the EM flow meter will be compared to the flow rates measured on the discharge line of the temporary pump using an acoustic flow meter as an additional quality-assurance step.

The most cost effective way to obtain a well-bore flow profile and vertical stratification of water quality may be to install a two inch access tube that extends from ground surface to below the pump intake. An access tube will allow for data to be collected under normal pumping conditions and will eliminate the need for disposing of purge water and costs associated with setting and operating at temporary pump. If the well design is not conducive to the installation of an access tube, then a temporary pump will be installed by a well services company contracted through the BWD. The temporary pump should be pumped at a rate similar to normal or anticipated groundwater pumping rates. If the temporary pumping rate is less than the expected pumping rate under normal operating conditions, and as long as the induced flow under pumped conditions exceeds ambient flow under un-pumped conditions, the relative contributions of flow and contaminants from different depths is expected to be similar to those measured under normal operating conditions with higher flow rates. The effects of different pumping rates on the system can also be assessed using the groundwater flow modeling analysis (see below). These depth-dependent techniques have been used in many wells throughout California (Izbicki and others, 1998; 2003; 2005a; 2005b; 2006; 2008).

Water-quality sampling: Depth-dependent water samples will be collected from the surface discharge and up to five selected depths within the well. These samples will be analyzed for a wide array of constituents as discussed below, except age-dating parameters which may only be collected from the surface discharge and two depths in the well. The depth-dependent samples will be collected by installing 2-inch diameter PVC casing in the well to the target depth of the sample and then lowering a submersible pump (Bennett) suitable for sampling for dissolved gases into the PVC pipe. Because the samples may be collected under pumping conditions with the temporary pump intake above or near the top of the perforated interval, there will be upward flow in the well, similar to typical well operating conditions. The sample from each depth integrates the contributions of flow and chemistry from all perforated intervals below the sample point. The chemical composition of water for each depth interval, between sampling depths, is calculated from the wellbore flow data and measured concentrations samples using a mixing calculation (Izbicki et al., 1999). Sample depths will be selected based on the well bore flow log. Up to five sampling depths in the well perforations are planned, which is expected to provide suitable vertical chemical resolution for the perforated intervals of the wells sampled. Samples will be collected and processed by USGS personnel according to the USGS National Field Manual (USGS, variously dated). Sampling equipment will be cleaned before samples are collected at each depth to prevent cross-contamination between sample points (U.S. Geological Survey, variously dated). Field blanks and replicate samples will be utilized as part of this study to assess the quality of data collection procedures and laboratory results. Approximately 10 percent of the analytical budget within each task has been reserved for quality assurance samples. The nature of samples to be analyzed for quality assurance purposes will vary for each constituent and laboratory to meet project data quality objectives.

Samples will be analyzed for major and minor ions, selected trace elements, and nutrients (table 1) at the USGS National Water Quality Laboratory, Denver, CO. Samples will also be analyzed for the following:

- 1) Field parameters, including dissolved oxygen, specific conductance, pH, and water temperature using calibrated instruments in a flow-through chamber, and hydrogen sulfide using portable instruments, at the well site during well purging;
- 2) Delta oxygen-18 and delta deuterium isotopic values in water ($\delta^{18}\text{O}$ and δD , respectively), can be used to determine the source of groundwater (local recharge versus agricultural return) Differences in isotopic composition can also be used to help determine general atmospheric conditions at the time of precipitation and the effects of evaporation before water entered the groundwater system These samples will be analyzed at the USGS stable isotope laboratory (RSIL) in Reston, VA (table 2);
- 3) $\delta^{18}\text{O}$ and nitrogen-15 ($\delta^{15}\text{N}$) isotopic values of dissolved nitrate (table 2), used to determine sources of nitrate such as from fertilizers used for agricultural versus septic return water. These samples will also be analyzed at USGS RSIL;
- 4) Radiological analysis for gross alpha and beta radiation (table 3) will be collected and processed on selected samples. Based on recent analysis of water quality data in the basin that indicated gross alpha radiation exceeded the California MCL in two wells (10S/05E-36A1 and 10S/6E-15D4S) located in different parts of the Borrego Valley basin (fig.1). These samples will be analyzed at Test America Laboratory which has a contract through the USGS NWQL;
- 5) Groundwater age-dating tracers, tritium (recent recharge), and carbon-14 (old water), to determine the time-since recharge of recent (less than 50 years) and older (greater than 50 to more than 20,000 years before present) groundwater, respectively (table 2); Tritium samples will be analyzed at either the USGS Menlo Park Tritium Laboratory or the University of Miami (UOM) which contracts through the USGS NWQL. Carbon-14 samples will be

The timeline for Task 2 is multiyear because it will be most cost effective to sample wells of interest after scheduled rehabilitation when access to well perforations and well efficacy will be greatest.

Task 3: Monitor Well Construction FY 2019

The monitoring well will be constructed by the ODEX drilling method (air rotary with outer casing) to the water table or to a depth not to exceed 500 feet or 25-50ft below the water table. Drilling operations will be conducted on a 12-hour-per-day basis by USGS personnel. Soil cores will be collected at changes in lithology, and if feasible, the bottom of the hole. Drill cuttings will be collected at one foot intervals for lithologic descriptions and leachate derived from rinsed samples will be analyzed in the field for changes in specific conductance and nitrate, when possible. The borehole will be instrumented with six heat dissipation probes, three lysimeters, and one two-inch PVC piezometer perforated at the water table. All construction equipment and supplies needed for the well construction and instrumentation of the site will be provided by the USGS. A USGS hydrologist will be onsite during the entire construction process to analyze and log the drill cuttings, interpret the borehole geophysical logs, and provide the final monitoring-site design. Most of the instruments will be programmed to collect data on an almost continuous basis, and these data will be stored on site in data loggers. The USGS will visit the site on a quarterly basis to download the data and manually collect data as needed.

Task 4: Model simulation using the BVHM and Modpath particle tracking FY 2019

Once the vertical profiles of well-bore flow and water quality are known and data collected from the UZ monitoring site are processed, the BVHM (Faunt and others, 2015) can be used to help predict how water quality may change in response to declining water levels and changes in flux from the unsaturated zone. This task would be done using output from the model coupled with MODPATH particle-tracking software. The flowpaths of groundwater having specified water-quality parameters of interest based on measured data can be tracked (forward or backward) between aquifer zones of origin and well screens with MODPATH. These MODPATH simulations can be used to estimate water-quality conditions being contributed to groundwater withdrawn from supply wells from each of the different aquifer zones, based on the measured well-bore flow, depth-dependent water-quality profiles, and data collected in the unsaturated zone. By analyzing the distribution of chemical concentrations, indicated as particles coming from different zones of the aquifer(s) to pumping wells, and how the particle concentration distributions change over time as water levels change, the simulations can be used to understand how changes in groundwater levels and groundwater source zones will affect the quality of water withdrawn from wells.

Task 5: Reporting FY 2017-19

Study results will be presented to the BWD in interim presentations or written communications as necessary to help inform decisions on groundwater management with respect to water quality in the Borrego Valley Basin. Final results of the study will be described on the USGS's Borrego Valley project website (<http://ca.water.usgs.gov/projects/borrego/index.html>, accessed July 12, 2016). Data from the study will be publically available in the U.S. Geological Survey's on-line data base NWIS-Web (<http://waterdata.usgs.gov/nwis>) and will also be made available on the USGS's Borrego Valley project website.

Budget: The costs for the project, by task, are shown in the following table, along with a breakdown by major expense category. For studies done with non-federal public agencies, the U.S. Geological Survey has Cooperative Matching Funds (CMF) to share costs for certain expenses, such as labor and travel, to a maximum of 10 percent of the cost for that expense and are subject to the availability.

USGS Proposed Scope of Work, Borrego Valley Groundwater

July 12, 2016

Summary Budget by Task	FY2017 ¹	FY2018 ²	FY2019 ³	Total
Tasks				
Task 1: Project Design	\$3,050	\$3,050	\$3,050	\$9,150
Task 2: Well Bore Flow and Sample Collection	\$53,650	\$53,650	\$53,650	\$160,950
Task 3: Monitoring Well Construction	\$0	\$0	\$350,000	\$350,000
Task 4: Modeling	\$0	\$0	\$22,600	\$22,600
Task 5: Reporting	\$16,700	\$16,700	\$16,700	\$50,100
USGS Contribution (10% of labor and travel)	\$5,652	\$4,737	\$40,474	\$50,863
BWD Contribution	\$67,748	\$68,663	\$405,526	\$541,937
Total	\$78,400	\$78,400	\$446,000	\$592,800
USGS Contribution (10% of labor, travel, vehicles and fuel) excluding Task 3	\$5,042	\$5,042	\$10,582	\$39,997
BWD Contribution excluding Task 3	\$68,358	\$68,358	\$85,418	\$222,134
Total (Excluding task 3)	\$73,400	\$73,400	\$96,000	\$242,800
¹ Federal Fiscal Year 2017 (Oct 1, 2016 - Sept. 30, 2017)*				
² Federal Fiscal Year 2018 (Oct 1, 2017 - Sept. 30, 2018)*				
³ Federal Fiscal Year 2019 (Oct 1, 2018 - Sept. 30, 2019)*				
* estimated costs				

Work Plan: Tasks 1, 2, 4 and 5, will be conducted during Federal Fiscal Years (FFY) 2017-2019 (October 1, 2016 – September 30, 2019). Task 3 (if funded) would be completed in late FFY2019 (October 1, 2018 – September 30, 2019)

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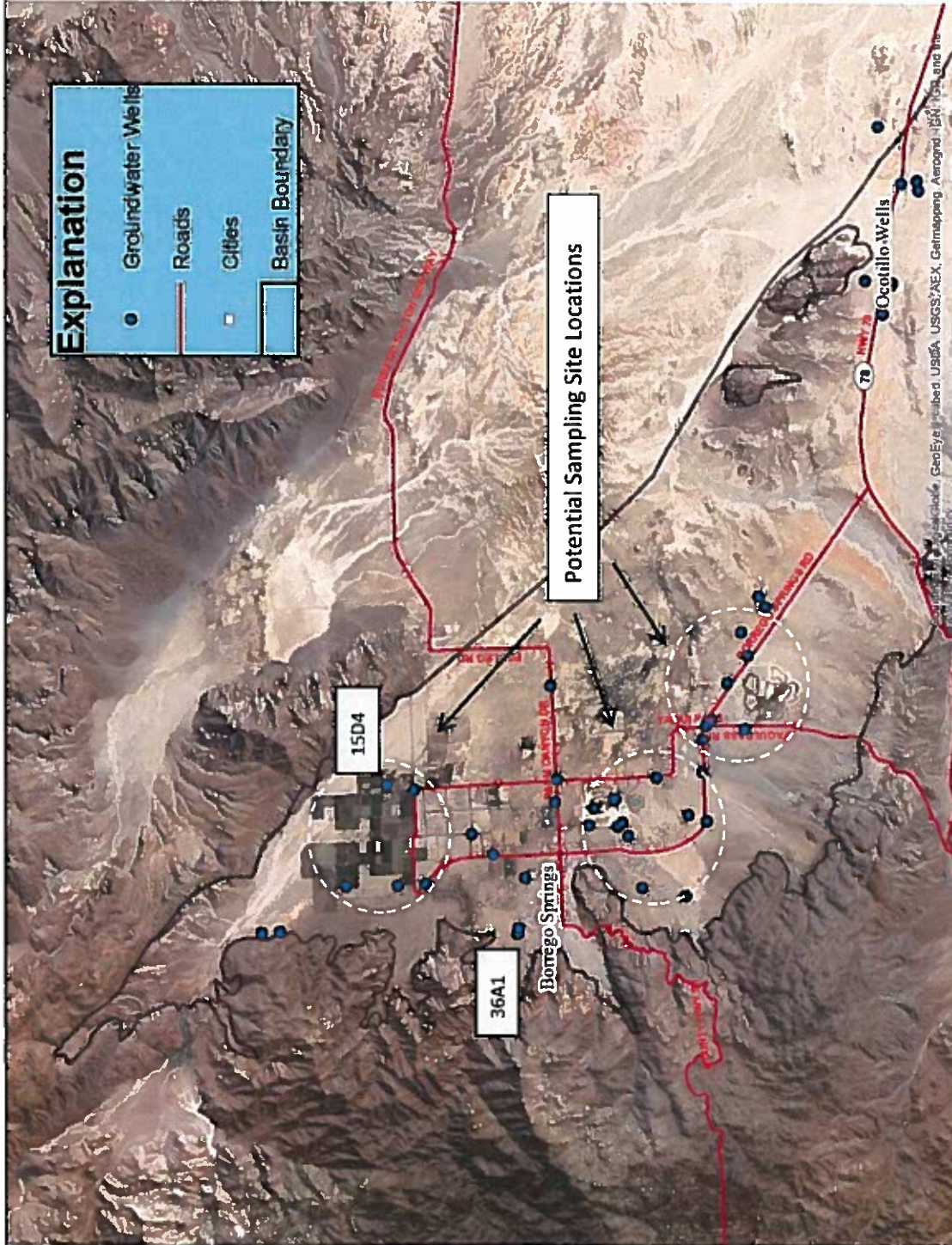


Figure 1. Select groundwater wells and potential areas for selecting sites for well bore flow and water chemistry sampling in the Borrego Valley basin.

Table 1. Major and minor ions, trace elements, and nutrients to be measured at selected wells, Borrego Valley, CA.

[milligrams per liter, mg/L; micrograms per liter, mg/L; uS/cm, microsiemen per centimeter; CAS, Chemical Abstracting Service; na, not available]

Constituent ¹	USGS parameter code	CAS number	Reporting level	Reporting units
Alkalinity, laboratory	29801	471-34-1	4.6	mg/L
Aluminum	01106	7429-90-5	2.2	ug/L
Arsenic	01000	7440-38-2	0.10	ug/L
Barium	01005	7440-39-3	0.3	ug/L
Boron	01020	7440-42-8	2.0	ug/L
Bromide	71870	24959-67-9	0.03	mg/L
Calcium	00915	7440-70-2	0.022	mg/L
Chloride	00940	16887-00-6	0.02	mg/L
Chromium	01030	7440-47-3	0.3	ug/
Fluoride	00950	16984-48-8	0.01	mg/L
Iodide	71865	7553-56-2	0.001	mg/L
Iron	01046	7439-89-6	4.0	ug/L
Lithium	01130	7439-93-2	0.1	ug/L
Magnesium	00925	7439-95-4	0.011	mg/L
Manganese	01056	7439-96-5	0.20	ug/L
pH, laboratory	00403	na	0.1	pH
Potassium	00935	7440-09-7	0.03	mg/L
Total Dissolved Solids	70300	na	20	mg/L
Silica	00955	7631-86-9	0.018	mg/L
Sodium	00930	7440-23-5	0.06	mg/L
Specific conductance, laboratory	90095	na	5	uS/cm
Strontium	01080	7440-24-6	0.2	ug/L
Sulfate	00945	14808-79-8	0.02	mg/L
Uranium	22703	7440-61-1	0.014	ug/L
Vanadium	01085	7440-62-2	0.08	ug/L
Nitrogen, nitrite + nitrate	00631	na	0.04	mg/L
Nitrogen, nitrite	00613	14797-65-0	0.001	mg/L

¹U.S. Geological Survey National Water Quality Laboratory, Denver, Colorado

Table 2. Isotopes, groundwater age tracers and reporting information for laboratory analyses.

[The five-digit USGS parameter code is used to uniquely identify a specific constituent or property. Elements: H, hydrogen; O, oxygen; C, carbon; N, nitrogen; Other abbreviations: CAS, Chemical Abstract Service; na, not available; pmc, percent modern carbon; pCi/L, picocuries per liter]

Constituent	USGS parameter code	CAS number	Method Uncertainty	Reporting units
Isotope ratios				
$\delta^2\text{H}$ in water ¹	82082	na	2	per mil
$\delta^{18}\text{O}$ in water ¹	82085	na	0.2	per mil
$\delta^{15}\text{N}$ in nitrate ¹	82690	na	0.2	per mil
$\delta^{18}\text{O}$ in nitrate ¹	63041	na	0.2	per mil
$\delta^{13}\text{C}$ in dissolved inorganic carbon ²	82081	na	0.05	per mil
Age Tracers				
Tritium ³	7000	10028-17-8	1	pCi/L
Carbon-14 ²	49933	14762-75-5	0.0015	pmc
Carbon-14, counting error ²	49934	na	na	pmc

¹ USGS Reston Stable Isotope Laboratory, Reston, Virginia (USGS-RSIL)

² Woods Hole Oceanographic Institute, National Ocean Sciences Accelerator Mass Spectrometry Facility, Woods Hole, Massachusetts

³ USGS Isotope Tracer Laboratory, Menlo Park, California or University of Miami, Miami, Florida

Table 3. Gross alpha and beta radiation to be measured at selected wells, Borrego Valley, CA.
 [pCi/L, picocuries per liter; CAS, Chemical Abstracting Service]

Constituent¹	USGS parameter code	CAS number	Reporting level	Reporting units
Gross-alpha radioactivity, 72/hr	62636	12587-46-1	3	pCi/L
Gross-alpha radioactivity, 30/day	62639	12587-46-1	3	pCi/L
Gross-beta radioactivity, 72/hr	62642	12587-47-2	4	pCi/L
Gross-beta radioactivity, 30/day	62645	12587-47-2	4	pCi/L

¹ Test America Laboratories, Richland, WA

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING –JULY 27, 2016
AGENDA BILL II.E

July 21, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: AGENDA ITEM II.E: Adopting the Memorandum of Understanding (MOU) between BWD and County of San Diego and Electing BWD's Core Team plus the Primary BWD Contact for Development of a Groundwater Sustainability Plan (GSP) in the Borrego Valley Groundwater Basin. Resolution No. 2016-07-08:

RECOMMENDED ACTION: Approve Resolution No. 2016-07-08, adopting GSP MOU, appointing Directors Hart and Brecht and GM Poole to the BWD Core Team and GM Poole as BWD Central Point of Contact during the GSP process

ITEM DESCRIPTION: Representatives from BWD and the County of San Diego (County) have negotiated the attached MOU. The document begins to outline the process to be followed by the two Agencies for creation of the Borrego Valley GSP as required by California's Sustainable Groundwater Management Act (SGMA).

The structure proposed in the attached GSP MOU includes the formation of a Core Team (CT) that will include Representatives from BWD and the County, tentatively set at 3 from each side. The CT will be involved in every step of the GSP process, keeping their respective Boards informed of the issues and obtaining the necessary Board approvals moving forward.

The CT will also create a Public Participation Plan which includes the formation of an Advisory Committee (AC) made up of stakeholders in the Borrego Valley. The AC will provide input to the CT on sustainability measures, planning, implementation and finances of GSP. Meetings for the AC will be open to the public and subject to the Brown Act.

Once the MOU is approved, the CT will begin to work on the Request for Proposal (RFP) to outline the scope of work for the Consultant that will be selected by the CT to develop the GSP. If one agency would like to study issues that are outside of the scope of the RFP, the MOU allows for that as long as it is not a duplication of effort in the GSP and the other agency concurs. The requesting Agency will pay for any extra studies that are conducted outside the GSP RFP scope of work. The contract for the GSP will be administered by the County and follow their requirements.

It is recommended that Directors Hart, Brecht and myself represent BWD during the GSP process on the CT. In addition, each Agency is to appoint a Primary Contact and for BWD it is recommended to be me. Attached is a Resolution that approves the MOU and appoints these representatives.

County Staff is scheduled to attend the July 27th Board Meeting to provide input and answer any questions. The County Board of Supervisors is scheduled to consider the same MOU at its September 14th meeting.

As a follow up to a question that came up at the Special Meeting on July 19th, the County has a meeting scheduled for August 3rd to determine whether it will become a Groundwater Sustainability Agency on other basins in the County. Since the County has not yet elected to become a GSA on these other basins, the CT on these other basins has not yet been decided.

FISCAL IMPACT: The direct fiscal impact of developing the GSP has not been determined yet. The fiscal impact to the community of failing to provide an adequate supply of potable water would be devastating.

ATTACHMENTS: 1. Proposed MOU

2. Resolution No. 2016-07-08: Adopting the Memorandum of Understanding (MOU) between BWD and County of San Diego for Development of a Groundwater Sustainability Plan (GSP) in the Borrego Valley Groundwater Basin.

**MEMORANDUM OF UNDERSTANDING
DEVELOPMENT OF A GROUNDWATER SUSTAINABILITY PLAN
FOR THE BORREGO VALLEY GROUNDWATER BASIN**

This Memorandum of Understanding for the Development of a Groundwater Sustainability Plan (“Plan”) for the Borrego Valley Groundwater Basin (“MOU”) is entered into and effective this __ day of _____, 2016 by and between the Borrego Water District (“District”) and the County of San Diego (“County”). The District and the County are each sometimes referred to herein as a “Party” and are collectively sometimes referred to herein as the “Parties.”

RECITALS

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (Act);

WHEREAS, Act went into effect on January 1, 2015;

WHEREAS, Act seeks to provide sustainable management of groundwater basins, enhance local management of groundwater; establish minimum standards for sustainable groundwater management; and provide local groundwater agencies the authority and the technical and financial assistance necessary to sustainably manage groundwater;

WHEREAS, the Parties have each declared to be a Groundwater Sustainability Agency (GSA) overlying portions of Borrego Valley Groundwater Basin (Borrego Basin), identified as Basin Number 7.24, a Bulletin 118 designated (medium-priority) basin;

WHEREAS, each Party has statutory authorities that are essential to groundwater management and Act compliance;

WHEREAS, Section 10720.7 of Act requires all basins designated as high- or medium-priority basins designated in Bulletin 118 be managed under a Plan or coordinated Plans pursuant to Act;

WHEREAS, Section 10720.7 of Act requires all critically over drafted basins be managed under a Plan by January 31, 2020;

WHEREAS, the California Department of Water Resources (DWR) has identified the Borrego Basin as critically over drafted;

WHEREAS, the Parties intend to eliminate overlap of the Parties by collectively developing and implementing a single Plan to sustainably manage Borrego Basin pursuant to section 10727 et seq. of Act;

WHEREAS, the Parties wish to use the authorities granted to them pursuant to the Act and utilize this MOU to memorialize the roles and responsibilities for developing the Plan;

WHEREAS, it is the intent of the Parties to complete the Plan as expeditiously as possible in a manner consistent with Act and its implementing regulations;

WHEREAS, it is the intent of the Parties to cooperate in the successful implementation of the Plan not later than the date as required by the Act for the Borrego Basin;

WHEREAS, the Parties wish to memorialize their mutual understandings by means of this MOU; and

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, the Borrego Water District and the County of San Diego hereby agree as follows:

I. Purposes and Authorities.

This MOU is entered into by the Parties for the purpose of establishing a cooperative effort to develop and implement a single Plan to sustainably manage the Borrego Basin that complies with the requirements set forth in the Act and its associated implementing regulations. The Parties recognize that the authorities afforded to a GSA pursuant to Section 10725 of the Act are in addition to and separate from the statutory authorities afforded to each Party individually. The Parties intend to memorialize roles and responsibilities for Plan implementation during preparation of the Plan.

II. Definitions.

As used in this Agreement, unless context requires otherwise, the meanings of the terms set forth below shall be as follows:

1. “Act” refers to the Sustainable Groundwater Management Act.
2. “Advisory Committee” refers to the stakeholder group created in Section III of the MOU.
3. “Core Team” refers to the working group created in Section III of the MOU.
4. “County” refers to the County of San Diego, a Party to this MOU.
5. “District” refers to the Borrego Water District, a Party to this MOU.
6. “DWR” refers to the California Department of Water Resources.
7. “Effective Date” means the date on which the last Party executes this Agreement.
8. “Governing Body” means the legislative body of each Party: the District Board of Directors and the County Board of Supervisors, respectively.
9. “Groundwater Sustainability Plan (Plan)” is the basin plan for the Borrego Basin that the parties to this MOU are seeking to develop and implement pursuant to the Act.
10. “Memorandum of Understanding (MOU)” refers to this agreement.
11. “Party” or “Parties” refer to the County of San Diego and Borrego Water District.
12. “Plan Funding” is the funding necessary for the preparation and implementation of the Plan.
13. “Plan Schedule” includes all the tasks necessary to complete the Plan and the date

scheduled for completion.

14. “State” means the State of California.
15. “SWRCB” refers to the State Water Resources Control Board.
16. “Undesirable Result” shall be defined as in the Act Section 10721(x) 1-6

III. Agreement.

This section establishes the process for the Borrego Basin Plan Core Team and the Advisory Committee.

1. Establishment and Responsibilities of the Plan Core Team (Core Team).
 - a. The Core Team shall jointly develop a coordinated Plan. The Plan shall include, but not be limited to, enforcement measures, a detailed breakdown of each Parties responsibilities for Plan implementation, anticipated costs of implementing the Plan, and cost recovery mechanisms (if necessary).
 - b. The Core Team will consist of representatives from each Party to this MOU working cooperatively together to achieve the objectives of the Act. Core Team members serve at the pleasure of their appointing Party and may be removed/changed by their appointing Party at any time. A Party must notify all other Parties to this MOU in writing if that Party has removes or replaces Core Team members.
 - c. Each member of the Core Team shall be responsible for keeping his/her respective management and governing board informed of the progress towards the development of the Plan and for obtaining any necessary approvals from management/governing board. Each member of the Core Team shall keep the other member reasonably informed as to all material developments so as to allow for the efficient and timely completion of the Plan.
 - d. Each Core Team member’s compensation for their service on the Core Team is the responsibility of the appointing Party.
 - e. The Core Team shall develop and implement a stakeholder participation plan that involves the public and area stakeholders in an Advisory Committee role to aid in developing and implementing the Plan.
 - f. The Core Team will cooperatively work with the Advisory Committee to develop bylaws for the governance of the Advisory Committee. These bylaws are subject to approval by the Core team prior to adoption by the Advisory Committee. The Core Team may establish an appointment process and other administrative procedures for the Advisory Committee, in accordance with District and County policies intended to promote active participation in local government, and requirements to include stakeholders in the development of the Plan as established in the Act.
 - g. The Core Team will be the primary liaison with the Advisory Committee; and

will guide Advisory Committee activities.

2. Core Team Meetings.
 - a. The Core Team will establish a meeting schedule and choice of locations for regular meetings to discuss Plan development and implementation activities, assignments, milestones and ongoing work progress.
 - b. The Core Team may establish and schedule meetings of the Advisory Committee to coordinate development and implementation of the Plan.
 - c. Attendance at all Core Team meetings may be augmented to include staff or consultants to ensure that the appropriate expertise is available.
3. Establishment and Role of the Advisory Committee
 - a. The Parties shall establish an Advisory Committee. The Advisory Committee will provide input to the Core Team on Plan development, including providing recommendations on basin sustainability measures, and the planning, financing, and implementation of the Plan. The Parties will agree on the composition of the Advisory Committee and acknowledge that the Advisory Committee must meet the requirements established in the Act.
 - b. Advisory Committee members will not be compensated for activities associated with the Advisory Committee, Plan development or any activity conducted under this agreement.
 - c. The Advisory Committee that is formed through this process shall be subject to and abide by the California open meeting laws under Government Code sections 54950 et seq., otherwise known as the “Brown Act,” in order for the Parties to accept an Advisory Committee’s recommendations.
 - d. Meetings of the Advisory Committee shall be held in Borrego Springs, CA.

IV. Interagency Communication.

1. To provide for consistent and effective communication between parties, each Party agrees that a single member from each Party’s Core Team will be their central point of contact on matters relating to this MOU. Additional representatives may be appointed to serve as points of contact on specific actions or issues.
2. The Core Team shall appoint a single representative to communicate actions conducted under this agreement to DWR. The appointee shall not communicate formal actions or decisions without prior written approval from the Core Team. This is not intended to discourage informal communications between the Parties and DWR.

V. Roles and Responsibilities of the Parties.

1. The Parties are responsible for developing a coordinated Plan that meets the

requirements of the Act.

2. The Parties will jointly establish their roles and responsibilities for implementing a coordinated Plan for the Borrego Basin in accordance with the Act.
3. The Parties will jointly work in good faith and coordinate all activities to meet the objectives of this MOU. The Parties shall cooperate with one another and work as efficiently as possible in the pursuit of all activities and decisions described in the MOU.
4. Each of the Parties will provide expertise, guidance, and data on those matters for which it has specific expertise or statutory authority, as needed to carry out the objectives of this MOU. Further development of roles and responsibilities of each Party will occur during Plan development.
5. After execution of this MOU as soon as reasonably possible, the Core Team shall mutually develop a timeline that describes the anticipated tasks to be performed under this MOU and dates to complete each task (Plan Schedule); and scope(s) of work and estimated costs for Plan development. The Plan Schedule will allow for the preparation of a legally defensible Plan acceptable to the Parties and include allowances for public review and comment, and approval by governing boards prior to deadlines required in the Act. Due to the critical nature of the Borrego Basin overdraft, both Parties shall make every effort to complete the draft Plan as soon as possible but no later than July 1, 2019. The Plan Schedule shall become part of this MOU through reference. The Plan Schedule will be referred and amended as necessary to conform to developing information, permitting, and other requirements. Therefore, this Plan Schedule may be revised from time to time upon mutual agreement of the Core Team. Costs shall be funded and shared as outlined in Section VI.
6. The Parties recognize that they may disagree as to the composition of the Plan and/or the timelines/methods for implementing the Plan. In the event that the Parties have attempted, in good faith, to resolve the matter on their own and are unsuccessful, the Parties agree to jointly seek to use the non-binding mediation services provided by the DWR to address disputes arising under the Act, to the extent that such services are available. If non-binding mediation from the DWR is not available or if either Party believes it would be more useful to consult with the State Water Resources Control Board (“SWRCB”), the Parties agree to request non-binding mediation from the Chair of the SWRCB or another Member designated by the Chair who is acceptable to both Parties. The Parties recognize that the failure to timely complete a Plan or to achieve any of the other milestones in the Act may result in intervention by the SWRCB.

VI. Contracting and Funding for Plan Development.

1. The Parties shall mutually develop a scope of work, budget, cost sharing agreement and cost recovery plan (“Plan Funding”) for the work to be undertaken pursuant to this MOU. The Plan Funding shall be included and adopted in the final Borrego

Basin Plan. Both the budget and cost sharing agreement shall be determined prior to any substantial financial expenditures or incurrence of any financial obligations related to consultant costs.

2. Specifically, to fulfill the requirements of the Act, the Core Team will jointly prepare and agree upon a scope of work for the consultants needed to prepare the Plan. The Parties agree that any work contracted for the purpose of developing the Plan shall be a cooperative effort.
3. The County shall hire consultant(s) to complete required components of the Plan. The contracting shall be subject to the County's competitive bid process and be subject to auditing by the County's Auditor and Controller.
4. Within the parameters of the County's contracting regulations, policies and procedures, the Core Team will be cooperatively involved in the evaluation, selection and oversight of the consultant(s).
5. Each Party is free to retain other consultants for its own purposes and at its own cost, *provided that* each Party consults with the other Party before conducting such work. The scope of any such work may not conflict with or duplicate work performed under this MOU. Nothing in this agreement prohibits either Party from exercising its statutory authorities afforded to each Party individually.
6. The Parties agree that each Party will bear its own staff costs to develop the Plan.

VII. Approval.

1. The Parties agree to make best efforts to adhere to the required Plan Schedule and will forward a final Borrego Basin Plan to their respective governing boards for approval and subsequent submission to DWR for evaluation as provided for in Act.
2. Approval and amendments will be obtained from the District Board of Directors prior to submission to the County Board of Supervisors.
3. Each Governing Board retains full authority to approve, amend, or reject the proposed Plan, provided the other Governing Board subsequently confirms any amendments, but both Parties also recognize that the failure to adopt and submit a Plan for the Basin to DWR by January 31, 2020 risks allowing for state intervention in managing the Basin.
4. The Parties agree that they will use good-faith efforts to resolve any issues that one or both Governing Boards may have with the final proposed Plan for the Basin in a timely manner so as to avoid the possibility of state intervention. An amendment to this MOU is anticipated upon acceptance of the Borrego Basin Plan by both Governing Boards.

VIII. Staffing.

Each Party agrees that it will devote sufficient staff time and other resources to actively participate in the development of the Plan for the Basin, as set forth in this MOU.

IX. Indemnification.

1. Claims Arising From Sole Acts or Omissions of County.

The County of San Diego (County) hereby agrees to defend and indemnify the District, its agents, officers and employees (hereinafter collectively referred to in this paragraph as “District”), from any claim, action or proceeding against District, arising solely out of the acts or omissions of County in the performance of this MOU. At its sole discretion, District may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve County of any obligation imposed by this MOU. The District shall notify County promptly of any claim, action or proceeding and cooperate fully in the defense.

2. Claims Arising From Sole Acts or Omissions of the District.

The District hereby agrees to defend and indemnify the County of San Diego, its agents, officers and employees (hereafter collectively referred to in this paragraph as 'County') from any claim, action or proceeding against County, arising solely out of the acts or omissions of District in the performance of this MOU. At its sole discretion, County may participate at its own expense in the defense of any such claim, action or proceeding, but such participation shall not relieve the District of any obligation imposed by this MOA. County shall notify District promptly of any claim, action or proceeding and cooperate fully in the defense.

3. Claims Arising From Concurrent Acts or Omissions.

The County of San Diego (“County”) hereby agrees to defend itself, and the District hereby agrees to defend itself, from any claim, action or proceeding arising out of the concurrent acts or omissions of County and District. In such cases, County and District agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 5 below.

4. Joint Defense.

Notwithstanding paragraph 3 above, in cases where County and District agree in writing to a joint defense, County and District may appoint joint defense counsel to defend the claim, action or proceeding arising out of the concurrent acts or omissions of District and County. Joint defense counsel shall be selected by mutual agreement of County and District. County and District agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 5 below. County and District further agree that neither party may bind the other to a settlement agreement without the written consent of both County and District.

5. Reimbursement and/or Reallocation.

Where a trial verdict or arbitration award allocates or determines the comparative fault of the parties, County and District may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault.

X. Litigation.

In the event that any lawsuit is brought against either Party based upon or arising out of the terms of this MOU by a third party, the Parties shall cooperate in the defense of the action. Each Party shall bear its own legal costs associated with such litigation.

XI. Books and Records.

Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement, *providing that* nothing in this paragraph shall be construed to operate as a waiver of any applicable privilege.

XII. Notice.

All notices required by this Agreement will be deemed to have been given when made in writing and delivered or mailed to the respective representatives of County and the District at their respective addresses as follows:

For the District:

General Manager
Borrego Water District
PO Box 1870
806 Palm Canyon Drive
Borrego Springs, CA 92004

For the County:

San Diego County
Administrative Officer
San Diego County
1600 Pacific Highway
San Diego, CA 92101

With a copy to:

David Aladjem
Downey Brand LLP
621 Capitol Mall, 18th Floor
Sacramento, CA 95814

With a copy to:

Justin Crumley, Senior Deputy
Office of County Counsel
1600 Pacific Highway, Rm 355
San Diego, CA 92101

Any party may change the address or facsimile number to which such communications are to be given by providing the other parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

All notices will be effective upon receipt and will be deemed received through delivery if personally served or served using facsimile machines, or on the fifth (5th) day following deposit in the mail if sent by first class mail.

XIII. Miscellaneous.

1. **Term of Agreement.** This MOU shall remain in full force and effect until the date upon which the Parties have both executed a document terminating the provisions of this MOU.
2. **No Third Party Beneficiaries.** This Agreement is not intended to, and will not be construed to, confer a benefit or create any right on a third party, or the power or right to bring an action to enforce any of its terms.
3. **Amendments.** This Agreement may be amended only by written instrument duly signed and executed by the County and the District.
4. **Compliance with Law.** In performing their respective obligations under this MOU, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.
5. **Jurisdiction and Venue.** This MOU shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this MOU shall be brought and maintained to the extent allowed by law in the County of San Diego, California.

6. Waiver. The waiver by either party or any of its officers, agents or employees, or the failure of either party or its officers, agents or employees to take action with respect to any right conferred by, or any breach of any obligation or responsibility of this Agreement, will not be deemed to be a waiver of such obligation or responsibility, or subsequent breach of same, or of any terms, covenants or conditions of this Agreement, unless such waiver is expressly set forth in writing in a document signed and executed by the appropriate authority of the County and the District.
7. Authorized Representatives. The persons executing this Agreement on behalf of the parties hereto affirmatively represent that each has the requisite legal authority to enter into this Agreement on behalf of their respective party and to bind their respective party to the terms and conditions of this Agreement. The persons executing this Agreement on behalf of their respective party understand that both parties are relying on these representations in entering into this Agreement.
8. Successors in Interest. The terms of this Agreement will be binding on all successors in interest of each party.
9. Severability. The provisions of this Agreement are severable, and the adjudicated invalidity of any provision or portion of this Agreement shall not in and of itself affect the validity of any other provision or portion of this Agreement, and the remaining provisions of the Agreement shall remain in full force and effect, except to the extent that the invalidity of the severed provisions would result in a failure of consideration or would materially adversely affect either party's benefit of its bargain. If a court of competent jurisdiction were to determine that a provision of this Agreement is invalid or unenforceable and results in a failure of consideration or materially adversely affects either party's benefit of its bargain, the parties agree to promptly use good faith efforts to amend this Agreement to reflect the original intent of the parties in the changed circumstances.
10. Construction of Agreement. This Agreement shall be construed and enforced in accordance with the laws of the United States and the State of California.
11. Entire Agreement.
 - a. This Agreement constitutes the entire agreement between the County and the District and supersedes all prior negotiations, representations, or other agreements, whether written or oral.
 - b. In the event of a dispute between the parties as to the language of this Agreement or the construction or meaning of any term hereof, this Agreement will be deemed to have been drafted by the parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hand on the date first above written.

BORREGO WATER DISTRICT

COUNTY OF SAN DIEGO,
a political subdivision of
the State of California

By: _____
Beth A. Hart
President, Board of Directors

By: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY
BY COUNTY COUNSEL

By: _____
Senior Deputy

DRAFT

RESOLUTION NO. 2016-07-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT
ADOPTING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE BORREGO
WATER DISTRICT (BWD) AND COUNTY OF SAN DIEGO FOR DEVELOPMENT OF A
GROUNDWATER SUSTAINABILITY PLAN (GSP) IN THE BORREGO VALLEY
GROUNDWATER BASIN**

WHEREAS, the on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, known collectively as the Sustainable Groundwater Management Act (SGMA) empowering local agencies to sustainability manage groundwater resources within its jurisdiction; and

WHEREAS, SGMA defines sustainable groundwater management as the management of groundwater supplies in a manner that can be maintained during the planning and implementation horizon without causing undesirable results; and

WHEREAS, the USGS has identified an overdraft in the Borrego Groundwater Basin of approximately 14,000 acre feet per year, and the State of California has classified the Basin as Medium Priority and Critically Overdrafted; and

WHEREAS, the jurisdiction in the Borrego Basin is shared between that parties and each sought status as Groundwater Sustainability Agencies (GSA). In this situation, SGMA allows for the parties to eliminate the overlap and collectively develop and implement a single plan, and

WHEREAS, the Borrego Water District and County of San Diego desire to enact their legal authority under SGMA and work together to develop one Groundwater Sustainability Plan for the Borrego Valley Basin in compliance with SGMA, and

WHEREAS, the parties collectively negotiated a Memorandum of Understanding for a Groundwater Sustainability Plan in the Borrego Valley Groundwater Basin, dated May 16, 2016.

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

Approval of the MOU between the Borrego Water District and the County of San Diego for Development of a Groundwater Sustainability Plan (GSP) in the Borrego Valley Groundwater Basin, dated May 16, 2016

ADOPTED, SIGNED AND APPROVED this 27th day of July 2016.

Beth President of the Board of Directors
of Borrego Water District

ATTEST:

Kim Pitman, Assistant Secretary
Board of Directors of Borrego Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Kim Pitman, Assistant Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution No. 2016-07-08 was duly adopted by the Board of Directors of said District at a regular meeting held on the 27th day of July, 2016, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Kim Pitman, Assistant Secretary
Board of Directors of Borrego Water District

(SEAL)

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Kim Pitman, Assistant Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2016-07-08 of said Board of Directors and that the same has not been amended or repealed.

Dated: July 27, 2016

Kim Pitman, Assistant Secretary
Board of Directors Borrego Water District

(SEAL)

BOARD OF DIRECTORS MEETING –JULY 27, 2016
AGENDA BILL II.F

July 21, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: AGENDA ITEM II.G: Cancellation of August 31 Board Meeting. Resolutions No. 2016-07-09

RECOMMENDED ACTION: Approve Resolution cancelling August 30 Board Meeting

ITEM DESCRIPTION: It is tradition for the BWD Board to be dark in August and cancel its regular scheduled meeting. The Board wishes to continue with this tradition in 2016, so the attached Resolution cancels the August 31, 2016 meeting and will reconvene in September.

FISCAL IMPACT: Reduced director expenses

ATTACHMENTS: None

RESOLUTION NO. 2016-07-09

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO
WATER DISTRICT CANCELLING THE AUGUST 24, 2016 REGULAR
BOARD MEETING**

WHEREAS, the Board of Directors of the Borrego Water District maintains a schedule consisting of meetings on the last Wednesday of each month, and

WHEREAS, the Board of Directors has traditionally not met in August in past years, and

WHEREAS, the Board of Directors wishes to continue this tradition in 2016

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

The Borrego Water District Board Meeting originally scheduled for August 24 will be cancelled and the Board will re-convene on its Regular scheduled meeting day of September 28, 2016. The Workshop for August 16, 2016 will also be cancelled, and rescheduled for September 20, 2016.

ADOPTED, SIGNED AND APPROVED this 27th day of July 2016.

Beth Hart, President of the Board of Directors
of Borrego Water District

ATTEST:

Kim Pitman, Assistant Secretary of the Board of Directors
of Borrego Water District

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Kim Pitman, Assistant Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution No. 2016-07-09 was duly adopted by the Board of Directors of said District at a regular meeting held on the 27th day of July, 2016, and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Kim Pitman, Assistant Secretary
Board of Directors of Borrego Water District

(SEAL)

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

I, Kim Pitman, Assistant Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2016-07-09 of said Board of Directors and that the same has not been amended or repealed.

Dated: July 27, 2016

Kim Pitman, Assistant Secretary
Board of Directors Borrego Water District

(SEAL)

ITEM III A
FINANCIALS
MAY

	C	D	BU	BV	BW	BX	BY	BZ
1	BWD		5/27/2015				CASH FLOW	
2	CASH FLOW		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS	PROJECTED
3	2015-2016		BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
4			2015-2016	2016	2016	2015-2016	2015-2016	2016
5	REVENUE							
6	WATER REVENUE							
7	Residential Water Sales		932,150	61,129	67,841	756,580	853,781	97,201
8	Commercial Water Sales		128,750	9,034	10,324	110,304	120,400	10,096
9	Irrigation Water Sales		143,170	9,025	11,672	114,852	129,272	14,420
10	GWM Surcharge		117,420	7,919	10,888	95,646	106,535	10,888
11	Water Sales Power Portion		373,890	25,620	31,743	309,582	342,703	33,122
14	TOTAL WATER COMMODITY REVENUE:		1,645,554	112,726	125,389	1,343,963	1,500,780	156,817
15								
16								
17	Readiness Water Charge		1,335,180	111,306	112,880	1,214,668	1,327,548	112,880
19	RH Golf Course surplus capacity lease		0	0	0	9,630	9,630	0
20	Meter Installation		0	0	0	8,627	8,627	0
22	Reconnect Fees		1,700	340	340	3,310	3,310	0
23	Backflow Testing/installation		6,500	0	0	5,600	5,600	0
24	Bulk Water Sales		0	0	0	257	257	0
25	Penalty & Interest Water Collection		9,600	1,264	800	13,715	14,515	800
26	TOTAL WATER REVENUE:		2,998,534	225,637	239,409	2,581,255	2,851,753	270,497
27		Receivables						
28	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 06/03/16						
29	641500 1% Property Assessments	2,977	64,000	7,650	7,650	62,881	63,610	728
30	641502 Property Assess wtr/swr/fld	1,464	60,000	46,407	46,407	106,354	106,461	107
32	641501 Water avail Standby	22,203	84,000	14,821	14,821	79,830	80,760	930
34	641504 ID 3 Water Standby (La Casa)	2,593	34,000	12,620	12,620	32,838	32,954	116
35	641503 Pest standby	2,719	17,000	5,498	5,498	17,097	17,210	114
36	TOTAL PROPERTY ASSES/AVAIL CHARGES:	31,957	259,000	86,995	86,995	299,000	300,995	1,995
37								
38	SEWER SERVICE CHARGES							
39	Town Center Sewer Holder fees		171,240	13,982	14,270	157,793	172,063	14,270
40	Town Center Sewer User Fees		39,960	3,330	3,330	36,946	40,276	3,330
41	Sewer user Fees		333,900	27,460	27,825	304,582	332,407	27,825
45	TOTAL SEWER SERVICE CHARGES:		545,100	44,768	45,425	499,685	545,110	45,425
46								
47	OTHER INCOME							
51	Miscellaneous income (net csd fee/JPIA rebate/check free)			(73)	0	1,356	1,356	0
52	Water Credits income/Gain on Asset Sold			0	0	8,000	8,000	0
56	Interest Income		80	0	2	48	64	16
57	TOTAL OTHER INCOME:		80	(73)	2	9,404	9,420	16
58								
59	TOTAL INCOME:		3,802,713	357,327	371,831	3,450,861	3,768,794	317,934
60								
61	CASH BASIS ADJUSTMENTS							
62	Decrease (Increase) in Accounts Receivable			844	0	857	857	0
64	Construction Meter deposit/Mesquite Trails deposit refund			(12,184)		(13,884)		
65	Other Cash Basis Adjustments-Tier 2 refund			(3,181)	0	(52,975)	(52,975)	0
66	TOTAL CASH BASIS ADJUSTMENTS:			(14,520)	0	(66,001)	(66,001)	0
67								
68	TOTAL INCOME RECEIVED:		3,802,713	342,807	371,831	3,384,860	3,702,793	317,934

	C	D	BU	BV	BW	BX	BY	BZ
1	BWD		5/27/2015				CASH FLOW	
2	CASH FLOW		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS	PROJECTED
3	2015-2016		BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
4			2015-2016	2016	2016	2015-2016	2015-2016	2016
69	EXPENSES							
70								
71	MAINTENANCE EXPENSE							
72	R & M Buildings & Equipment		185,000	6,274	20,000	115,509	125,509	10,000
73	R & M - WWTP		132,000	3,589	6,000	43,595	49,595	6,000
74	Telemetry		10,000	1,154	800	11,960	12,999	1,039
75	Trash Removal		4,000	298	350	3,240	3,590	350
76	Vehicle Expense		18,000	1,255	1,500	19,624	21,124	1,500
77	Fuel & Oil		25,000	4,390	2,000	22,691	24,691	2,000
78	TOTAL MAINTENANCE EXPENSE:		374,000	16,961	30,650	216,619	237,508	20,889
79								
80	PROFESSIONAL SERVICES EXPENSE							
81	Tax Accounting (Taussig)		3,000	0	0	1,055	2,555	1,500
82	Administrative Services (ADP/Bank Fees)		6,000	205	500	4,436	4,936	500
83	Audit Fees		14,439	0	0	14,439	14,439	0
84	Computer billing		9,900	0	825	5,185	6,010	825
85	Consulting/Technical/Contract Labor		1,200	0	100	250	350	100
86	Engineering		35,000	1,500	3,000	35,255	38,255	3,000
87	District Legal Services		30,000	396	2,500	9,796	12,296	2,500
88	Testing/lab work		12,000	1,995	1,000	16,756	17,756	1,000
89	Regulatory Permit Fees		33,000	129	3,000	38,964	41,087	2,123
90	TOTAL PROFESSIONAL SERVICES EXPENSE:		144,539	4,225	10,925	126,137	137,685	11,548
91								
92	INSURANCE/DEBT EXPENSE							
93	ACWA Insurance		59,000	0	0	56,648	56,648	0
94	Workers Comp		16,000	0	0	12,398	16,398	4,000
95	COP 2008 Installment		254,525	0	0	254,525	254,525	0
96	Viking Ranch Debt Payment		143,312	0	35,872	107,550	143,422	35,872
97	TOTAL INSURANCE/DEBT EXPENSE:		472,837	0	35,872	431,121	470,993	39,872
98								
99	PERSONNEL EXPENSE							
100	Board Meeting Expense (board stipend/board secretary)		16,500	1,537	1,500	13,423	14,923	1,500
101	Salaries & Wages (gross)		761,000	65,806	63,150	702,306	765,456	63,150
102	Taxes on Payroll		20,000	1,084	2,200	19,250	20,850	1,600
103	Medical Insurance Benefits		185,000	17,868	17,200	204,435	204,435	0
104	Calpers Retirement Benefits		169,200	7,475	8,270	148,668	156,938	8,270
105	Salaries & Wages contra account		(14,520)	(2,410)	(1,320)	(35,594)	(36,914)	(1,320)
106	Conference/Conventions/Training/Seminars		7,000	533	600	7,587	7,713	126
107	TOTAL PERSONNEL EXPENSE:		1,144,180	91,894	91,600	1,060,075	1,133,401	73,326
108								
109	OFFICE EXPENSE							
110	Office Supplies		18,000	2,276	1,500	20,087	21,587	1,500
111	Office Equipment/ Rental/Maintenance Agreements		25,000	2,066	1,500	25,510	27,510	2,000
112	Postage & Freight		13,000	2,003	2,100	12,190	14,290	2,100
113	Taxes on Property		2,500	0	0	2,394	2,394	0
114	Telephone/Answering Service		8,400	800	700	8,019	8,719	700
115	Dues & Subscriptions		3,600	351	50	1,203	1,248	45
116	Printing Publications & Notices		1,000	1,399	0	4,193	4,293	100
117	Uniforms		5,400	367	450	4,887	5,337	450
118	OSHA Requirements/Emergency preparedness		4,000	1,103	300	3,342	3,642	300
119	TOTAL OFFICE EXPENSE:		80,900	10,365	6,600	81,825	89,020	7,195
120								
121	UTILITIES EXPENSE							
122	Pumping-Electricity		430,000	20,264	32,000	296,690	329,690	33,000
123	Office/Shop Utilities		19,000	3,193	1,100	23,995	25,506	1,511
124	Cellular Phone		7,500	709	625	8,209	8,834	625
125	TOTAL UTILITIES EXPENSE:		456,500	24,166	33,725	328,894	364,030	35,136
126								
127	TOTAL EXPENSES:		2,672,956	147,611	209,372	2,244,671	2,432,637	187,966
128								
129	CASH BASIS ADJUSTMENTS							
130	Decrease (Increase) in Accounts Payable			59,450	0	102,659	102,659	0
131	Increase (Decrease) in Inventory			815	0	23,770	23,770	0
132	Other Cash Basis Adjustments-Loss on water credit sold				0	-	0	0
133	TOTAL CASH BASIS ADJUSTMENTS:			60,265	0	126,429	126,429	0
134								
135	TOTAL EXPENSES PAID:		2,672,956	207,875	209,372	2,371,099	2,559,065	187,966
136								
137	NET CASH FLOW (O&M)		1,129,758	134,932	162,459	1,013,761	1,143,728	129,968

	C	D	BU	BV	BW	BX	BY	BZ
1	BWD		5/27/2015				CASH FLOW	
2	CASH FLOW		ADOPTED	ACTUAL	PROJECTED	ACTUAL	YTD + PROJ MONTHS	PROJECTED
3	2015-2016		BUDGET	MAY	MAY	YTD	PROJECTED	JUNE
4			2015-2016	2016	2016	2015-2016	2015-2016	2016
138	NON O & M EXPENSES							
139	Water							
140	Twin Tanks, 1970's-inside coating		125,000			-	0	0
141	Pickup		30,000			28,784	28,784	
142	Backhoe		150,000			-	0	0
143	ID 5-5, 200 HP		10,000			-	10,000	10,000
144	Pipeline replacements		55,590	789		65,714	65,714	0
145	Rewind motors-ID1-12/D5-5					-		
146	Pump and Cleaning Well ID4-4-Wells-ID1-12/D4-4		70,000		35,000	-	35,000	35,000
147	Booster Station 1 Rehab		8,000			14,054	14,054	
157								
158	TOTAL WATER NON O&M							
159	Sewer							
161	WWTP-Back up Generator/Portable engine driven trash pump		92,000			47,954	77,954	30,000
163	WWTP-Rehab grit chamber		6,000			-	0	
165	WWTP-Rehab Clarifier/pump/bearings		66,500	6,620		23,758	38,758	15,000
167	WWTP-Solar Project		205,088			202,762	202,762	
174								
175	TOTAL SEWER NON O&M							
176	NON-CIP							
178	GWM -legal/Misc.-prop 1 grant/USGS		60,000	5,327	5,000	67,328	72,328	5,000
179	District portion of GSP/Interim General Manager support		80,000		7,500	82,842	90,491	7,649
186	218 Process/Rate Study		110,000		18,000	39,966	57,966	18,000
191	TOTAL GWM NON O&M							
192	OTHER							
196	GPS Locating System		12,000			18,974	18,974	
198	New Computer for server and new Software system		85,500			91,012	91,012	
206	New Scada System at WWTP/District					11,630	11,630	
208	TOTAL OTHER NON O&M							
209	TOTAL NON O&M EXPENSES		1,202,678	12,736	65,500	694,780	815,429	120,649
210								
211	CASH RECAP							
212	Cash beginning of period		2,611,448	3,049,173	3,049,173	2,852,387	2,852,387	3,171,369
213	Net Cash Flow (O&M)		1,129,758	134,932	162,459	1,013,761	1,143,728	129,968
214	Total Non O&M Expenses		(1,202,678)	(12,736)	(65,500)	(694,780)	(815,429)	(120,649)
215	CASH AT END OF PERIOD		2,538,528	3,171,369	3,146,132	3,171,369	3,180,686	3,180,686
216								
217	RESERVES							
218	Debt Reserves		(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
219	Working Capital-Water (4 months)		(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
223	Contingency Reserves (10% O&M)		(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
224	Rate Stabilization Reserves		(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
225	Available for Emergency Reserves		488,528	1,121,369	1,096,132	1,121,369	1,130,686	1,130,686
226	Target Emergency Reserves		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
227	Emergency Reserves Deficit		(1,511,472)	(878,631)	(903,868)	(878,631)	(869,314)	(869,314)
228								
229	SIGNIFICANT ITEMS			ACTUAL	PROJECTED			
230								
231	Viking Ranch Debt Payment			0	35,872	Paid in June		
232	Printing, Publications & Notices			1,399	0	G/M Advertisements		
233	Salaries & Wages (gross)			65,806	63,150	Vacation pay-out		
234	Medical Insurance Benefits			17,868	17,200	Cobra payment late		



BORREGO WATER DISTRICT

	BALANCE SHEET May 31, 2016 (unaudited)	BALANCE SHEET April 30, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,171,369.02	\$ 3,049,173.06	\$ 122,195.96
Accounts receivable from water sales and sewer charges	\$ 349,788.06	\$ 350,632.16	\$ (844.10)
Inventory	\$ 133,961.30	\$ 133,146.78	\$ 814.52
Prepaid expenses	\$ 33,692.09	\$ 33,692.09	\$ -
TOTAL CURRENT ASSETS	\$ 3,688,810.47	\$ 3,566,644.09	\$ 122,166.38
RESTRICTED ASSETS			
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	\$ 124,628.29	\$ 82,913.86	\$ 41,714.43
Total Trust fund	\$ 124,628.29	\$ 82,913.86	\$ 41,714.43
TOTAL RESTRICTED ASSETS	\$ 527,903.59	\$ 486,189.16	
UTILITY PLANT IN SERVICE			
Land	\$ 2,321,191.65	\$ 2,321,191.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 323,962.89	\$ 323,173.88	\$ 789.01
Sewer Facilities	\$ 5,852,293.85	\$ 5,852,293.85	\$ -
Water facilities	\$ 10,800,433.71	\$ 10,800,433.71	\$ -
Pipelines, wells and tanks	\$ -	\$ -	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 364,781.77	\$ 364,781.77	\$ -
Vehicles	\$ 540,195.40	\$ 540,195.40	\$ -
Accumulated depreciation	\$ (11,529,988.01)	\$ (11,529,988.01)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 13,999,355.97	\$ 13,998,566.96	\$ 789.01
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,401,070.03	\$ 18,236,400.21	\$ 164,669.82

Balance sheet continued

	BALANCE SHEET May 31, 2016 (unaudited)	BALANCE SHEET April 30, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 57,232.01	\$ 105,798.27	\$ (48,566.26)
Accrued expenses	\$ 113,983.36	\$ 113,983.36	\$ -
Deposits	\$ 9,060.00	\$ 21,243.75	\$ (12,183.75)
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 180,275.37	\$ 241,025.38	\$ (60,750.01)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 124,628.29	\$ 82,913.86	\$ 41,714.43
Tier 2 Rate Refund Payable	\$ 118,370.58	\$ 121,551.15	\$ (3,180.57)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 242,998.87	\$ 204,465.01	\$ 38,533.86
LONG TERM LIABILITIES			
2008 Certificates of participation	\$ 2,475,000.00	\$ 2,475,000.00	\$ -
BBVA Compass Bank Loan	\$ 1,059,758.64	\$ 1,059,758.64	\$ -
Net Pension Liability-calPERS	\$ 699,055.00	\$ 699,055.00	\$ -
Deferred Inflow of Resources-calPERS	\$ 160,113.00	\$ 160,113.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,393,926.64	\$ 4,393,926.64	\$ -
TOTAL LIABILITIES	\$ 4,817,200.88	\$ 4,839,417.03	\$ (22,216.15)
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 3,972,054.80	\$ 3,785,168.83	\$ 186,885.97
Total retained earnings	\$ 3,972,054.80	\$ 3,785,168.83	\$ 186,885.97
TOTAL FUND EQUITY	\$ 13,583,869.15	\$ 13,396,983.18	\$ 186,885.97
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,401,070.03	\$ 18,236,400.21	\$ 164,669.82



BORREGO WATER DISTRICT

TREASURER'S REPORT MAY, 2016

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

Cash and Cash Equivalents:

Demand Accounts at UB/LAIF

General Account/Petty Cash	\$ 3,138,651	\$ 3,104,520	\$ 3,104,520	97.89%	0.00%	N/A	UB
Payroll Account	\$ 47,591	\$ 45,806	\$ 45,806	1.44%	0.00%	N/A	UB
LAIF	\$ 21,042	\$ 21,042	\$ 21,042	0.66%	0.22%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 3,207,285	\$ 3,171,369	\$ 3,171,369	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 124,628	\$ 124,628	\$ 124,628				
Total Cash, Cash Equivalents & Investments	\$ 3,331,913	\$ 3,295,997	\$ 3,295,997				

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, 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 May, 2016

Vendor disbursements paid during this period: **\$ 130,002.92**

Significant items:

San Diego Gas & Electric	\$ 20,963.33
CalPERS Payments	\$ 10,388.75
Medical Health Benefits	\$ 19,269.46
Raymond Plote-Refund Deposit for Mesquite Trails	\$ 13,383.75

Capital Projects/Fixed Asset Outlays:

Empire Southwest-Maintenance on Tractors
Pacific Pipeline-Materials and parts for Country Club pipeline

Total Professional Services for this Period:

McDougal, Love, Eckis, Attorneys	Legal-general	\$ 396.00
Downey Brand, Attorneys	GWM	\$ 5,313.50

Payroll for this Period:

Gross Payroll	\$ 65,806.30
Employer Payroll Taxes and ADP Fee	\$ 1,284.09
Total	\$ 67,090.39

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

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
30603	06/08/16	U.S.BANK CORPORATE PAYMENT SYS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS SEE INVOICE FOR DETAILS	3,397.75
30586	05/24/16	3E COMPANY ENVIRNOMENTAL MSDS ONLINE SERVICE RENEWAL	632.50
30604	06/08/16	ABILITY ANSWERING/PAGING SER ANSWERING SERVICE	260.24
30575	05/16/16	CB&T ACWA-JPIA MEDICAL INSURANCE	19,269.46
30587	05/24/16	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,834.90
30633	06/09/16	AMERICAN LINEN INC. UNIFORMS FOR CREW	366.84
30605	06/08/16	ARKADIN, INC CONFERENCE CALLS	20.84
30634	06/09/16	AT&T MOBILITY CELL PHONES FOR CREW	594.62
30606	06/08/16	AT&T-CALNET 2 PHONE SERVICE PHONE SERVICE PHONE SERVICE	348.20
30635	06/09/16	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	8.00
30576	05/16/16	BORREGO SUN 218 PUBLIC HEARING NOTICE	94.25
30588	05/24/16	BORREGO SUN FULL PAGE ADVERTISEMENT AMMND ORDINANCE NO. 16-10	326.75
30577	05/16/16	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	4,915.58
30607	06/08/16	PUBLIC EMP'S RETIREMENT SYSTEM RETIREMENT BENEFITS	5,473.17
30608	06/08/16	CALIF ENVIRONMENTAL CONTROLS AUTOMATIC AIR RELEASE VALVE	805.84
30636	06/09/16	CALIF ENVIRONMENTAL CONTROLS AUTOMATIC AIR RELEASE VALVE	805.84
30589	05/24/16	CMS BUSINESS FORMS, INC. ENVELOPES #10 WINDOW & #10 REGULAR	319.24
30609	06/08/16	CMS BUSINESS FORMS, INC. LASER WATER BILLS	660.22
30590	05/24/16	CONTRON INVOICE#'S 11373, 11374, 11375 TELEMETRY SERVICE	4,107.36
30637	06/09/16	CONTRON ID4 SCADA ID4 SCADA	2,637.66
30591	05/24/16	COUNTY OF SAN DIEGO PERMIT CLOSURE FROM 2014	121.50

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL

MAY 31, 2016

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
30592	05/24/16	DE ANZA READY MIX REHABED MANHOLE IN FRONT OF LA CASA	239.88
30610	06/08/16	DE ANZA READY MIX COUNTRY CLUB ROAD CEMENT	239.88
30611	06/08/16	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	175.69
30578	05/16/16	DEBBIE MORETTI PEST MANAGEMENT FOR OFFICE, SHOP, AND WWTP	122.00
30638	06/09/16	DESERT SUN PUBLISHING LLC GM ADVERTISING	592.72
30579	05/16/16	DISH DISH NETWORK SERVICES	80.71
30593	05/24/16	DOWNEY BRAND FEES FOR SERVICES APRIL 2016	5,313.50
30639	06/09/16	E.S. BABCOCK & SONS, INC. WATER SAMPLES TO LAB	1,935.00
30594	05/24/16	EMPIRE SOUTHWEST REPAIR ON 420D CAT BACKHOE	1,316.63
30595	05/24/16	FIREFORCE INC. FIRE EXTINGUISHER INSPECTION	946.50
30612	06/08/16	GEORGE D ROLLINS TIER 2 REFUND 0523000	510.94
30613	06/08/16	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCE MAY	4,770.00
30596	05/24/16	HACH COMPANY LAB TESTING EQUIPMENT FOR WASTE WATER TREATMENT PLANT	3,564.80
30648	06/09/16	HOME DEPOT CREDIT SERVICES SEE INVOICE FOR DETAILS	2,029.80
30614	06/08/16	HYDROTEX ENGINE OIL AND WELL LUBRICANT	3,469.47
30615	06/08/16	IVA JOHANSSON TIER 2 REFUND 0737300	209.96
30640	06/09/16	JC LABS & MONITORING SERVICE WASTEWATER CONSULTING SERVICES	1,500.00
30616	06/08/16	JEANNIE BECK NEWS ARTICLE "LET YOUR VOICE BE HEARD"	150.00
30617	06/08/16	KELLY CLaar TIER 2 REFUND ACCOUNT 0401702	3.15
30580	05/16/16	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	371.03
30618	06/08/16	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	519.21
30581	05/16/16	MANUEL MARIN REIMBURSEMENT FOR WORK BOOTS	156.68
30619	06/08/16	MARCIA RICKARD TIER 2 REFUND 0633310	489.06
30620	06/08/16	MCCALLS METERS, INC 6" MASTER METER REPLACEMENT FOR THE SPRINGS	4,745.45
30597	05/24/16	MCDUGAL LOVE ECKIS	

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL

MAY 31, 2016

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		ATTORNEY FEES	396.00
30621	06/08/16	NAPA AUTO PARTS INC	
		SEE INVOICE FOR DETAILS	49.93
30622	06/08/16	PACIFIC PIPELINE SUPPLY INC	
		4" SCH 80 FITTING FOR SEWER	
		PLANT INVENTORY	269.86
30598	05/24/16	CASH	
		REIMBURSE PETTY CASH	300.00
30582	05/16/16	PITNEY BOWES INC	
		POSTAGE MACHINE LEASE	137.49
30583	05/16/16	QUILL CORPORATION	
		OFFICE SUPPLIES	208.76
30599	05/24/16	QUILL CORPORATION	
		OFFICE SUPPLIES	127.38
30641	06/09/16	QUILL CORPORATION	
		OFFICE SUPPLIES	228.01
30623	06/08/16	RAMONA DISPOSAL SERVICE	
		TRASH SERVICE MAY	
		TRASH SERVICE MAY	
		TRASH SERVICE	3,311.88
30624	06/08/16	RAYMOND PLOTE	
		DEPOSIT REFUND FOR MESQUITE	
		TRAILS	13,383.75
30625	06/08/16	RESERVE ACCOUNT	
		POSTAGE FOR ACCOUNT 49386329	2,000.00
30626	06/08/16	ROGER RIES	
		TIER 2 REFUND 0859510	597.75
30627	06/08/16	RYAN LEY	
		TIER 2 REFUND ACCOUNT 0300750	1,063.75
30600	05/24/16	SAN DIEGO GAS & ELECTRIC	
		SDG&E PAYMENTS	20,963.33
30628	06/08/16	SAN DIEGO GAS & ELECTRIC	
		ELECTRICITY CHARGES	175.00
30601	05/24/16	STATE WATER RESOURCE CONTROL	
		WATER TREATMENT CERTIFICATE	
		RENEWAL GRADE T2, GREG	
		OPERATOR #23974	60.00
30629	06/08/16	STEPHEN GRAY	
		TIER 2 REFUND 0850102	305.96
30630	06/08/16	TRAVIS PARKER	
		VPN UPGRADE FOR SERVER AND	
		WINDOWS 10	200.00
30631	06/08/16	TROY DEPRIEST	
		REIMBURSEMENT FOR CE'S CSU	
		SAN MARCOS CLASS WATER RESOURC	
		MGMT & LEADERSHIP	663.00
30642	06/09/16	UNDERGROUND SERVICE ALERT	
		DIG ALERTS	7.50
30584	05/16/16	U-T SAN DIEGO	
		GENERAL MANAGER EMPLOYMENT AD	1,263.00
30643	06/09/16	VERIZON WIRELESS	
		EMERGENCY PHONES	114.31
30632	06/08/16	WENDY QUINN	
		RECORDING SECRETARY	120.00

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL

MAY 31, 2016

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
30585	05/16/16	XEROX FINANCIAL SERVICES COPIER LEASE	377.88
30602	05/24/16	XYLEM WATER SOLUTIONS USA, INC LIFT STATION MAINTENANCE	3,225.56
		TOTAL	130,002.92

ITEM III B
FINANCIALS
JUNE

	C	D	BV	BW	BX	BY	CC	CD
1	BWD		5/27/2015				06/09/16	
2	CASH FLOW		ADOPTED	Actual	Projected	Actual	ADOPTED	PROJECTED
3	2015-2016		BUDGET	June	July	YTD	BUDGET	CASH FLOW
4			2015-2016	2016	2016	2015-2016	2016-2017	2016-2017
5	REVENUE							
6	WATER REVENUE							
7	Residential Water Sales		932,150	85,626	97,201	842,206	1,149,431	1,149,431
8	Commercial Water Sales		128,750	10,572	10,096	120,877	160,956	160,956
9	Irrigation Water Sales		143,170	10,974	14,420	125,826	176,219	176,219
10	GWM Surcharge		117,420	9,910	10,888	105,557	145,959	145,959
11	Water Sales Power Portion		373,890	32,062	33,122	341,644	463,059	463,059
14	TOTAL WATER COMMODITY REVENUE:		1,645,554	149,144	165,727	1,536,108	2,095,624	2,095,624
15								
16								
17	Readiness Water Charge		1,335,180	114,757	112,880	1,329,425	997,818	997,818
19	RH Golf Course surplus capacity lease		0	0	0	9,630	0	0
20	Meter Installation		0	0	0	8,627	0	0
22	Reconnect Fees		1,700	0	0	3,310	2,380	2,380
23	Backflow Testing/installation		6,500	0	0	5,600	6,500	6,500
24	Bulk Water Sales		0	114	0	371	0	0
25	Penalty & Interest Water Collection		9,600	1,293	800	15,007	10,000	10,000
26	TOTAL WATER REVENUE:		2,998,534	265,307	279,407	2,889,451	3,112,323	3,112,322
27		Receivables						
28	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 07/19/16						
29	641500 1% Property Assessments	2,140	64,000	1,592	728	64,473	65,000	65,000
30	641502 Property Assess wtr/swr/ffd	1,007	60,000	569	107	106,923	106,212	106,212
32	641501 Water avail Standby	19,700	84,000	3,568	930	83,399	82,467	82,467
34	641504 ID 3 Water Standby (La Casa)	2,042	34,000	681	116	33,519	33,722	33,722
35	641503 Pest standby	2,383	17,000	465	114	17,562	17,885	17,885
36	TOTAL PROPERTY ASSES/AVAIL CHARGES:	27,271	259,000	6,876	1,995	305,876	305,286	305,286
37								
38	SEWER SERVICE CHARGES							
39	Town Center Sewer Holder fees		171,240	14,274	14,270	172,067	393,398	393,398
40	Town Center Sewer User Fees		39,960	2,296	3,330	39,241	103,158	103,158
41	Sewer user Fees		333,900	34,796	27,825	339,379	256,294	256,294
43	Penalty Interest-Sewer		0	0	0	74	0	0
45	TOTAL SEWER SERVICE CHARGES:		545,100	51,366	45,425	551,051	752,850	752,850
46								
47	OTHER INCOME							
51	Miscellaneous Income (net csd fee/JPIA rebate/check free)			267		1,623		0
52	Water Credits income/Gain on Asset Sold					8,000		0
56	Interest Income		80	29	16	77	49	49
57	TOTAL OTHER INCOME:		80	296	16	9,700	49	49
58								
59	TOTAL INCOME:		3,802,713	323,845	326,844	3,774,706	4,170,507	4,170,507
60								
61	CASH BASIS ADJUSTMENTS							
62	Decrease (Increase) in Accounts Receivable			(33,051)		(32,194)		
64	Construction Meter deposit/Mesquite Trails deposit refund					(13,884)		
65	Other Cash Basis Adjustments-Tier 2 refund			(15)		(52,989)		
66	TOTAL CASH BASIS ADJUSTMENTS:			(33,066)		(99,067)		
67								
68	TOTAL INCOME RECEIVED:		3,802,713	290,779	326,844	3,675,639	4,170,507	4,170,507

	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP
1												
2	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	July	August	September	October	November	December	January	February	March	April	May	June
4	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
5												
6												
7	95,552	104,164	115,893	102,999	100,800	87,998	65,824	77,413	73,935	110,297	88,194	128,362
8	14,003	13,636	15,718	14,443	13,024	12,272	10,643	11,788	12,111	16,772	13,421	13,125
9	16,863	17,589	16,674	21,810	15,872	11,698	6,674	8,685	9,876	16,557	15,174	18,746
10	12,033	13,146	14,351	13,464	12,510	10,828	8,006	9,625	9,549	14,139	14,155	14,155
11	39,108	42,532	46,430	43,559	40,474	35,033	25,900	31,139	30,893	43,667	41,265	43,058
14	177,559	191,068	209,067	196,275	182,680	157,829	117,047	138,650	136,364	201,431	172,208	215,446
15												
16												
17	66,214	84,092	84,287	84,149	84,682	84,492	84,087	85,163	85,163	85,163	85,163	85,163
19	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0
22	0	340	340	0	340	680	0	0	340	0	340	0
23	0	-	0	0	0	0	0	6,500	0	0	0	0
24	0	-	0	0	0	0	0	0	0	0	0	0
25	840	830	840	830	840	830	840	830	830	830	830	830
26	244,613	276,330	294,534	281,254	268,542	243,831	201,974	231,143	222,697	287,424	258,541	301,439
27												
28												
29	0	1,323	476	967	2,124	21,205	10,235	1,107	2,102	15,638	9,622	200
30	0	1,010	75	0	1,617	5,115	49,490	594	693	1,056	46,262	300
32	0	76	818	1,114	5,063	22,571	26,716	2,542	3,015	3,732	14,821	2,000
34	0	21	64	43	756	3,922	14,464	151	889	396	12,527	490
35	0	48	96	125	239	2,936	7,044	311	416	651	5,498	523
38	0	2,478	1,528	2,249	9,799	55,749	107,949	4,705	7,114	21,472	88,729	3,513
37												
38												
39	32,647	32,711	32,647	32,647	32,647	33,521	33,365	32,643	32,643	32,643	32,643	32,643
40	8,532	8,533	8,533	8,533	8,533	8,929	8,903	8,533	8,532	8,533	8,532	8,532
41	19,891	21,100	21,565	21,605	21,590	21,514	21,457	21,554	21,554	21,454	21,455	21,555
43	0	-	0	0	0	0	0	0	0	0	0	0
45	61,069	62,344	62,745	62,785	62,770	63,963	63,725	62,730	62,729	62,630	62,630	62,730
46												
47												
51	0	-	0	0	0	0	0	0	0	0	0	0
52	0	-	0	0	0	0	0	0	0	0	0	0
56	0	-	0	17	0	0	0	0	0	16	0	16
57	0	0	0	17	0	0	0	0	0	16	0	16
58												
59	305,682	341,152	358,807	346,306	341,111	363,543	373,649	298,578	292,540	371,542	409,900	367,697
60												
61												
62												
64												
65												
66												
67												
68	305,682	341,152	358,807	346,306	341,111	363,543	373,649	298,578	292,540	371,542	409,900	367,697

	C	D	BV	BW	BX	BY	CC	CD
1	BWD		5/27/2015				06/09/16	
2	CASH FLOW		ADOPTED	Actual	Projected	Actual	ADOPTED	PROJECTED
3	2015-2016		BUDGET	June	July	YTD	BUDGET	CASH FLOW
4			<u>2015-2016</u>	<u>2016</u>	<u>2016</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2016-2017</u>
69	EXPENSES							
70								
71	MAINTENANCE EXPENSE							
72	R & M Buildings & Equipment		185,000	2,117	10,000	117,627	185,000	185,000
73	R & M - WWTP		132,000	8,218	6,000	51,813	150,000	150,000
74	Telemetry		10,000	0	1,039	11,960	10,000	10,000
75	Trash Removal		4,000	298	350	3,539	4,000	4,000
76	Vehicle Expense		18,000	1,906	1,500	21,529	18,000	18,000
77	Fuel & Oil		25,000	2,568	2,000	25,258	25,000	25,000
78	TOTAL MAINTENANCE EXPENSE:		374,000	15,107	20,889	231,726	392,000	392,000
79								
80	PROFESSIONAL SERVICES EXPENSE							
81	Tax Accounting (Tausig)		3,000	0	1,500	1,055	3,000	3,000
82	Administrative Services (ADP/Bank Fees)		6,000	207	500	4,643	3,500	3,500
83	Audit Fees		14,439	0	0	14,439	14,995	14,995
84	Computer billing		9,900	3,875	825	9,060	12,000	12,000
85	Consulting/Technical/Contract Labor		1,200	0	100	250	1,200	1,200
86	Engineering		35,000	4,808	3,000	40,063	35,000	35,000
87	District Legal Services		30,000	429	2,500	10,225	30,000	30,000
88	Testing/lab work		12,000	700	1,000	17,456	12,000	12,000
89	Regulatory Permit Fees		33,000	356	2,123	39,320	46,000	46,000
90	TOTAL PROFESSIONAL SERVICES EXPENSE:		144,539	10,375	11,548	136,511	157,695	157,695
91								
92	INSURANCE/DEBT EXPENSE							
93	ACWA Insurance		59,000	0	0	56,648	60,000	60,000
94	Workers Comp		16,000	4,172	4,000	16,570	16,800	16,800
95	COP 2008 Installment		254,525	0	0	254,525	253,113	253,113
96	Viking Ranch Debt Payment		143,312	35,847	35,872	143,397	143,312	143,312
97	TOTAL INSURANCE/DEBT EXPENSE:		472,837	40,019	39,872	471,140	473,225	473,225
98								
99	PERSONNEL EXPENSE							
100	Board Meeting Expense (board stipend/board secretary)		16,500	1,855	1,500	15,278	18,500	18,500
101	Salaries & Wages (gross)		761,000	65,596	63,150	767,903	791,000	791,000
102	Taxes on Payroll		20,000	1,330	1,600	20,580	21,300	21,300
103	Medical Insurance Benefits		185,000	(2,860)	0	201,574	210,400	210,400
104	Calpers Retirement Benefits		169,200	7,863	8,270	156,531	171,000	171,000
105	Salaries & Wages contra account		(14,520)	(1,650)	(1,320)	(37,244)	(18,500)	(18,500)
106	Conference/Conventions/Training/Seminars		7,000	0	126	7,587	7,000	7,000
107	TOTAL PERSONNEL EXPENSE:		1,144,180	72,133	73,326	1,132,208	1,200,700	1,200,700
108								
109	OFFICE EXPENSE							
110	Office Supplies		18,000	1,560	1,500	21,647	18,000	18,000
111	Office Equipment/ Rental/Maintenance Agreements		25,000	653	2,000	26,163	40,000	40,000
112	Postage & Freight		13,000	10	2,100	12,200	15,000	15,000
113	Taxes on Property		2,500	0	0	2,394	2,400	2,400
114	Telephone/Answering Service		8,400	954	700	8,972	8,600	8,600
115	Dues & Subscriptions		3,600	199	45	1,402	3,600	3,600
116	Printing, Publications & Notices		1,000	751	100	4,943	3,000	3,000
117	Uniforms		5,400	473	450	5,361	5,400	5,400
118	OSHA Requirements/Emergency preparedness		4,000	0	300	3,342	4,000	4,000
119	TOTAL OFFICE EXPENSE:		80,900	4,599	7,195	86,424	100,000	100,000
120								
121	UTILITIES EXPENSE							
122	Pumping-Electricity		430,000	36,019	33,000	332,709	350,000	350,000
123	Office/Shop Utilities		19,000	3,484	1,511	27,479	25,000	25,000
124	Celular Phone		7,500	823	625	9,032	7,500	7,500
125	TOTAL UTILITIES EXPENSE:		456,500	40,326	35,136	369,219	382,500	382,500
126								
127	TOTAL EXPENSES:		2,672,956	182,559	187,966	2,427,229	2,706,119	2,706,119
128								
129	CASH BASIS ADJUSTMENTS							
130	Decrease (Increase) in Accounts Payable			17,237		119,896		
131	Increase (Decrease) in Inventory					23,770		
132	Other Cash Basis Adjustments-Loss on water credit sold					-		
133	TOTAL CASH BASIS ADJUSTMENTS:			17,237		143,666		
134								
135	TOTAL EXPENSES PAID:		2,672,956	199,796	187,966	2,570,895	2,706,119	2,706,119
136								
137	NET CASH FLOW (O&M)		1,129,758	90,983	138,878	1,104,743	1,464,388	1,464,388

	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP
1												
2	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	July	August	September	October	November	December	January	February	March	April	May	June
4	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
69												
70												
71												
72	15,000	15,000	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
73	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
74	800	800	840	840	840	840	840	840	840	840	840	840
75	300	310	310	310	310	300	360	360	360	360	360	360
76	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
77	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
78	32,100	32,110	32,750	32,750	32,750	32,740	32,800	32,800	32,800	32,800	32,800	32,800
79												
80												
81	0	-	2,000	0	0	0	0	0	0	0	0	1,000
82	250	250	250	250	500	250	500	250	250	250	250	250
83	4,998	4,998	4,998	0	0	0	0	0	0	0	0	0
84												12,000
85	100	100	100	100	100	100	100	100	100	100	100	100
86	3,000	2,500	3,000	2,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
87	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
88	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
89	4,700	300	300	21,500	500	1,900	4,300	1,600	8,500	1,000	900	500
90	16,548	11,648	14,148	27,850	7,600	8,750	11,400	8,450	15,350	7,850	7,750	20,350
91												
92												
93	0	-	24,670	0	0	0	0	0	35,330	0	0	0
94	0	-	4,200	0	0	4,200	0	0	4,200	0	0	4,200
95	0		200,688					0	52,425	0	0	0
96	0	35,828			35,828			35,828			35,828	
97	0	35,828	229,558	0	35,828	4,200	0	35,828	91,955	0	35,828	4,200
98												
99												
100	1,680	-	1,680	1,680	1,690	1,680	1,680	1,690	1,680	1,680	1,680	1,680
101	64,020	66,156	65,856	64,237	71,356	65,856	65,856	64,237	67,476	62,618	67,476	65,856
102	1,000	800	1,000	1,000	1,000	1,000	5,000	2,400	1,600	1,800	2,200	2,500
103	34,400	17,200	17,200	17,200	17,200	17,200	18,000	18,000	18,000	18,000	18,000	0
104	81,900	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
105	(1,680)	-	(1,680)	(1,680)	(1,690)	(1,680)	(1,680)	(1,690)	(1,680)	(1,680)	(1,680)	(1,680)
106	1,300	519	1,100	100	400	1,000	600	555	400	300	600	126
107	182,620	92,775	93,256	90,637	98,056	93,156	97,556	93,292	95,576	90,818	96,376	76,582
108												
109												
110	923	1,000	1,658	2,667	1,703	1,299	1,250	1,500	1,500	1,500	1,500	1,500
111	3,689	7,308	1,040	4,483	1,815	4,300	1,810	4,055	1,500	4,000	1,500	4,500
112	1,000	2,100	1,000	2,100	181	2,100	69	2,100	75	2,100	75	2,100
113	0	-	0	2,253	147	0	0	0	0	0	0	0
114	716	716	716	716	717	717	717	717	717	717	717	717
115	111	50	50	100	100	100	200	134	200	2,360	50	145
116	300	350	550	475	150	150	150	150	116	150	150	309
117	450	450	450	450	450	450	450	450	450	450	450	450
118	300	350	350	350	350	350	300	350	300	350	300	350
119	7,489	12,324	5,814	13,594	5,613	9,466	4,946	9,456	4,858	11,627	4,742	10,071
120												
121												
122	30,893	29,819	31,892	32,350	30,311	26,986	23,849	25,554	25,633	29,714	31,000	32,000
123	2,100	2,000	2,100	2,050	2,100	2,050	2,100	2,100	2,100	2,050	2,200	2,050
124	625	625	625	625	625	625	625	625	625	625	625	625
125	33,618	32,444	34,617	35,025	33,036	29,661	26,574	28,279	28,358	32,389	33,825	34,675
126												
127	272,375	217,129	410,143	199,856	212,883	177,973	173,276	208,105	268,897	175,484	211,321	178,678
128												
129												
130												
131												
132												
133												
134												
135	272,375	217,129	410,143	199,856	212,883	177,973	173,276	208,105	268,897	175,484	211,321	178,678
136												
137	33,308	124,023	(51,336)	146,450	128,228	185,570	200,372	90,473	23,643	196,058	198,579	189,019

	C	D	BV	BW	BX	BY	CC	CD
1	BWD		5/27/2015				06/09/16	
2	CASH FLOW		ADOPTED	Actual	Projected	Actual	ADOPTED	PROJECTED
3	2015-2016		BUDGET	June	July	YTD	BUDGET	CASH FLOW
4			2015-2016	2016	2016	2015-2016	2016-2017	2016-2017
138	NON O & M EXPENSES							
139	Water							
140	Twin Tanks, 1970's-inside coating		125,000			-	125,000	125,000
141	Pickup		30,000			28,784	35,000	35,000
142	Backhoe		150,000			-		
143	ID 5-5, 200 HP		10,000		10,000	-		
144	Pipeline replacements		55,590			65,714	30,000	30,000
146	Pump and Cleaning Well ID4-4-Wells-ID1-12/ID4-4		70,000		35,000	-	150,000	150,000
147	Booster Station 1 Rehab		8,000			14,054	40,000	40,000
159	Sewer							
161	WWTP-Back up Generator/Portable engine driven trash pump		92,000		30,000	47,954	26,000	26,000
163	WWTP-Rehab grit chamber		6,000			-		
165	WWTP-Rehab Clarifier/pump/bearings		66,500		15,000	23,758		
167	WWTP-Solar Project		205,088			202,762		
171	Transfer Switch						20,000	20,000
172	Return Pump						8,500	8,500
173	Fence at ponds WWTP						15,000	15,000
174								
175	TOTAL SEWER NON O&M						69,500	69,500
176								
177	NON-CIP							
179	GWM -legal/Misc.-prop 1 gran/USGS		60,000	2,666	5,000	69,994	60,000	60,000
180	District portion of GSP/Interim General Manager support		80,000	1,814	7,649	84,656	204,000	204,000
187	218 Process/Rate Study		110,000		18,000	39,966		
192	TOTAL GWM NON O&M						264,000	264,000
193	OTHER							
197	GPS Locating System		12,000			18,974		
199	New Computer for server and new Software system		85,500			91,012		
207	New Scada System at WWTP/District					11,630		
208	Air Photo Imagery						10,000	10,000
209	TOTAL OTHER NON O&M						10,000	10,000
210	TOTAL NON O&M EXPENSES		1,202,678	4,480	120,649	699,260	1,448,500	1,448,500
211								
212	CASH RECAP							
213	Cash beginning of period		2,611,448	3,171,369	3,095,795	2,852,387	3,257,872	3,257,872
214	Net Cash Flow (O&M)		1,129,758	90,983	138,878	1,104,743	1,464,388	1,464,388
215	Total Non O&M Expenses		(1,202,678)	(4,480)	(120,649)	(699,260)	(1,448,500)	(1,448,500)
216	CASH AT END OF PERIOD		2,538,528	3,257,872	3,114,022	3,257,872	3,273,759	3,273,759
217								
218	RESERVES							
219	Debt Reserves		(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
220	Working Capital-Water (4 months)		(900,000)	(900,000)	(900,000)	(900,000)	(600,000)	(600,000)
224	Contingency Reserves (10% O&M)		(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
225	Rate Stabilization Reserves		(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
226	Available for Emergency Reserves		488,528	1,207,872	1,064,022	1,207,872	928,759	928,759
227	Target Emergency Reserves		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
228	Emergency Reserves Deficit		(1,511,472)	(792,128)	(935,978)	(792,128)	(1,071,241)	(1,071,241)
229								
230			BUDGET	ACTUAL	DIFFERENCE			
231								
232	TOTAL INCOME FY 2016		3,802,713	3,774,706	28,008			
233	TOTAL EXPENSE FY 2016		2,672,956	2,427,229	245,726			
234	SIGNIFICANT ITEMS							
235	Total Maintenance Expense		374,000	231,726	142,274	R&M Water & Sewer		
236	Total Professional Expense		144,539	136,511	8,027	Legal fees		
237	Total Utilities		456,500	369,219	87,281	Solar		
238	Total Non O & M Expense		1,202,678	699,260	503,418			
239								

	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP
1												
2	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	July	August	September	October	November	December	January	February	March	April	May	June
4	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017
138												
139												
140						125,000						
141		35,000										
142												
143												
144			30,000									
146	30,000		35,000		25,000				30,000		30,000	
147				40,000								
159												
161			26,000									
163												
165												
167												
171										20,000		
172		8,500										
173				15,000								
174												
175												
176												
177												
179	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
180	24,000	24,000	24,000	24,000	24,000	24,000	10,000	10,000	10,000	10,000	10,000	10,000
187												
192												
193												
197												
199												
207												
208									10,000			
209												
210	115,250	138,750	376,250	350,250	60,250	170,250	21,250	31,250	61,250	51,250	51,250	21,250
211												
212												
213	3,257,872	3,175,929	3,161,202	2,733,616	2,529,816	2,597,794	2,613,114	2,792,236	2,851,460	2,813,853	2,958,662	3,105,990
214	33,308	124,023	(51,336)	146,450	128,228	185,570	200,372	90,473	23,643	196,058	198,579	189,019
215	(115,250)	(138,750)	(376,250)	(350,250)	(60,250)	(170,250)	(21,250)	(31,250)	(61,250)	(51,250)	(51,250)	(21,250)
216	3,175,929	3,161,202	2,733,616	2,529,816	2,597,794	2,613,114	2,792,236	2,851,460	2,813,853	2,958,662	3,105,990	3,273,759
217												
218												
219	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
220	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
224	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
225	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
226	830,929	816,202	388,616	184,816	252,794	268,114	447,236	506,460	468,853	613,662	760,990	928,759
227	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
228	(1,169,071)	(1,183,798)	(1,611,384)	(1,815,184)	(1,747,206)	(1,731,886)	(1,552,764)	(1,493,540)	(1,531,147)	(1,386,338)	(1,239,010)	(1,071,241)
229												
230												
231												
232												
233												
234												
235												
236												
237												
238												
239												



BORREGO WATER DISTRICT

	BALANCE SHEET June 30, 2016 (unaudited)	BALANCE SHEET May 31, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
ASSETS:			
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,257,872.12	\$ 3,171,369.02	\$ 86,503.10
Accounts receivable from water sales and sewer charges	\$ 382,839.37	\$ 349,788.06	\$ 33,051.31
Inventory	\$ 133,961.30	\$ 133,961.30	\$ -
Prepaid expenses	\$ 33,692.09	\$ 33,692.09	\$ -
TOTAL CURRENT ASSETS	\$ 3,808,364.88	\$ 3,688,810.47	\$ 119,554.41
RESTRICTED ASSETS			
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	\$ 124,641.48	\$ 124,628.29	\$ 13.19
Total Trust fund	\$ 124,641.48	\$ 124,628.29	\$ 13.19
TOTAL RESTRICTED ASSETS	\$ 527,916.78	\$ 527,903.59	
UTILITY PLANT IN SERVICE			
Land	\$ 2,321,191.65	\$ 2,321,191.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 325,222.89	\$ 323,962.89	\$ 1,260.00
Sewer Facilities	\$ 5,852,293.85	\$ 5,852,293.85	\$ -
Water facilities	\$ 10,800,433.71	\$ 10,800,433.71	\$ -
General facilities	\$ 1,006,881.13	\$ 1,006,881.13	\$ -
Equipment and furniture	\$ 364,781.77	\$ 364,781.77	\$ -
Vehicles	\$ 540,195.40	\$ 540,195.40	\$ -
Accumulated depreciation	\$ (11,529,988.01)	\$ (11,529,988.01)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 14,000,615.97	\$ 13,999,355.97	\$ 1,260.00
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,521,897.63	\$ 18,401,070.03	\$ 120,827.60

Balance sheet continued

	BALANCE SHEET June 30, 2016 (unaudited)	BALANCE SHEET May 31, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 39,994.79	\$ 57,232.01	\$ (17,237.22)
Accrued expenses	\$ 113,983.36	\$ 113,983.36	\$ -
Deposits	\$ 9,060.00	\$ 9,060.00	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 163,038.15	\$ 180,275.37	\$ (17,237.22)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 124,641.48	\$ 124,628.29	\$ 13.19
Tier 2 Rate Refund Payable	\$ 118,355.88	\$ 118,370.58	\$ (14.70)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 242,997.36	\$ 242,998.87	\$ (1.51)
LONG TERM LIABILITIES			
2008 Certificates of participation	\$ 2,475,000.00	\$ 2,475,000.00	\$ -
BBVA Compass Bank Loan	\$ 1,037,001.29	\$ 1,059,758.64	\$ (22,757.35)
Net Pension Liability-calPERS	\$ 699,055.00	\$ 699,055.00	\$ -
Deferred Inflow of Resources-calPERS	\$ 160,113.00	\$ 160,113.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,371,169.29	\$ 4,393,926.64	\$ (22,757.35)
TOTAL LIABILITIES	\$ 4,777,204.80	\$ 4,817,200.88	\$ (39,996.08)
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,132,878.48	\$ 3,972,054.80	\$ 160,823.68
Total retained earnings	\$ 4,132,878.48	\$ 3,972,054.80	\$ 160,823.68
TOTAL FUND EQUITY	\$ 13,744,692.83	\$ 13,583,869.15	\$ 160,823.68
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,521,897.63	\$ 18,401,070.03	\$ 120,827.60



BORREGO WATER DISTRICT

TREASURER'S REPORT JUNE, 2016

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

Cash and Cash Equivalents:

Demand Accounts at UB/LAIF

General Account/Petty Cash	\$ 3,138,651	\$ 3,151,788	\$ 3,151,788	96.74%	0.00%	N/A	UB
Payroll Account	\$ 87,098	\$ 85,012	\$ 85,012	2.61%	0.00%	N/A	UB
LAIF	\$ 21,042	\$ 21,071	\$ 21,071	0.65%	0.55%	N/A	LAIF
Total Cash and Cash Equivalents	\$ 3,246,792	\$ 3,257,871	\$ 3,257,871	100.00%			

Facilities District No. 2007-1

First American Treas Obligation -US BANK	\$ 124,641	\$ 124,641	\$ 124,641
Total Cash, Cash Equivalents & Investments	\$ 3,371,434	\$ 3,382,513	\$ 3,382,513

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 19, 2016

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, LAIF and US Trust Bank.

Kim Pitman, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
From: Kim Pitman
Subject: Consideration of the Disbursements and Claims Paid
Month Ending June, 2016

Vendor disbursements paid during this period: **\$ 133,288.32**

Significant items:

San Diego Gas & Electric	\$	30,558.62
CalPERS Payments	\$	10,965.26
Medical Health Benefits -Pay in July	\$	-
ACWA JPIA-Workers Comp	\$	4,172.00
BBVA Compass Bank-Debt Payment	\$	35,847.14

Capital Projects/Fixed Asset Outlays:

Total Professional Services for this Period:

McDougal, Love, Eckis, Attorneys	Legal-general	\$	429.00
Downey Brand, Attorneys	GWM	\$	1,406.00
Dudek Professional Services	GSP	\$	1,813.64
	RHGC	\$	1,260.00
	Prepare Grants	\$	1,260.00
North Gardens Mgmt.-David Dale	Engineering	\$	3,442.50

Payroll for this Period:

Gross Payroll	\$	65,596.38
Employer Payroll Taxes and ADP Fee	\$	1,529.60
Total	\$	67,125.98

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JUNE 30, 2016

GENERAL ACCOUNT

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
30644	06/09/16	BBVA COMPASS PAYMENT ON LOAN 18 VIKING RANCH	35,847.14
30645	06/09/16	DISH MONTHLY SERVICE	80.71
30646	06/09/16	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	655.96
30647	06/09/16	PITNEY BOWES INC POSTAGE MACHINE LEASE	137.49
30649	06/15/16	AIR POLLUTION APCD2012 SITE 00913	356.00
30650	06/15/16	D.G.HUNSINGER/ INSTALL 110V OUTLET AT LIFT STATION FOR BIO PLANT	1,001.40
30651	06/15/16	CENTER FOR SUSTAINABILITY APPLICATION FEE SD-CSI-22434 FOR SOLAR REBATE	2,500.00
30652	06/15/16	DEBBIE MORETTI PEST CONTROL OFFICE, WWTP, SHOP	122.00
30653	06/15/16	DUDEK PROFESSIONAL SERVICES	1,260.00
30654	06/15/16	KARE LOCKSMITHING REPAIR OF OFFICE DOORS	88.75
30655	06/15/16	McDOUGAL LOVE ECKIS PROFESSIONAL SERVICES	429.00
30656	06/15/16	NORTH GARDENS MANAGEMENT, LLC AS NEEDED ENGINEERING ASSIST	3,307.50
30657	06/15/16	SAN DIEGO GAS & ELECTRIC ELECTRICITY CHARGES	4,241.92
30658	06/15/16	WILLOW INDUSTRIES, LLC BIOLOGIC FOR ODOR CONTROL BIOLOGIC FOR ODOR CONTROL	5,338.90
30659	06/15/16	XEROX FINANCIAL SERVICES COPIER LEASE	377.88
30660	06/21/16	DOWNEY BRAND SERVICES RENDERED THROUGH MAY 2016	1,406.00
30661	06/21/16	GRAINGER DIGITAL TIMER FOR BIO PLANTS TCS & LIFT STATION METERING PUMP, FIXED RATE FOR BIO PLANT TCS & LIFT STATION	520.43
30662	06/21/16	BORREGO AUTO PARTS, INC. TRUCK MAINTENANCE/2008 GMC CAYON TRUCK MAINTENANCE/AIR FILTER FORD F550	1,022.02
30663	06/21/16	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES FUEL FOR DISTRICT VEHICLES	1,172.36

BORREGO WATER DISTRICT
FOR BOARD CONSIDERATION AND APPROVAL
JUNE 30, 2016

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
30664	06/21/16	PITNEY BOWES INC POSTAGE MACHINE LEASE	137.49
30665	06/21/16	QUILL CORPORATION OFFICE SUPPLIES OFFICE SUPPLIES	639.02
30666	06/21/16	SAN DIEGO GAS & ELECTRIC SDG&E ALL ACCOUNTS	30,558.62
30667	06/21/16	T.S. INDUSTRIAL SUPPLY 20FT WATER TRUCK FILL HOSE	114.70
30668	07/07/16	ABILITY ANSWERING/PAGING SER Ability Answering Services	316.88
30669	07/07/16	ACCELA, INC. #774375 COMPUTER BILLING FOR 218 MAILING	3,875.00
30670	07/07/16	ACWA/JPIA WORKER'S COMPENSATION	4,172.00
30671	07/07/16	AFLAC EMPLOYEE PAID SUPPLEMENTAL INS	1,834.90
30672	07/07/16	AMERICAN LINEN INC. UNIFORMS FOR CREW	473.49
30673	07/07/16	AT&T MOBILITY CELL PHONES CREW	822.56
30674	07/07/16	AT&T-CALNET 2 AT&T Water Treatment Plant AT&T Office Phone AT&T Shop	349.94
30675	07/07/16	BORREGO SPRINGS BOTTLED WATER WATER FOR CREW	132.46
30676	07/07/16	PUBLIC EMP'S RETIREMENT SYSTEM EMPLOYEE RETIREMENT BENEFITS RETIREMENT BENEFITS	10,965.26
30677	07/07/16	JAMES G HORMUTH/DBA TRUE VALUE SEE INVOICE FOR DETAILS	156.59
30678	07/07/16	DUDEK PROFESSIONAL SERVICES FOR BVGB AND GSP	1,813.64
30679	07/07/16	GREEN DESERT LANDSCAPE MANAGEMENT FEE CLUB CIRCLE	4,770.00
30680	07/07/16	HARRY EHRLICH AD REIMBURSEMENT FOR GM	695.21
30681	07/07/16	BORREGO AUTO PARTS, INC. DISMOUNT, MOUNT AND BALANCE TIRES ON F-150	60.00
30682	07/07/16	KARE LOCKSMITHING BACK DOOR LOCK REPAIR	245.00
30683	07/07/16	KENNY STRICKLAND, INC. FUEL FOR DISTRICT VEHICLES	739.44
30684	07/07/16	QUILL CORPORATION OFFICE SUPPLIES	203.91
30685	07/07/16	RAMONA DISPOSAL SERVICE TRASH SERVICES CLUB CIRCLE TRASH SERVICES OFFICE TRASH SERVICES WWTP	3,311.88
30686	07/07/16	T.S. INDUSTRIAL SUPPLY	

BORREGO WATER DISTRICT
 FOR BOARD CONSIDERATION AND APPROVAL
 JUNE 30, 2016

CHECK#	DATE	PAYEE & DESCRIPTION	AMOUNT
		P.V.C. SAW	
30687	07/07/16	TOOLS FOR SEWER AND WATER CREW	438.17
		VOICE AND VIDEO	
		UPGRADE BOARD MEETING	
30688	07/07/16	RECORDING SYSTEM TO DIGITAL	1,275.48
		WENDY QUINN	
		Board meeting minutes	
		Borrego Sun article	205.00
30694	07/14/16	ARKADIN, INC	
		CONF. CALLS 06/08/16-06/14/16	
		REF#14948950,1495651,14962577	
		14962603,14968166,14969626,	
		14970304, & 14978089	95.40
30695	07/14/16	E.S. BABCOCK & SONS, INC.	
		ACCOUNT#2267	
		PO#B6F0576,B6F0577,B6F0573	
		B6F1825, & B6F1826	670.00
30696	07/14/16	BORREGO SUN	
		1/8 PAGE AD, PG 7,DATE 6.30.16	55.50
30697	07/14/16	BORREGO AUTO PARTS, INC.	
		INVOICE#38397, 38391, & 38829	475.94
30698	07/14/16	JC LABS & MONITORING SERVICE	
		WASTEWATER CONSULTING SERVICE	1,500.00
30699	07/14/16	T.S. INDUSTRIAL SUPPLY	
		RIDGID #20 TUBING CUTTER	81.85
30701	07/19/16	NAPA AUTO PARTS INC	
		INVOICES#206832,206688,206217	296.49
30702	07/19/16	PACIFIC PIPELINE SUPPLY INC	
		INVOICE#308535	
		MISC PARTS CAMLOCKS M/F, VALVE	
		BALL,UNIONS, ETC...	358.60
30703	07/19/16	T.S. INDUSTRIAL SUPPLY	
		COPPER CUTTERS FOR WATER CREW	153.63
30704	07/19/16	U.S.BANK CORPORATE PAYMENT SYS	
		JR436.05	1,414.11
30712	07/19/16	GARY SAUNDERS	
		REBATE ACCOUNT 0517602	14.70
		TOTAL	----- 133,288.32 =====

GROUNDWATER MANAGEMENT
Accounting-FY 2016
01-5480

MONTH	DOWNEY BRAND	UC REGENTS	CONFERENCE/ AT CONF/MEALS	USGS	RAFTELIS	DUDEK	ARTICLES JEANNIE/WENDY	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	4,370.00		199.14			27,913.64			32,482.78	97,010.63
Mar-16	2,964.00		48.77			32,577.01			35,589.78	132,600.41
Apr-16	3,573.07		9.70				150.00		3,732.77	136,333.18
May-16	5,313.50		13.80						5,327.30	141,660.48
Jun-16	1,406.00					1,813.64			3,219.64	144,880.12
Total	25,656.69	15,000.00	626.56	4,426.18	5,375.00	93,565.69	150.00	80.00	144,880.12	144,880.12

**ITEM III C
GENERAL
MANAGERS
REPORT JUNE**

ITEM III D
WATER AND
WATEWATER
MANAGEMENT REPORT
JUNE



BORREGO WATER DISTRICT

June 2016

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	900	In Use	
ID1-16	Production	750	In Use	
Wilcox	Production	80	In Use	Diesel backup well for ID-4
ID4-4	Production	400	In Use	
ID4-11	Production	900	In Use	Diesel engine drive exercised monthly
ID4-18	Production	150	In Use	
ID5-5	Production	850	In Use	

System Problems: All Production Wells and reservoirs are in operating condition. ACWAJPIA has determined that there is no claim for the 800 Tank because the material failed.

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: 51,003 (gallons per day)
Peak flow: 70,678 gpd Monday June 6, 2016

ITEM III E

WATER

PRODUCTION/USE

MANAGEMENT REPORT

JUNE



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

JUNE 2016

DATE	ID-1	ID-3	ID-4	DISTRICT-WIDE TOTALS
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
Feb-16	12.96	7.04	91.40	111.40
Mar-16	13.87	6.51	86.66	107.04
Apr-16	17.04	7.99	94.32	119.35
May-16	15.29	7.70	92.56	115.55
Jun-16	23.28	10.06	114.11	147.45
12 Mo. TOTAL	258.84	99.59	1236.72	1595.15

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
Jun-16	7.34	5.77	15.20	N/A	9.44
12 Mo. Average	7.06	2.15	16.07	N/A	8.43

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

----- Water Production (Acre Feet) -----									
Date	Well 1	Well 2	Well 8	Well 10	Well 12	Well 16	-Wells1&2	=TotProdn	LessID3&4
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
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
FEB'16	0.02	0.53	7.60	3.73	8.44	0.23	0.55	20.00	12.96
MAR'16	0.00	4.45	17.78	0.09	1.91	0.60	4.45	20.38	13.87
APR'16	0.50	10.87	19.92	0.06	5.03	0.02	11.37	25.03	17.04
MAY'16	9.10	10.31	11.15	0.00	11.84	0.00	19.41	22.99	15.29
JUN'16	7.89	9.98	3.55	0.00	29.79	0.00	17.87	33.34	23.28
TOTALS	148.73	60.48	86.96	42.87	186.28	42.32	209.21	358.43	258.84

----- Water Use (Acre Feet) -----										
Date	Domestic	Irrigat'n	Const'rt'n	Golf Course	Golf Spare Cap	ID 3	ID 4	Total	Water Loss	% Loss
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
JUN'15	8.72	10.93	0.00	0.00	10.82	9.02	0.00	39.49	1.97	4.75%
JUL'15	10.09	14.86	0.00	0.00	2.47	10.04	0.00	37.46	2.52	6.31%
AUG'15	10.71	13.84	0.00	0.00	0.00	8.51	0.00	33.06	3.64	9.95%
SEP'15	10.22	13.04	0.00	0.00	2.57	9.63	0.00	35.46	3.34	8.60%
OCT'15	10.67	11.10	0.00	0.00	8.19	9.23	0.00	39.19	2.92	6.94%
NOV'15	10.12	8.67	0.00	0.00	4.22	8.24	0.00	31.25	2.26	6.74%
DEC'15	8.03	6.95	0.00	0.00	0.00	7.39	0.00	22.37	2.27	9.24%
JAN'16	7.26	4.29	0.00	0.00	0.00	7.25	0.00	18.80	2.15	10.31%
FEB'16	7.19	5.38	0.00	0.00	0.00	7.04	0.00	19.61	0.39	1.95%
MAR'16	6.68	5.79	0.00	0.00	0.00	6.51	0.00	18.98	1.40	6.88%
APR'16	8.08	7.46	0.00	0.00	0.00	7.99	0.00	23.53	1.50	5.96%
MAY'16	7.05	7.79	0.00	0.00	0.00	7.70	0.00	22.54	0.45	1.98%
JUN'16	9.74	11.10	0.00	0.00	0.00	10.06	0.00	30.90	2.44	7.34%
TOTALS	105.84	110.27	0.00	0.00	17.45	99.59	0.00	333.15	25.28	7.06%

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

Date	La Casa del Zorro Total Acre Feet		Deep Well Trail / Others Acre Feet			Total Irrigat'n	Total Domestic	Total Acre Feet
	Irrigat'n	Domestic	Irrigat'n	Domestic	Total			
JUN'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
FEB'16	0.00	2.54	0.12	4.58	4.70	0.12	7.12	7.24
MAR'16	0.00	2.37	0.10	3.82	3.92	0.10	6.19	6.29
APR'16	0.00	3.14	0.09	4.31	4.40	0.09	7.45	7.54
MAY'16	0.00	3.01	0.08	4.48	4.56	0.08	7.49	7.57
JUN'16	0.00	4.13	0.09	5.26	5.35	0.09	9.39	9.48
TOTALS	0.00	37.64	1.37	58.44	59.81	1.37	96.08	97.45

Date	Water Produced Acre Feet	Water Delivered Acre Feet	Wtr Loss	% Loss
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%
FEB'16	7.04	7.24	-0.20	-2.84%
MAR'16	6.51	6.29	0.22	3.38%
APR'16	7.99	7.54	0.45	5.63%
MAY'16	7.70	7.57	0.13	1.69%
JUN'16	10.06	9.48	0.58	5.77%
TOTALS	99.59	97.45	2.14	2.15%

BORREGO WATER DISTRICT
 Water Production / Use Records
 ID # 4
 Month of June 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
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
FEB'16	0.00	0.00	46.93	16.74	0.00	25.44	2.25	0.04	0.00	91.40	91.40
MAR'16	0.00	0.00	38.74	15.50	0.00	30.20	2.14	0.08	0.00	86.66	86.66
APR'16	0.00	0.00	40.13	16.85	0.00	34.93	2.41	0.00	0.00	94.32	94.32
MAY'16	0.00	0.00	38.11	15.97	0.00	36.10	2.38	0.00	0.00	92.56	92.56
JUN'16	0.00	0.00	45.59	18.55	0.00	46.88	3.09	0.00	0.00	114.11	114.11
TOTALS	0.00	0.00	512.80	211.40	0.00	479.43	32.92	0.17	0.00	1236.72	1236.72

Date	Water Produced Acre Feet	Water Use Acre Feet	Wtr Loss	% Loss	ID 5 Acre Feet
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
FEB'16	91.40	74.06	17.34	18.97%	0.00
MAR'16	86.66	73.79	12.87	14.85%	0.00
APR'16	94.32	78.79	15.53	16.47%	0.00
MAY'16	92.56	78.02	14.54	15.71%	0.00
JUN'16	114.11	96.77	17.34	15.20%	0.00
TOTALS	1236.72	1037.95	198.77	16.07%	0.00

BOARD OF DIRECTORS MEETING –JULY 27, 2016

AGENDA BILL VI.A

July 21, 2016

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: AGENDA ITEM IV.A: Future Maintenance on Christmas Circle

RECOMMENDED ACTION: Receive update from staff

ITEM DESCRIPTION: At the Special Board Meeting on August 19th, staff was directed to investigate the property ownership issue and how future increases would be handled (new vote needed?) associated with the possible exercising of BWD's Latent Powers to include landscape maintenance at Christmas Circle.

It appears that a long term easement is acceptable in cases like these. On the topic of future increases in the Assessment, Harry Ehrlich and I have not been able to find a method where the Assessment can be automatically increased without another vote. A reserve fund or other means of fund raising would need to happen. These funding sources would need to be guaranteed and cannot ever fall onto BWD.

During the Staff review of the Landscape Act requirements, various Engineering, Assessor Parcel and Legal documents are also needed in addition to the LAFCO, election-related activities and others. Once again, all of these activities would need to be funded from other sources. This issue is complex and could be time consuming to process, and obviously, we have other priorities. Staff recommends that it keep in contact with Jim Wilson and the Christmas Circle Group and monitor its process as the group evaluates its options. The optimal solution is for the Group to find its own source of funds that does not require BWD involvement.

FISCAL IMPACT: Expenses for this activity have not been estimated at this time. Any landscape activities would be separate from BWD operations and require 100% funding from a reliable outside source

ATTACHMENT: None

BOARD OF DIRECTORS MEETING –JULY 27, 2016

AGENDA BILL VI.B

July 21, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: AGENDA ITEM VI.B: Filing of Administration Report for Fiscal Year 2016-2017 Prepared by David Taussig and Associates, Inc. for CFD No. 2007-1

RECOMMENDED ACTION: Receive and File CFD No 2007-1 Report for FY 2016-17

ITEM DESCRIPTION: At the Special Board Meeting on August 19th, the Board approved a series of land based assessments within its boundaries. The supporting documentation from one of the Assessments was inadvertently left out of the Board package and it pertained to CFD No 2007-1. The CFD report is now attached for the Board to examine and staff will file in its permanent record.

FISCAL IMPACT: The assessment was approved last week. No direct fiscal impact from receiving and filing the Report

ATTACHMENT: Administration Report: Borrego Water District CFD: No. 2007-1

DAVID
TAUSSIG
& *Associates, Inc.*

Public Finance
Facilities Planning
Urban Economics

**BORREGO WATER DISTRICT
COMMUNITY FACILITIES DISTRICT
No. 2007-1**

July 14, 2016

Newport Beach
Fresno
Riverside
San Francisco
Chicago
Dallas

**ADMINISTRATION REPORT
FISCAL YEAR 2016-2017**

**BORREGO WATER DISTRICT
COMMUNITY FACILITIES DISTRICT No. 2007-1**

Prepared for

**BORREGO WATER DISTRICT
PO Box 1870
806 Palm Canyon Drive
Borrego Springs, California 92004**

Prepared by

**DAVID TAUSSIG & ASSOCIATES, INC.
5000 Birch Street, Suite 6000
Newport Beach, California 92660
(949) 955-1500**

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Special Tax Classifications	2
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EXHIBITS

- Exhibit A:** Boundary Map
- Exhibit B:** Delinquent Property
- Exhibit C:** Rate and Method of Apportionment
- Exhibit D:** Fiscal Year 2016-2017 Special Tax Levy

INTRODUCTION

This report provides an analysis of the financial and administrative obligations of Community Facilities District No. 2007-1 ("CFD No. 2007-1") of the Borrego Water District (the "Water District") resulting from the sale of the \$9,530,000 Series 2007 Special Tax Bonds (the "Bonds") issued in June 2007.

CFD No. 2007-1 is a legally constituted governmental entity established under the Mello-Roos Community Facilities Act of 1982, (the "Act") as amended. The Act provides an alternative method for the financing of certain public capital facilities and services. Specifically, CFD No. 2007-1 is authorized to issue up to \$11,000,000 in bonds and has sold \$9,530,000 in bonds for purposes of refunding prior bonds issued by CFD No. 95-1 of the Water District. The current outstanding principal is equal to \$9,320,000. No principal payments have been paid since August 1, 2010. The Bonds are scheduled to be paid off in year 2032. Pursuant to the Amended and Restated Rate and Method of Apportionment for CFD No. 2007-1 ("RMA"), the special tax shall be levied for a period not to exceed forty years commencing in Fiscal Year 2007-2008. The RMA is included in Exhibit C.

The bonded indebtedness of CFD No. 2007-1 is both secured and repaid through the annual levy and collection of special taxes from all property subject to the tax within the community facilities district. In calculating the special tax liability for fiscal year 2016-2017, this report examines the financial obligations of the current fiscal year and analyzes the level of development within CFD No. 2007-1.

A map showing the property in CFD No. 2007-1 is included in Exhibit A.

This report is organized into the following sections:

Section I

Section I provides an update of the development status of property within CFD No. 2007-1.

Section II

Section II analyzes the previous fiscal year's special tax levy and includes a discussion of delinquent special taxes.

Section III

Section III provides a description of the debt service payments made since August 2009.

Section IV

Section IV determines the financial obligations of CFD No. 2007-1 for fiscal year 2016-2017.

Section V

Section V reviews the methodology used to apportion the special tax requirement between Developed Property and Undeveloped Property. A table of the 2016-2017 special taxes for each classification of property is included.

I. SPECIAL TAX CLASSIFICATIONS AND DEVELOPMENT UPDATE

Special Tax Classifications

The methodology employed to calculate and apportion the special tax is contained in a document entitled the Amended and Restated Rate and Method of Apportionment of the Special Tax. The Amended and Restated Rate and Method of Apportionment defines two primary categories of taxable property, namely "Developed Property" and "Undeveloped Property." The category of Developed Property is in turn divided into five separate special tax classifications based on the size of the lot or the use of the property. A table of the Developed Property special tax classifications is shown below.

**Community Facilities District No. 2007-1
Developed Property Classifications**

Land Use Class	Description
1	Residential Property (lot size \geq 12,000 sq. ft.)
2	Residential Property (lot size < 12,000 sq. ft.)
3	Commercial Property
4	Golf Course Property
5	Hotel/Motel Property

Developed Property is distinguished from Undeveloped Property by (i) the recordation of a final map for residential property, (ii) the issuance of a building permit for commercial property or hotel/motel property, and (iii) the determination of Golf Course Property. Specifically, property for which a final map was recorded or a building permit was issued as of January 1 will be classified as Developed Property in the following fiscal year. For example, all property in CFD No. 2007-1 for which the above events had occurred as of January 1, 2016, will be classified as Developed Property in fiscal year 2016-2017.

Development Update

CFD No. 2007-1 encompasses approximately 3,140 gross acres of land in the Borrego Water District known as "Montesoro." At buildout, the property within CFD No. 2007-1 is anticipated to consist of at least 802 single-family residential units and a 349 acre golf course.

As of January 1, 2016, a total of 343 residential lots were within final subdivision maps. As of January 1, 2016, 348.99 acres (which covers all 36 existing or planned holes) are considered Golf Course Property. As of January 1, 2016, there was no Commercial Property or Hotel/Motel Property within CFD No. 2007-1.

Approximately 681.046 acres remain to be developed. The table below indicates the cumulative Developed Property, by class, within CFD No. 2007-1.

**Community Facilities District No. 2007-1
Cumulative Developed Property**

Class	Land Use	Number of lots/SF/ Rooms/Acres
1	Residential Property (lot size \geq 12,000 sq. ft.)	168 lots
2	Residential Property (lot size < 12,000 sq. ft.)	175 lots
3	Commercial Property	0 square feet
4	Golf Course Property	348.99 acres
5	Hotel/Motel Property	0 rooms

II. PRIOR YEAR SPECIAL TAX LEVIES

Please see the tables below for the delinquency amounts and percentages for fiscal years 2009-2010 through 2015-2016.

**Table 1
Delinquent Amounts**

Fiscal Year	Amount Direct Billed	Amount on County Tax Roll	Total Levy	Delinquent Amount for property Direct Billed	Delinquent Amount for property on Tax Roll	Total Amount Delinquent
2015-2016	\$5,361,575	\$98,375	\$5,459,950	\$5,361,575	\$2,361	\$5,363,936
2014-2015	\$4,446,087	\$98,375	\$4,544,462	\$4,446,087	\$4,328	\$4,450,415
2013-2014	\$0	\$3,641,140	\$3,641,140	\$0	\$3,545,913	\$3,545,913
2012-2013	\$0	\$2,784,376	\$2,784,376	\$0	\$2,686,000	\$2,686,000
2011-2012	\$0	\$2,028,721	\$2,028,721	\$0	\$1,933,887	\$1,933,887
2010-2011	\$0	\$1,516,299	\$1,516,299	\$0	\$1,288,811	\$1,288,811
2009-2010	\$0	\$689,809	\$689,809	\$0	\$478,286	\$478,286

**Table 2
Delinquent Percentages**

Fiscal Year	Percentage Delinquent for property Direct Billed	Percentage Delinquent for property on County Tax Roll	Total Delinquent Percentage
2015-2016	98.20%	0.04%	98.24%
2014-2015	97.83%	0.10%	97.93%
2013-2014	0.00%	97.38%	97.38%
2012-2013	0.00%	96.47%	96.47%
2011-2012	0.00%	95.33%	95.33%
2010-2011	0.00%	85.00%	85.00%
2009-2010	0.00%	69.94%	69.94%

In 2011, the Water District commenced foreclosure proceedings against certain property owners that were delinquent in paying fiscal year 2012-2013 and prior year taxes. It is our understanding that the Water District's is not actively pursuing foreclosure at this time.

Please see Exhibit B for a map highlighting the parcels that are delinquent in the payment of their fiscal year 2015-2016 special taxes as of June 23, 2016.

III. UNPAID DEBT SERVICE PAYMENTS

As a result of the high levels of delinquencies that began in fiscal year 2009-2010 and continue to date, the Water District drew on the Reserve Fund in order to make debt service payments due in February 2010 and August 2010. The current balance in the Reserve Fund is \$0. Subsequent to depleting the Reserve Fund, the Water District has experienced a number of late and missed debt service payments totaling \$1,240,000 in principal and \$3,211,021 in interest, including interest on unpaid debt service, as provided by US Bank, the trustee for CFD No. 2007-1.

IV. FISCAL YEAR 2016-2017 SPECIAL TAX REQUIREMENT

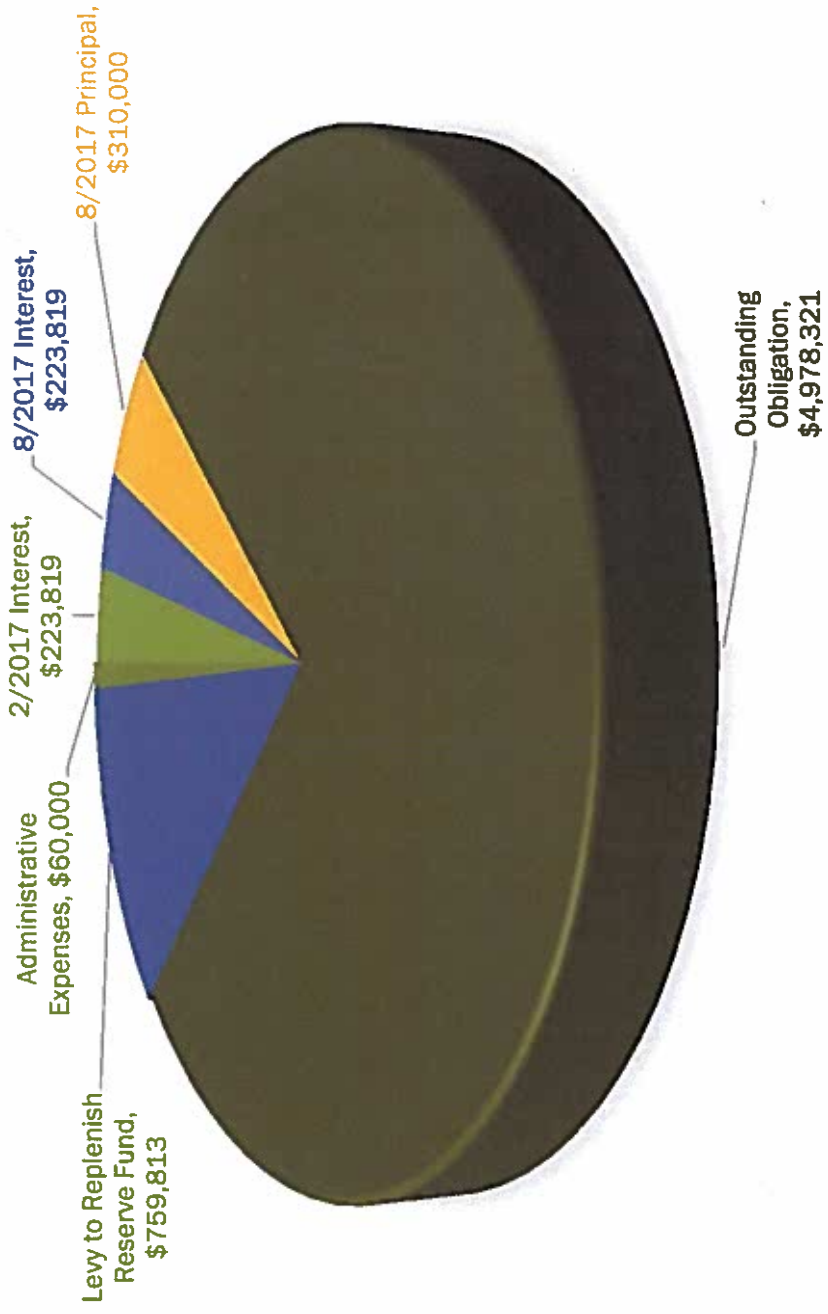
For fiscal year 2016-2017, the special tax requirement is equal to \$6,555,771 and is calculated as follows:

**Community Facilities District No. 2007-1
Fiscal Year 2016-2017 Special Tax Requirement**

Fund Balances as of May 31, 2016		\$44,880
Special Tax Fund [1]	\$44,880	
Interest Account	\$0	
Principal Account	\$0	
Surplus Monies in the Reserve Fund	\$0	
Remaining Unpaid Debt Service [2]		(\$4,451,021)
Remaining Fiscal Year 2015-2016 Obligations		(\$572,180)
Regularly Scheduled Interest Due August 1, 2016	(\$232,300)	
Regularly Scheduled Principal Due August 1, 2016	(\$295,000)	
Administrative Expenses [1]	(\$44,880)	
Surplus / (Shortfall)		(\$4,978,321)
Fiscal Year 2016-2017 Obligations		(\$1,577,450)
Regularly Scheduled Interest Due February 1, 2017	(\$223,819)	
Regularly Scheduled Interest Due August 1, 2017	(\$223,819)	
Regularly Scheduled Principal Due August 1, 2017	(\$310,000)	
Administration Expenses	(\$60,000)	
Levy to Replenish Reserve Fund	(\$759,813)	
Fiscal Year 2016-2017 Special Tax Requirement		(\$6,555,771)
<p>[1] Remaining balance of \$44,880 in the Special Tax Fund expected to be transferred to the Admin Expense Account. Additional funds will be transferred to the Admin Expense Account until total transfers reach \$60,000 for Fiscal Year 2016-2017.</p> <p>[2] Based on information provided by US Bank.</p>		

The components of the fiscal year 2016-2017 gross special tax requirement are shown graphically on the following page.

**Community Facilities District No. 2007-1 of the
Borrego Water District
Fiscal Year 2016-2017 Special Tax Requirement**



Total Fiscal Year 2016-2017 Special Tax Requirement: \$6,555,771

V. METHOD OF APPORTIONMENT

Maximum Special Taxes

The amount of special taxes that CFD No. 2007-1 may levy is strictly limited by the maximum special taxes set forth in the Amended and Restated Rate and Method of Apportionment. The maximum special taxes for each classification of Developed Property, or the "Assigned Special Taxes," are specified in Table 1 of Section C of the Amended and Restated Rate and Method of Apportionment.¹

Termination of Special Tax

The Special Tax shall be levied for a period not to exceed forty years commencing in fiscal year 2007-2008.

Apportionment of Special Taxes

The special tax that is apportioned to each parcel is determined through the application of Section D of the Amended and Restated Rate and Method of Apportionment. Section D apportions the special tax requirement in five steps which prioritize the order in which Developed Property and Undeveloped Property are taxed.

The first step states that the special tax shall be levied against each parcel of Residential Property, Commercial Property, and Hotel/Motel Property at up to 100 percent of the assigned special tax. If the special taxes raised pursuant to the first step are less than the special tax requirement, then the second step is applied. The second step states that the special tax shall be levied against each parcel of Golf Course Property at up to 100 percent of the assigned special tax. If additional monies are needed, then the third step is applied. The third step states that the special tax shall be levied against all parcels of Undeveloped Property at up to 100 percent of the applicable maximum special tax per acre.

The fourth and fifth steps are designed to accommodate changes in land use and are intended to be used only as a last resort. Since actual land uses have not substantially deviated from the original projections, this step is not necessary.

Application of the maximum special taxes under the first step generates special tax revenues of \$402,157 from Residential Property. Application of the maximum special taxes under the second step generates special tax revenues of \$418,788 from Golf Course Property, leaving \$5,734,826 to be levied against Undeveloped Property. Dividing this amount by the 681.046 acres of Undeveloped Property results in a tax of \$8,420.62 per acre of Undeveloped Property. The fiscal year 2016-2017 maximum and actual special taxes are shown for each classification of Developed Property and Undeveloped Property in the following table.

¹ Technically, Section C states that the maximum special tax for a parcel of Developed Property is equal to the greater of (i) the rate set forth for the applicable Developed Property classification in Table 1 of Section C or (ii) the "Backup Special Tax." The Backup Special Tax was established for the contingency of a shortfall in revenues resulting from significant changes in development densities. The contingency for which the Backup Special Tax was established does not exist and hence, all discussion of maximum tax rates focuses on the rates set forth for each classification of Developed Property in Section C of the Amended and Restated Rate and Method of Apportionment.

**Community Facilities District No. 2007-1
Fiscal Year 2016-2017 Special Taxes
for Developed Property and Undeveloped Property**

Land Use Class	Description	FY 2016-2017 Maximum Special Tax	FY 2016-2017 Actual Special Tax
1	Residential Property (lot size \geq 12,000 sq. ft.)	\$1,574.00/lot	\$1,574.00/lot
2	Residential Property (lot size < 12,000 sq. ft.)	\$787.00/lot	\$787.00/lot
3	Commercial Property	\$1.38/s.f. of floor area	\$0.00/s.f. of floor area
4	Golf Course Property	\$1,200.00/acre	\$1,200.00/acre
5	Hotel/Motel Property	\$300.00/room	\$0.00/room
NA	Undeveloped Property	\$20,058.00/acre	\$8,420.62/acre

A list of the actual special tax levied against each parcel in CFD No. 2007-1 is included in Exhibit D.

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**Community Facilities District No. 2007-1 of the
Borrego Water District
Fiscal Year 2016-2017 Special Tax Levy**

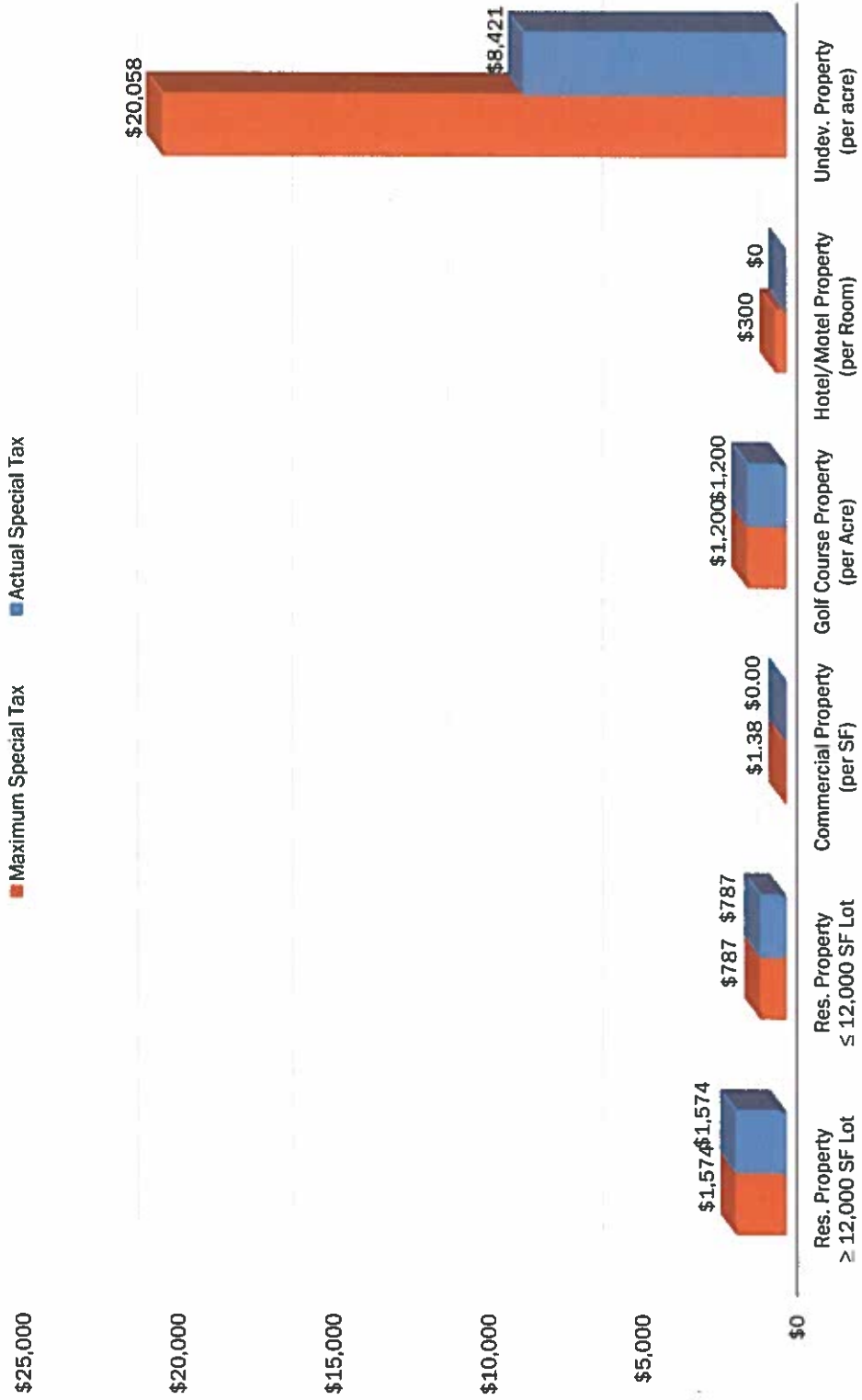


EXHIBIT A

**CFD No. 2007-1 of the
Borrego Water District**

Boundary Map

**Borrego Water District
Community Facilities District No. 2007-1
(Montesoro)**

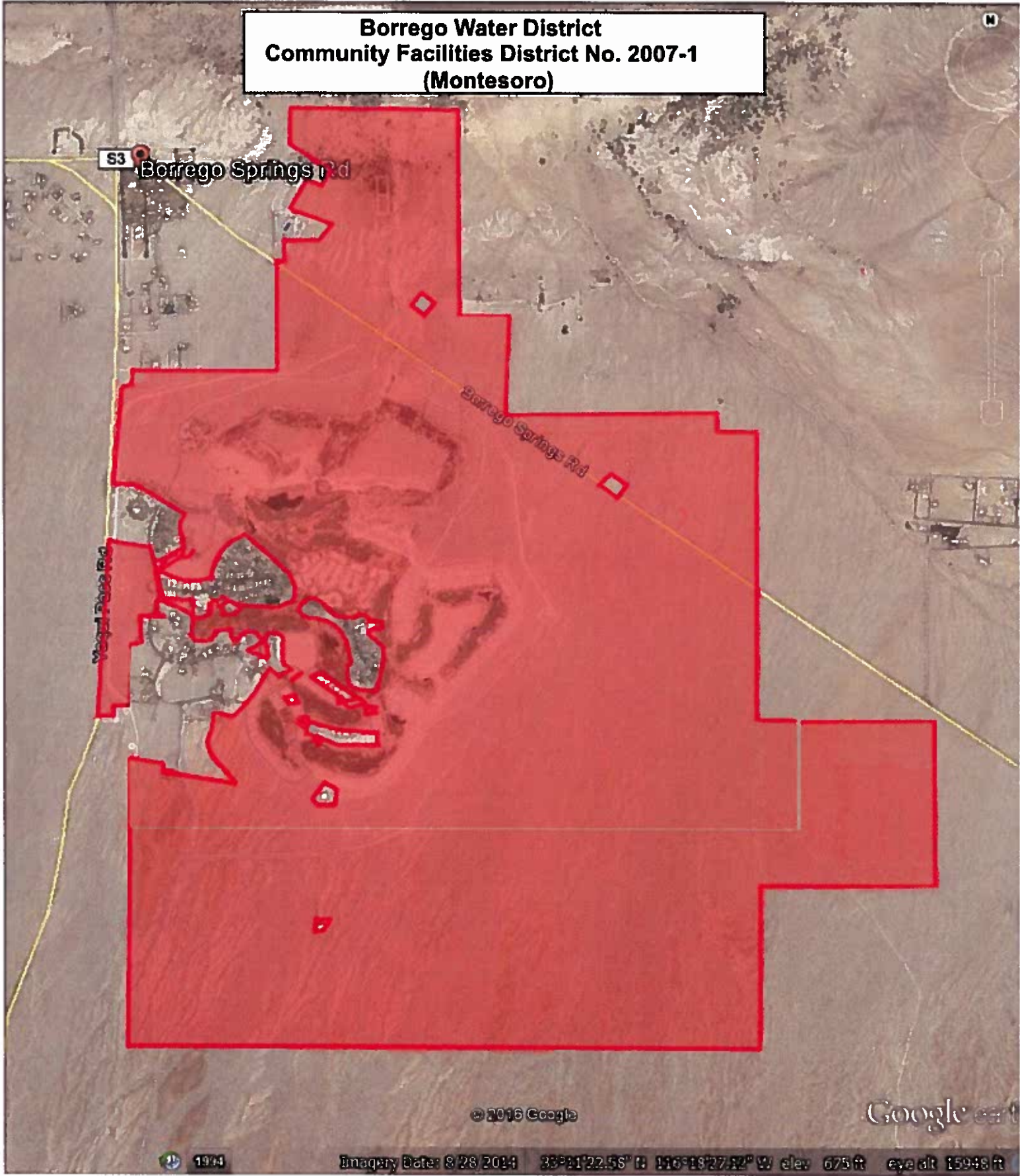


EXHIBIT B

**CFD No. 2007-1 of the
Borrego Water District**

Delinquent Property

Borrego Water District CFD No. 2007-1
 Parcels Delinquent in Payment of
 FY 15-16 Special Taxes
 As of June 23, 2016

- Parcels Delinquent in Payment of FY 15-16 Special Taxes Direct Billed
- Parcels Delinquent in Payment of FY 15-16 Special Taxes on County Tax Roll
- Parcels Current in Payment of FY 15-16 Special Taxes (all on County Tax Roll)
- Exempt Parcels (Not Taxed)

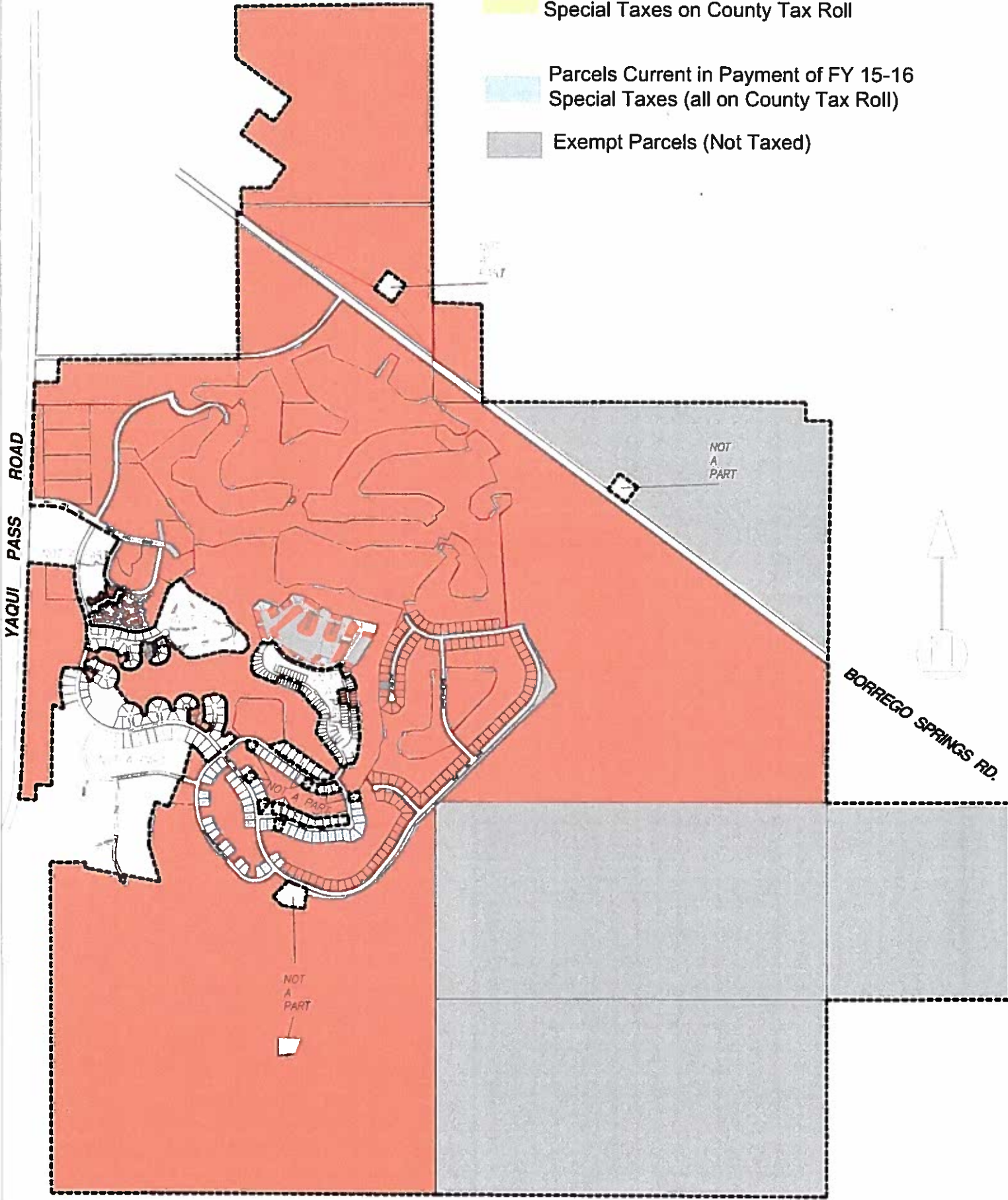


EXHIBIT C

**CFD No. 2007-1 of the
Borrego Water District**

Amended and Restated Rate and Method of Apportionment

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT FOR
BORREGO WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(MONTESORO)**

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels in Borrego Water District Community Facilities District No. 2007-1 ("CFD No. 2007-1") and collected each Fiscal Year commencing in Fiscal Year 2007-08, in an amount determined by the CFD Administrator of the Borrego Water District through the application of the Amended and Restated Rate and Method of Apportionment as described below. All of the real property in CFD No. 2007-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map. Lot size equals Acreage multiplied by 43,560.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2007-1: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Water District or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; the costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under the Fiscal Agent Agreement; the costs to the Water District, CFD No. 2007-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Water District, CFD No. 2007-1 or any designee thereof of complying with Water District, CFD No. 2007-1 or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Water District, CFD No. 2007-1 or any designee thereof related to an appeal of the Special Tax; the costs associated with the release of funds from any escrow account; and the Water District's annual administration fees, and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Water District or CFD No. 2007-1 for any other administrative purposes of CFD No. 2007-1, including attorney's fees and other costs related to commencing and pursuing any foreclosure or other resolution of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's parcel number.

"Assigned Special Tax" means the Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C below.

"Backup Special Tax" means the Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with Section C below.

"Board" means the Board of Directors of the Water District.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 2007-1 under the Act.

"CFD Administrator" means an official of the Water District, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes.

"CFD No. 2007-1" means Borrego Water District Community Facilities District No. 2007-1 (Montesoro).

"Commercial Floor Area" means for Commercial Property the total of the gross area of the floor surfaces within the exterior wall of the building, not including space devoted to residential dwelling units, stairwells, separate storage areas, required corridors, public restrooms, elevator shafts, light courts, vehicle parking and areas incident thereto, mechanical equipment incidental to the operation of such building, and covered public pedestrian circulation areas, including atriums, lobbies, plazas, patios, decks, arcades and similar areas, except such public circulation areas or portions thereof that are used solely for commercial purposes. The amount of floor area shall be determined by reference to the building permit(s) issued by the County, or if square footage is not available from this source, as otherwise determined by the CFD Administrator.

"Commercial Property" means all Assessor's Parcels of Developed Property, other than Residential Property, Hotel/Motel Property, and Golf Course Property, for which a building permit was issued for a non-residential use.

"County" means the County of San Diego.

"Developed Property" means, for each Fiscal Year, all Assessor's Parcels of Taxable Property, exclusive of Taxable Property Owner Association Property and Taxable Public Property which (i) are within a Residential Final Map, excluding Non-Buildable Residential Property, (ii) have been issued a building permit for commercial or hotel/motel uses, or (iii) are Golf Course Property; all as of January 1 of the prior Fiscal Year.

"Fiscal Agent" means the fiscal agent under the Fiscal Agent Agreement.

"Fiscal Agent Agreement" means the fiscal agent agreement, indenture, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"Golf Course Property" means the area consisting of approximately 349 acres of the golf course property described and geographically identified in Attachment A to this Amended and Restated Rate and Method of Apportionment, as amended from time-to-time or modified pursuant to a precise site plan or other entitlement for such golf course property.

"Hotel/Motel Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for a non-residential structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

"Land Use Class" means any of the classes listed in Table 1 below.

"Maximum Special Tax" means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel.

"Non-Buildable Residential Property" means lots 68 through 73 of Tract Map No. 4430-1, lots 60 and 61 of Tract Map No. 4613-2, lots 85 and 86 of Tract Map No. 4613-4, and lots 2 through 10 of Tract Map No. 5135-1.

"Outstanding Bonds" means all Bonds which are deemed to be outstanding under the Fiscal Agent Agreement.

"Property Owner Association Property" means, for each Fiscal Year, any property, excluding Golf Course Property, within the boundaries of CFD No. 2007-1 that was owned by a property owner association, including any master or sub-association, as of January 1 of the prior Fiscal Year.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is equal for all Assessor's Parcels of Developed Property. For Undeveloped Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Undeveloped Property. For Taxable Public Property and Taxable Property Owner Association Property, "Proportionately" means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal for all Assessor's Parcels of Taxable Public Property or Taxable Property Owner Association Property, as applicable.

"Public Property" means, for each Fiscal Year, any property within CFD No. 2007-1 that is owned by, irrevocably offered for dedication to, or dedicated to the federal government, the State, the County, the Water District or any other public agency as of June 30 of the prior Fiscal Year; provided however that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified in accordance with its use. To ensure that property is classified as Public Property in the first Fiscal Year after it is acquired by, irrevocably offered for dedication to, or dedicated to a

public agency, the property owner shall notify the CFD Administrator in writing of such acquisition, offer, or dedication not later than June 30 of the Fiscal Year in which the acquisition, offer, or dedication occurred.

"Residential Final Map" means (i) a final map, or portion thereof, approved by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits for residential dwelling units may be issued, or (ii) for condominiums, a final map approved by the County and a condominium plan recorded pursuant to California Civil Code Section 1352 creating such individual residential lots or parcels. The term "Residential Final Map" shall not include any Assessor's Parcel Map or subdivision map or portion thereof, that does not create individual lots for which a building permit may be issued, including Assessor's Parcels that are designated as remainder parcels.

"Residential Property" means all Assessor's Parcels of Developed Property that are within a Residential Final Map, excluding Non-Buildable Residential Property.

"Special Tax(es)" means the special tax(es) to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property to fund the Special Tax Requirement.

"Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2007-1 to: (i) pay debt service on all Outstanding Bonds; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement and rebate payments on the Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of facilities eligible to be financed by CFD No. 2007-1; (vi) pay for reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year; less (vii) a credit for funds available to reduce the annual Special Tax levy, as determined by the CFD Administrator pursuant to the Fiscal Agent Agreement.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD No. 2007-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Property Owner Association Property" means all Assessor's Parcels of Property Owner Association Property that are not exempt pursuant to Section E below.

"Taxable Public Property" means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Property Owner Association Property or Taxable Public Property.

"Water District" means the Borrego Water District.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, commencing Fiscal Year 2007-08, all Taxable Property within CFD No. 2007-1 shall be classified as Developed Property, Taxable Property Owner Association Property, Taxable Public Property, or Undeveloped Property, and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below. Developed Property shall be further classified as Residential Property, Commercial Property, Golf Course Property, and Hotel/Motel Property. An Assessor's Parcel of Residential Property shall be assigned to Land Use Classes 1 or 2 based on its lot size.

C. MAXIMUM SPECIAL TAX

1. Developed Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

b. Assigned Special Tax

The Assigned Special Tax for each Land Use Class is shown below in Table 1.

TABLE 1
Assigned Special Taxes for Developed Property

Land Use Class	Description	Lot Size	Assigned Special Tax
1	Residential Property	≥ 12,000 sq. ft.	\$1,574 per lot
2	Residential Property	< 12,000 sq. ft.	\$787 per lot
3	Commercial Property	Not Applicable	\$1.38 per sq. ft. of Commercial Floor Area
4	Golf Course Property	Not Applicable	\$1,200 per Acre
5	Hotel/Motel Property	Not Applicable	\$300 per hotel room

c. Multiple Land Use Classes

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Assigned Special Tax levied on an Assessor's Parcel shall be the sum of the Assigned Special Taxes for all Land Use Classes located on that Assessor's Parcel. The Maximum Special Tax that can be levied on an Assessor's Parcel shall be the sum of the Maximum

Special Taxes that can be levied for all Land Use Classes located on that Assessor's Parcel. For an Assessor's Parcel that contains more than one type of land use, the Acreage of such Assessor's Parcel shall be allocated to each Land Use Class based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel.

d. Backup Special Tax

The Backup Special Tax for an Assessor's Parcel of Developed Property shall equal \$28,058 per Acre.

2. **Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property**

The Maximum Special Tax for Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property in CFD No. 2007-1 shall equal \$28,058 per Acre.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

For each Fiscal Year, commencing Fiscal Year 2007-08, the Board shall determine the Special Tax Requirement and shall levy the Special Tax as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Residential Property, Commercial Property, and Hotel/Motel Property at up to 100% of the applicable Assigned Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Golf Course Property at up to 100% of the Assigned Special Tax for Golf Course Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Special Tax for Undeveloped Property;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the Assigned Special Tax up to the Maximum Special Tax for each such Assessor's Parcel;

Fifth: If additional monies are needed to satisfy the Special Tax Requirement after the first four steps have been completed, then the Special Tax shall be levied Proportionately on each

Assessor's Parcel of Taxable Property Owner Association Property or Taxable Public Property at up to the Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

Notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2007-1.

E. EXEMPTIONS

No Special Tax shall be levied on up to 2,125.11 Acres of Property Owner Association Property, Public Property, and Non-Buildable Residential Property. Tax-exempt status will be assigned by the CFD Administrator first to Non-Buildable Residential Property and second, in the chronological order in which property becomes Property Owner Association Property or Public Property. However, should an Assessor's Parcel no longer be classified as Property Owner Association Property or Public Property, its tax-exempt status will be revoked.

Property Owner Association Property or Public Property that is not exempt from Special Taxes under this section shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fourth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property or Taxable Public Property.

F. APPEALS AND INTERPRETATIONS

Any property owner claiming that the amount or application of the Special Tax with respect to his or her Assessor's Parcel is not correct and requesting a refund may file a written notice of appeal and refund to that effect with the CFD Administrator not later than one calendar year after having paid the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the CFD Administrator's decision requires the Special Tax be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the next Special Tax levy. Any dispute over the decision of the CFD Administrator shall be referred to the Board and the decision of the Board shall be final. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

Interpretations may be made by the Board by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Amended and Restated Rate and Method of Apportionment.

G. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2007-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

H. PREPAYMENT OF SPECIAL TAX

The following definition applies to this Section H:

"Bond Redemption Date" means the redemption date pursuant to the Fiscal Agent Agreement for the Outstanding Bonds to be redeemed with the prepayment.

"CFD Public Facilities Cost" means either \$12.54 million in 2007 dollars, which shall increase by the Inflator on July 1, 2008, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2007-1 under the authorized bonding program for CFD No. 2007-1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Amended and Restated Rate and Method of Apportionment as described in Section D.

"Construction Fund" means an account specifically identified in the Fiscal Agent Agreement to hold funds which are currently available for expenditure to acquire or construct public facilities eligible under the Act.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Inflator" means the greater of (i) the annual percentage change in the Construction Inflation Index, as calculated for the twelve (12) months ending December 31 of the prior calendar year or (ii) three percent (3.0%).

"Future Facilities Costs" means the CFD Public Facilities Cost minus (i) funds used to redeem bond issued by Community Facilities District No. 95-1, (ii) public facility costs previously paid from the Construction Fund, (iii) moneys currently on deposit in the Construction Fund, and (iv) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

"Outstanding Bonds" means all Previously Issued Bonds which are deemed to be outstanding under the Fiscal Agent Agreement after the first interest and/or principal payment date following the current Fiscal Year.

"Previously Issued Bonds" means all Bonds that have been issued by CFD No. 2007-1 prior to the date of prepayment.

1. Prepayment in Full

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or Undeveloped Property for which a building permit has been issued or that is within a Residential Final Map, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge a reasonable fee for providing this service.

The Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount (defined below) shall be calculated as follows:

Step No.:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax and Backup Special Tax applicable for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property (for which a building permit has been issued or that is within a Residential Final Map) to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property.

3. (a) Divide the Assigned Special Tax, computed pursuant to paragraph 2, by the total estimated Assigned Special Taxes for the entire CFD No. 2007-1 based on the Developed Property Assigned Special Taxes which could be charged in the current Fiscal Year on all expected development through buildout of CFD No. 2007-1, and
 - (b) Divide the Backup Special Tax for Developed Property, computed pursuant to paragraph 2, by the estimated Maximum Special Taxes from Developed Property at buildout of CFD No. 2007-1 plus the Maximum Special Tax for the Assessor's Parcel of Taxable Property Owner Association Property or Taxable Public Property being prepaid (if applicable), excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium, if any, as set forth in the Fiscal Agent Agreement, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the Bond Redemption Date.
9. Determine the Special Taxes levied on the Assessor's Parcel in the current Fiscal Year which have not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Prepayment Amount (as defined below) less the Future Facilities Amount and the Administrative Fees and Expenses (as defined below) from the date of prepayment until the Bond Redemption Date.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. Verify the administrative fees and expenses of CFD No. 2007-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").

13. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Fiscal Agent Agreement) on the prepayment date, a reserve fund credit shall be calculated based on a reduction in the applicable reserve fund for the Outstanding Bonds, as set forth in the Fiscal Agent Agreement, to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement.
14. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amount computed pursuant to paragraph 13 (the "Prepayment Amount").
15. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 11 and 13 shall be deposited into the appropriate fund as established under the Fiscal Agent Agreement and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 12 shall be retained by CFD No. 2007-1.

The Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Fiscal Agent Agreement to be used with the next prepayment of Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the Board shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of Special Taxes and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on current and future Developed Property based on expected development at buildout, both prior to and after the proposed prepayment, less expected Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

2. Prepayment in Part

The Special Tax on an Assessor's Parcel of Developed Property or an Assessor's Parcel of Undeveloped Property for which a building permit has been issued or that is within a Residential Final Map may be partially prepaid. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = (P_E - A) \times F + A$$

These terms have the following meaning:

- PP = the partial prepayment
- P_E = the Prepayment Amount calculated according to Section H.1
- F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax.
- A = the Administration Fees and Expenses from Section H.1

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a reasonable fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the Water District shall (i) distribute the funds remitted to it according to Section H.1, and (ii) indicate in the records of CFD No. 2007-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Assigned Special Taxes that may be levied on current and future Developed Property based on expected development at buildout, both prior to and after the proposed prepayment, less expected Administrative Expenses, is at least 1.1 times the maximum annual debt service on all Outstanding Bonds.

I. TERM OF SPECIAL TAX

The Special Tax shall be levied for a period not to exceed forty years commencing in Fiscal Year 2007-08.

ATTACHMENT A

GOLF COURSE PROPERTY

MONTESORO
COUNTY OF SAN DIEGO
36 HOLE GOLF COURSE PER
SPECIFIC PLAN 86-006



NOT TO SCALE

Lundstrom
+associates

1794 San Diego Avenue, Suite 300
San Diego, CA 92110
Tel: 619.641.3900 Fax: 619.641.2010

EXHIBIT D

**CFD No. 2007-1 of the
Borrego Water District**

**Special Tax Levy
Fiscal Year 2016-2017**

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
COUNTY TAX ROLL		
200-281-1400	RES2	\$787.00
200-281-1500	RES1	\$1,574.00
200-311-3800	RES2	\$787.00
200-340-7600	RES2	\$787.00
200-340-7700	RES2	\$787.00
200-340-7800	RES2	\$787.00
200-350-1300	RES1	\$1,574.00
200-350-1500	RES1	\$1,574.00
200-350-1600	RES1	\$1,574.00
200-350-1700	RES1	\$1,574.00
200-350-1800	RES1	\$1,574.00
200-350-1900	RES1	\$1,574.00
200-350-2000	RES1	\$1,574.00
200-350-2100	RES1	\$1,574.00
200-350-2200	RES1	\$1,574.00
200-350-2500	RES1	\$1,574.00
200-350-2700	RES1	\$1,574.00
200-350-2800	RES1	\$1,574.00
200-350-2900	RES1	\$1,574.00
200-350-3100	RES1	\$1,574.00
200-350-4300	RES1	\$1,574.00
200-350-4400	RES1	\$1,574.00
200-350-4500	RES1	\$1,574.00
200-350-4600	RES1	\$1,574.00
200-350-4700	RES1	\$1,574.00
200-350-4800	RES1	\$1,574.00
200-350-4900	RES1	\$1,574.00
200-350-5000	RES1	\$1,574.00
200-350-5100	RES1	\$1,574.00
200-350-5200	RES1	\$1,574.00
200-350-5300	RES1	\$1,574.00
200-350-5400	RES1	\$1,574.00
200-350-5500	RES1	\$1,574.00
200-350-5600	RES1	\$1,574.00
200-350-5800	RES1	\$1,574.00
200-350-5900	RES1	\$1,574.00
200-350-6200	RES1	\$1,574.00
200-350-6300	RES1	\$1,574.00
200-350-6400	RES1	\$1,574.00
200-350-6500	RES1	\$1,574.00
200-350-6600	RES1	\$1,574.00
200-350-6700	RES1	\$1,574.00
200-360-0100	RES1	\$1,574.00
200-360-0200	RES1	\$1,574.00
200-360-0300	RES1	\$1,574.00
200-360-0400	RES1	\$1,574.00
200-360-0500	RES1	\$1,574.00
200-360-0600	RES1	\$1,574.00
200-360-0700	RES1	\$1,574.00

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-360-0800	RES1	\$1,574.00
200-360-0900	RES1	\$1,574.00
200-360-1000	RES1	\$1,574.00
200-360-1100	RES1	\$1,574.00
200-360-1200	RES1	\$1,574.00
200-360-1300	RES1	\$1,574.00
200-360-1400	RES1	\$1,574.00
200-360-1500	RES1	\$1,574.00
200-360-1600	RES1	\$1,574.00
200-400-1200	RES1	\$1,574.00
200-400-1300	RES2	\$787.00
200-400-2600	RES2	\$787.00
200-400-3000	RES2	\$787.00
200-400-3100	RES2	\$787.00
200-400-6000	RES2	\$787.00
200-400-6100	RES2	\$787.00
200-401-0300	RES2	\$787.00
200-401-4500	RES2	\$787.00
200-401-5500	RES2	\$787.00
200-401-6900	RES2	\$1,574.00
200-401-7000	RES2	\$787.00
Subtotal	70 Parcels	\$98,375.00
DIRECT BILLED		
200-120-3900	U	\$277,038.24
200-120-4100	U	\$1,207,600.44
200-120-4800	U	\$501,026.60
200-120-5100	U	\$137,634.96
200-120-5200	U	\$275,606.74
200-120-5300	U	\$221,462.18
200-140-1200	U	\$42,103.08
200-160-3000	U	\$369,159.76
200-210-2200	U	\$752,718.80
200-271-0300	U	\$41,345.22
200-271-0400	U	\$36,545.46
200-271-0600	U	\$37,471.74
200-271-0700	U	\$91,532.08
200-271-1500	U	\$41,345.22
200-271-1600	U	\$41,345.22
200-271-2100	U	\$20,462.10
200-271-2200	U	\$43,281.96
200-271-2300	GC	\$4,284.00
200-271-2400	GC	\$4,080.00
200-271-2900	U	\$24,503.98
200-271-3400	U	\$124,372.48
200-271-3700	U	\$94,310.88
200-272-0800	U	\$296,405.66
200-273-0200	U	\$343,308.48
200-273-0300	U	\$233,924.68
200-273-0400	U	\$57,091.76
200-273-0600	U	\$181,043.22

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-273-0700	U	\$2,871.42
200-273-0800	GC	\$199,200.00
200-274-0200	GC	\$110,400.00
200-275-0800	GC	\$19,524.00
200-275-0900	GC	\$26,256.00
200-275-1000	U	\$76,880.22
200-275-1100	U	\$65,428.18
200-281-1000	RES1	\$1,574.00
200-281-2000	RES1	\$1,574.00
200-281-2600	RES1	\$1,574.00
200-281-3400	RES1	\$1,574.00
200-283-0600	RES1	\$1,574.00
200-283-0700	RES2	\$787.00
200-283-0800	RES1	\$1,574.00
200-311-1800	RES2	\$787.00
200-311-3700	RES2	\$787.00
200-311-4300	RES2	\$787.00
200-311-4400	RES2	\$787.00
200-311-4500	RES2	\$787.00
200-311-4600	RES2	\$787.00
200-312-3200	RES2	\$787.00
200-312-3300	RES2	\$787.00
200-312-3400	RES2	\$787.00
200-312-3500	RES2	\$787.00
200-312-3600	RES2	\$787.00
200-330-2300	RES2	\$787.00
200-330-2400	RES2	\$787.00
200-330-2700	RES2	\$787.00
200-330-2800	RES2	\$787.00
200-330-2900	RES2	\$787.00
200-330-3300	RES2	\$787.00
200-330-3400	RES2	\$787.00
200-330-5100	RES2	\$787.00
200-330-7600	RES2	\$787.00
200-330-7700	RES2	\$787.00
200-330-7800	RES2	\$787.00
200-330-7900	RES2	\$787.00
200-330-8000	RES2	\$787.00
200-330-8100	RES2	\$787.00
200-340-0100	RES2	\$787.00
200-340-0400	RES2	\$787.00
200-340-0500	RES2	\$787.00
200-340-0600	RES2	\$787.00
200-340-0700	RES2	\$787.00
200-340-2300	RES2	\$787.00
200-340-5300	RES2	\$787.00
200-340-5400	RES2	\$787.00
200-340-5500	RES2	\$787.00
200-340-5600	RES2	\$787.00
200-340-5700	RES2	\$787.00
200-340-5800	RES2	\$787.00

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-340-5900	RES2	\$787.00
200-340-6000	RES2	\$787.00
200-340-6100	RES2	\$787.00
200-340-6200	RES2	\$787.00
200-340-6300	RES2	\$787.00
200-340-6400	RES2	\$787.00
200-340-6500	RES2	\$787.00
200-340-6600	RES2	\$787.00
200-340-6700	RES2	\$787.00
200-340-6800	RES2	\$787.00
200-340-6900	RES2	\$787.00
200-340-7000	RES2	\$787.00
200-340-7100	RES2	\$787.00
200-340-7200	RES2	\$787.00
200-340-7300	RES2	\$787.00
200-340-7400	RES2	\$787.00
200-340-7500	RES2	\$787.00
200-340-7900	RES2	\$787.00
200-340-8000	RES2	\$787.00
200-340-8100	RES2	\$787.00
200-340-8200	RES2	\$787.00
200-340-8300	RES2	\$787.00
200-340-8400	RES2	\$787.00
200-340-8500	RES2	\$787.00
200-340-8600	RES2	\$787.00
200-340-8700	RES2	\$787.00
200-340-8800	RES2	\$787.00
200-340-8900	RES2	\$787.00
200-340-9000	RES2	\$787.00
200-350-0100	U	\$70,312.14
200-350-2400	GC	\$15,168.00
200-360-1700	GC	\$14,580.00
200-360-1800	U	\$26,693.34
200-370-0300	RES1	\$1,574.00
200-370-0400	RES1	\$1,574.00
200-370-0500	RES1	\$1,574.00
200-370-0600	RES1	\$1,574.00
200-370-0700	RES1	\$1,574.00
200-370-0800	RES1	\$1,574.00
200-370-0900	RES1	\$1,574.00
200-370-1000	RES1	\$1,574.00
200-370-1100	RES1	\$1,574.00
200-370-1200	RES1	\$1,574.00
200-370-1300	RES1	\$1,574.00
200-370-1400	RES1	\$1,574.00
200-370-1500	RES1	\$1,574.00
200-370-1600	RES1	\$1,574.00
200-370-1700	RES1	\$1,574.00
200-370-1800	RES1	\$1,574.00
200-370-1900	RES1	\$1,574.00
200-370-2000	RES1	\$1,574.00

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-370-2100	RES1	\$1,574.00
200-370-2200	RES1	\$1,574.00
200-370-2300	RES1	\$1,574.00
200-370-2400	RES1	\$1,574.00
200-370-2500	RES1	\$1,574.00
200-370-2600	RES1	\$1,574.00
200-370-2700	RES1	\$1,574.00
200-370-2800	RES1	\$1,574.00
200-370-2900	RES1	\$1,574.00
200-370-3000	RES1	\$1,574.00
200-370-3100	RES1	\$1,574.00
200-370-3200	RES1	\$1,574.00
200-370-3300	RES1	\$1,574.00
200-370-3400	RES1	\$1,574.00
200-370-3500	RES1	\$1,574.00
200-370-3600	RES1	\$1,574.00
200-370-3800	GC	\$25,296.00
200-380-0100	RES1	\$1,574.00
200-380-0200	RES1	\$1,574.00
200-380-0300	RES1	\$1,574.00
200-380-0400	RES1	\$1,574.00
200-380-0500	RES1	\$1,574.00
200-380-0600	RES1	\$1,574.00
200-380-0700	RES1	\$1,574.00
200-380-0800	RES1	\$1,574.00
200-380-0900	RES1	\$1,574.00
200-380-1000	RES1	\$1,574.00
200-380-1100	RES1	\$1,574.00
200-380-1200	RES1	\$1,574.00
200-380-1300	RES1	\$1,574.00
200-380-1400	RES1	\$1,574.00
200-380-1500	RES1	\$1,574.00
200-380-1600	RES1	\$1,574.00
200-380-1700	RES1	\$1,574.00
200-380-1800	RES1	\$1,574.00
200-380-1900	RES1	\$1,574.00
200-380-2000	RES1	\$1,574.00
200-380-2100	RES1	\$1,574.00
200-380-2200	RES1	\$1,574.00
200-380-2300	RES1	\$1,574.00
200-380-2400	RES1	\$1,574.00
200-380-2500	RES1	\$1,574.00
200-380-2600	RES1	\$1,574.00
200-380-2700	RES1	\$1,574.00
200-380-2800	RES1	\$1,574.00
200-390-0100	RES1	\$1,574.00
200-390-0200	RES1	\$1,574.00
200-390-0300	RES1	\$1,574.00
200-390-0400	RES1	\$1,574.00
200-390-0500	RES1	\$1,574.00
200-390-0600	RES1	\$1,574.00

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-390-0700	RES1	\$1,574.00
200-390-0800	RES1	\$1,574.00
200-390-0900	RES1	\$1,574.00
200-390-1000	RES1	\$1,574.00
200-390-1100	RES1	\$1,574.00
200-390-1200	RES1	\$1,574.00
200-390-1300	RES1	\$1,574.00
200-390-1400	RES1	\$1,574.00
200-390-1500	RES1	\$1,574.00
200-390-1600	RES1	\$1,574.00
200-390-1700	RES1	\$1,574.00
200-390-1800	RES1	\$1,574.00
200-390-1900	RES1	\$1,574.00
200-390-2000	RES1	\$1,574.00
200-390-2100	RES1	\$1,574.00
200-390-2200	RES1	\$1,574.00
200-390-2300	RES1	\$1,574.00
200-390-2400	RES1	\$1,574.00
200-390-2500	RES1	\$1,574.00
200-390-2600	RES1	\$1,574.00
200-390-2700	RES1	\$1,574.00
200-390-2800	RES1	\$1,574.00
200-390-2900	RES1	\$1,574.00
200-390-3000	RES1	\$1,574.00
200-390-3100	RES1	\$1,574.00
200-390-3200	RES1	\$1,574.00
200-390-3300	RES1	\$1,574.00
200-390-3400	RES1	\$1,574.00
200-390-3500	RES1	\$1,574.00
200-390-3600	RES1	\$1,574.00
200-390-3700	RES1	\$1,574.00
200-390-3800	RES1	\$1,574.00
200-390-3900	RES1	\$1,574.00
200-390-4000	RES1	\$1,574.00
200-390-4100	RES1	\$1,574.00
200-390-4200	RES1	\$1,574.00
200-390-4300	RES1	\$1,574.00
200-390-4400	RES1	\$1,574.00
200-390-4500	RES1	\$1,574.00
200-390-4600	RES1	\$1,574.00
200-400-0100	RES2	\$787.00
200-400-1100	RES2	\$787.00
200-400-1500	RES2	\$787.00
200-400-1600	RES2	\$787.00
200-400-1700	RES2	\$787.00
200-400-1800	RES2	\$787.00
200-400-1900	RES2	\$787.00
200-400-2000	RES2	\$787.00
200-400-2100	RES2	\$787.00
200-400-2200	RES2	\$787.00
200-400-2300	RES2	\$787.00

Exhibit E

**Borrogo Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-400-2400	RES2	\$787.00
200-400-2900	RES2	\$787.00
200-400-3200	RES2	\$787.00
200-400-3300	RES2	\$787.00
200-400-3400	RES2	\$787.00
200-400-3500	RES2	\$787.00
200-400-3600	RES2	\$787.00
200-400-3700	RES2	\$787.00
200-400-3800	RES2	\$787.00
200-400-3900	RES2	\$787.00
200-400-4000	RES2	\$787.00
200-400-4100	RES2	\$787.00
200-400-4200	RES2	\$787.00
200-400-4300	RES2	\$787.00
200-400-4400	RES2	\$787.00
200-400-4500	RES2	\$787.00
200-400-4600	RES2	\$787.00
200-400-4700	RES2	\$787.00
200-400-4800	RES2	\$787.00
200-400-4900	RES2	\$787.00
200-400-5100	RES2	\$787.00
200-400-5200	RES2	\$787.00
200-400-5300	RES2	\$787.00
200-400-5400	RES2	\$787.00
200-400-5500	RES2	\$787.00
200-400-5600	RES2	\$787.00
200-401-0100	RES2	\$787.00
200-401-0200	RES2	\$787.00
200-401-0400	RES2	\$787.00
200-401-0500	RES2	\$787.00
200-401-0600	RES2	\$787.00
200-401-0800	RES2	\$787.00
200-401-0900	RES2	\$787.00
200-401-1000	RES2	\$787.00
200-401-1100	RES2	\$787.00
200-401-1200	RES2	\$787.00
200-401-1300	RES2	\$787.00
200-401-1400	RES2	\$787.00
200-401-1500	RES2	\$787.00
200-401-1600	RES2	\$787.00
200-401-1700	RES2	\$787.00
200-401-1800	RES2	\$787.00
200-401-1900	RES2	\$787.00
200-401-2000	RES2	\$787.00
200-401-2100	RES2	\$787.00
200-401-2200	RES2	\$787.00
200-401-2300	RES2	\$787.00
200-401-2400	RES2	\$787.00
200-401-2500	RES2	\$787.00
200-401-2600	RES2	\$787.00
200-401-2700	RES2	\$787.00

Exhibit E

**Borrego Water District CFD No. 2007-1
FY 2016-17 Special Tax Levy**

BILLING STATUS / APN	TAX CLASS	FY 2016-17 SPECIAL TAX
200-401-2800	RES2	\$787.00
200-401-2900	RES2	\$787.00
200-401-3000	RES2	\$787.00
200-401-3100	RES2	\$787.00
200-401-3200	RES2	\$787.00
200-401-3300	RES2	\$787.00
200-401-3400	RES2	\$787.00
200-401-3600	RES2	\$787.00
200-401-3700	RES2	\$787.00
200-401-3800	RES2	\$787.00
200-401-3900	RES2	\$787.00
200-401-4000	RES2	\$787.00
200-401-4100	RES2	\$787.00
200-401-4200	RES2	\$787.00
200-401-4400	RES2	\$787.00
200-401-4600	RES2	\$787.00
200-401-4700	RES2	\$787.00
200-401-4800	RES2	\$787.00
200-401-5000	RES2	\$787.00
200-401-5100	RES2	\$787.00
200-401-5600	RES2	\$787.00
200-401-5700	RES2	\$787.00
200-401-5800	RES2	\$787.00
200-401-5900	RES2	\$787.00
200-401-6000	RES2	\$787.00
200-401-6100	RES2	\$787.00
200-401-6200	RES2	\$787.00
200-401-6300	RES2	\$787.00
200-401-6400	RES2	\$787.00
Subtotal	311 Parcels	\$6,457,396.24
Total Number of Parcels Taxed		381
Total FY 2016-17 Special Tax		\$6,555,771.24

**REQUEST for PROPOSAL to DEVELOP a GROUNDWATER SUSTAINABILITY PLAN
for the BORREGO VALLEY GROUNDWATER BASIN**

Note: This is a conceptual discussion document only for the purposes of illuminating the business requirements of a Groundwater Sustainability Plan (GSP) for the Borrego Valley Groundwater Basin (Borrego Basin) regarding the Borrego Water District's (District) ability to serve its municipal customers while satisfying the regulatory requirements of the Sustainable Groundwater Management Act (SGMA).

Background:

The County of San Diego (the County) and the Borrego Water District (the District), as co-Groundwater Sustainability Agencies (GSAs) for the Borrego Valley Groundwater Basin (Borrego Basin) are looking to retain a consultant for the purposes of developing a Sustainable Groundwater Management Act (SGMA) compliant Groundwater Sustainability Plan (GSP) for the Borrego Basin.

The objectives of the GSP are to develop an appropriate mechanism to reduce present average annual groundwater withdrawals from the Borrego Basin of approximately 19,000 acre-feet per year (AFY) to the average annual recharge rate of approximately 5,700 AFY determined by the US Geological Survey (2015 study; <https://pubs.er.usgs.gov/publication/sir20155150>). It is the desire of the GSAs for the Borrego Basin that this reduction occurs within a timeframe to avoid *undesirable results* as defined under SGMA, but in any case, no longer than 2040, as mandated by SGMA for a critically overdrafted basin, the California Department of Water Resources (DWR) designation for the Borrego Basin.

Some of the foundational documents for the GSP that specify the characteristics of the Borrego Basin; the economics that prohibit imported water to augment existing groundwater supply to address the overdraft; lack of economically available water from nearby aquifers; and some of the business requirements for the provision of future municipal supply are located at: http://www.borregowd.org/Historical_Reports.php.

Policy recommendations that meet SGMA requirements agreed to by the Borrego Water Coalition members representing pumpers who withdraw approximately eighty percent (80%) of the groundwater extracted annually from the Borrego Basin are located at: <http://www.borregospringschamber.com/bwc/documents/2014/BWC%20Policy%20Recs%20FINAL%2011-06-14.pdf>.

**REQUEST for PROPOSAL to DEVELOP a GROUNDWATER SUSTAINABILITY PLAN
for the BORREGO VALLEY GROUNDWATER BASIN**

GSP Request for Proposal (RFP) Components:

(1) Reduction Plan to meet SGMA basin sustainability requirements in no more than 20-years:

1. what is the appropriate benchmarking protocol for establishing and managing basin annual withdrawal reductions to reach sustainability under SGMA?
2. what are the necessary means and standards to establish and managing an ongoing well metering program?
3. what are the necessary means and standards for establishing and managing an ongoing quantity and water quality data collection program?
4. how best to establish a baseline starting point for reduction program?
5. on what analytic basis should the reduction schedule be based to avoid *undesirable results*?
6. on what analytic basis should penalties for not abiding by metering reporting standards and water supply and/or water quality data collection standards be based?
7. what is the standardized accounting reporting framework for measuring and managing results?

(2) Water Market Rules for trades:

1. what are the necessary rules for fair and efficient trades?
2. what is necessary for market trades to be moral?
3. what is the analytical basis for penalties for pumpers missing reduction targets.

(3) Negotiated and Signed Agreements with stakeholders to abide by the Reduction Plan?

1. do stakeholders agree on the Reduction Plan?
2. do stakeholders agree on the market rules for trades?
3. do stakeholders agree on the penalties that will be imposed under SGMA?
4. do stakeholders agree on the language in the GSP?

**REQUEST for PROPOSAL to DEVELOP a GROUNDWATER SUSTAINABILITY PLAN
for the BORREGO VALLEY GROUNDWATER BASIN**

(4) Financing Plan to effectuate the implementation of the Reduction Plan:

1. what are the credit requirements for rating and achieving any necessary financing for implementation of the Plan?
2. does the GSP meet these financing credit requirements?
3. what is the financing amount and sources for meeting the Reduction Plan implementation schedule?
4. does the GSP meet State, foundation, and bond market due diligence requirements?

(5) Legal Plan to reduce the ongoing possibility for litigation that could forestall the implementation of the Reduction Plan:

1. is the Plan defensible from disputes?
2. has the Plan been inoculated from future disputes during the implementation period that would preclude financing opportunities and/or slow implementation?

(6) Technical requirements to assess undesirable results issues:

1. what are the necessary water quality data required for a SGMA-compliant Plan?
2. what ongoing water quality monitoring program is necessary?
3. what air quality monitoring and following standards are necessary to avoid community health impacts from the Reduction Plan?
4. what Enforcement Plan is necessary to successfully achieve the Plan?

(7) Land Use Planning, Permitting, and Enforcement Measures

1. what are the changes in the County's land use planning necessary to support the Reduction Plan;
2. what are the changes in the County's well permitting necessary to support the Reduction Plan;
3. what are the necessary changes to the County's Enforcement Measures to effectuate an efficient and fair implementation of the Reduction Plan and to avoid ongoing environmental and public health issues?

**REQUEST for PROPOSAL to DEVELOP a GROUNDWATER SUSTAINABILITY PLAN
for the BORREGO VALLEY GROUNDWATER BASIN**

**(8) Plan Ongoing Management, Accountability, Legitimacy, Enforcement & Administrative
Funding & Update Process**

1. what are the Plan management, accountability, legitimacy in decision-making, enforcement responsibilities, and administrative funding processes for implementing the Plan?
2. what is the process for making changes in the GSP based on new information during the Plan implementation?



Managing the Business Risk of SGMA

A Risk Management View

DRAFT - for discussion purposes only

19 July 2016

Data Uncertainty

- * GSAs need to develop GSPs that account for uncertainties in data, as well as uncertainty in future conditions
- * basins with higher uncertainty need to adopt more conservative management options
- * data should be collected under a *risk assessment framework*, focusing on areas of the greatest risk
- * recognition and understanding of data uncertainty needs to drive data acquisition and data sharing
- * GSPs must include contingency plans and management actions to address new data and times of extreme stress
- * *adaptive management* is necessary to make certain GSPs include: (a) management objectives and thresholds that reflect level of uncertainty in data; (b) revision of management objectives based on new data; (c) modification of monitoring and enforcement programs based on new data; (d) design of proactive metrics to make certain thresholds are not exceeded during periods of extreme stress

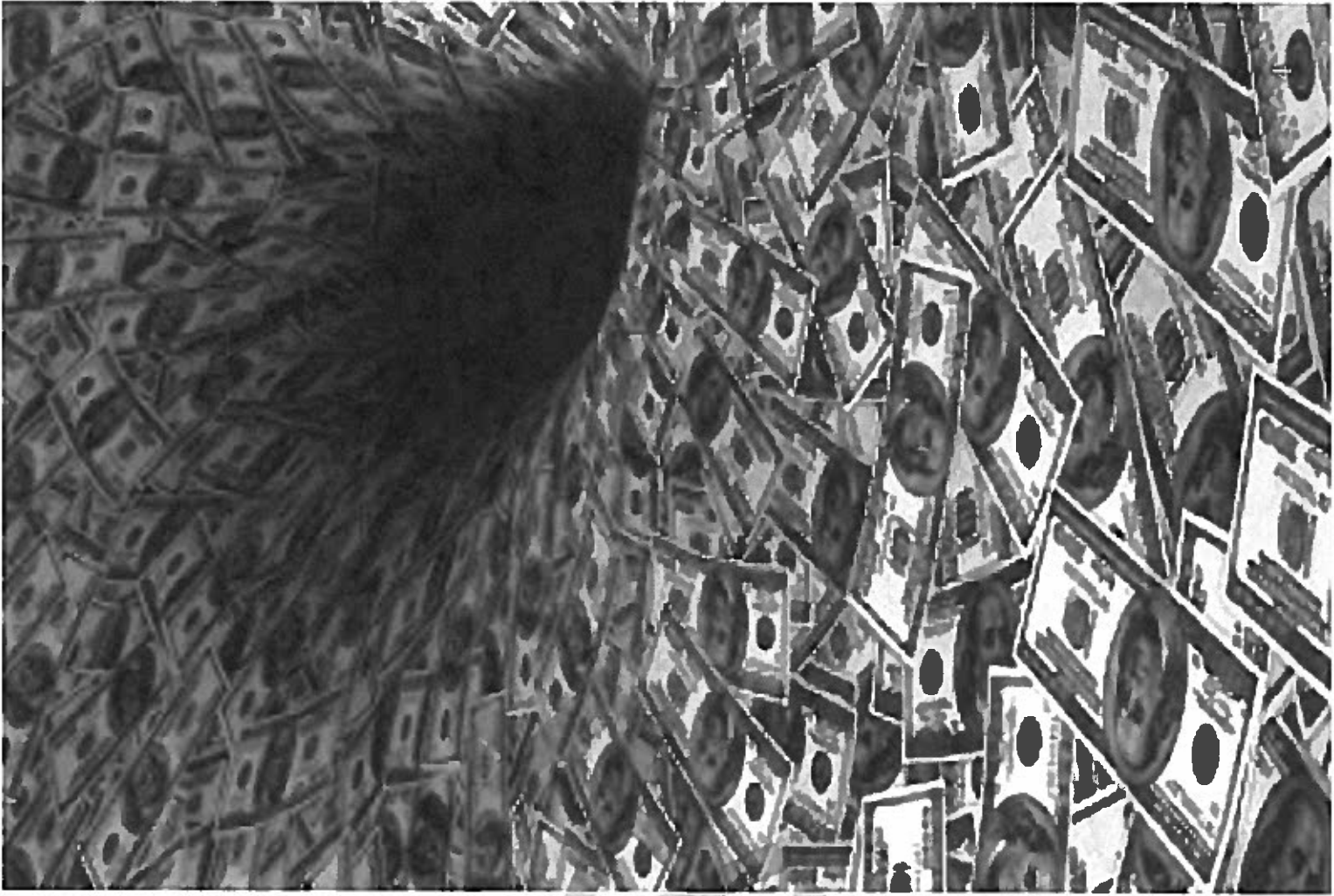


Minimum Risk Management Requirement to Avoid System Collapse

Eliminate basin overdraft before system collapse is locked in (a *tipping point* is reached after which the system is likely to collapse no matter what risk management strategies are put in place)

Avoid System Collapse

- ❖ potable water becomes too expensive for the District's customers to buy
- ❖ irrigation water becomes too expensive for recreational uses
- ❖ water quality degrades so that it no longer may be used for crops or private wells without expensive treatment



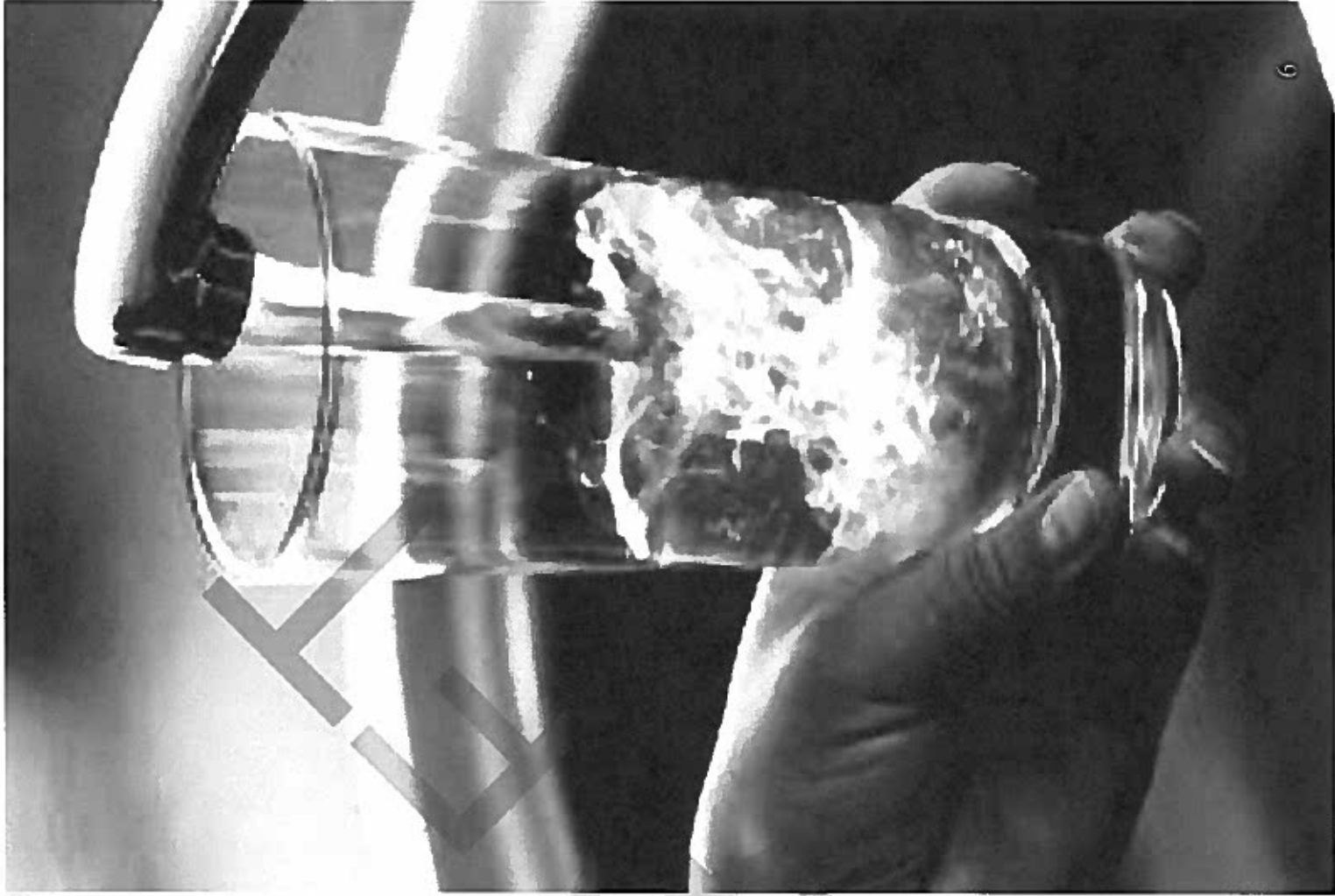
Path Dependency

- small changes in initial conditions are amplified exponentially over time to big changes in outcomes
- the changes that occur are *non-linear*. Changes are not uniform over time and the changes that occur are likely to have *emergent* (novel) properties with large economic consequences



Risk Management Priority

- ❖ the continued ability of the District to deliver affordable potable water to its customers is by far the largest driver for:
 - ❖ affordability
 - ❖ future economic development, and
 - ❖ preservation of current residential and commercial property values



What this means for GSP Development

- ❖ 20-years to sustainability is arbitrary and may be OK or too long to avoid systems collapse
- ❖ the GSP must address the *business issues* of ensuring affordable potable water
- ❖ *basin sustainability is not enough*





Contingency

- achieving basin sustainability is necessary, but insufficient
- basin sustainability is *contingent*
 - whether or not balance is achieved before water quality changes reach a tipping point
 - whether water transfers can be achieved without causing damages to current property values

**THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)
QUESTIONS & ANSWERS**

What is the Sustainable Groundwater Management Act or SGMA?

A new law that requires all medium and high priority groundwater basins in the State to be brought into sustainable use by 2040.

How does SGMA define groundwater basin sustainability?

Basin sustainability is defined as use that produces no *undesirable results*, such as overdraft. In the Borrego Valley Groundwater Basin (Borrogo Basin), more groundwater is being withdrawn each year than what enters the basin from rainfall and watersheds.

Why is overdraft an undesirable result according to SGMA?

Often, as water levels decline, water quality changes, sometimes deteriorating to the point that costly advanced treatment is required. An overdraft can also cause land subsidence, compaction of the aquifer so that it can no longer hold water, vegetation changes, loss of surface water flows, changes in a production well's ability to pump adequate water and dry wells.

Does SGMA apply to the Borrego Basin?

Yes. The overdraft was identified by the US Geological Survey (USGS) and has been designated as critical by the California Department of Water Resources (DWR) hydrologists.

Who is responsible for implementing SGMA for the Borrego Basin?

The Borrego Water District and the County of San Diego are the only two public agencies eligible to implement SGMA for the Borrego Basin. Both have filed a request with DWR to become a Groundwater Sustainability Agency (GSA), and are working on a Memorandum of Understanding (MOU) to address any overlap. Thereafter, it will be the responsibility of the two GSAs to create a Groundwater Sustainability Plan (GSP).

Who will write the plan and what will be in it?

The process has yet to be decided, but public stakeholder meetings will be held and input from the discussions will then be communicated to an Advisory Committee. A consultant will be selected to write the plan and conduct the necessary technical work.

Does SGMA mean that water rates will increase?

Yes. Under SGMA, the groundwater pumped from the basin will cost something for all basin pumpers.

Who will enforce the GSP?

Both the County of San Diego and the Borrego Water District, as GSAs, once the GSP is approved.

What will prevent current water users from hoarding water or speculators from gouging municipal and recreational users with outrageous prices for water transfers?

Market rules that ensure moral and fair trades will be established as part of the GSP.

How will a GSP go into effect?

The GSP has to be approved by the County Board of Supervisors and the District Board and accepted by the DWR no later than January 2020.

DRAFT V#16 – FOR DISCUSSION PURPOSES ONLY

Who gets to represent the ratepayers in the planning process?

The District Board may appoint one ratepayer representative to the Advisory Committee.

How will this ratepayer representative to the Advisory Committee be selected by the District Board?

The Board will be seeking a representative who is willing to fairly represent all ratepayers' interests and is able to build trust among the other members of the Advisory Committee and those working on the GSAs' project team. He or she will hold a leadership position facilitating the ability of ratepayers to meet, express their opinions and insure their input is adequately and accurately communicated to the GSAs.

Instead of working to produce a GSP, why don't we just let the State Water Resources Control Board (SWRCB) take over the Borrego Basin from local control?

That will occur if the local management of the basin fails, but it will not be free. The exercise of local control to deal with the overdraft is the most economical option.

Instead of using SGMA to eliminate the overdraft, why don't we just adjudicate the Borrego Basin?

Adjudication would not preempt or delay the requirements of SGMA, and would add the cost for attorneys to the costs associated with SGMA. The only purpose of adjudication is to ask the courts to determine who has rights to pump a specific amount of water when there is a dispute.

Could the District and County, as GSAs, go through all the trouble of producing a GSP and still get sued and need to adjudicate the Borrego Basin?

Yes, but the type of dispute and expense of adjudication after an approved GSP would likely be significantly different than if a plan was never developed. There are forms of inexpensive, non-disputative adjudications called negotiated settlements that could help to facilitate a SGMA-compliant GSP.

Why hasn't the District Board done something about the overdraft long before now?

Prior to SGMA, the District did not have the authority required to control or limit withdrawals. The County had the necessary police powers but did not exercise them.

Why didn't the County act to limit withdrawals from the basin if it always had the police powers to accomplish this?

No county in California has previously exercised its police powers to limit groundwater withdrawals. Thus, SGMA was enacted.

Didn't the District under the AB3030 Groundwater Management Act have the authority to limit withdrawals?

Yes, but it could not limit withdrawals without an approved plan including specific reduction targets, a budget, and clear policies and penalties for not meeting reduction targets. The Groundwater Management Plan approved by the District Board in 2002 possessed none of these required attributes. Further, the District had no police powers to enforce reductions or to collect a tax.

How do we know that the Borrego Basin is in critical overdraft?

The District commissioned over three million dollars in studies, for which the ratepayers contributed approximately one million dollars, to determine unequivocally that an overdraft exists, its magnitude, and that no other sources of water are economically available to the Borrego Valley in the near future.

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The most recent 2015 USGS study is available for review at <https://pubs.er.usgs.gov/publication/sir20155150>.

But, I know of wells that are at the same water levels they were years ago or have been increasing recently. Does that mean the overdraft is not as serious as the studies claim?

Over time, individual wells can increase, decrease, stay the same or do all of the above. A systemic analysis of the whole basin is required before a definitive and defensible analysis can be used to define the issues associated with an overdraft.

Does overdraft mean we are running out of water?

No. According to both USGS studies, there is ample and adequate water available within the basin. An overdraft results in basin changes that potentially have large economic impacts.

Is it fair to say that only the ratepayers have borne the cost of the overdraft to date?

Yes, but only when discussing studies. In terms of actual dollars invested in end use efficiency measures, investments made by the golf course and the farmers have likely exceeded the investments in end use efficiency measures by the ratepayers.

Have municipal users done a good job of reducing their water consumption?

Yes! Between 2005 and 2015, average domestic water use in Borrego has decreased from about 1 acre-foot per year per equivalent residential unit to approximately 0.55.

Is it fair to say that ratepayers have done a good job at using water more efficiently and the golf courses and farmers have done little to use water efficiently?

No. Each sector overall has accomplished reductions that are exemplary. However, these reductions have done little to eliminate the overdraft. They have only slowed its growth somewhat. Some municipal users, golf courses and farmers have led the way in producing the majority of savings in their sectors, whereas others have done little to reduce water use.

Why does the Borrego Water Coalition (Coalition) recommend a 70% reduction of withdrawals across all sectors – agriculture, recreation (golf courses & resorts) and municipal uses (see http://www.borregowd.org/uploads/Borrego_Water_Coalition_Policy_Recommendations_FINAL_11-06-14.pdf)?

The 70% reduction is just an estimate. It is supported by California Water Law and a likely potential outcome if adjudication were to occur. It is also supported by the USGS study.

I understand that DWR has recently approved changes to the boundaries of the Borrego Basin. Is it true that these changes will result in less water for future development?

No. The changes just bring the boundaries of the Borrego Basin into agreement with the best hydrological and basin management present understandings.

Why can't we just import water to the Borrego Valley and not have to worry about the overdraft any more?

Two studies, one by the US Environmental Protection Agency and another by the US Bureau of Reclamation, were commissioned by the District to answer this question. The results were that there are no aquifers over the next hill with enough water to address the overdraft of the Borrego Basin, there are no sources of affordable water available from nearby water districts at the present time, and even if there was, Borrego could not afford the \$100+ million to build a pipeline to transport it.

DRAFT V#16 – FOR DISCUSSION PURPOSES ONLY

Is the sky falling? Should I be worried about the overdraft?

The cost of using water will become more expensive in the future, but we are not running out of it. The District is carefully considering how to best apportion these expenses to most efficiently and effectively manage future costs. Almost all groundwater basins in California are in overdraft, so we aren't the only ones seeking methods to create cost controls for water use. If this community is to successfully address the overdraft, it is up to us to ensure our own future by getting involved, becoming informed and working together.

GROUNDWATER MANAGEMENT
Accounting-FY 2016
01-5480

MONTH	DOWNEY BRAND	UC REGENTS	CONFERENCE/ AT CONF/MEALS	USGS	RAFTELIS	DUDEK	ARTICLES JEANNIE/WENDY	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	4,370.00		199.14			27,913.64			32,482.78	97,010.63
Mar-16	2,964.00		48.77			32,577.01			35,589.78	132,600.41
Apr-16	3,573.07		9.70				150.00		3,732.77	136,333.18
May-16	5,313.50		13.80						5,327.30	141,660.48
Jun-16										
Total	24,250.69	15,000.00	626.56	4,426.18	5,375.00	91,752.05	150.00	80.00	141,660.48	141,660.48