Borrego Water District Board of Directors
Regular Meeting
December 14, 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
    a. November 16, 2016 Special Meeting
F. Comments from Directors and Requests for Future Agenda Items
G. Comments from the Public and Requests for Future Agenda Items
   (Comments will be limited to 3 minutes)
H. Correspondence:

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Presentation of Borrego Water District's 2016 FY Financials by Squar Milner LLP.

B. Borrego Basin GSP Update from County of San Diego – J. Bennett, L. Crowe & A. Elias

C. Borrego Basin GSP Advisory Committee Selections
Approve Nominee for BWD Ratepayer Representative – R. Delahay & H. Ehrlich

D. Annual SB165 Report for CFD No. 2007-1.

E. RFP for Solar Power Installation at BWD Offices/Warehouses – D. Dale

F. Authorize staff to issue a Notice to Proceed for the Hydrogen Sulfide Odor Assessment – D. Dale

G. Authorize staff to accept land donation from Charles White and authorize staff to complete necessary documentation - 114

III. STAFF REPORTS

A. Financial Reports – October Reports

B. General Manager - See informational items below

C. Water and Wastewater Operations Report November 2016 – Greg Holloway

D. Water Production/Use Records November 2016 – Greg Holloway

IV. ATTORNEY'S REPORT

A. None

V. AD-HOC COMITTEES:

A. Finance: Brecht & Tatusko

B. Executive: Hart & Brecht

C. Operations and Infrastructure: Delahay & Tatusko

D. Personnel: Hart & Ehrlich

E. Public Outreach: Delahay & Ehrlich

VI. INFORMATIONAL ITEMS

A. ACWA Fall Conference – H. Ehrlich & G. Poole
B. 900 Tank Design - D. Dale
C. Review of new BWD Water Bills – J. Tatusko
D. 2018 Statewide Water Bond Update – L. Brecht, H. Ehrlich, G. Poole
E. Grant Funding Update – Prop One & USDA – Joe Tatusko
F. Timeline/Calendar

VII. CLOSED SESSION –

A. Personnel – PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager
California Government Code section 54957

B. Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Case No. Case No. 37-2010-00053928-CU-OR-NC; Case No. 37-2010-00054709-CU-OR-NC; Case No. 37-2013-00034879-CU-OR-CTL: Legal Counsel: Warren Diven, Best Best & Krieger LLP

VIII. CLOSING PROCEDURE

A. Suggested Items for Next Agenda

B. The next Meeting of the Board of Directors is scheduled for January 17, 2017 at the Borrego Water District

Borrego Water District
MINUTES
Regular Meeting of the Board of Directors
Wednesday, November 16, 2016
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

A. Call to Order: President Hart called the meeting to order at 9:00 a.m.

B. Pledge of Allegiance: Those present stood for the Pledge of Allegiance.

C. Roll Call: Directors: Present: President Hart, Vice-President Brecht, Secretary/Treasurer Tatusko, Delahay, Ehrlich

Staff: Geoff Poole, General Manager
David Dale, District Engineer
Wendy Quinn, Recording Secretary

Public: Susan Percival, Club Circle East HOA
Trey Driscoll, Dudek
Ray Shindler
Rebecca Falk, Sponsor Group

D. Approval of Agenda: Geoff Poole requested that Item II.B (Acceptance and Approval of Audited Financial Statements for FY 2015-16) be postponed until the December meeting, when the auditors will be available for a conference call. He further reported that a new page 2 of the Agenda had been distributed due to a lettering error. ***MSC: Brecht/Tatusko approving the Agenda as amended.***

E. Approval of Minutes:

Special meeting of October 18, 2016

MSC: Brecht/Ehrlich approving the Minutes of the Special Meeting of October 18, 2016 as corrected (Item III.B, the dollar amount for the DWR facilitator services should be $56,000, not $5,600 (two places).) Director Ehrlich abstained from the vote due to his absence from the meeting.

Regular Meeting of October 26, 2016

MSC: Brecht/Tatusko approving the Minutes of the Regular Meeting of October 26, 2016 as written.

F. Comments from Directors and Requests for Future Agenda Items: None

G. Comments from the Public and Requests for Future Agenda Items: Susan Percival of the Club Circle East Homeowners' Association reported that she met with representatives of the Borrego Springs Resort, and they are interested in BWD's continued administration of the Club Circle Golf Course. President Hart requested that further discussion be included in the next Agenda, and that golf course manager Bob Moore be invited to the meeting. Details were referred to the Executive Committee.

H. Correspondence: None

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II. CURRENT BUSINESS MATTERS

A. Consideration of Multi Family, Master Metered Developments Water Rate Structure: Mr. Poole reported on the results of a survey of ten water agencies, nine in San Diego County plus Irvine, as to their policies regarding rates for multifamily, master metered developments. Seven charge as BWD does, a uniform rate. Three use a tiered system similar to BWD's residential rate, but with lower tiers than the normal residential. Raftelis suggested a five-unit cap for Tier 1, which would generate very little change in income. The associated

Proposition 218 process would cost approximately $20,000 for Raftelis' services, plus other expenses. Director Ehrlich pointed out that there is an equity issue in treating all residential customers equally. He suggested evaluating a change as part of the next amendment to the overall BWD rate structure. The Board agreed to consider it as part of the next 218 process, scheduled for five years from the last one, or earlier if deemed necessary for other reasons. Mr. Poole will inform the Wrights, requestors of the modification.

B. Acceptance and Approval of Audited Financial Statements for FY 2015-16: This item was continued to the December meeting.

C. Consideration of Form 102 for 236 AG-2 Water Credits for Fallowing last phase of Pivot Farm Lots, D, E, F and G to T2/Considine: Mr. Poole reported that the Pivot Farm fallowing was in its final stages. He referred to Form 102, Grant of Exclusive Groundwater Easement, Item D, Board Package page 71, second line. The reference should be to 236 water credits, not 100. This completed Rams Hills' required fallowing. ***MSC: Brecht/Delahay approving Form 102.***

D. Consideration of California Special Districts Association Membership: Director Ehrlich noted that he is an associate member of both ACWA and CSDA and thinks both have advantages. Director Tatusko pointed out that CSDA focuses more on governance, while ACWA deals primarily with water. He thought joining CSDA would be beneficial to develop relationships in the State and County and would be helpful in applying for grants. Director Ehrlich agreed, citing CSDA's assistance with governance, transparency and legislation, and noting that they would visit districts to assist with individual issues. They also offer financing for local projects, and joint powers insurance for workers' compensation and liability. Mr. Poole agreed that joining would be worthwhile. ***MSC: Ehrlich/Tatusko approving BWD's membership in the State and County Chapters of CSDA.***

III. STAFF REPORTS

A. Financial Reports – October 2016: None. The Financial Reports will be transmitted to the Board when completed.

B. General Manager/Operations Report: Mr. Poole announced that his report would be covered under the Informational Items.

C. Water and Wastewater Operations Report – October 2016: Director Ehrlich expressed concern regarding the "water loss" (unaccounted-for water) in ID 4. Mr. Poole agreed to bring it up at the next O&I Committee meeting. Director Delahay noted that Greg Holloway is in the process of changing out the older meters. President Hart suggested that Director Ehrlich discuss the issue with Jerry Rolwing and Mr. Holloway, and that it be included in the master plan which David Dale is developing. Director Tatusko pointed out that water use was significantly higher in August and September 2016 as compared to 2015, assumedly due to the drought. This could be justification for a grant application.

D. Water Production/Use Records – October 2016: The Water Production/Use Records were included in the Board Package.

IV. ATTORNEY'S REPORT

None

V. AD HOC COMMITTEES

A. Finance: Director Brecht reported that the Committee was awaiting completion of the master plan. The District's cash flow is sufficient to support a bond measure, but we don't know how much. The Committee is also working on refinancing the Community Facilities District, and some legal issues need to be addressed.

B. Executive: Mr. Poole reported he had attended the last Borrego Water Coalition meeting. President Hart reported the Committee was continuing to work with the County.

C. Operations and Infrastructure: Director Tatusko reported that the Committee met with Messrs. Poole, Holloway and Dale and discussed the one response to the RFP for a hydrogen sulfide odor investigation and assessment on BWD sewer force main. The bid was $33,900 from Dudek. Director Delahay recommended waiting 30 days to see if Roy Martinez and Troy Depriest can resolve the odor problem, and if not, award the contract to Dudek. Cody Cox has resigned from the District.

Mr. Dale reported that the Well 16 flow would be tested today to ensure that the pump is sufficient to reach the 900 Tank site in the event a new reservoir is located there. Director Tatusko reported that work on Well 18 was complete and Well 12 is in progress, both within budget. Mr. Poole reported that a letter to the company from which the District purchased a defective bladder was undergoing engineering and technical review.

D. Personnel: President Hart reported that she was meeting with Director Ehrlich today to give him an overview of the District's internal organization. Mr. Poole reported that there were two candidates from the last round of interviews who would be considered for employment following Mr. Cox's departure. His position will be filled through internal promotion.

E. Public Outreach: Director Delahay reported that he was continuing to staff the District table at the Friday farmers' market, which has been busy.

F. BWD GSP Ratepayer: Director Delahay reported that the Committee would meet tomorrow to discuss the three applicants for the position of ratepayer representative on the GSP Advisory Committee. After interviews, a recommendation will be presented to the Board at its next meeting, along with a report on the appointees from other groups included on the Advisory Committee. Jim Bennett from the County will attend.

VI. INFORMATION ITEMS

A. USDA Grant/Loan Opportunities: Mr. Poole reported that Trey Driscoll had put him in contact with representatives from USDA, who came out and met with Mr. Poole and Director Tatusko last week regarding their grant and loan opportunities. The O&I Committee will identify CIP projects that may qualify and report back to the Board.

B. Discussion of Solar Power for BWD Offices/Warehouse/Parking Lot: Director Tatusko reported that for the last 12 months, BWD's average electric bill has been $924. It is estimated that solar power would save $11,000 over that period of time. Mr. Dale will create an RFP upon Board request, which Director Tatusko recommended. The cost is estimated at $125,000 for a 50 kilowatt system. Mr. Dale will bring a proposed RFP to the Board at its December meeting. Director Tatusko announced that BWD's solar rebate for the treatment plant system has been approved and will provide $65,000 over five years.

C. Dudek Analysis of Inflow Calculations in Borrego Basin: Mr. Poole explained that the analysis requested from Dudek at the last meeting was determined by the County to be a central component of the GSP that should be included in that process. They agreed to include it as a deliverable early in the process, and Mr. Poole concurred. He has informed Mr. Driscoll.

D. Discussion of Accepting Land: Mr. Poole reported that Charles White was interested in donating land to the District. The property is close to land that he donated previously and near one of the BWD wells. It could be a potential site for retention ponds to capture storm water or for future wells. Director Ehrlich inquired how many previous land donations there were, and Mr. Poole agreed to compile a list.

E. Request for Proposal – Borrego Valley GSP: President Hart reported that the District had an opportunity to review the County draft RFP and their suggestions were incorporated. Director Tatusko attended the Industry Day attended by potential contractors.

F. SD County Website – Borrego Valley GSP: Mr. Poole invited the Board's attention to the County website, included in the Agenda.

G. Article from LA CURBED Magazine – ***A Desert Oasis Dries Up*** by Zoie Matthew: Director Brecht invited the Board's attention to this magazine article, included in the Board Package.

H. BWD Timeline: Mr. Poole noted that he and Director Brecht had discussed some changes to the timeline relative to the business plan. They will review them again before the next meeting. Director Ehrlich requested additional information on the timeline items during his orientation tour on Friday. President Hart pointed out that agenda planning for the Town Hall meeting typically begins at the January workshop.

VII. CLOSING PROCEDURE

A. Suggested Items for Next Agenda: Items for the next Agenda were discussed throughout the meeting. The next Meeting of the Board of Directors is scheduled for December 14, 2016 at the Borrego Water District.

There being no further business, the Board adjourned at 10:25 a.m.

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.A

December 6, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Presentation of Borrego Water District's 2016 FY Financials by Squar Milner LLP.

RECOMMENDED ACTION: Receive verbal presentation (via telephone) from Auditors Chris Thibideau and Jim Rotherham and approve BWD FY 2016 Financials

ITEM DESCRIPTION: The Audit is complete and the Final Financial Statements for the 2015-16 Fiscal Year are attached. Representatives from Squar Milner LLP will provide an overview of the documents and answer any questions via telephone at the Board Meeting.

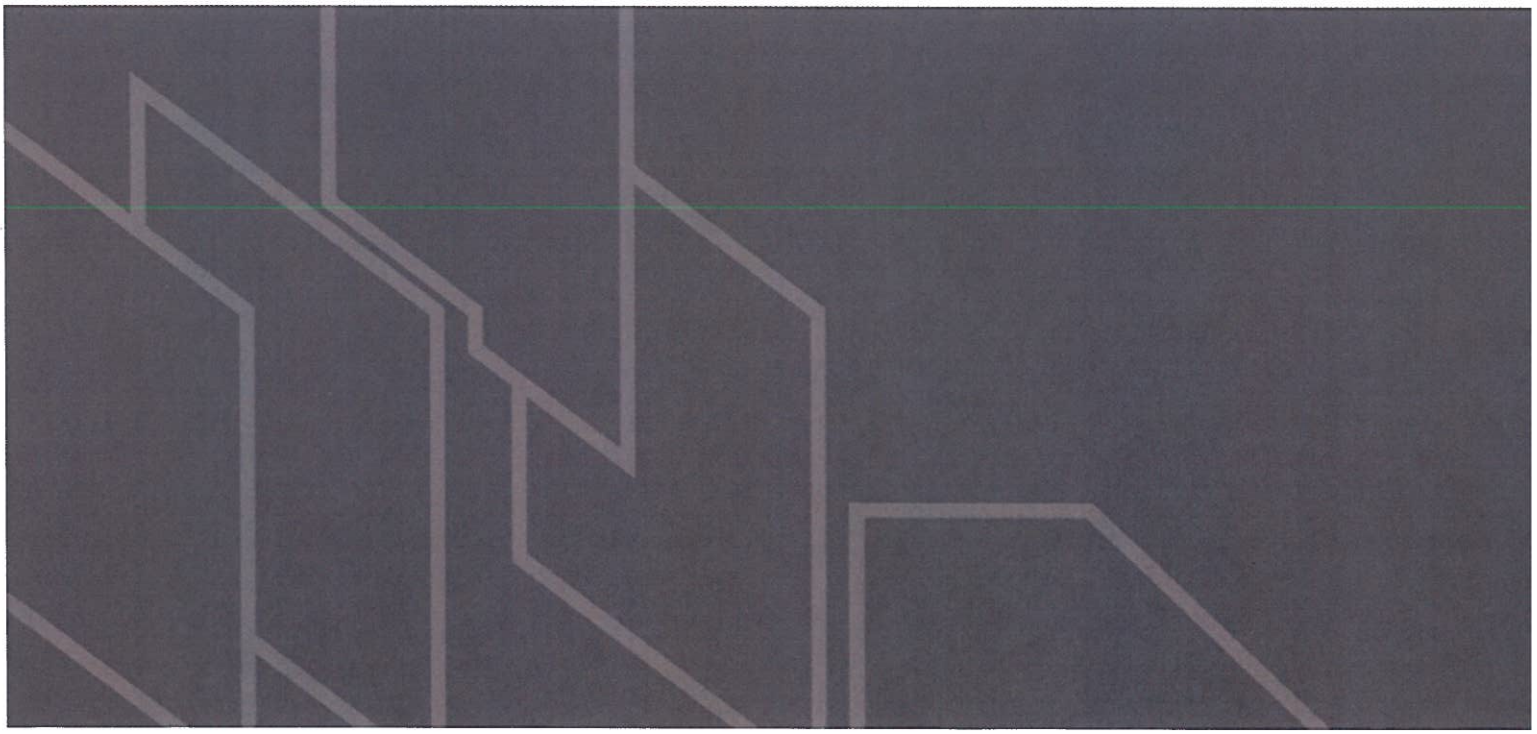
FISCAL IMPACT: N/A

ATTACHMENTS: 2015-16 Proposed BWD Financials

squarmilner

Certified Public Accountants
and Financial Advisors

Borrego Water District
Financial Statements
June 30, 2016 and 2015



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BORREGO WATER DISTRICT

November 18, 2016

To the Honorable President and Members of the Board of Directors and Customers of the Borrego Water District:

State law requires that all general-purpose local governments and special districts publish each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Annual Financial Report of the Borrego Water District ("BWD" or "District") for fiscal year ended June 30, 2016 is hereby submitted as required. Squar Milner LLP, a firm of licensed certified public accountants, has audited the District's financial statements.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

Management assumes full responsibility for the completeness and reliability of the information contained in this letter, the MD&A and the accompanying financial statements, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.

PROFILE OF THE DISTRICT

The District was established in 1962 as a State of California special district (Water Code §35565) to provide water, sewer, and flood control and gnat abatement for areas in the Borrego Springs community. Borrego Springs is an unincorporated community of approximately 3,500 full-time and more than 6,000 winter residents located in the northeast comer of San Diego County approximately a 90 mile drive from San Diego.

Borrego Springs is surrounded on all sides by the Anza-Borrego Desert State Park (ABDSP; "the park"). The park, which encompasses over 600,000 acres in and around the Borrego Valley, was established in 1933 to protect this unique desert environment. The military presence of both the Army and Navy during World War II brought the first paved roads and electricity to Borrego Springs. After the war, developers subdivided the area attempting to create a resort community by capitalizing on the tourism generated by the park. ABDSP is the largest state park in California. It was designated as a National Natural Landmark in 1974 and a Biosphere Reserve in the 1980's by the United Nations. The park contains approximately 85% of state wilderness area within the State of California. An economic study developed for the Anza-Borrego Foundation (ABF) estimates the net regional revenue generated by visitation to the park is approximately $40 million annually (BBC Consulting, 2012).

Infrastructure

The District has 9 active municipal production wells connected to 90 miles of distribution lines to serve its 2,125 residential, commercial, institutional, and irrigation customers. The District also provides sewer and wastewater treatment services to 830 customers located primarily in the Town Center, Club Circle and Rams Hill development. The estimated replacement cost value of the District's water, sewer and wastewater treatment infrastructure is approximately $62,500,000.

Governance

A five-member board of directors works as a team to govern the affairs of the District. The board is elected at large by the registered voters residing within the District's boundaries, with vacant positions that occur between elections appointed by the existing board and during election years by the San Diego County Board of Supervisors if there is no competition for a seat on the board. The directors, who are elected or appointed, are residents and have the same concerns as their constituents. The board members, who serve four-year staggered terms, are responsible for establishing the direction of the District through adopting policies and ordinances for the smooth running of the District; ensuring that sound fiscal policy exists; that management practices and controls are in place for accountability; adopting the annual budget; approving personnel policies and organizational structure; hiring the District's General Manager; and hiring other advisors to the board, such as the District's legal counsel, financial and other advisors, as required. The General Manager is responsible for carrying out the policies and ordinances approved by the District board, for overseeing the day-to-day operations of the District, and for meeting the financial objectives set forth in the annual budget approved by the board.

Groundwater Supply, Usage & Availability

One hundred years ago Native Americans inhabited the Borrego Valley and utilized the springs and surface water sources issuing from the nearby mountain ranges. Cattlemen began homesteading the Borrego Valley in about 1875. The first successful modem well was dug in 1926. Agricultural development began primarily after 1945. Today, all human water used annually is pumped from the Borrego Valley Groundwater Basin (Borrego Basin: the basin).

The basin is made up of three aquifers: upper, middle and lower aquifers, each with different physical characteristics. These three aquifers, Pleistocene (2.5 million years ago) to Holocene (11,700 years ago) era water deposits, are the community's sole source of water. Historically, the upper aquifer has been the principle source of groundwater in Borrego Valley. At this time there are no plans to import water from outside the Borrego Valley due to the economic cost of a pipeline and the uncertainty in availability of imported supply from the Colorado River. Readers may consult *the Southeast California Regional Basin Study Evaluates Water Supply and Demand in Borrego, Coachella and Imperial Valleys* by the Bureau of Reclamation located at http://www.usbr.gov/newsroomlnewsrelease/detail.cfm?RecordiD=51709 for more information.

Annual agricultural irrigation, golf course irrigation, and residential, institutional, and commercial uses require about four times more water than is available through average annual natural recharge of the basin. Of the current average annual withdrawals from the basin, agricultural irrigation in the Borrego Valley accounts for about 14,000 acre-feet per year (AFY: approximately 70%) of the average annual uses, recreational uses (golf courses) account for about 3,000 AFY (approximately 20%) of the average annual uses and residential/commercial uses account for about 2,000 AFY (approximately 10%) of the total annual uses. The natural net replenishment (recharge) of the basin of approximately 5,700 AFY annually is based on 66 years of historic data. The actual annual natural net recharge can fluctuate in the arid climate from less than 1,000 AFY in dry years to more than 25,000 AFY in exceptionally wet years.

The current rate of groundwater pumping produces an average annual basin storage change (overdraft) of about 13,300 acre-feet (AF) of water per year based on current withdrawal rates and an estimated average annual net recharge rate of approximately 5,700 AFY. The largest water level declines are found in the northern part of basin where most of the approximately 3,700 acres of primarily citrus agricultural acreage is concentrated and in the southwestern part of the basin where commercial, institutional, and residential activity is primarily located.

Groundwater-level declines of more than 100 feet in some parts of the groundwater basin have been observed. Anthropogenic activities have resulted in an increase in pumping lifts, reduced well efficiency, dry wells, changes in water quality, loss of natural groundwater discharge, and changes to the desert ecosystems of the Park. Today, water levels in the basin are declining on average about 2. 7 feet a year. However, if the present rate of withdrawals continues, water levels are projected to drop at an ever-faster rate as more withdrawal occurs from the middle and lower aquifers of the basin. At the current rate of use, the groundwater supply is not sustainable. Readers should review a recent study (2015) by the USGS, *Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County,*

California located at https://pubs.er.usgs.gov/publication/sir2155150 for more complete information.

Even with the current overdraft, the basin probably has adequate water supply possibly for hundreds of years. However, as water levels continue to drop, water quality may also decline, which may require additional treatment for potable uses. Thus, the cost of water supply for potable uses will most likely continue to increase over time.

The District believes that sustainable groundwater management requires the development, implementation and updating of management plans based on the best available science, monitoring, forecasting, and use of technological resources and best management practices. Although the District adopted a groundwater management plan (GWMP) under Assembly Bill 3030 (AB 3030) in 2002, this plan was never fully implemented and contained no timelines, defensible reduction methods, or funding sources necessary to implement a plan to adequately address the overdraft.

In January 2015, the Sustainable Groundwater Management Act (SGMA; "the Act") replaced AB 3030. The Act gives Groundwater Sustainability Agencies (GSAs) the authority to limit extractions, impose fees and penalties, and require metering and water quality monitoring on all basin pumpers other than deminimis pumpers (pumpers who can prove they use less than 2 AFY). GSAs are charged with developing and adopting a Groundwater Sustainability Plan (GSP) that produces basin sustainability in no more than twenty (20) years from 2020 for medium California Statewide Groundwater Monitoring (CASGEM) basins in critical overdraft (the designation of the basin). Both the District and San Diego County ("the County") have applied to be GSAs for the basin.

During this year, the District continued its participation as a member of the Borrego Water Coalition (BWC; "Coalition"). The Coalition has submitted a set of policy recommendations to the District and to the County for consideration in a plan to address the overdraft of the basin and that meets the criteria established by the SGMA for managing the basin in a sustainable manner. The Coalition comprises local leaders from the Chamber of Commerce, agriculture, the District, education, golf, lodging, State Park and recreation. The Coalition members represent major pumpers and water users of the basin who collectively account for approximately eighty percent (80%) of the annual withdrawals from the basin. The District is not a member of the San Diego County Water Authority (SDCWA), the regional member of the Metropolitan Water District of Southern California (MWD) that imports supplemental water into San Diego County.

Response to California's Ongoing Drought

In the winter of 2016, the governor extended Executive Order B-29-15 (EO) requiring an emergency mandatory 25% reduction in municipal water use or limited outside watering two days per week. In response to the EO in 2015, the District enacted policies designed to achieve the mandatory 25% reductions in District water use required by the EO. However, the choice by the State Water Resources Control Board (SWRCB) to use 2013 as the base year for reductions penalized the District as rainfall in the Borrego Valley during the summer 2013 was a little more than 4.0 inches, but 2015 rainfall was 0.2 inches. Additionally, the SWRCB provided no credit

for the ongoing conservation efforts of that have decreased municipal demand from more than 4,000 AFY in 2005 to approximately I, 700 AFY in 2015, significantly below the EO targets but over a longer baseline period than the SWRCB chose. Additionally, since 2007 the District has spent approximately $1,218,000 to fallow approximately 120 acres of farmland growing citrus, resulting in a reduction in annual water use of approximately 600 acre-feet per year (AFY) or a 35% reduction of groundwater withdrawals from the basin against municipal usage of approximately 1,700 AFY.

Thus, in March 2016, the District revised its response to the EO to limit outside watering to 2 days per week in order to avoid SWRCB imposed penalties for not reaching the mandatory 25% municipal reductions mandated under the EO. A Borrego-specific Urgency Ordinance limiting outside watering to 2-days per week was adopted by the Board in April 2016. In May 2016, due to changes in the SWRCB's regulations that allow a district specific response to the drought, the Board rescinded the 2-days per week outside watering Urgency Ordinance.

The EO was established to address the fact that municipal water districts in the state dependent on imported water supplies have approximately only one year of reservoir storage left when normally they have three-years. Also, allocations of Colorado River water and State Water Project water have been drastically curtailed across the state. This has created severe stress on groundwater resources in those parts of the state that traditionally rely on imported water sources. Because the Borrego Valley relies solely on the Borrego Valley Groundwater basin for its municipal, recreational, and farming irrigation uses, the California drought has produced no physical impairment of water supply for the District and is not expected to do so in the near future.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

Uncertainty over the long-term water supply, potential future costs of treating groundwater to meet state drinking water quality standards, and the economic impacts of the Sustainable Groundwater Management Act may be slowing new development in the Borrego Valley ("the Valley").

Previous Fiscal Years Spending by the District

The District continues to work itself out of the financial situation that was inherited from the past Board and general manager who between FY 2008 - FY 2011 spent more than $6.3 million of the District's $6.5 million cash reserves. This spending resulted in the District losing its good credit rating. The District has not been able to borrow in the public bond markets for new projects identified by its capital improvement program (CIP) and has deferred major repair and

replacement (R&R) projects until its credit is excellent again in order to obtain the best financing terms. With the approved 218-rates for FY 2017 - FY 2021, the District should have sufficient annual cash flow and cash reserves to now entertain necessary borrowing to complete needed capital projects.

Long-Term Financial Planning

The District's present Board of Directors is aware of the need to restore the District's financial stability and to improve its creditworthiness to borrow. Through a coordinated strategic process, the Board has established a series of policies and plans to effectively meet the District's anticipated future revenue needs. The principles the District has adopted for returning to revenue sufficiency include: (a) the active management and projection of monthly cash flow during the year; (b) holding operating and maintenance (O&M) expenditures to the annual budget; (c) minimal increases in salaries and benefits for employees; (d) refinancing of existing debt obligations where such refinancing would produce a material reduction in future long term cash obligations; (e) deferring large infrastructure repair and replacement (R&R) capital expenditures until the District is able to borrow again in the public bond markets; and (f) implementing annual water and sewer rate increases to increase cash flow and to accumulate cash reserves.

The primary driver for the long-term financial viability of the District, as well as the economy of the Valley is the overdraft's impact on water quality (see section on Groundwater Supply, Usage & Availability above). In order to accomplish this objective, the District needs to regain its good credit standing with the bond markets in order to accommodate raising new debt. Presently, the District Board believes the District may be able to regain its good credit rating (defined as being able to borrow up to $6 million of new debt in the public bond markets) around FY 2018-2019.

RELEVANT FINANCIAL POLICIES

Reserve Policy

The District has established a Reserve Fund Policy to anticipate and to prepare for future funding requirements as well as for unforeseen events. The Reserve Fund Policy establishes restricted and unrestricted reserves and describes the flow of funds to and from the various reserves. A copy of the District's current approved Reserve Policy is available on the District's website as part of the FY 2017 budget document.

Risk Management

The District is a member of the California Joint Powers Insurance Authority (JPIA). The JPIA pools for the first $500,000 of general, auto & public officials liability coverage and has purchased excess coverage up to $60 million. The JPIA provides coverage on repair or replacement against loss of District property caused by earthquake or flood of $20 million.

Pension and Other Post-Employment Benefits

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employees defined benefit pension plan for its personnel. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Additional information about the District's pension arrangements and post-employment benefits can be found in the notes to the financial statements. In FY 2012, the Board changed the pension program from three percent (3%) per year of active service at retirement that was instituted by the prior board in 2009, back to its previous two percent (2%) per year of active service at retirement. This new pension policy is in effect for employees of the District hired after April 1, 2012 only.

Investment Policy

The Investment Policy establishes guidelines for the investment of available funds. The Investment Policy incorporates the Prudent Investor Standards. The primary objectives, in priority order, of the District's investment activities are the following: 1) safety, 2) liquidity, and 3) yield. The District's funds are invested in a variety of investments, in accordance with California government code, as described in the notes to the financial statements. The District minimizes interest rate risk by investing a greater portion of its funds in short term investments and minimizes credit risk by investing a majority of its funds diversified investment pools.

Internal Controls

The District is responsible for establishing and maintaining an internal control structure designed to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with GAAP. The internal structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that; 1) the cost of control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

Respectfully submitted,

Geoff Poole

Geoff Poole
General Manager

squarmilner
Certified Public Accountants
and Financial Advisors

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Borrego Water District
Borrego Springs, California

We have audited the accompanying financial statements of Borrego Water District, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Borrego Water District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Borrego Water District, as of June 30, 2016, and the changes in financial position and cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Emphasis of a Matter

Prior Period Financial Statement

The financial statements of Borrego Water District as of, and for the year ended, June 30, 2015, were audited by other auditors whose report dated September 14, 2015, expressed an unmodified opinion on those statements

Prior Period Adjustments

As discussed in Note 11 to the financial statements, two adjustments to Borrego Water District's net position at June 30, 2015 in the amount of $148,454 due to a correction of an error, and in the amount of $700,038 in order to record the net pension liability. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, and the schedules of proportionate share of the net pension liability and plan contributions on pages 37 and 38, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borrego Water District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Squar Milner LLP

SQUAR MILNER LLP

San Diego, California
November 18, 2016

As management of the Borrego Water District (the "District"), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Required Supplemental Information.

The financial statements consist of a series of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management Discussion and Analysis for State and Local Governments*.

FINANCIAL HIGHLIGHTS

During the fiscal year ended June 30, 2016, the following events impacted, or have the potential to impact, the finances of the District:

- In October 2015, the District accepted the donation of land with a value of $7,274.
- On May 25, 2016, the District's Board approved a budget for fiscal year 2017 that included sewer rate changes that will result in an approximate revenue increase of 9.00% for sewer service charges; a decrease of 20.00% for water base rates; and an increase of 30.00% for water commodity rates over the FY 2016 rates in effect. The new rates took effect July 1, 2016 and are reflected initially in customers' August billings.
- On April 13, 2015, California's 4th District Court ruled that the city of San Juan Capistrano failed to meet the statutory requirements of Proposition 218 for its tiered rates to encourage water conservation. The court said that Capistrano must calculate the incremental cost of providing water at the level of use represented by each tier. From August 2010 through June 2015, the District implemented tier 2 rates to encourage conservation. Since these tier 2 revenues could potentially also be subject to the Capistrano decision, the District has: (1) suspended its tier 2 rates as of July 2015; (2) established a reserve for doubtful tier 2 revenues; and (3) developed a plan for Proposition 218 approved new tiered rates during FY 2016. The reserve represented $172,195 in tier 2 revenues collected from 539 customers between 2010-2015. The potential per customer liability ranges from less than $100 to approximately $3,000. Despite potential legislative action to reverse this court decision since tiered rates are employed by nearly two-thirds of water districts in California, the District believes such actions are prudent. During the current year, the District paid $53,839 in refunds and reversed the remaining balance of the reserve to $0 as of June 30, 2016.

FINANCIAL HIGHLIGHTS (continued)

- The income from operations for the fiscal year ended June 30, 2016, was $995,166 compared with income from operations of $673,411 for fiscal year 2015.

- Cash and cash equivalents increased to $3,257,871 at June 30, 2016, from $2,852,388 at June 30, 2015.

- Capital assets decreased to $13,604,086 at June 30, 2016, from $13,689,404 at June 30, 2015.

- The change in net position for the fiscal year ended June 30, 2016, was an increase of $891,852, before the prior period adjustment, compared to an increase in net position of $139,839 for fiscal year 2015.

More information about the overall analysis of the District's financial position and results of operations is provided in the following sections.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as in introduction to the District's basic financial statements.

Basic Financial Statements, the basic financial statements include District financial statements.

The District, as a whole, is reported in the District's statements and uses accounting methods similar to those used by companies in the private sector.

The *Statements of Net Position*, a District statement, presents information on all of the Districts assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position*, a District statement, presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for income items that will only result in cash flows in future fiscal periods.

The *Statements of Cash Flows* provides information regarding the District's cash receipts and cash disbursements during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The *Notes to the Basic Financial Statements* are included to provide more detailed data and explain some of the information in the statements.

In addition to the basic financial statements and notes, this report also presents required supplementary information and the supplementary information, as listed in the table of contents.

Statements of Net Position

The Statements of Net Position presents the District's financial position (assets and liabilities) as of June 30, 2016. Assets in excess of liabilities (Net Position) were $13,103,357 and $12,211,505 as of June 30, 2016 and 2015, respectively. In accordance with generally accepted accounting principles (GAAP), capital assets are recorded at historical cost. Net position is accumulated from revenues in excess of expenses, and contributed capital combined with the beginning balance of net position as presented in the Statement of Revenues, Expenses and Changes in Net Position.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position presents the District's results of operations for the year ended June 30, 2016 and 2015. In accordance with GAAP, revenues are recognized (recorded) when water, sewer or other services are provided, and expenses are recognized when incurred. Operating revenues and expenses are related to the District's core activities (providing water, sewer, pest control and flood control services). Non-operating revenues and expenses are not directly related to the core activities, e.g. investment income, interest expense, etc. The operating income for the fiscal year ended June 30, 2016 of $995,166 is combined with net non-operating revenues and expenses of ($109,206), capital contributions of $7,472 and impairment of capital assets of ($1,580), to arrive at the change of net position of $891,852. The increase in net position is added to the beginning net position of $12,211,505 to arrive at the ending net position of $13,103,357 as of June 30, 2016.

One of the most important questions asked about the District's finances is, "How has the District's position changed as the result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position present information about the District's activities that help answer this question. These two statements report the net position of the District and the changes to them. The District's net position, the difference between assets and liabilities, may be thought of as one way to measure its financial health or financial position. Over time, increases or decreases in net position can be an indicator as to whether the financial health is improving or deteriorating. However, it is incumbent upon the observer to consider other non-financial factors such as the regulatory climate, economic conditions, population growth, zoning changes, environmental changes, etc.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Analysis of Net Position

Our analysis will start with a summary of the District's Net Position as presented in the following table:

Borrego Water District's Net Position

	2016	2015	Variance $	Variance %
ASSETS				
Cash and investments	$ 3,257,871	$ 2,852,388	$ 405,483	14.22%
Capital assets	13,604,086	13,689,404	(85,318)	-0.62%
Other assets	548,355	508,472	39,883	7.84%
TOTAL ASSETS	17,410,312	17,050,264	360,048	2.11%
DEFERRED OUTFLOWS OF RESOURCES	357,429	261,309	96,120	36.78%
LIABILITIES				
Current liabilities	406,765	687,029	(280,264)	-40.79%
Noncurrent liabilities	4,011,230	4,252,926	(241,696)	-5.68%
TOTAL LIABILITIES	4,417,995	4,939,955	(521,960)	-10.57%
DEFERRED INFLOWS OF RESOURCES	246,389	160,113	86,276	53.88%
NET POSITION				
Net investment in capital assets	10,092,085	9,949,404	142,681	1.43%
Unrestricted	3,011,272	2,262,101	749,171	33.12%
TOTAL NET POSITION	$ 13,103,357	$ 12,211,505	$ 891,852	7.30%

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Analysis of Revenues and Expenses

Borrego Water District's Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2016 and 2015:

	2016	2015	Variance $	Variance %
OPERATING REVENUES				
Water revenue	$ 3,026,055	$ 2,873,643	$ 152,412	5.30%
Sewer service charges	551,218	534,828	16,390	3.06%
Availability charges	241,404	245,215	(3,811)	-1.55%
Golf revenue	-	541	(541)	-100.00%
Other income	1,326	2,725	(1,399)	-51.34%
Total operating revenues	3,820,003	3,656,952	163,051	4.46%
OPERATING EXPENSES				
Water operations	1,560,372	1,631,699	(71,327)	-4.37%
Sewer operations	454,282	491,290	(37,008)	-7.53%
General and administrative	810,183	860,552	(50,369)	-5.85%
Total operating expenses	2,824,837	2,983,541	(158,704)	-5.32%
INCOME FROM OPERATIONS	995,166	673,411	321,755	47.78%
NON OPERATING EXPENSES, NET	(109,206)	(163,388)	54,182	-33.16%
INCOME BEFORE CONTRIBUTIONS AND IMPAIRMENTS	885,960	510,023	375,937	73.71%
CAPITAL CONTRIBUTIONS	7,472	124,124	(116,652)	-93.98%
IMPAIRMENT OF CAPITAL ASSETS	(1,580)	(494,308)	492,728	-99.68%
CHANGE IN NET POSITION	891,852	139,839	752,013	537.77%
TOTAL NET POSITION, BEGINNING	12,211,505	12,920,158	(708,653)	-5.48%
PRIOR PERIOD ADJUSTMENT	-	(848,492)	848,492	100.00%
TOTAL NET POSITION, ENDING	$ 13,103,357	$ 12,211,505	$ 891,852	7.30%

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Analysis of Revenues and Expenses (continued)

A discussion of the significant variances of the Borrego Water District's Revenues and Expenses are presented below.

- Increase in revenue due to rate increases enacted in August 2015.
- Decrease in the cost of providing water and sewer service, primarily due to lower repairs and maintenance and pumping costs, offset by increases in salaries.
- Total non-operating expenses, net, decreased due primarily to the gain on disposal of assets compared to a loss in the prior year.
- General and Administrative expense decreased due primarily to lower costs associated with the Rams Hill Golf Course.
- Decrease in capital contributions due to the land provided for the Groundwater Management Flood Basin in 2015, and a decrease in the impairment of water credits due to a valuation adjustment in 2015.
- Decrease in the prior period adjustment due a correction of an error and the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27,* in 2015.

BUDGET HIGHLIGHTS

Fiscal Year 2016 Actual vs. Fiscal Year 2016 Budget

	2016 Actual	2016 Budget	Variance $	Variance %
REVENUES				
From operations	$ 3,820,003	$ 3,738,633	$ 81,370	2.18%
Nonoperating	71,569	64,080	7,489	11.69%
Total revenue	3,891,572	3,802,713	88,859	2.34%
EXPENSES				
Water operations	1,560,372	1,993,365	(432,993)	-21.72%
Sewer operations	454,282	425,065	29,217	6.87%
General and administrative	810,183	1,202,678	(392,495)	-32.64%
Other non-operating expenses	180,775	254,525	(73,750)	-28.98%
Total expenses	3,005,612	3,875,633	(870,021)	-22.45%
Capital Contributions	7,472	-	7,472	100.00%
Impairment of capital assets	(1,580)	-	(1,580)	100.00%
CHANGE IN NET POSITION	$ 891,852	$ (72,920)	$ 964,772	1323.06%

Borrego Water District does not budget for depreciation, but prefers to budget for actual capital assets using the internally generated 10 year Capital Improvement Budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year the District had a net investment in various categories of capital assets as shown in the following table:

Borrego Water District's Capital Assets

	2016	2015	2015/2016 Variance $	2015/2016 Variance %
Land and land improvements	$ 1,013,650	$ 1,006,178	$ 7,472	0.74%
Flood control facilities	4,319,604	4,319,604	-	0.00%
Sewer facilities	6,132,473	5,817,631	314,842	5.41%
Water facilities	10,648,734	10,606,930	41,804	0.39%
Pipelines, wells and tanks	151,699	151,699	-	0.00%
General facilities	1,006,881	1,006,881	-	0.00%
Telemetry	46,459	46,459	-	0.00%
Equipment and furniture	386,925	265,675	121,250	45.64%
Vehicles	540,195	562,636	(22,441)	-3.99%
Construction in progress	279,806	271,275	8,531	3.14%
Fallowed water credits	1,030,650	1,030,650	-	0.00%
Water rights-ID #4	185,000	185,000	-	0.00%
Total assets	25,742,076	25,270,618	471,458	1.87%
Less accumulated depreciation	(12,137,990)	(11,581,214)	(556,776)	-4.81%
Net capital assets	$ 13,604,086	$ 13,689,404	$ (85,318)	-0.62%

Debt Administration

On October 1, 2008, the District issued $2,775,000 of 2008 Bonds while concurrently redeeming all of its outstanding 1997 and 1998 Certificates of Participation.

The bonds are payable in annual principal installments of $25,000 to $245,000 on October 1 of each year beginning 2014 through 2028. Interest is payable semi-annually on April 1 and October 1 at an interest rate of 4.50% per annum. The bonds are payable solely from installment payments to made by the District to the Borrego Water District Public Facilities Corporation. The installment payments are a special obligation of the District payable solely from revenues of Improvement District No. 4 and certain funds and accounts created by agreement.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration (continued)

The annual requirements to amortize the Installment Purchase Agreement are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	$ 145,000	$ 108,113	$ 253,113
2018	150,000	101,475	251,475
2019	160,000	94,500	254,500
2020	165,000	87,188	252,188
2021	175,000	79,538	254,538
2022-2026	985,000	271,238	1,256,238
2027-2029	695,000	48,036	743,036
	$ 2,475,000	$ 790,088	$ 3,265,088

On May 22, 2015, the District entered into a 10 year promissory note agreement with Compass Bank in the amount of $1,125,000 in order to refinance the Viking Ranch note. Payments of principal and interest of $35,872, at 4.95% interest per annum, are due quarterly starting September 1, 2015 through June 1, 2025. The note is secured by a pledge and lien on net water revenues from the water enterprise, as defined in the agreement.

The future debt service for the note payable is as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	$ 93,881	$ 49,607	$ 143,488
2018	98,615	44,873	143,488
2019	103,588	39,900	143,488
2020	108,811	34,676	143,487
2021	114,298	29,189	143,487
2022 - 2025	517,808	56,141	573,949
	$ 1,037,001	$ 254,386	$ 1,291,387

ECONOMIC FACTORS AND FUTURE YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors when setting the fiscal year 2016 - 2017 budget, user fees and charges. The District attempts to balance revenues with operating expenses that have increased due to inflationary factors, such as cost of living, cost of water, and insurance coverage.

These indicators were taken into consideration when adopting the District's budget for the fiscal year 2016 - 2017. The budget has been structured to contain costs, but at the same time, continue the District's philosophy of providing the highest levels of service and continue efforts towards securing a sustainable water supply for the community.

Fiscal Year 2016 Actual vs. Fiscal Year 2017 Budget

	2017 Budget	2016 Actual	2016/2017 Variance $	2016/2017 Variance %
REVENUES				
Operating Revenue	$ 3,748,036	$ 3,820,003	$ (71,967)	-1.88%
Nonoperating	65,049	71,569	(6,520)	-9.11%
Total revenue	3,813,085	3,891,572	(78,487)	-2.02%
EXPENSES				
Operating expenses	2,706,119	2,824,837	(118,718)	-4.20%
Other non operating expenses	157,720	180,775	(23,055)	-12.75%
Total expenses	2,863,839	3,005,612	(141,773)	-4.72%
Capital Contributions	-	7,472	(7,472)	-100.00%
Impairment of capital assets	-	(1,580)	1,580	-100.00%
CHANGE IN NET POSITION	$ 949,246	$ 891,852	$ 57,394	6.44%

Borrego Water District does not budget for depreciation, but prefers to budget for actual capital assets using the internally generated 10 year Capital Improvement Budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to give ratepayers, customers, investors, and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and the stewardship of the facilities it maintains. If you have questions about this report or need additional information, contact Geoff Poole, General Manager or Kim Pitman, Fiscal Officer at the Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, California, 92004 or by telephone at (760) 767-5806.

BORREGO WATER DISTRICT
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,248,811	$ 2,830,294
Restricted cash and cash equivalents:		
Customer deposits	9,060	22,094
Accounts receivable:		
Water and sewer, net of allowance	382,840	351,121
Inventory	133,545	123,656
Prepaid expenses	31,970	33,695
Total current assets	3,806,226	3,360,860
Noncurrent assets:		
Capital assets:		
Land	1,013,650	1,006,178
Construction in progress	279,806	271,275
Fallowed water credits	1,030,650	1,030,650
Water rights - ID 4	185,000	185,000
Capital assets being depreciated, net	11,094,980	11,196,301
Total noncurrent assets	13,604,086	13,689,404
TOTAL ASSETS	17,410,312	17,050,264
DEFERRED OUTFLOWS OF RESOURCES		
Debt refunding costs, net of amoritization	112,546	122,550
Pension related costs	244,883	138,759
TOTAL DEFERRED OUTFLOWS OF RESOURCES	357,429	261,309

The accompanying notes are an integral part of these financial statements.

BORREGO WATER DISTRICT
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	2016	2015
LIABILITIES		
Current liabilities:		
Accounts payable	48,795	159,891
Accrued expenses	-	172,195
Accrued interest payable	42,891	42,044
Short-term compensated absences	67,138	62,806
Customer deposits	9,060	22,094
Current portion of note payable	238,881	227,999
Total current liabilities	406,765	687,029
Noncurrent liabilities:		
Compensated absences	44,758	41,870
Net pension liability	693,352	699,055
Notes payable, net of current portion	3,273,120	3,512,001
Total noncurrent liabilities	4,011,230	4,252,926
TOTAL LIABILITIES	4,417,995	4,939,955
DEFERRED INFLOWS OF RESOURCES		
Pension related costs	246,389	160,113
NET POSITION		
Net investment in capital assets	10,092,085	9,949,404
Unrestricted	3,011,272	2,262,101
TOTAL NET POSITION	$ 13,103,357	$ 12,211,505

The accompanying notes are an integral part of these financial statements.

BORREGO WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
OPERATING REVENUES		
Water revenue	$ 3,026,055	$ 2,873,643
Sewer service charges	551,218	534,828
Availability charges	241,404	245,215
Golf revenue	-	541
Other income	1,326	2,725
Total operating revenues	3,820,003	3,656,952
OPERATING EXPENSES		
Water operations	1,560,372	1,631,699
Sewer operations	454,282	491,290
General and administrative	810,183	860,552
Total operating expenses	2,824,837	2,983,541
Income from operations	995,166	673,411
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	64,473	74,460
Investment income	96	81
Gain (loss) on disposal of assets	7,000	(48,834)
Interest expense	(170,771)	(179,091)
Amortization expense	(10,004)	(10,004)
Total non-operating revenues (expenses)	(109,206)	(163,388)
INCOME BEFORE CONTRIBUTIONS AND IMPAIRMENTS	885,960	510,023
CAPITAL CONTRIBUTIONS	7,472	124,124
IMPAIRMENT OF CAPITAL ASSETS	(1,580)	(494,308)
CHANGE IN NET POSITION	891,852	139,839
NET POSITION, BEGINNING	12,211,505	12,920,158
PRIOR PERIOD ADJUSTMENT	-	(848,492)
NET POSITION, ENDING	$ 13,103,357	$ 12,211,505

The accompanying notes are an integral part of these financial statements.

BORREGO WATER DISTRICT
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water and sewer customers	$ 3,545,554	$ 3,418,864
Receipts from availability charges	241,404	245,215
Receipts from golf course	-	541
Payments to suppliers	(1,360,333)	(1,057,517)
Payments to employees	(1,093,048)	(1,101,290)
Other receipts	1,326	4,997
Net cash provided by operating activities	1,334,903	1,510,810
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property Taxes	64,473	74,460
Net cash provided by noncapital financing activities	64,473	74,460
CASH FLOWS FROM CAPITAL AND REALTED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(589,066)	(306,618)
Proceeds from sale of assets	(7,000)	9,934
Proceeds from debt issuance	-	1,125,000
Principal paid on long-term debt	(227,999)	(1,260,000)
Interest payments on long-term debt	(169,924)	(270,332)
Net cash used in investing activities	(993,989)	(702,016)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	96	81
Net cash provided from financing activities	96	81
NET INCREASE IN CASH AND CASH EQUIVALENTS	405,483	883,335
CASH AND CASH EQUIVALENTS , BEGINNING OF YEAR	2,852,388	1,969,053
CASH AND CASH EQUIVALENTS , END OF YEAR	$ 3,257,871	$ 2,852,388

The accompanying notes are an integral part of these financial statements.

BORREGO WATER DISTRICT
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended June 30, 2016 and 2015

	2016	2015
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income from operations	$ 995,166	$ 673,411
Adjustments to reconcile change in income from operations to net cash provided by operating activities:		
Depreciation	617,480	593,486
(Increase) decrease in operating assests:		
Accounts receivable	(31,719)	10,393
Other receivables	-	2,272
Inventories	(9,889)	17,057
Prepaid expenses	1,725	(4,557)
Deferred outflows of resources	(96,120)	(138,759)
Increase (decrease) in operating liabilities:		
Accounts payable	(111,096)	16,973
Accrued expenses	(105,403)	172,195
Customer deposits	(13,034)	850
Short-term compensated absences	7,220	8,359
Net pension liability	(5,703)	(983)
Deferred inflows of resources	86,276	160,113
Net cash provided by operating activities	$ 1,334,903	$ 1,510,810
RECONCILIATION TO BALANCE SHEET		
Cash	$ 3,248,811	$ 2,830,294
Restricted: Cash and Cash Equivalents	9,060	22,094
Net reconciliation to balance sheet	$ 3,257,871	$ 2,852,388
SUPPLEMENTAL DISCLOSURES		
Schedule of non-cash investing and financing activities:		
Contributions of water system assets by customers and developers	$ 7,472	$ 124,124

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Borrego Water District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the Irrigation District Law, now Division 11, of the California State Water Code. The accounting policies of the District conform to accounting principles generally accepted in the United State of American (GAAP) as applicable to governments and to general practice within California Special Districts. The District accounts for its financial transactions in accordance with the policies and procedures of the State Controller's Office Division of Local Government Fiscal Affairs Minimum Audit Requirement and Reporting Guidelines for California Special Districts.

Reporting Entity

The District's financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, subsequently amended by GASB Statement No. 39 *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*, include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- it would be misleading or cause the financial statements to be incomplete to exclude another organization

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statement.

Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales and services) or similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flow takes place.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

Operating revenues and expenses are generated and incurred through the water sales activities to the District's customers. Administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Financial Reporting

The District's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and subsequently amended by GASB Statement No. 61. This statement established revised financial reporting requirements for state and local governments throughout the United States for the purpose of enhancing the understandability and usefulness of financial reporting.

The District's basic financial statements are also presented in conformance with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance to include two classifications separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in a Statement of Net Position in a separate section following assets. Similarly, amounts reported as deferred inflows of resources are required to be reported in a Statement of Net Position in a separate section following liabilities. In addition, the totals of these two new classifications should be added to the total for assets and liabilities, respectively.

Governmental Accounting Standards Implementation in Current Year

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application.* This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement was effective for the current fiscal year. Implementation of this GASB had no significant effect on the District's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Accounting Standards Implementation in Current Year (continued)

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement establishes the hierarchy of GAAP for all state and local governments. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. This statement became effective in fiscal year 2016. Implementation of this GASB had no significant effect on the District's financial statements.

Assets, Liabilities, and Equity

Cash and Cash Equivalents and Investments

For purposes of the statement of cash flows, cash and cash equivalents consist of short-term highly liquid investments with maturities of ninety days or less from the date of purchase. These include cash on hand, cash held in the restricted assets accounts, and the Local Agency Investment Fund.

The District's investment policy and state statutes authorize the District to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit with national and state-licensed or chartered banks or federal or state savings and loan associations, money market and mutual funds whose portfolios consist of one or more of the investments, and the Local Agency Investment Fund.

State statutes require all deposits be insured or collateralized. Depositories holding public funds on deposit are required to maintain collateral in the form of a pool of securities with the agent of the depository having a market value of at least 10 to 50 percent in excess of the total amount of all public funds on deposit.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is provided based on anticipated collectability of the outstanding utility receivables and other receivables at year-end. At fiscal year ended June 30, 2016 and 2015, management has not recorded an allowance for doubtful accounts as it estimates all receivables at June 30, 2016 and 2015 to be collectible.

Inventories

Inventories are recorded on the average cost basis. Inventory consists primarily of water meters, water line maintenance materials, and sewer line maintenance materials.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. A capitalization threshold of $5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	10-50
Water systems	10-50
Improvement of sites	7-25
Equipment	5-10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferral of outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has two items that qualifies for reporting in this category.

The deferred charge of debt refunding costs resulted from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. As of June 30, 2016 and 2015, the balance of the debt refunding costs is $112,546 and $122,550, respectively.

The pension plan related costs are made up of three components: employer contributions paid during the year ended June 30, 2016 and 2015 in the amount of $138,617 and $138,759, respectively, which are deferred under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27,* (GASB Statement No. 68); adjustments due to differences between expected and actual experience of $8,893 and $0 as of June 30, 2016 and 2015, respectively, and difference between actual and projected contributions in the amount of $97,373 and $0 as of June 30, 2016 and 2015, respectively, which are amortized over straight-line basis over the average expected remaining service lives of all members that are provided with benefits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Deferred Outflows/Inflows of Resources (continued)

As of June 30, 2016 and 2015, the deferred outflow pension related costs are $244,883 and $138,759, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category.

The deferred inflows of resources is made up of three components; net difference between projected and actual earnings on pension plan investments in the amount of $42,181 and $134,716 as of June 30, 2016 and 2015, respectively, which is amortized on a straight-line basis over five years; and adjustment due to differences in proportions in the amount of $120,068 and $25,397 as of June 30, 2016 and 2015, respectively, and change in assumptions in the amount of $84,140 and $0 as of June 30, 2016 and 2015, respectively, which are amortized over the straight-line basis over the average expected remaining service lives of all members that are provided with benefits.

As of June 30, 2016 and 2015, the deferred inflow pension related cost is $246,389 and $160,113, respectively.

Compensated Absences

Accumulated unpaid employee vacation benefits and sick leave are recognized as accrued payroll liabilities in the Statement of Net Position. As of June 30, 2016 and 2015, the District had $111,896 and $104,676, respectively, of accrued vacation and sick leave.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Pensions (continued)

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. As of June 30, 2016 and 2015, the following timeframes are used:

	2016	2015
Valuation Date (VD)	June 30, 2014	June 30, 2013
Measurement Date (MD)	June 30, 2015	June 30, 2014
Measurement Period (MP)	July 1, 2014 to June 30, 2015	July 1, 2013 to June 30, 2014

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net postion.

Capital Contributions

Capital contributions represent cash and capital asset additions to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitments.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes for the District.

The District receives property taxes under the Teeter Plan, whereby the County of San Diego determines the amounts due and pays the District ratably throughout the year with the County bearing the risk of delinquent property taxes and retaining any interest and penalties earned thereon.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Equity (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year information to conform to the current year presentation.

2. DEFICIT FUND BALANCE OR FUND NET POSITION OF INDIVIDUAL FUNDS

The following are funds having deficit fund balances or fund net positions at year end, if any, along with remarks which address such deficits:

Violation	Action Taken
None reported	Not applicable

3. CASH AND CASH EQUIVALENTS

The summary of cash and cash equivalents is as follows at June 30, 2016 and 2015:

	2016	2015
Cash in banks:		
Restricted	$ 9,060	$ 22,094
Unrestricted	3,227,506	2,809,026
Cash on hand	234	286
Local Agency Investment Fund	21,071	20,982
Total cash and cash equivalents	$ 3,257,871	$ 2,852,388

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institute, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

3. CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk (continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The District maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The District has not experienced any losses in such accounts. At June 30, 2016 and 2015 the District had $3,039,044 and $2,620,851, respectively, in excess of FDIC insured limits, and the remaining balance of the deposits were collateralized under California Law.

Local Agency Investment Fund

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized costs of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2016 and 2015 the District had deposited with LAIF $21,071 and $20,982, respectively.

4. CAPITAL ASSETS

A schedule of changes in capital assets and accumulated depreciation for the fiscal year ended June 30, 2016, is shown as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	$ 1,006,178	$ 7,472	$ -	$ 1,013,650
Construction in progress	271,275	71,330	(62,799)	279,806
Fallowed water credits	1,030,650	-	-	1,030,650
Water rights - ID 4	185,000	-	-	185,000
Total capital assets, not being depreciated	2,493,103	78,802	(62,799)	2,509,106
Capital assets, being depreciated:				
Flood control facilities	4,319,604	-	-	4,319,604
Sewer facilities	5,817,631	325,898	(11,056)	6,132,473
Water facilities	10,606,930	41,804	-	10,648,734
Pipelines, wells, and tanks	151,699	-	-	151,699
General facilities	1,006,881	-	-	1,006,881
Telemetry system	46,459	-	-	46,459
Equipment and furniture	265,675	121,250	-	386,925
Vehicles	562,636	28,784	(51,225)	540,195
Total capital assets, being depreciated	22,777,515	517,736	(62,281)	23,232,970
Less accumulated depreciation	(11,581,214)	(617,480)	60,704	(12,137,990)
Total capital assets, being depreciated, net	11,196,301	(99,744)	(1,577)	11,094,980
Capital assets, net of depreciation	$ 13,689,404	$ (20,942)	$ (64,376)	$ 13,604,086

4. CAPITAL ASSETS (continued)

The change in capital assets and accumulated depreciation for the fiscal year ended June 30, 2015, is shown as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	$ 882,054	$ 124,124	$ -	$ 1,006,178
Construction in progress	186,213	89,497	(4,435)	271,275
Fallowed water credits	1,868,358	-	(837,708)	1,030,650
Water rights - ID 4	185,000	-	-	185,000
Total capital assets, not being depreciated	3,121,625	213,621	(842,143)	2,493,103
Capital assets, being depreciated:				
Flood control facilities	4,319,604	-	-	4,319,604
Sewer facilities	5,806,137	32,828	(21,334)	5,817,631
Water facilities	10,489,701	117,229	-	10,606,930
Pipelines, wells, and tanks	151,699	-	-	151,699
General facilities	1,006,881	-	-	1,006,881
Telemetry system	46,459	-	-	46,459
Equipment and furniture	265,675	-	-	265,675
Vehicles	495,572	67,064	-	562,636
Total capital assets, being depreciated	22,581,728	217,121	(21,334)	22,777,515
Less accumulated depreciation	(10,998,129)	(593,486)	10,401	(11,581,214)
Total capital assets, being depreciated, net	11,583,599	(376,365)	(10,933)	11,196,301
Capital assets, net of depreciation	$ 14,705,224	$ (162,744)	$ (853,076)	$ 13,689,404

5. LONG TERM OBLIGATIONS

Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the fiscal year ended June 30, 2016, are as follows:

	Balance at June 30, 2015	Additions	Retirements	Balance at June 30, 2016	Amount due within one year
Refunding Installment Purchase	$ 2,615,000	$ -	$ 140,000	$ 2,475,000	$ 145,000
Compass Bank Note	1,125,000	-	87,999	1,037,001	93,881
Total long-term debt	$ 3,740,000	$ -	$ 227,999	$ 3,512,001	$ 238,881

Changes in long-term obligations for the fiscal year ended June 30, 2015, are as follows:

	Balance at June 30, 2014	Additions	Retirements	Balance at June 30, 2015	Amount due within one year
Refunding Installment Purchase	$ 2,750,000	$ -	$ 135,000	$ 2,615,000	$ 140,000
Compass Bank Note	-	1,125,000	-	1,125,000	87,999
Viking Ranch Note	1,425,000	-	1,425,000	-	-
Total long-term debt	$ 4,175,000	$ 1,125,000	$ 1,560,000	$ 3,740,000	$ 227,999

Refunding Installment Purchase

On October 1, 2008, the District issued $2,775,000 of 2008 Bonds while concurrently redeeming all of its outstanding 1997 Certificates of Participation and 1998 Certificates of Participation. The transaction was a current refunding intended to save the District future interest costs due to lower market interest rates. No new funds were raised by the District. New Installment Purchase Agreements were executed, which will save the District approximately $36,000 per year on debt service. The District reduced its aggregate debt service payments by $312,755 over the next twenty (20) years and obtained an economic gain (difference between the present value of the old and new debt service payments) of $259,110.

5. LONG TERM OBLIGATIONS (continued)

Refunding Installment Purchase (continued)

The bonds are payable in annual principal installments of $25,000 to $245,000 on October 1 of each year beginning 2013 through 2028. Interest is payable semi-annually on April 1 and October 1 at an interest rate of 4.50% per annum. The installment payments are a special obligation of the District payable solely from revenues of Improvement District No. 4. Accrued interest for the year ended June 30, 2016 and 2015 was $34,312 and $32,737, respectively.

The future debt service for the Installment Purchase Agreement is as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	$ 145,000	$ 108,113	$ 253,113
2018	150,000	101,475	251,475
2019	160,000	94,500	254,500
2020	165,000	87,188	252,188
2021	175,000	79,538	254,538
2022-2026	985,000	271,238	1,256,238
2027-2029	695,000	48,036	743,036
	$ 2,475,000	$ 790,088	$ 3,265,088

Compass Bank Note

On May 22, 2015, the District entered into a 10 year promissory note agreement with Compass Bank in the amount of $1,125,000. Payments of principal and interest of $35,872, at 4.95% interest per annum, are due quarterly starting September 1, 2015 through June 1, 2025. The note is secured by a senior pledge of net water system revenues of the District (net of Improvement District Number 4 operations), which is the result of total water revenue for the District, less the revenue that it attributed to Improvement District Number 4, and was $924,729 and $991,797 for the years ended June 30, 2016 and 2015, respectively. The note is further secured by a subordinate pledge of net systems revenues of the District's Improvement District Number 4 operations, which is the total water revenues of Improvement District Number 4 of $2,101,326 and $1,881,846 for the years ended June 30, 2016 and 2015, respectively.

The District had a debt services ratio requirement of 1.25:1, which is calculated by taking the total operating revenue, add back interest expense, and depreciation and amortization expense, then divided by the sum of principal and interest related to debt paid during the year, and was 11.6:1 and 17.3:1 for the years ended June 30, 2016 and 2015, respectively.

Accrued interest for the year ended June 30, 2016 and 2015 was $8,579 and $9,307, respectively.

5. LONG TERM OBLIGATIONS (continued)

Compass Bank Note (continued)

The future debt service for the note payable is as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	$ 93,881	$ 49,607	$ 143,488
2018	98,615	44,873	143,488
2019	103,588	39,900	143,488
2020	108,811	34,676	143,487
2021	114,298	29,189	143,487
2022 - 2025	517,808	56,141	573,949
	$ 1,037,001	$ 254,386	$ 1,291,387

Viking Ranch Note

On July 8, 2011, the District and Viking Ranch amended an agreement that had been originally signed October 22, 2010. The amended agreement called for Viking Ranch to sell to the District Parcel 2 and in the future Viking Ranch will make a charitable donation of Parcel 1 to the District. The amended agreement also calls for Viking Ranch to sell to the District 312.5 Agricultural-1 Water Credits. For both Parcel 2 and the 312.5 Agricultural-1 Water Credits, the District will provide to Viking Ranch a $1.5 Million Note at 4.00% interest per annum, with $6,000 due upon execution of the note, $69,000 due upon transference of properties, and the remaining $1.425 million due in quarterly interest only payments for the first 5 years, at which time, $150,000 in principal will be due. Effective May 22, 2015, the note was paid in full through the issuance of the note payable to Compass Bank.

6. OPERATING LEASES

The District has entered into operating leases for office equipment and facility usage with lease terms in excess of one year. These agreements contain no purchase options. The agreements are non-cancelable leases.

6. OPERATING LEASES (continued)

Future minimum lease payments are as follows:

Year ending June 30,	Lease payments
2017	$ 5,850
2018	4,199
2019	4,199
2020	4,199
2021	348
	$ 18,795

The District will receive no sublease rental revenues nor pay any contingent rentals associated with these leases. Rent expense for the fiscal years ended June 30, 2016 and 2015 was $5,150 and $15,439, respectively.

7. JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District participates in the following jointly governed organization under a joint power agreement (JPA):

California Water Agencies Joint Powers Insurance Authority (JPIA)

Since 1983, the District has participated in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), a risk-pooling self-insurance authority. JPIA is a consortium of public agencies in Southern California established under the provisions of California Government Code. The purpose of the authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Deposits to JPIA are expensed by the District over the policy term and are subject to retroactive adjustment.

The relationship between the District and the JPIA is such that the JPIA is not a component unit of the District for financial reporting purposes.

8. EMPLOYEE RETIREMENT PLAN

Plan Description, Benefits Provided and Employees Covered

The District contributes to the Miscellaneous 3.0% at 60 Risk Pool under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2014 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained at www.calpers.ca.gov under Forms and Publications.

This report is a publically available valuation report that can be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 and www.calpers.ca.gov under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2015 (the measurement date), the active employee contribution rate as a percentage of annual pay is 8.00% for Tier 1, 7.00% for Tier 2 and 6.25% for new employees. The employer's contribution rate is 11.065% after payment of the Annual Lump Sum Payment Option. For the measurement period ended June 30, 2014 (the measurement date), the active employee contribution rate as a percentage of annual pay is 8.00% for Tier 1, 7.00% for Tier 2 and 6.25% for new employees. The employer's contribution rate is 10.414% after payment of the Annual Lump Sum Payment Option. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

The District provides for 3.00% of the contributions required of Tier 1 District employees and 2.00% for all other employees on their behalf and for their account with the remaining amount to be contributed by the employees.

8. EMPLOYEE RETIREMENT PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2014 and 2013 valuations were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for the year ended June 30, 2016. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the assumed discount rate. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term rate on pension investments. Based on the testing of the plans, the test revealed the assets would not run out. Therefore the long-term expected rate of return of 7.65% for the year ended June 30, 2016 on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

8. EMPLOYEE RETIREMENT PLAN (continued)

Discount Rate (continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.65% for the year ended June 30, 2016 investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65% for the year ended June 30, 2016. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference. CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018.

Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed the District's methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

8. EMPLOYEE RETIREMENT PLAN (continued)

Discount Rate (continued)

The tables below reflects the long-term expected real rate of return by asset class for the years ended June 30, 2016. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Debt Securities	19.00%	0.99%	2.43%
Inflation Assets	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.65% for the year ended June 30, 2016 as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	Discount Rate -1.00% 6.65%	Current Discount Rate 7.65%	Discount Rate +1.00% 8.65%
Misc Plan's Net Pension Liability	$ 1,162,800	$ 693,352	$ 305,768

8. EMPLOYEE RETIREMENT PLAN (continued)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the District's GASB Statement No. 68 accounting valuation report may differ from the plan assets reported in the District's funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in your funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

At June 30, 2016 the District reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

The District contributions to CalPERS for the fiscal years ending June 30, 2016 was $142,983, and equals 100% of the required contributions for each year.

9. SEGMENT INFORMATION

The 2008 Installment Purchase Agreement as described in Note 5 was issued to finance certain capital improvements in Improvement District Number 4. While water and wastewater services are accounted for in a single fund in these financial statements, the investors in the Installment Purchase agreement rely solely on the revenues of Improvement District Number 4 for repayment.

Summary financial information for Improvement District Number 4 is as follows:

Condensed Statements of Net Position

	2016	2015
Assets		
Current assets	$ 3,534,806	$ 2,833,657
Capital assets, net of depreciation	2,805,825	2,861,389
Other assets	112,546	213,497
Total Assets	6,453,177	5,908,543
Deferred Outflows of Resources	146,880	90,947
Liabilities		
Current liabilities	705,981	841,129
Long-term liabilities	2,330,000	2,475,000
Total Liabilities	3,035,981	3,316,129
Deferred Inflows of Resources	154,277	102,511
Net Position		
Net investment in capital assets	475,825	386,389
Unrestricted	2,933,974	2,194,461
Total Net Position	$ 3,409,799	$ 2,580,850

9. SEGMENT INFORMATION (continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2016	2015
Operating Revenues		
Water revenue	$ 2,101,326	$ 1,881,846
Other income	84,584	88,285
Total operating revenues	2,185,910	1,970,131
Operating Expenses		
Water operations	954,819	958,703
General and administrative	322,247	399,493
Total operating expenses	1,277,066	1,358,196
Gain from operations	908,844	611,935
Non-Operating Revenues (Expenses)		
Property taxes	38,684	44,676
Investment income	53	49
Interest expense	(116,100)	(122,231)
Amortization expense	(10,004)	(16,492)
Total non-operating revenues (expenses)	(87,367)	(93,998)
Income Before Contributions	821,477	517,937
Capital Contributions	7,472	124,124
Change In Net Poition	828,949	642,061
Net Position, Beginning	2,580,850	2,382,000
Prior Period Adjustment	-	(443,211)
Net Position, Ending	$ 3,409,799	$ 2,580,850

9. SEGMENT INFORMATION (continued)

Condensed Statements of Cash Flows

	2016	2015
Net Cash Provided By Operating Activities	$ 1,007,643	$ 714,115
Net Cash Flows From Non-Capital and Related Financing Activities	38,684	44,675
Net Cash Flows From Capital and Related Financing Activities	(364,125)	(153,202)
Net Cash Provided by Investing Activities	53	49
Net Increase in Cash and Cash Equivalents	682,255	605,637
Cash and Cash Equivalents, Beginning	2,569,898	1,964,261
Cash and Cash Equivalents, Ending	$ 3,252,153	$ 2,569,898

10. NONCOMMITMENT DEBT

Community Facilities District No. 2007-01 2007 Special Tax Bonds

On March 14, 2007, the Board of Directors adopted a resolution stating its intention to establish Community Facilities District No. 2007-1 and to authorize bonded indebtedness within the Community Facilities District. On April 25, 2007, the Community Facilities District 2007-1 was formed and an election was held to authorize the Community Facilities District 2007-1 to incur bonded indebtedness of up to $11,000,000 to refinance outstanding balances of the Community Facilities District 95-1 1996 Special Tax Bonds. On June 14, 2007, the Community Facilities District No. 2007-1 issued the 2007 Special Tax Bonds in the amount of $9,530,000. The balance of principal and interest outstanding 2007-1 bonds at June 30, 2016 and 2015 was $4,889,080 and $4,880,537, respectively.

The bonds consisted of $5,270,000 of 5.75% term bonds due August 1, 2025 with principal payments beginning on August 1, 2010 and $4,260,000 of 5.75% term bonds due August 1, 2032 with principal payments beginning August 1, 2026.

10. NONCOMMITMENT DEBT (continued)

Community Facilities District No. 2007-01 2007 Special Tax Bonds (continued)

The 2007 Special Tax Bonds do not constitute an indebtedness of the District and are only secured by a pledge of Net Taxes (which consist of the Special Taxes collected minus certain administrative expenses) and amounts on deposit in the Special Tax Fund. In the opinion of the District management and counsel the full faith and credit of the Borrego Water District and the Community Facilities District are not pledged to the payment of the Bonds, nor is the payment of the Bonds secured by any encumbrance, mortgage or other pledge of property of the Borrego Water District or the Community Facilities District.

The Special Tax is to be levied and collected by the county at the same time and in the same manner as general ad valorem property taxes. The Community Facilities District is to receive all Special Taxes in trust and immediately deposit all amounts with the Trustee.

For the fiscal year ending June 30, 2016 and 2015, there was a special tax delinquency rate of approximately 98.26%, respectively, in the Community Facilities District. The Community Facilities District has not made any regularly scheduled payments since August 1, 2011 to date, June 30, 2016. At June 30, 2016, the balance in the reserve fund is $0. The Community Facilities District commenced foreclosure proceedings in the prior year and is continuing proceedings against certain property owners that are delinquent.

11. PRIOR PERIOD ADJUSTMENTS

An adjustment to the District's net position at June 30, 2015 in the amount of $148,454 was due to the correction of an error in regards to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

An adjustment to the District's net position at June 30, 2015 in the amount of $700,038 was due to the implementation of GASB Statement No. 68.

REQUIRED SUPPLEMENTARY INFORMATION

BORREGO WATER DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS
June 30, 2016 and 2015

	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.02527%	0.01123%
Proportionate share of the net pension liability	$ 693,352	$ 699,055
Covered - employee payroll	$ 671,180	$ 595,422
Proportionate Share of the net pension liability as percentage of covered-employee payroll	103.30%	117.41%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 79,728	$ 53,036
Plan fiduciary net position as a percentage of the total pension liability	77.21%	73.72%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Change in Assumptions: None

- Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

BORREGO WATER DISTRICT
SCHEDULE OF PLAN CONTRIBUTIONS
LAST 10 YEARS
June 30, 2016 and 2015

	June 30, 2016	June 30, 2015
Contractually required contributions (actuarially determined)	$ 138,613	$ 129,138
Contributions in relation to the actuarially determined contributions	(138,613)	(129,138)
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 671,180	$ 595,422
Contributions as a percentage of covered employee payroll	20.65%	21.69%

Notes to Schedule:

Valuation date:	June 30, 2015	June 30, 2014

- Fiscal year 2015 was the first year of implementation, therefore only two years are shown.

OTHER SUPPLEMENTARY INFORMATION

BORREGO WATER DISTRICT
ORGANIZATION
June 30, 2016

The Board of Directors for the fiscal year ended June 30, 2016, was comprised of the following members:

Name	Office	Term	Term expires
Beth Hart	President	4 Years	November 30, 2018
Lyle Brecht	Vice President	4 Years	November 30, 2018
Joseph Tatusko	Treasurer/Secretary	4 Years	November 30, 2018
Raymond Delahay	Director	4 Years	December 2, 2016
Arthur Lee Estep	Director	4 Years	December 2, 2016

Administration

Name	Position
Geoff Poole	General Manager
Kim Pitman	Administration Manager

BORREGO WATER DISTRICT
ASSESSED VALUATION
June 30, 2016 and 2015

The assessed valuation of the Borrego Water District at June 30, 2016, is as follows:

Assessed valuation	
Secured property	$ 335,706,831
Total assessed valuation	$ 335,706,831

The assessed valuation of the Borrego Water District at June 30, 2015, is as follows:

Assessed valuation	
Secured property	$ 341,378,673
Total assessed valuation	$ 341,378,673

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.B

December 6, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Borrego Basin GSP Update from County of San Diego – J. Bennett, L. Crowe & A. Elias

RECOMMENDED ACTION: Receive verbal presentation from County Staff

ITEM DESCRIPTION: Jim Bennett asked for an opportunity to update the BWD Board on the GSP process.

FISCAL IMPACT: N/A

ATTACHMENTS: None

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.C

December 8, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Borrego Basin GSP Advisory Committee Selections – R. Delahay & H. Ehrlich

RECOMMENDED ACTION:

Discuss and Appoint Nominee for BWD Ratepayer representative

ITEM DESCRIPTION:

3 Applicants responded to the BWD's request for volunteers to participate in the Borrego GSP Advisory Committee as the BWD Representative, Richard Dopp, Mark Kerson and Ray Schindler. The Committee reviewed the Application Forms (attached) and conducted one on one interviews. After consideration, the Committee recommends Richard Dopp. Although not expected, in the event an Alternate is needed, BWD will contact the other 2 candidates to see if they are available and still interested in serving.

FISCAL IMPACT: N/A

ATTACHMENTS: None

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.D

December 6, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Annual SB165 Report for CFD No. 2007-1.

RECOMMENDED ACTION: Approve Annual SB 165 Report

ITEM DESCRIPTION: Each year, BWD is required to adopt the Annual SB 165 Report. BWD Bond Advisors, David Taussig and Assoc is requesting approval of the attached documents by the BWD Board.
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FISCAL IMPACT: N/A

ATTACHMENTS: SB 165 Report

BORREGO WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2007-1 (MONTESORO)
SPECIAL TAX BONDS, SERIES 2007

ANNUAL REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Act"). The Act provides that any local special tax measure that is subject to voter approval on or after January 1, 2001, that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

The Borrego Water District issued $9,530,000 in Community Facilities District No. 2007-1 Special Tax Bonds in June 2007. The bonds were issued for purposes of refunding prior bonds issued by Community Facilities District No. 95-1.

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds. A summary sheet showing the receipt of funds as well as all disbursements made during the reporting period (November 1, 2015 to October 31, 2016) is attached as a part of this report.

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BORREGO WATER DISTRICT
CFD NO. 2007-1 (MONTESORO)
SB165 FUND SUMMARY

Fund	Beginning Balance as of 11/01/15	Funds Received (11/01/15 through 10/31/16)	Funds Expended (11/01/15 through 10/31/16)	Ending Balance as of 10/31/2016
Special Tax Fund	$1	$96,257	($51,355)	$44,903
Interest Account	$0	$0	$0	$0
Principal Account	$0	$0	$0	$0
Reserve Account	$0	$0	$0	$0
Administrative Expense Account	$88,507	$45	($15,889)	$72,663
Redemption Account	$0	$0	$0	$0
Costs of Issuance Fund	$0	$0	$0	$0
Rebate Fund	$0	$0	$0	$0
Surplus Fund	$0	$0	$0	$0
Alternative Penalty Account	$0	$0	$0	$0
Escrow Fund	$0	$0	$0	$0
Grand Total	$88,508	$96,302	($67,244)	$117,565

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BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.E

December 6, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: RFP for Solar Power Installation at BWD Office/Warehouses – D. Dale

RECOMMENDED ACTION: Approved attached documents

ITEM DESCRIPTION: David Dale has also completed the RFP for installation of Solar Power at the BWD Office/Warehouses

FISCAL IMPACT: To be determined

ATTACHMENTS: RFP for BWD Solar Project

December 1, 2017

BORREGO WATER DISTRICT

REQUEST FOR PROPOSALS TO PROVIDE A 35 kW PV SOLAR POWER SYSTEM

Due By: **Wednesday, February 1, 2017 at 3:00 PM**

1. **Purpose of RFQ**: The purpose of this RFQ is to identify a qualified contractor/vendor to provide the Borrego Water District (District) with a reliable electrical energy source from solar power, and to provide the District with the ongoing electrical power at a lower cost than is currently available from SDG&E for a minimum of 25 years.

2. **District's Immediate Objectives**: The objective of this Request for Proposal (RFP) is to identify and select the most qualified turnkey photovoltaic (PV) system Contractor/Vendor to develop, design, permit, fabricate, deliver, install, operate, insure, and maintain a PV solar system at the District Office located at 806 Palm Canyon Drive in Borrego Springs, California. The solar array shall be located on top of the Maintenance Building roof. Upon selection of the most qualified Contractor/Vendor, The District intends to purchase the entire system outright. The size of the proposed PV solar system shall be **35 kW**.

3. **Background**: The District is a small public water and wastewater district serving approximately 2,200 customers in beautiful Borrego Springs, California (Borrego), a retirement and resort community located about 90 miles drive NE of San Diego in San Diego County (county) and surrounded by the Anza-Borrego Desert State Park (the park), the largest state park and wilderness area in the State of California (state).

   The District is a significant power consumer in Borrego Springs, relying on grid-purchased electricity from SDG&E to run its various facilities. The District consumes approximately **60,000 kWh** annually for the office and maintenance buildings.

   With SDG&E steadily increasing the kWh electricity rates charged to BWD year after year, BWD is seeking a means to minimize its reliance on SDG&E and to achieve both long-term electricity cost savings and cost certainty through the use of solar. The proposed solar system would interconnect to the grid under the SDG&E Net Energy Metering ("NEM") program. Under NEM, the electric energy generated by on-site solar is used to offset the electric energy provided by

SDG&E to the District Office. NEM is the standard program for commercial and residential solar systems in SDG&E territory and in the State of California. The proposed solar system would reduce, or eliminate in full, the net amount of electricity purchased from SDG&E.

4. General:

The scope of services provided by the Contractor/Vendor shall include all tasks required to design, fabricate, deliver, install, operate, and maintain the PV system for the District. The scope shall also include, but not be limited to, securing all permits and approvals from governing agencies, all labor, taxes, services, permit fees, and equipment necessary to produce a fully operational solar PV system. The proposal shall contain a detailed explanation of the complete project and delineation of all work tasks to be performed by the awarded Contractor/Vendor.

Contractor/Vendor should prepare system summary detailing the equipment/size, and a sample cash flow analysis detailing expected savings (both kwh and dollar) and long-term savings.

The PV system will be located on property owned by the District. Proposer is to determine the feasibility and costs for installing the PV system at the District Office.

5. Scope of Project:

5-1 Design, Engineering, & Permitting

Design/engineer the solar PV system to maximize the solar energy resources, taking into consideration the District's electrical demand and load patterns, proposed installation site, available solar resources, existing site conditions, proposed future site improvements, and other relevant factors. One year of billing is attached to this RFP.

Provide design documents that provide the following minimum information:

- Timeline/Project Schedule
- System description

- Equipment details and description
- Preliminary Layout of installation
- Preliminary Layout of equipment
- Selection of key equipment
- Specifications for equipment procurement and installation
- All engineering associated with structural and mounting details
- Performance of equipment components, and subsystems
- Integration of solar PV system with other power sources
- Electrical grid interconnection requirements
- Controls, monitors, and instrumentation
- System performance monitoring

Awarded Contractor/Vendor will secure from governing agencies and the utility company all required rights, permits, approvals, and interconnection agreements at no additional cost to the District. The District will become the signatory on applications, permits, and utility agreements only where necessary. The awarded Contractor/Vendor will complete and submit in a timely manner all documentation required to qualify for available rebates and incentives.

5-2 Installation

Supply all equipment, materials, and labor necessary to install the solar PV systems on the Maintenance Building roof and integrate them with other power sources.

5-3 Electrical Interconnections

Supply and install all equipment required to interconnect the solar PV systems to SDG&E distribution system. The awarded Contractor/Vendor will fulfill all application, studies, and testing procedures to complete the interconnection process. All costs associated with utility interconnection shall be borne by the awarded Contractor/Vendor.

5-4 Commissioning & Acceptance Testing

During the start-up, the District, and/or its independent engineer/consultant, shall observe and verify each system performance. Required commissioning and acceptance test services include:

- Starting up the solar PV systems until it achieves the performance requirements
- Conducting the performance testing over a consecutive twenty-four (24) hour period
- Conducting the successful delivery of power within thirty (30) days following completion of the system, meeting each benchmark.

5-5 Operation and Maintenance Manuals and As-Built Drawings

Provide three (3) sets of operation, maintenance, and parts manuals for the solar PV system. The manual shall cover all components, options, and accessories supplied. It shall include maintenance, trouble-shooting, and safety precautions specific to the supplied equipment. It shall also delineate responsibilities of both parties.

5-6 Monitoring

Monitoring of system performance is a required element of the RFP.

Provide the equipment and services to tie into the SDG&E system to allow the District to monitor, analyze, and display historical and live solar electricity generation data. The regularly collected data should reflect, but not be limited to, the following:

- System performance
- System availability
- Average and accumulated output
- Capacity factor
- Degradation
- Cost avoidance

Provide a long term cost for electricity (kWh) for the term of the awarded contract and any assumptions used in these calculations.

6. Warranties and Guarantees

The vendor/contractor shall warrant to the District that during the one (1) year period from and after the date on which the work was completed ("warranty date") the solar array and all appurtenances thereto including all materials, hardware and other improvements shall be free from defects caused by faulty workmanship and defective materials. If a defect or faulty workmanship is identified within the one year warranty period, the vendor/contractor shall immediately make the necessary repairs at no cost to the District.

7. Operation and Maintenance

Provide a financial impact or price for operating and maintaining the PV system on the District's behalf for a twenty five (25) year service term. Perform all required regularly scheduled maintenance activities (at an additional cost as identified in the cost proposal) in order to keep the system operational and performing to production guarantees.

8. Insurance

The contractor/vendor is responsible and shall pay for insurance for the project during construction and maintenance activities. Insurance shall include both general liability ($2,000,000) and property insurance ($1,000,000). The District shall be named as additional insured on the policies.

9. Licensing/Certification

Contractor/Vendor must be properly licensed in the State of California. The Contractor license shall appear clearly on Contractor/Vendor's proposal and the license expiration date appear on the Contractor/Vendor's Proposal.

10. Operation & Maintenance Requirements

The Contractor's operation and maintenance service program should provide the following minimum requirements:

- Annual on-site system inspection, including:
- System testing (operating current of each electrical string)
- Routine preventive maintenance
- Repair and/or replacement of regularly scheduled replacement parts (including equipment and labor)
- System performance monitoring and historical data access for customer. Data should include:
    - System energy and power production
    - Insolation

11. Contractor Qualification

Please provide the following information:

- Status (private/publicly-held)
- Number of employees
- States in which you do business
- Target customers (residential, commercial, industrial, government, etc.)
- Project team profile, including resumes of personnel to be directly involved with the development of the proposed systems.
- Team leader identification for the entire Proposal, including full contact information.
- Identification of each entity, sub-contractor, person or firm involved in the Proposal and their role/responsibility, e.g. design, installation, permitting, equipment supply by component, operations and maintenance.
- Identification of the lead person responsible for each of the entities or firms described in above.

12. Contractor Experience

Provide overview of the firm(s) commercial grid-connected PV experience (do not include residential PV experience)

- Average commercial grid-connected PV system size installed by your company during the last five years.
- Total commercial MW of grid-connected PV systems installed
- Experience with SDG&E.

- Experience with local government projects.

13. Contractor References

List five (5) or more commercial grid-connected PV projects installed in the United States over the last five years. Include for each project:

- Exact role(s) your organization performed for the project (e.g. material supplier, lead contractor, electrical subcontractor, design, consulting, etc.).
- Location.
- Application description.
- Product name/type.
- Customer name and contact information.
- Date installed.
- Project cost.
- PV module used.
- KW rating.
- Current operational status of system.

Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed safety and interconnection standards. All equipment components must be UL certified, and meet existing facility structural and fire safety requirements.

Proposals shall provide evidence that the proposed technology and equipment would meet or exceed all currently applicable and proposed environmental standards.

14. Pricing

Provide pricing for a turnkey (design/build) PV system located at the District Office. Pricing shall include:

1. US dollars for selling the entire 35 kW PV system to the District upon completion of construction and acceptance by the District. No Buy America requirement.

   The lump sum price shall be broken down into the following

   (1) Preliminary activities: including but not limited to site review, equipment specifications, engineering, design package submittal, prepare SDG&E interconnection applications, prepare application for rebates, coordinate final design with suppliers, hold pre-construction meeting, electrical engineer PE review and stamp (if necessary), and permitting.

   (2) Delivery and installation of equipment: Included but not limited to all necessary equipment, trenching wiring, mounting, etc. to make a functional 35 kW system. Also include construction inspections, meetings and documentation.

   (3) Final start-up, commissioning and reports.

2. Include estimated regular and scheduled maintenance of the 35 kW PV system over the 25 year period.

3. When comparing District cost savings, assume a 3.0% annual escalator in SDG&E prices.

4. Proposed payment terms.

15. Schedule

The Contractor/Vendor shall provide a proposed schedule for completion of the project.

16. Walk Through

A non-mandatory project walkthrough date for all interested vendors/contractors has been scheduled for **January 4, 2017 at 10:00am** at the project site located at 806 Palm Canyon Drive in Borrego Springs, California.

17. Incurring Cost

The District is not liable for any cost incurred by entities prior to executing a contract.

18. Selection Process

The Operations and Infrastructure Committee has been tasked with overseeing the identification and recommendation of a qualified contractor/vendor for the board of directors of the District to approve.

Proposals will be evaluated by the District based on:

- The competence to perform the services as reflected by past experience in providing the services outlined herein.
- The ability to meet the requirements of this RFP.
- Overall package and financial benefit to the District.

The District reserves the right to select or short-list any Contractor/Vendor that, in its opinion and at its sole discretion, is deemed to be most advantageous and in the best interests of the District, including granting a preference to local contractors. The District also reserves the right to delay or discontinue this selection process at any time during the process. The District shall not be liable for any cost incurred by any Contractor/Vendor during the selection process. The District also reserves the right to reject the selected Contractor/Vendor and contract with another party if the District and the selected Contractor/Vendor cannot successfully negotiate a contract for the proposed work.

19. Proposal Deadline

Three copies of the Proposal to Provide a Solar Power System must be delivered to:

Geoff Poole, General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

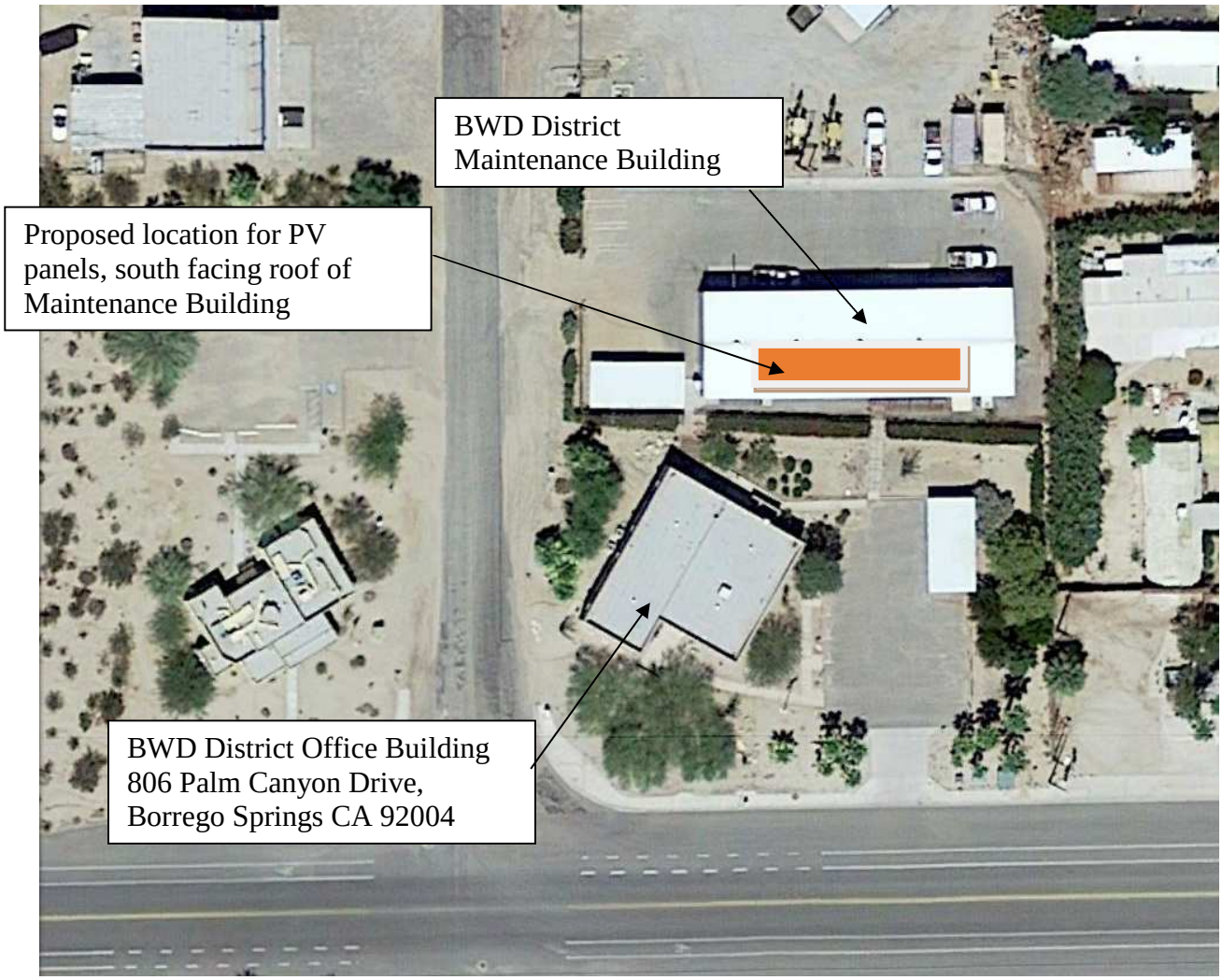
By: **Wednesday February 1, 2017 at 3:00 PM**

20. Inquires

Inquiries can be directed to Geoff Poole, General Manager at

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

or by phone at 760-767-5806
or email at geoff@borregowd.org



LOCATION OF PROPOSED PV SOLAR PANELS

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.F

December 6, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Authorize staff to issue a Notice to Proceed for the Hydrogen Sulfide Odor Assessment – D. Dale

RECOMMENDED ACTION: Authorize staff to issue Notice to Proceed and begin Assessment

ITEM DESCRIPTION: Approximately 2 months ago, David Dale completed the RFP and a Proposal was received from Dudek for the completion of the Hydrogen Sulfide Odor Assessment

FISCAL IMPACT: The budget for the Proposal is $33,500 and Staff intends to meet with Dudek and discuss ways to reduce the cost of the Study

ATTACHMENTS: Proposal for Hydrogen Sulfide Odor Reduction Assessment

DUDEK

MAIN OFFICE
605 THIRD STREET
ENCINITAS, CALIFORNIA 92024
T 760 942.5147 T 800 450 1818 F 760.632 0164

November 3, 2016

Mr. Geoff Poole, General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Subject: Fee Proposal for Hydrogen Sulfide Reduction Investigation

Dear Mr. Poole:

Enclosed is our Fee Proposal, which includes a breakdown of the hours and fee by task with a not-to-exceed total fee. We are available to discuss this proposal and any changes in scope, approach, and commensurate fee that the District may request.

We look forward to the opportunity to discuss this project further. If you have questions or require additional information, please contact Greg Guillen at (760.479.4123, gguillen@dudek.com) or Steve Deering (760.479.4101, sdeering@dudek.com). Thank you very much for your consideration.

Sincerely,

Greg Guillen, PhD, PE
Project Manager/Senior Engineer

Steve Deering, PE
Principal Engineer

Borrego Water District
Hydrogen Sulfide Odor Reduction Investigation
DUDEK FEE ESTIMATE
11/3/2016

		Labor Hours and Rates							
	Project Team Role:	PIC/QC	Project Manager	Project Engineer	Admin	TOTAL DUDEK HOURS	DUDEK LABOR COSTS	OTHER DIRECT COSTS	TOTAL FEE
	Team Member:	S.Deering	G. Guillen	B. Tran	M. Kinney				
	Billable Rate :	$235	$175	$150	$80				
Task 1	**Project Management, Coordination, and Meetings**								
1.1	Project Management		10			10	$ 1,750		$ 1,750
1.2	Kickoff Meeting (including agenda and minutes)	8	8	8	2	26	$ 4,640	$ 200	$ 4,840
	Subtotal Task 1	8	18	8	2	36	$ 6,390	$ 200	$ 6,590
Task 2	**Records Research**								
2.1	Review Data Provided by District		4	16	2	22	$ 3,260		$ 3,260
	Subtotal Task 2		4	16	2	22	$ 3,260	$ -	$ 3,260
Task 3	**Wastewater Quality Analysis and Sulfide Modeling**								
3.1	Wastewater Quality Sampling - Planning and Data Analysis		6	12		18	$ 2,850		$ 2,850
3.2	Sulfide Generation Modeling - Development and Design Criteria		4	12		16	$ 2,500		$ 2,500
	Subtotal Task 3		10	24		34	$ 5,350	$ -	$ 5,350
Task 4	**Development and Evaluation of Alternatives**								
4.1	Evaluation of Physical Modification Alternatives	1	4	12		17	$ 2,735		$ 2,735
4.2	Evaluation of Chemical Treatment Alternatives	1	4	12		17	$ 2,735		$ 2,735
4.3	Lifecycle Cost Analysis and Recommended Alternative	1	4	8		13	$ 2,135		$ 2,135
	Subtotal Task 4	3	12	32		47	$ 7,605	$ -	$ 7,605
Task 5	**Draft Assessment Report Submittal**								
5.1	Draft Report Preparation		8	32	4	44	$ 6,520	$ 100	$ 6,620
5.2	QA/QC of Draft Report	3				3	$ 705		$ 705
	Subtotal Task 5	3	8	32	4	47	$ 7,225	$ 100	$ 7,325
Task 6	**Final Assessment Report Submittal**								
6.1	Final Report Preparation		8	12		20	$ 3,200	$ 100	$ 3,300
6.2	QA/QC of Final Report	2				2	$ 470		$ 470
	Subtotal Task 6	2	8	12		22	$ 3,670	$ 100	$ 3,770
	Total Non-Optional Hours and Fee	16	60	124	8	208	$ 33,500	$ 400	$ 33,900
	Percent of Hours:	*8%*	*29%*	*60%*	*4%*	*100%*			

DUDEK

MAIN OFFICE
605 THIRD STREET
ENCINITAS, CALIFORNIA 92024
T 760.942.5147 T 800.450.1818 F 760.632.0164

November 3, 2016

Mr. Geoff Poole, General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 92004

Subject: Proposal for Hydrogen Sulfide Reduction Investigation

Dear Mr. Poole:

We are pleased to submit this proposal to the Borrego Water District (District) for preparation of the requested Hydrogen Sulfide Reduction Investigation. We have reviewed the project background, project location, and have included within our proposal a preliminary approach to identifying and implementing long-term solutions to sewer odor complaints.

Dudek has successful recent experience working with the District, and has been providing sewer related infrastructure planning, design, and construction support services in southern California for 36 years. Our specialists are focused on providing sustainable solutions for our clients, while integrating innovation and flexibility into the design process to meet and exceed the critical factors for overall project success. In addition, Dudek has completed very similar odor management evaluations for the Olivenhain Municipal Water District (2016), City of Poway (2015), City of Oceanside (2013) and for Vallecitos Water District in San Marcos (2012). Dudek will apply this direct and relevant experience to assist in our evaluation of successful options for the District.

Our Principal in Charge, Steve Deering, assisted multiple agencies with review of odor issues at pump stations. Dr. Greg Guillen, PE, our proposed project manager, has recently completed an odor study on a system of pump stations and forcemain for Olivenhain Municipal Water District.

We hope that our proposed project approach, highly experienced team and project experience are seen as favorable in the selection of a study consultant for your project. Should you have any questions please contact Greg Guillen at (760.479.4123, gguillen@dudek.com) or Steve Deering (760.479.4101, sdeering@dudek.com).

Sincerely,

Greg Guillen, PhD, PE
Project Manager/Senior Engineer

Steve Deering, PE
Principal Engineer

1 Table of Contents

SECTIONS

TABLES

FIGURES

APPENDICES

2 Firm Introduction

Firm Overview

Dudek is an employee-owned, privately held California Corporation founded in 1980. For over 36 years, Southern California municipal agency/public-sector clients have relied on Dudek to deliver practical, workable, and cost-effective solutions for capital infrastructure, environmental, and construction management projects. Our professionals are experts at developing practical, cost-effective solutions that help you achieve your specific project goals. We work to maintain your trust, which allows us to offer constructive solutions while maintaining your project's long-term success.

Firm Snapshot

- California Corporation
- Founded in 1980
- More than 350 employees
- Employee-owned, financially stable
- 13 offices

As a mid-sized firm, we combine the personal service of dedicated project managers, who stay with your project from start to finish, with a breadth and depth of capability meeting your project requirements. Our project managers are empowered problem-solvers, with the ability to make decisions in a timely fashion to keep project momentum moving forward. We are proud of our low employee turnover. Our staff's long tenure assures that the project manager you see at the project kick-off will be with you at project completion.

Office Locations

Dudek has 13 office locations. We are headquartered in Encinitas, California with all of our proposed staff working in the Encinitas office. Additional office locations are listed below:

San Diego – Main Office
605 Third Street
Encinitas, CA 92024

Los Angeles
38 North Marengo Avenue
Pasadena, CA 91101

Sacramento
900 9th Street, Suite 1750
Sacramento, CA 95814

Coachella Valley
40004 Cook Street, Suite 4
Palm Desert, CA 92211

Pacific Northwest
10260 SW Greenburg Road
Tigard, OR 97223

Orange County
31878 Camino Capistrano #200
San Juan Capistrano, CA 92675

Bay Area
44 Montgomery Street, Suite 1560
San Francisco, CA 94104

Santa Cruz
725 Front Street, Suite 400
Santa Cruz, CA 95060

Inland Empire
3544 University Ave.
Riverside, CA 92501

Central Coast
621 Chapala Street
Santa Barbara, CA 93101

465 Magnolia Ave
Larkspur, CA 94939

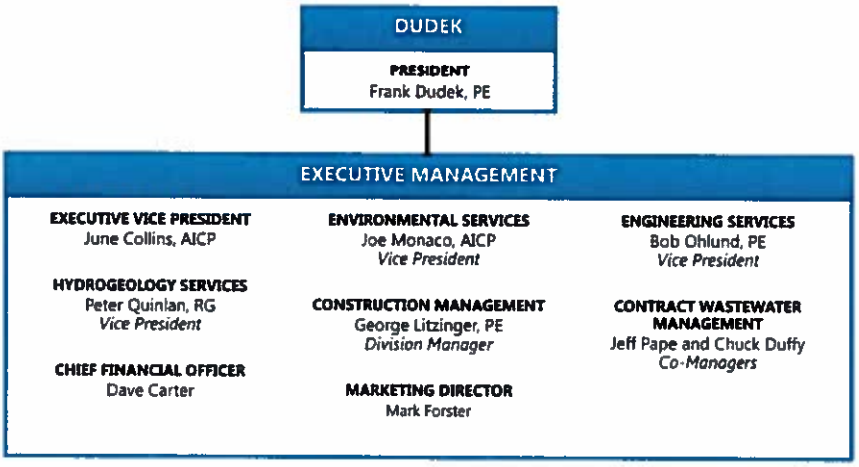
Sierra Foothills
853 Lincoln Way, Suite 208
Auburn, CA 95603

Hawaii
970 North Kalaheo Ave.
Kailua, HI 96734

Organization Chart

The firm maintains a flat organizational structure that empowers project managers to be entrepreneurial decision-makers. Internal administrative processes are kept to a minimum to limit internal bureaucracy and to enable project managers to be flexible and responsive to meet client needs. **Figure 1** illustrates our firm organizational structure.

FIGURE 1: FIRM ORGANIZATION CHART



Names of Corporate Officers

Dudek's Board has authorized policy, supported by our corporate bylaws, which states only Dudek corporate officers who are appointed/approved by the Board have the authority to legally bind the corporation. Dudek's corporate officers can be reached at our Encinitas address, and include:

Frank Dudek, PE
President
760.479.4227

June Collins, AICP
Executive Vice President/ Secretary
760.479.4246

Joe Monaco, AICP
Vice President
760.479.4296

Bob Ohlund, PE
Vice President
760.479.4120

Peter Quinlan, RG
Vice President
760.479.4127

Dave Carter
Chief Financial Officer
760.479.4277

D. Michael Metts, PE
Principal/Assistant Secretary
760.479.4111

Professional Organizations

Relevant to this project, Dudek is actively involved in wastewater treatment organizations, such as: Southern California Alliance of Publicly Owned Treatment Works (SCAP) (Dudek's John Pastore/Executive Director provides management of SCAP); California Association of Sanitation Agencies (CASA); California Water Environment (CWEA); and WateReuse Association. Through this professional involvement, Dudek brings a wealth of technical resources and regulatory understanding to benefit the District's project.

3 Qualifications of Staff

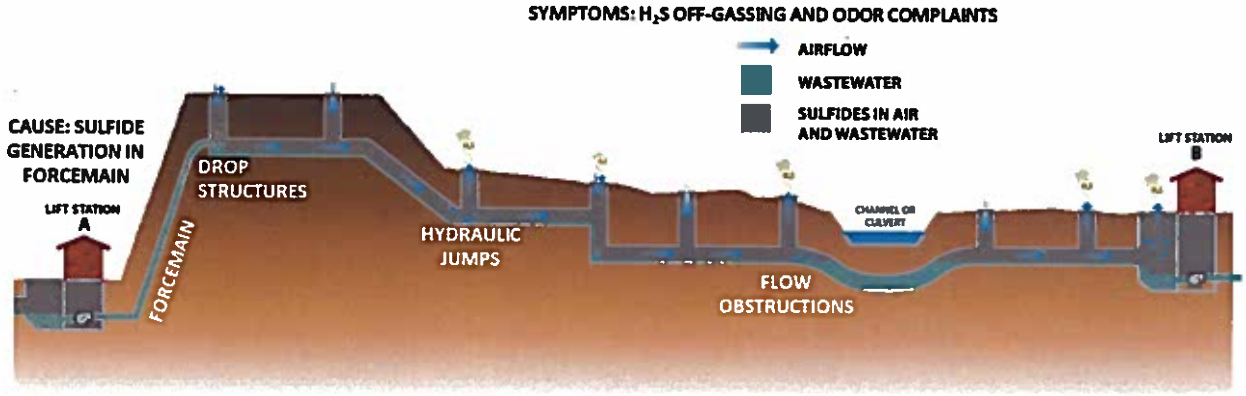
The Dudek team's focus will be on providing solutions that mitigate odors, reduce operating and maintenance costs, and extend the life of the District's infrastructure. Our combined experience will be applied to the factors that contribute to sewage decay, disrupt the delicate balance of wastewater chemistry, and thus lead to the generation of odors and corrosion. In doing so, we will assess the generation of odors, from *source to emission*, and prescribe the most cost-effective means of control *proactively* (keeping sewage as fresh as possible throughout the system) rather than *reactively* (using expensive methods or chemicals to scrub, sequester or mask odors *after* they have been generated).

Dudek Team Benefits to the District:

- In depth knowledge of the causes of odors in sewer collection systems
- Recent experience with multiple odor studies, design and implementation of odor control strategies
- Focus on providing solutions that mitigate odors, reduce operating and maintenance costs, and extend the life of infrastructure

Dudek staff have an in depth knowledge of the causes of odors in sewer collection systems. Our years of experience with multiple odor studies and design and implementation of odor control strategies will lend itself perfectly to the District's needs. Dudek views odor complaints as indicators of gas-phase sewer spills, and as such, takes the problem of fugitive hydrogen sulfide (H_2S) emissions very seriously. Sewer systems have many common features, some of which are prone to sulfide generation or H_2S off-gassing (**Figure 2**). The Dudek team will examine the portion of the District's collection system, clearly identify the root cause(s) of the odor problem (source of sulfide generation), and provide a solution to eliminating both the root cause of odor and the odor complaints (symptoms).

FIGURE 2: ODOR FORMATION IN SEWER COLLECTION SYSTEMS



Dudek is providing a team of highly qualified professionals who will work for, and with, the District. The project team is comprised of the following key individuals, noted in **Table 1**. All staff proposed are fully committed to the extent of the project. No changes in project staff will be made without prior District approval.

TABLE 1: TEAM MEMBER ROLE, RESPONSIBILITY, AND QUALIFICATIONS

Team Member Name & Role	Responsibility	Qualifications & Experience
 **Steve Deering, PE** Principal in Charge / Technical Advisor	As Principal in Charge, Mr. Deering will ensure all resources are used to complete the project on time and budget. In addition, Mr. Deering will provide technical guidance related to chemical treatment of odors.	Steve Deering has over 40 years' experience with planning, designing, and managing water, wastewater, and reclaimed water facilities. He has overseen a number of citywide and district-wide odor control studies including the City of Oceanside Sewer System Odor Control Study and Chemical Use Evaluation and the Vallecitos Water District Odor Control Study. Other recent odor studies include Olivenhain Municipal Water District Del Dios - Midpoint SPS Odor Study. Because of Mr. Deering's outstanding technical knowledge, he is routinely called upon to participate on design review and value engineering teams.
 **Greg Guillen, PhD, PE** Project Manager	As Project Manager, Dr. Guillen will oversee the project and will be the main point of contact for the District. He will be in charge of scheduling and invoicing.	Greg Guillen is a chemical and environmental engineer focused on water and wastewater treatment. Dr. Guillen has worked with OMWD to evaluate multiple liquid and gas phase hydrogen sulfide treatment systems for OMWD's Del Dios forcemain, with recommendations to the District based on treatment efficacy and a lifecycle cost analysis. He also produced the 4S Ranch WRF Disinfection Alternatives Technical Memorandum.
 **Brian Tran, EIT** Project/Field Engineer	As Project Engineer, Mr. Tran will be responsible for field sampling as well as report development.	Brian Tran is a project engineer focused on water and wastewater projects, emphasizing on infrastructure planning and development. His project experience includes pipeline, pump stations, and water recharge basins. He also has experience in sewer collection systems odor control and rehabilitation. Mr. Tran has worked with OMWD on the Del Dios – Midpoint SPS System Odor Control Study.

4 Method of Compensation

DUDEK
2016 STANDARD SCHEDULE OF CHARGES

Engineering Services

Project Director	$265.00/hr
Principal Engineer III	$235.00/hr
Principal Engineer II	$225.00/hr
Principal Engineer I	$215.00/hr
Program Manager	$205.00/hr
Senior Project Manager	$205.00/hr
Project Manager	$195.00/hr
Senior Engineer III	$195.00/hr
Senior Engineer II	$185.00/hr
Senior Engineer I	$175.00/hr
Project Engineer IV/Technician IV	$165.00/hr
Project Engineer III/Technician III	$150.00/hr
Project Engineer II/Technician II	$135.00/hr
Project Engineer I/Technician I	$120.00/hr
Project Coordinator	$95.00/hr
Engineering Assistant	$85.00/hr

Environmental Services

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

Coastal Planning/Policy Services

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

Archaeological Services

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

Construction Management Services

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

Compliance Services

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

Hydrogeological Services

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

District Management & Operations

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

Office Services

Technical/Drafting/CADD Services

3D Graphic Artist	$155.00/hr
Senior Designer	$145.00/hr
Designer	$135.00/hr
Assistant Designer	$130.00/hr
GIS Specialist IV	$150.00/hr
GIS Specialist III	$140.00/hr
GIS Specialist II	$130.00/hr
GIS Specialist I	$120.00/hr
CADD Operator III	$125.00/hr
CADD Operator II	$120.00/hr
CADD Operator I	$105.00/hr
CADD Drafter	$95.00/hr
CADD Technician	$85.00/hr

Support Services

Technical Editor III	$140.00/hr
Technical Editor II	$125.00/hr
Technical Editor I	$110.00/hr
Publications Specialist III	$100.00/hr
Publications Specialist II	$90.00/hr
Publications Specialist I	$80.00/hr
Clerical Administration II	$85.00/hr
Clerical Administration I	$75.00/hr

Forensic Engineering – Court appearances, depositions, and interrogatories as expert witness will be billed at 2.00 times normal rates.
Emergency and Holidays – Minimum charge of two hours will be billed at 1.75 times the normal rate.
Material and Outside Services – Subcontractors, rental of special equipment, special reproductions and blueprinting, outside data processing and computer services, etc., are charged at 1.15 times the direct cost.
Travel Expenses – Mileage at current IRS allowable rates. Per diem where overnight stay is involved is charged at cost.
Invoices,Late Charges. – All fees will be billed to Client monthly and shall be due and payable upon receipt. Invoices are delinquent if not paid within thirty (30) days from the date of the invoice. Client agrees to pay a monthly late charge equal to one percent (1%) per month of the outstanding balance until paid in full.
Annual Increases – Unless identified otherwise, these standard rates will increase 3% annually.

DUDEK

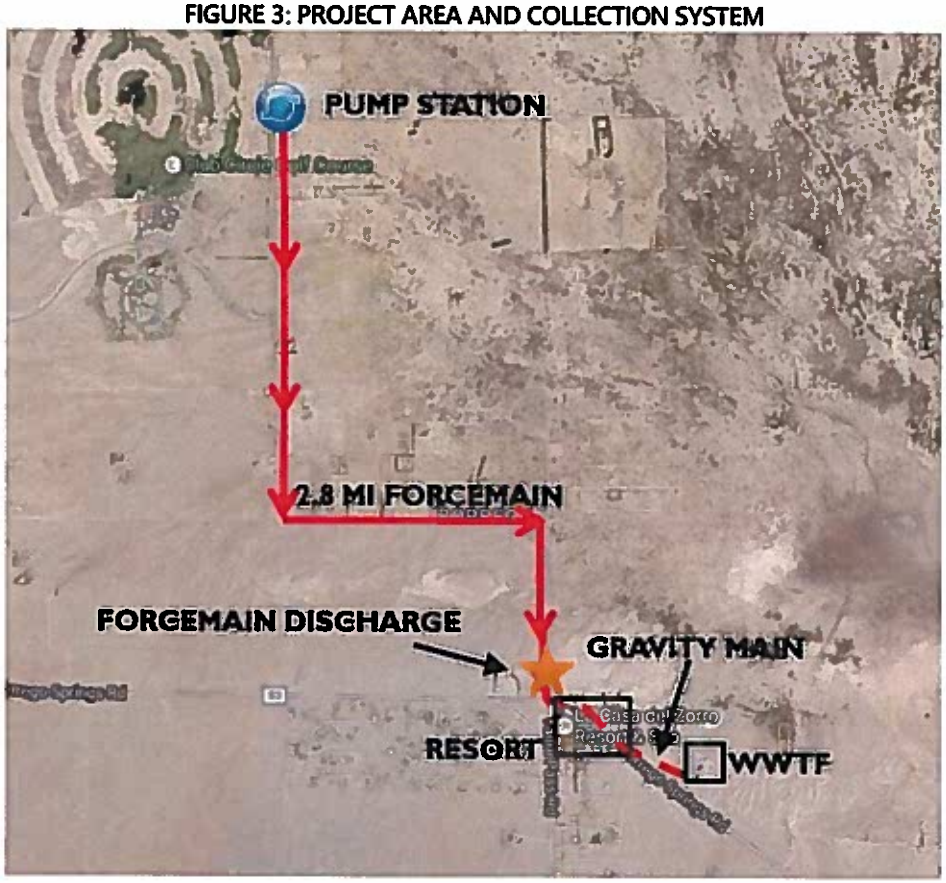
Effective January 1, 2016

5 Scope of Services

Project Understanding

Dudek understands that the Borrego Water District is seeking a qualified consultant to identify the source of wastewater-generated odor in and around the La Casa Del Zorro Resort in Borrego Springs, CA. **Figure 3** shows the project area and relevant portion of the collection system. Wastewater is collected upstream of the pump station located east of the Club Circle Golf Course. Wastewater is pumped a distance of 2.8 miles where it is discharged into a manhole just north of La Casa Del Zorro Resort. Wastewater then flows through a gravity main that passes through the Resort before continuing on to the District's wastewater treatment facility (WWTF). The District has received numerous odor complaints from the Resort. The District has implemented Persnickety biologic treatment both in the gravity collection system upstream of the pump station and within the pump station wetwell. Persnickety has had limited success. The District wishes to find and implement a reliable and cost-effective solution to control the continued odor problem.

FIGURE 3: PROJECT AREA AND COLLECTION SYSTEM



Dudek proposes the following tasks to aid the District in 1) identifying the odor source, 2) comparing alternatives to solve the odor problem, and 3) selecting the best alternative for implementation. The proposed project schedule is provided in Section 7.

Task 1 – Project Management, Coordination, and Meetings

We will conduct a kickoff meeting with the District to review the project scope and schedule, information request needs, and coordinate field work, if deemed necessary.

The Dudek Project Manager and other appropriate team members will coordinate with the Dudek team and District staff, track the budget and schedule, and prepare monthly invoices and progress reports throughout the duration of the project. Progress reports will summarize work performed during the billing period, work to be performed during the next billing period, upcoming deliverables, and any scope or budget discussion items. The Principal in Charge will be responsible for quality assurance and monitoring the completion of quality control reviews. The Principal in Charge and Project Manager will collaborate on technical reviews, cost opinions, deliverable reviews, and responses to District comments.

Task 2 – Records Research

Dudek will request and review appropriate District documents and information and characterize the existing conditions.

The District, as stated in its Request for Proposal, will provide the following for Dudek review:

- Sewer system maps
- The District's FOG program and codes
- Video inspection of the sewer main from the forcemain discharge point to the wastewater treatment plant
- Record Drawings of the pump station
- Hydrogen sulfide historical measurements at/near La Casa Del Zorro Resort
- Specific information on the biologic currently being used by the District, its effectiveness, and any information on previously used odor control technologies and their effectiveness
- Flow data for pump station
- Historical wastewater quality
- Locations of odor complaints
- Other information

Task 3 – Wastewater Quality Analysis and Sulfide Modeling

Sulfide generation is a function of organic load (e.g., BOD), hydraulic residence time, temperature, and availability of electron acceptors (e.g., oxygen, nitrate, and sulfate). Wastewater with a high organic load in a warm, long residence time forcemain creates the perfect environment for sulfide generation by sulfate reducing bacteria. Dudek's experience with odor studies, along with a preliminary analysis of the project background information, suggests that the source of odor release to the atmosphere is from the location of forcemain discharge. Sulfide is generated in the forcemain and is then off-gassed at both the forcemain discharge point and subsequently along the length of the downstream gravity line passing through La Casa Del Zorro Resort. Other odor release points may be present in the gravity sewer reach such as from manhole pick-holes or plumbing-required roof vents at the top end of sewer connections, etc.

Dudek is not recommending headspace hydrogen sulfide monitoring at this time, as we understand that the District can provide historical atmospheric hydrogen sulfide monitoring odor log data. Odor caused by the

escape of H_2S gas from the sewer is a symptom of sulfide generation in the liquid phase. Rather than investigating a symptom, Dudek will focus its investigation on the root cause of the odor, the source(s) of sulfide generation. The following sub-tasks, in conjunction with Task 2, will help identify the source(s) of odors and how best to eliminate odor complaints.

Task 3.1 - Wastewater Quality Sampling

Understanding wastewater quality is important for developing an odor control approach. Dissolved sulfide concentration is a critical design criterion for liquid phase H_2S treatment technologies. Knowing historical, current, and seasonal variations in dissolved sulfide concentration is valuable in selecting appropriate liquid phase H_2S treatment technologies and refining their subsequent capital and O&M costs. A higher quantity and quality of wastewater quality data will allow for a more accurate comparison of treatment technologies.

Dudek understands the District may not have the required wastewater quality data at this time. As such, we recommend that the District establish a baseline wastewater quality data set. This could be accomplished by taking grab samples of wastewater at the forcemain discharge point and having the samples analyzed for a suite of relevant constituents including:

- pH
- alkalinity
- dissolved sulfide
- sulfate
- BOD
- temperature

Dudek recommends the District work with a lab for proper sample collection techniques and then use its staff to grab samples over a two-phase sampling period. Phase 1 will sample wastewater quality while the current biologic is being added to the collection system. Phase 2 will sample wastewater quality sometime after the biologic dosing has been discontinued. This will give the District a comparative picture of the effectiveness of its current treatment and an indication of the untreated sulfide generation potential of the forcemain.

Dudek proposes a two-phase sampling approach. Phase 1 to be done with current biologic and Phase 2 would be done after biologic has been discontinued.

Sampling coordination will be discussed during the kickoff meeting and will depend on staff availability, internal and external laboratory availability, and pump station pumping schedule. Wastewater sulfide concentrations are highly dependent on time of day, season, etc. The sampling effort will balance available resources with District expectations of the level of accuracy of the treatment alternatives analysis and cost models. Dudek suggests that a minimum of two daily samples are collected by District staff over two weeks for each sampling phase. If it is determined that more frequent sampling is required, then Dudek recommends the District rent a refrigerated composite automatic sampler. Dudek assumes District staff will send wastewater samples to the same laboratory as that used for wastewater treatment facility sample analyses.

Task 3.2 – Sulfide Generation Modeling

Dudek will develop a spreadsheet model showing the theoretical untreated diurnal generation of sulfide in the sewer forcemain, and potential H_2S release at the forcemain discharge point located near La Casa Del Zorro Resort. The output of this model will serve as the baseline sulfide generation rate (and treatment chemical demand), which will be used to compare treatment technologies. The model will allow for wastewater quality collected during Task 3.1 to be extended to potential peak sulfide levels generated during other times of the

year. For example, wastewater quality sampling during the winter (higher flow, lower temperature) may show lower dissolved sulfide concentrations. Modeling of summer conditions (lower flow, higher temperature) will likely yield higher dissolved sulfide concentrations, which will help determine appropriate treatment solutions and their costs.

Task 4 – Development and Evaluation of Alternatives

Under Task 4, Dudek will conduct a desktop review of the data collected in Tasks 2 and 3 and provide a recommended alternative to solve the District's odor problems.

The first action will be to evaluate the feasibility of controlling odors at the forcemain discharge by changing how the pump station-forcemain system is configured and/or operated. Alternatives to be evaluated include: flushing the pump station and forcemain with recycled or potable water after each pumping cycle, decreasing the diameter of the forcemain, and/or providing VFDs for the pump motors.

Dudek will evaluate changing how the pump station/forcemain system is configured and/or operated to control odors at the forcemain discharge point.

Dudek will compare competing candidate liquid phase treatment technologies in terms of feasibility and costs (capital and annual). Candidate technologies will include: the existing biologic, calcium nitrate (e.g., Bioxide), ferric chloride, oxygenation (e.g., ECO2), magnesium hydroxide, and hydrogen peroxide. Annual costs will be developed using the average sulfide generation rates (determined in Task 3), and typical chemical cost and dosing rates for each respective candidate chemical. Pros and cons of the various alternative chemical treatments will be compared.

Task 5 – Draft Assessment Report Submittal

Dudek will prepare a draft assessment report which will contain discussions of the understanding of the odor source, comparison of solution alternatives, capital and O&M costs, and the selection of temporary solutions (if necessary) and long-term solutions for District implementation. The draft Assessment Report will include any necessary recommendations to the District's Municipal Code related to sewer forcemains, gravity mains, and lift stations, including changes in their maintenance.

The draft Assessment Report will be submitted to the District (four (4) electronic copies) for review.

Task 6 – Final Assessment Report Submittal

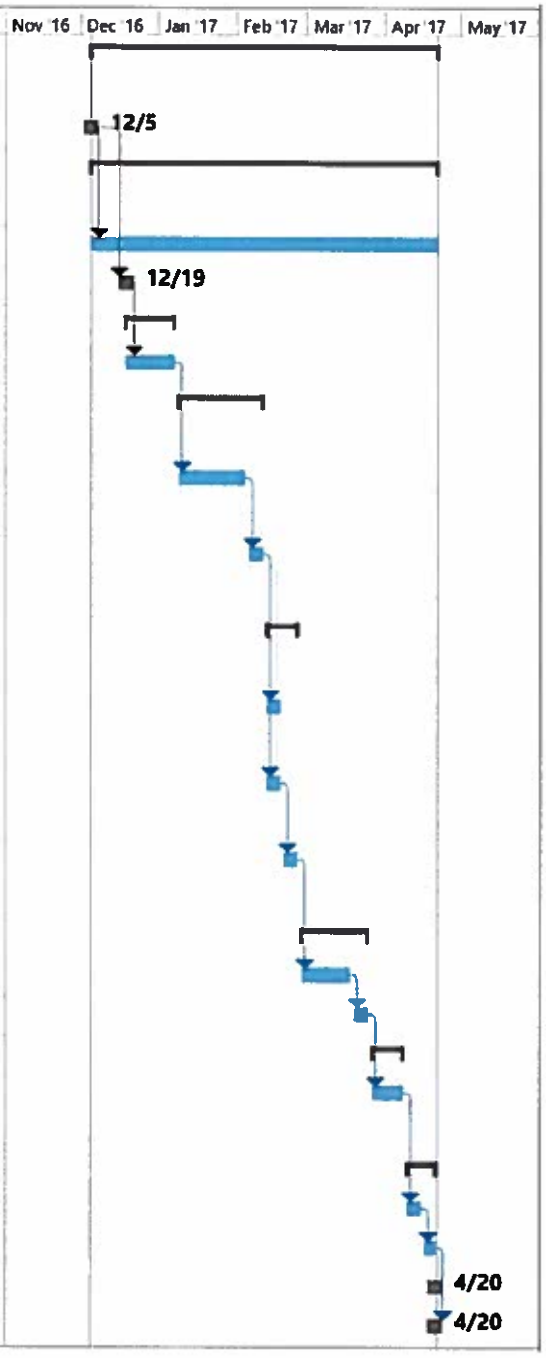
Dudek will incorporate District comments from the draft Assessment Report and provide an updated final Assessment Report. Two (2) hard copies of the final Assessment Report and one (1) CD with electronic copies of all final documents (in PDF form) will be submitted to the District.

6 Schedule

Dudek has prepared a schedule that adheres to the proposed schedule indicated in the RFP and allows for adequate review time and coordination.

FIGURE 4: PROPOSED PROJECT SCHEDULE

Task Name	Duration
Hydrogen Sulfide Odor Reduction Investigation Project	**100 days**
Notice To Proceed	0 days
Task 1 - Project Management, Coordination, and Meetings	**100 days**
1.1 - Project Management	100 days
1.2 - Kickoff Meeting	0 days
Task 2 - Records Research	**15 days**
2.1 - Review Data Provided by District	15 days
Task 3 - Wastewater Quality Analysis and Sulfide Modeling	**25 days**
3.1 - Wastewater Quality Sampling - Planning and Data Analysis	20 days
3.2 - Sulfide Generaion Modeling - Development and Design Criteria	5 days
Task 4 - Development and Evaluation of Alternatives	**10 days**
4.1 - Evaluation of Physical Modification Alternatives	5 days
4.2 - Evaluation of Chemical Treatment Alternatives	5 days
4.3 - Lifecycle Cost Analysis and Recommended Alternatives	5 days
Task 5 - Draft Assessment Report Submittal	**20 days**
5.1 - Draft Report Preparation	15 days
5.2 - QA/QC of Draft Report	5 days
District Review of Draft Assessment Report	**10 days**
District Reivew of Draft Assessment Report	10 days
Task 6 - Final Assessment Report Submittal	**9 days**
6.1 - Final Report Preparation	5 days
6.2 - QA/QC of Final Report	4 days
Final Assessment Report Submittal	**0 days**
Final Assessment Report Submittal	0 days



7 Project Descriptions and References

Dudek is proud of our 36-year tradition of providing high-value consultative and professional engineering services to municipal agencies. Dudek recently completed odor control studies for the Olivenhain Municipal Water District (2016), City of Poway (2015), City of Oceanside (2013) and for Vallecitos Water District in San Marcos (2012), adding to our comprehensive understanding of the causes and solutions of odor generation, odor release, and odor control.

Project Similarities Benefiting the District

- Evaluation and design of odor control facilities for pump stations and sewer systems
- Sewer siphon air jumper design
- Field testing and modeling
- Capacity confirmation
- Odor technology research and evaluation

The Dudek team will work with the District to determine the most appropriate option and assist in the preparation and implementation of a process that mitigates risk, reduces costs, and complies with regulatory requirements while minimizing impacts to the community. We are confident that our demonstration of project experience will provide you with adequate information about out technical capabilities. Please contact our references with each project to learn more about our key staff members and their performance.

Olivenhain Odor Study and Design

Client: Olivenhain Municipal Water District
Client Reference: George Briest, 760.753.6466

Dudek completed the design for the Odor Control Upgrades at the Del Dios – Midpoint Sewer Pump Station (SPS) system. The design was predicated on the 2014 Odor Control Study that Dudek performed for the District involving wastewater sampling, hydrogen sulfide monitoring, theoretical hydrogen sulfide modeling, and recommendations to: 1) install new chemical dosing equipment optimizing their use of calcium nitrate liquid chemical treatment; 2) replace the Bio-scrubber at Midpoint SPS with a robust activated carbon odor scrubber; and 3) install wet well isolation check valves.

As part of the follow-on design project, Dudek prepared plans and specifications, scrubber sizing calculations, design criteria for chemical dosing controller, miscellaneous mechanical modifications, and replacement of wetwell manholes with access hatches.

Sewer Odor Study

Client: City of Poway
Client Reference: Steve Crosby, 858.668.4605

The Poway Odor Control Study investigated six odor hot spots located throughout the City's sewer collection system. The investigation was comprised of five separate tasks to determine the source of the odor and develop potential solutions to minimize odor complaints. The tasks included:

- Collecting and reviewing background data such as historical hydrogen sulfide levels, sewer main record drawings, and odor compliant location and frequency.
- Field investigation including deployment of hydrogen sulfide monitors and differential pressure monitors to record vapor H_2S concentrations and determine potential sources of odor.
- Analysis of field collected data and development and evaluation of alternative solutions to minimize odor complaints
- Review workshop with the City to discuss preliminary findings, potential odor control solutions, type of control, implementation costs, ease of operability and maintenance
- Draft the Odor Control Study Report summarizing existing conditions, background on odor control generation and treatment, summary of the alternatives evaluated, the findings of the alternative evaluation, results of the cost estimates and recommendations

Sewer System Odor Control Study and Chemical Use

Client: City of Oceanside
Client Reference: Cari Dale, Water Utilities Department, 760.435.5811

Commercial businesses and residents complained about odor emitting from more than a dozen locations throughout the City. The City hired Dudek to conduct a comprehensive citywide Odor Control Study and Chemical Use Evaluation of all City systems, which include the San Luis Rey and La Salina Treatment Plants, 32 sewer lift stations, and 490 miles of sanitary sewer.

The Dudek team recommended odor control and ultimately digester gas limitations for hydrogen sulfide concentrations. This resulted in upstream treatment of a number of the sewers with a chemical addition of nitrate salts, ferrous chloride, and hydrogen peroxide. Also added were ventilated scrubbers for atmospheric foul air at key pump stations, treatment plant headworks, and key processes within the plants.

Additional findings of the investigation included over a dozen hot spots that were field monitored with data loggers for hydrogen sulfide and headspace vacuum/pressure. Dudek recommended physical system modifications to control release of odors. Pomeroy-Parkhurst hydrogen sulfide production modeling combined with EPA guidance for dosing compared chemical usage and cost for alternative types of chemicals. Pilot testing of the largest forcemain/siphon systems with Peroxide Regenerated Iron for Sulfide Control (PRI-SCR) was suggested for potential significant chemical savings and improved control of hydrogen sulfide release.

Vallecitos Odor Control Study

Client: Vallecitos Water District
Client Reference: Robert Scholl, Capital Facilities Engineer, 760.744.0460

When Vallecitos Water District wanted to manage and prevent odor release to sensitive receptors in public areas, they hired Dudek to conduct a District-wide odor management study. The field investigation work provided a much-needed survey of sulfide and sewer atmosphere pressure at twelve trouble spots. Odor characteristics were determined at key locations in the District through combined use of hydrogen sulfide data loggers and vacuum/pressure data in the sewer headspace atmosphere to develop odor-potential factor curves. The odor potential factor curves were then compared to a myriad of odor management technologies including vapor phase and liquid phase chemical treatment systems as well as potential operational adjustments.

The report to the District recommended crucial operational adjustments and capital improvements. Several of the hot spots are the result of low nighttime flows at under loaded pump station and forcemain systems. Together, Dudek and the District developed final recommendations that will include a phased, programmatic approach to odor management. Considerations included the use of magnesium hydroxide at isolated hot spots for pH control, while oxygenation systems are being considered at a large inverted sewer siphon. Proprietary calcium nitrate products will likely be continued, complimentary to the recommended new odor control measures such as air jumpers and strategic use of liquid magnesium hydroxide addition.

Rehabilitation of District Siphons

Client: Orange County Sanitation District
Client Reference: John French, Construction Manager, 714.593.7112

OCSD identified 16 siphons in need of fugitive odor mitigation and rehabilitation as part of an overall collection system siphon assessment field study. The siphon locations were selected based on an OCSD correlation of customer odor complaint frequency to sewer facility location thereby identifying these 16 common odor offenders. Dudek developed an open channel sewer malodorous air transport theory confirmed by field testing at the 16 inverted siphons.

The 16 siphons involved 13 different sites located in eight different cities within the OCSD service area. Surveying, utility location, coordination with local businesses, schools, and churches were provided. The air jumpers had to be aligned over the top of most of the utilities in the very high traffic areas of major boulevards and boulevard intersections. Coordination was required with Orange County Flood Control District for storm channel crossing. This created significant coordination requirements with the local cities for traffic control, traffic signal loop replacement, and pavement replacement. Preparation of the construction documents included negotiation of encroachment permit requirements with eight cities with final permits pulled by the awarded contractor.

Dudek developed and specified a custom design for polymer concrete "air boxes," which allowed use of multiple smaller diameter air jumpers in areas where a single large diameter air jumper would not fit due to utility conflicts. The polymer concrete air boxes allowed strategic locations for changes of direction of air jumpers in locations where a single straight alignment would not work. The polymer concrete air boxes were highly corrosion resistant and did not require additional linings or coatings for corrosion protection.

Each inverted sewer siphon had an existing buried concrete inlet box/manhole structure and a matching outlet structure. These existing structures were lined with various materials including T-Lock, Arrow-Lok, Linabond, Polyurethane, Epoxy, etc. Dudek developed repair details, bid items, and specifications to address all anticipated liner repair needs. The spray-on liner repair requirements were particularly thorough and resulted in a very high quality installation with the contractor held to strict requirements for surface preparation, application of appropriate matching repair method, and testing of adhesion.

8 Requirements from District

It is our understanding that the District will provide the following:

- Sewer system maps
- The District's FOG program and codes
- Video inspection of the sewer main from the forcemain discharge point to the wastewater treatment plant
- Record Drawings of the pump station
- Hydrogen sulfide historical measurements at/near La Casa Del Zorro Resort
- Specific information on the biologic currently being used by the District, its effectiveness, and any information on previously used odor control technologies and their effectiveness
- Flow data for pump station
- Historical wastewater quality
- Locations of odor complaints

9 Cost Proposal

A detailed cost proposal is included in a separate sealed envelope per the request for proposal (RFP).

APPENDIX A

Resumes

Gregory Guillen, PhD, PE

Project Manager/Senior Engineer

Gregory Guillen is a chemical and environmental engineer focused on water and wasterwater treatment. Dr. Guillen's undergraduate education covered the fundamentals of chemical and environmental engineering with an emphasis on water and wastewater treatment. His graduate work focused on advanced membrane materials and processes for separations including those found in water and wastewater treatment. Dr. Guillen has authored several peer-reviewed papers in the field of desalination and membrane filtration, holds multiple patents for membrane formation, and has lectured in the Department of Civil and Environmental Engineering at UCLA.

EDUCATION

University of California, Los Angeles
MS, Civil Engineering
PhD, Civil Engineering

University of California, Riverside
BS, Environmental Engineering

LICENSE

Professional Civil Engineer
CA No. 83897

PROFESSIONAL AFFILIATIONS

California Water Environment Association

WateReuse Association

Project Experience

Olivenhain Odor Study and Design, Olivenhain Municipal Water District, Encinitas, California. Dr. Guillen served as senior engineer for the design for the Odor Control Upgrades at the Del Dios – Midpoint Sewer Pump Station (SPS) system. The design was predicated on the 2014 Odor Control Study Dudek performed for the District which involved wastewater sampling, hydrogen sulfide monitoring, theoretical hydrogen sulfide modeling, and recommendations to 1) install new chemical dosing equipment optimizing their use of calcium nitrate liquid chemical treatment, 2) replace the Bio-scrubber at Midpoint SPS with a robust activated carbon odor scrubber and 3) install wet well isolation check valves. As part of the actual design project, Dudek prepared plans and specifications, scrubber sizing calculations, design criteria for chemical dosing controller, miscellaneous mechanical modifications, and replacement of wetwell manholes with access hatches.

4S Ranch WRF Disinfection Alternatives Technical Memorandum, Olivenhain Municipal Water District, Encinitas, California. Dr. Guillen produced a Technical Memorandum describing the existing UV disinfection system and operations and potential disinfection alternatives, including chlorination systems and upgraded UV systems. The Tech Memo described and compared capital and operational costs for each alternative. Recommendations were made to the District for disinfection system capital improvements.

San Vicente Third Stage RO, Ramona, California. Dr. Guillen reviewed a third stage reverse osmosis design for the San Vicente Water Reclamation Facility. The additional RO stage is intended to increase recycled water production and reduce brine volume. Dr. Guillen evaluated several scenarios to determine the payback periods for the capital investment.

Woods Valley Ranch Water Reclamation Facility Phase 2, Valley Center Municipal Water District, Valley Center, California. Dr. Guillen has designed secondary, tertiary, and disinfection processes for the Woods Valley Ranch WRF Phase 2 expansion. Secondary wastewater treatment consists of an Aero-Mod extended aeration system capable of full nitrification-denitrification. Tertiary treatment consists of coagulation, flocculation, and cloth disk filters. Dr. Guillen has developed a tracer study protocol in coordination with the California Department of Public Health that will be used to recertify the existing chlorine contact basins to determine their ultimate capacities. The WRF will continue to produce Title 22 quality effluent.

WRP 7 Biosolids Upgrade Project, Coachella Valley Water District, Palm Desert, California. Dr. Guillen helped coordinate pilot testing of screw presses and centrifuges for a biosolids dewatering project. A lifecycle cost analysis was developed taking into consideration pilot results and was used to compare dewatering technologies. Results of the analysis were presented to the District in a Preliminary Design Report, which also outlined recommendations for selecting centrifuges as the preferred dewatering technology.

WRP 10 Septage Receiving Station- Construction Services, Coachella Valley Water District, Palm Desert, California. Dr. Guillen provided construction support services for a new septage receiving facility for the Coachella Valley Water District.

Water Reclamation Facility Chloride Discharge Limits, Ventura County, California. Dr. Guillen has analyzed existing influent/effluent water quality and flows and researched potential sources of chloride at a Ventura county WRF. In addition, Dr. Guillen has examined and selected appropriate chloride reduction technologies and is currently sizing and designing a desalination process that will allow the WRF to meet its chloride discharge requirements. Brine reduction and disposal options are currently being evaluated.

City of Del Mar-San Elijo Joint Powers Authority Capacity Analysis, Cardiff by the Sea, California. Dr. Guillen has evaluated the feasibility of diverting a portion of the City of Del Mar's wastewater to be treated by the San Elijo Joint Powers Authority Water Reclamation Facility. The analysis includes conveyance and pumping considerations in existing pump stations and sewers, design of a new force main, and impacts on the operation of SEJPA WRF.

Curtin Maritime San Clemente Island Potable Water Delivery – Water Quality Investigation, Curtin Maritime, San Diego, California. Dr. Guillen assisted Curtin Maritime in the evaluation of water quality issues associated with the delivery of potable water to the US Naval base on San Clemente Island. Dr. Guillen inspected barge holding tanks and discussed the recurring water quality issues with Curtin and the Navy. Recommendations were given to remedy the identified biological and VOC water quality exceedances. The water quality issues have since been corrected.

Produced Water Treatment Feasibility Study, Central Valley, California. Dr. Guillen led the development of a conceptual treatment system for the purification of produced water to irrigation water quality standards. Appropriate unit processes were selected and sized to treat 18 mgd of oily wastewater. Dr. Guillen created a cost model considering capital, O&M, and construction costs to help the client determine the potential cost of treating such a challenging water. A conceptual treatment plant site layout was produced to assist the client in finding partnering producers. Dr. Guillen provided technical assistance to the client at meetings with water purveyors and regulators in the Central Valley.

Well Rehabilitation Master Plans, Goleta Water District, Goleta, California. Dr. Guillen helped develop Master Plans for the Goleta Water District for the rehabilitation of several drinking water wells. Dr. Guillen led the evaluation of the iron and manganese treatment systems and provided operational and capital improvement recommendations to the District.

Recycled Water Feasibility Engineering Study, The Claremont Colleges, Pasadena, California. Dr. Guillen led the development of a recycled water feasibility study for The Claremont Colleges. Several different alternatives for bringing recycled water to The Claremont Colleges were evaluated. It was determined that the most feasible source of recycled water would be from an on-campus water reclamation facility drawing wastewater from the local sewer. Local wastewater availability, campus irrigation demands, and irrigation water quality requirements were evaluated. Stakeholders, conceptual treatment plant design, and funding opportunities were identified in the final feasibility report.

Steve Deering, PE

Principal in Charge / Technical Advisor

Steve Deering has been a principal engineer of Dudek for 30 years. He has over 40 years' experience with planning, designing, and managing water, wastewater, and reclaimed water facilities. With Dudek in the mid-1980s, he was an early advocate of the local benefits of recycled water facilities. Mr. Deering is also an advocate for the use of trenchless technologies for pipeline rehabilitation and for new pipeline installation, when appropriate. Because of Mr. Deering's outstanding technical knowledge, he is routinely called upon to participate on design review and value engineering teams.

EDUCATION

University of California, Berkeley
MS, Sanitary Engineering, 1977

Tufts University
BS, Civil Engineering, 1972

LICENSES AND CERTIFICATIONS

Professional Civil Engineer CA No. 26514
NASSCO PACP & MACP

PROFESSIONAL AFFILIATIONS

American Society of Civil Engineers (ASCE)
American Water Works Association (AWWA)
California Water Environment Association (CWEA)
Water Environment Federation (WEF)

Project Experience

Olivenhain Odor Study and Design, Olivenhain Municipal Water District, Encinitas, California. Mr. Deering served as Principal Engineer for the design for the Odor Control Upgrades at the Del Dios – Midpoint Sewer Pump Station (SPS) system. The design was predicated on the 2014 Odor Control Study Dudek performed for the District which involved wastewater sampling, hydrogen sulfide monitoring, theoretical hydrogen sulfide modeling, and recommendations to 1) install new chemical dosing equipment optimizing their use of calcium nitrate liquid chemical treatment, 2) replace the Bio-scrubber at Midpoint SPS with a robust activated carbon odor scrubber and 3) install wet well isolation check valves. As part of the actual design project, Dudek prepared plans and specifications, scrubber sizing calculations, design criteria for chemical dosing controller, miscellaneous mechanical modifications, and replacement of wetwell manholes with access hatches.

City of Oceanside, Sewer System Odor Control Study and Chemical Use Evaluation, Oceanside, California. Mr. Deering served as Principal-In-Charge for conduct of a comprehensive City-wide Odor Control Study and Chemical Use Evaluation (Study). The City system includes the San Luis Rey and La Salina Treatment Plants, 32 sewer lift stations, and 490 miles of sanitary sewer. Odor control and ultimately digester gas limitations for hydrogen sulfide concentration result in upstream treatment of a number of the sewers with chemical addition of nitrate salts, ferrous chloride, hydrogen peroxide, as well as ventilated scrubbers for atmospheric foul air at key pump stations, treatment plant headworks and key processes within the plants. More than a dozen odor complaint hot spots were field monitored with data loggers for hydrogen sulfide and headspace vacuum/pressure. Physical system modifications that would help control release of odors were recommended at a number of locations. Pomeroy-Parkhusrt hydrogen sulfide production modeling combined with EPA guidance for dosing was completed to compare chemical usage and cost for alternative types of chemicals. Pilot testing of the on one of the largest forcemain/siphon systems with Peroxide Regenerated Iron for Sulfide Control (PRI-SCR) was recommended as having potential for significant chemical savings and improved control of hydrogen sulfide release.

Vallecitos Odor Control Study, Vallecitos Water District, San Marcos, California. Mr. Deering served as Principal-In-Charge conducting a District-wide odor management study for the Vallecitos Water District. The field investigation work provided a snap-shot of atmospheric sulfide concentration and sewer relative vacuum/pressure at twelve trouble spots that are part of the work. Several of the hot spots were determined to result from low night-time flows in pump station and forcemain systems. Physical remedies were recommended for implementation where feasible. Other odor control methods recommended

included pH control with magnesium hydroxide to keep sulfides in solution. Oxygen, ozone, bio-stimulants such as Bioxide™, and other treatments were also considered. Lastly, where prevention of sulfides is not possible, or sensitivity of the public to odors is really high, then ventilation and various types of air scrubbers were recommended for supplemental odor control.

Willowgrove Avenue Parallel Collection Sewer, Padre Dam MWD, Santee, California. Project manager for the design of a parallel 8-inch collector sewer designed to avoid transmission of foul sewer gas from the parallel 24-inch sewer interceptor to residential receptors. Downstream construction of the 24-inch sewer with pipeline bursting in the past created full-pipe hydraulic conditions trapping foul air in the main line and causing the off-gas situation. Under Mr. Deering's guidance, Dudek performed hydraulic and foul air transport modeling and made final recommendations regarding how the foul air would be carried to the regional pump station for treatment with existing foul air biofilters. Final recommendations were made to mitigate the foul air emission conditions.

Rehabilitation of Orange County Sanitation District's (OCSD) Siphons, Orange County, California. OCSD has strict 'no odor" requirements for its regional wastewater transmission and treatment system. OCSD identified 16 siphons as likely sources of odor based on a Geographical Information System (GIS) analysis of odor complaints from the public. As project manager, Mr. Deering was responsible for field investigations of the inlet and outlet trunk sewers and the siphons, analysis of data, and final design of air jumpers for odor control/mitigation. The field investigations involved monitoring of upstream and downstream air flow rate and differential air pressure to determine if existing air jumpers were large enough to carry foul air around the inverted sewer siphons. Unique design methods were developed to predict maximum sewer air flow and for sizing air jumpers. Design included routing of air jumpers around the 16 siphons including some of the busiest boulevard intersections in Orange County. Unique designs were developed to minimize vertical height needed and to accommodate changes in direction, while still maintaining condensate drainage.

Sewer Odor Study, City of Poway, Poway, California. Principal Enginer for Poway Odor Control Study investigated six odor hot spots located throughout the City's sewer collection system. The investigation was comprised of five separate tasks to determine the source of the odor and develop potential solutions to minimize odor complaints. The tasks included:

- Collecting and reviewing background data such as historical hydrogen sulfide levels, sewer main record drawings, and odor compliant location and frequency.
- Field investigation including deployment of hydrogen sulfide monitors and differential pressure monitors to record vapor h2s concentrations and determine potential sources of odor.
- Analysis of field collected data and development and evaluation of alternative solutions to minimize odor complaints
- Review workshop with the City to discuss preliminary findings, potential odor control solutions, type of control, implementation costs, ease of operability and maintenance
- Draft the Odor Control Study Report summarizing existing conditions, background on odor control generation and treatment, summary of the alternatives evaluated, the findings of the alternative evaluation, results of the cost estimates and recommendations

Brian Tran, EIT

Project Engineer/Field Work

Brian Tran is a project engineer focused on water and wastewater projects, emphasizing on infrastructure planning and development. His project experience includes pipeline, pump stations, and water basins. He also has experience in sewer collection systems odor control and rehabilitation. He has been involved in all stages of the engineering process including conceptual planning, design, and construction assistance services.

EDUCATION

San Diego State University
BS, Civil Engineering, 2013

CERTIFICATIONS

Engineer-In-Training
EIT No. 153966

PROFESSIONAL AFFILIATIONS

American Water Works Association
American Society of Civil Engineers

Project Experience

Sewer System Odor Control Study, City of Poway, Poway, CA. Project Engineer responsible for coordinating and implementing a monitoring, sampling, and wastewater-testing plan for a large sewer collection area to develop cost-effective odor control solutions for City-identified hot spots. Responsibilities included collecting and analyzing data; preparing a presentation for the City and clarifying findings and conclusions; and being the lead author on the report submitted to the City.

Del Dios – Midpoint SPS System Odor Control Study, Olivenhain Municipal Water District, Encinitas, CA. Project Engineer responsible for coordinating and implementing a monitoring, sampling, and wastewater-testing plan for a sewer pump station system. Responsibilities included collecting and analyzing data included ambient H_2S concentrations, dissolved sulfides, deferential sewer pressures, wastewater pH, and wastewater oxidation-reduction potential; developing theoretical odor generation models, calibrated with field measurements, to predict the concentration of odor causing compounds and to evaluate competing chemical treatment alternatives; preparing a presentation for the District and clarifying findings and conclusions; and being the lead author on the report submitted to the District.

Sewer System Odor Control Study and Chemical Use, City of Oceanside, California. Project Engineer for a comprehensive citywide Odor Control Study and Chemical Use Evaluation of all City systems, which include the San Luis Rey and La Salina Treatment Plants, 32 sewer lift stations, and 490 miles of sanitary sewer. The Dudek team recommended odor control and ultimately digester gas limitations for hydrogen sulfide concentrations. This resulted in upstream treatment of a number of the sewers with a chemical addition of nitrate salts, ferrous chloride, and hydrogen peroxide. Also added were ventilated scrubbers for atmospheric foul air at key pump stations, treatment plant headworks, and key processes within the plants.

Additional findings of the investigation included over a dozen hot spots that were field monitored with data loggers for hydrogen sulfide and headspace vacuum/pressure. Dudek recommended physical system modifications to control release of odors. Pomeroy-Parkhurst hydrogen sulfide production modeling combined with EPA guidance for dosing compared chemical usage and cost for alternative types of chemicals. Pilot testing of the largest forcemain/siphon systems with Peroxide Regenerated Iron for Sulfide Control (PRI-SCR) was suggested for potential significant chemical savings and improved control of hydrogen sulfide release.

As Needed Engineering Services, Leucadia Wastewater District, Carlsbad, California. Project Manager and Development Engineering responsible for ensuring all developmental projects within District boundaries comply with all District requirements and standard specifications. Projects typically consist of

review and approval of developmental procedures, sewer permitting, and construction inspection of wastewater infrastructure. As Project Manager, responsible for maintaining close client relationships, overview of project budgets and invoicing, and tracking over 30 active projects simultaneously.

As Needed Engineering Services, Joshua Basin Water District, Joshua Tree, California. Project engineer responsible for assisting with construction inspection, coordination, plan checking, and engineering design services. The project included various capital improvements projects vital for continuing water supply and the institution of emergency water supply alternatives.

FY 12/13 Sewer Lining Repair, City of South Pasadena, South Pasadena, California. Project engineer responsible for creating plan and profile sewer drawings with AutoCAD to aid with the rehabilitation construction of South Pasadena sewer pipeline. The project consisted of the design of the first phase of the City's sewer rehabilitation and replacement program. The project included reviewing CCTV inspection videos for 221 sewer segments to determine the recommended rehabilitation or repair strategy for each pipe. The resulting improvements included CIPP lining of approximately 58,000 lf of pipe ranging in diameter from 6-inch to 18-inch, open trench replacement of approximately 4,000 lf of 6-inch and 8-inch pipe, numerous in-situ and open trench point repairs of short defects, and other minor repairs to lateral connections and manholes. The work included analysis of constructability and access constraints for pipes located outside of the street right-of-way to appropriately account for costs in contractor bids.

Hi-Desert Medical Center Wastewater Treatment Plant, Joshua Basin Water District, Joshua Tree, California. Project engineer responsible for checking and verifying construction submittal conformance to Joshua Basin Water District Basic requirements and project Technical Specifications. The project consisted of the construction of the area's first wastewater treatment plant. This project included the construction and installation of a packaged upflow sludge blanket treatment system capable of treating 75,000 gallons per day of wastewater. This treatment facility services the adjacent Hi-Desert Medical Center, which is the area's largest hospital and allows the facility to construct a necessary expansion.

Sanitary Sewer Overflow Remediation Protocol, Leucadia Wastewater District, Carlsbad, CA. Project Engineer responsible for producing a systematic remediation protocol in the case of a sanitary sewer overflow (SSO) of 1,000 gallons or more reaches surface water within the District's jurisdictional area. Responsibilities include evaluation of several high-risk sewer spill scenarios, analysis of biological impacts of SSOs to surface waters, creating an SSO remediation assessment process, and developing a remediation protocol for District implementation.

Sewer, Water, Arterial, Paving (SWAP) Improvement Projects, City of Del Mar, CA. Project Engineer responsible for assistance in construction-phase services for the construction of an 8-inch recycled water main in the City of Del Mar and Solana Beach. Responsibilities include review of project submittals, responding to RFIs, and coordination with project construction manager.

Temporary Fire Protection Storage for Alta Mira and Blue Crystal Reservoirs, City of Poway, Poway, CA. Project Engineer responsible for identifying means of taking two water reservoirs offline for an extended period to allow for tank rehabilitation while maintaining operational demands and fire flow system functionality. Responsibilities include sizing standby power generators for two of the City's potable water pump stations; calculating operational demand, fire flow, and emergency storage requirements of temporary water storage during the 1.0 and 0.75 MG reservoir rehabilitation; and writing a technical memorandum documenting project findings and recommendations.

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL II.G

December 8, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Authorize Staff to Accept Land Donation from Charles White and Complete the Necessary Documentation – G. Poole

RECOMMENDED ACTION: Accept land donation from Charles White and authorize staff to complete the necessary documentation.

ITEM DESCRIPTION: Charles White is offering another parcel of land to BWD as a donation. This new parcel is adjacent to another one of Mr White's donations. Staff is requesting authorization from the Board to accept the donation prior to the end of 2017 and create the necessary documents.

FISCAL IMPACT: None at this time

ATTACHMENTS: Map and property information to be provided at the meeting

Item III A Financials

	C	D	CA	CB	CC	CD	CH
1	**BWD**		06/09/16				
2	**CASH FLOW**		ADOPTED	Actual	Projected	Actual	Actual YTD
3	**2016-2017**		BUDGET	October	October	YTD	and Projected
4			2016-2017	2016	2016	2016-2017	
5	**REVENUE**						
6	WATER REVENUE						
7	Residential Water Sales		1,149,431	87,877	102,999	435,882	1,166,705
8	Commercial Water Sales		160,956	13,865	14,443	51,582	154,738
9	Irrigation Water Sales		176,219	25,686	21,810	90,889	194,171
10	GWM Surcharge		145,959	13,625	13,464	61,819	154,784
11	Water Sales Power Portion		463,059	30,689	43,559	171,961	463,391
12	**TOTAL WATER COMMODITY REVENUE:**		2,095,624	171,741	196,275	811,452	2,133,108
13							
14	Readiness Water Charge		997,818	86,829	84,149	367,573	1,046,648
15	RH Golf Course surplus capacity lease		0	0	0	-	-
16	Meter Installation		0	0	0	-	-
18	Reconnect Fees		2,380	0	0	340	2,040
19	Backflow Testing/installation		6,500	0	0	-	6,500
20	Bulk Water Sales		0	0	0	24	24
21	Penalty & Interest Water Collection		10,000	4,756	830	11,069	17,729
22	**TOTAL WATER REVENUE:**		3,112,323	263,326	281,254	1,190,458	3,206,049
23		Receivables					
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES	as of 11/01/16					
25	641500 1% Property Assessments	65,446	65,000	862	862	2,272	64,234
26	641502 Property Assess wtr/swr/fld	106,263	106,212	0	0	-	104,495
28	641501 Water avail Standby	97,786	82,467	777	777	1,091	80,498
30	641504 ID 3 Water Standby (La Casa)	35,107	33,722	21	21	154	33,525
31	641503 Pest standby	19,708	17,885	86	86	129	17,592
32	**TOTAL PROPERTY ASSES/AVAIL CHARGES:**	324,310	305,286	1,747	1,747	3,646	300,343
33							
34	SEWER SERVICE CHARGES						
35	Town Center Sewer Holder fees		393,398	18,199	18,199	68,932	214,521
36	Town Center Sewer User Fees		103,158	6,773	6,773	31,895	86,081
37	Sewer user Fees		256,294	22,323	20,000	91,381	251,381
39	Penalty Interest-Sewer			1,759	0	2,985	2,985
41	**TOTAL SEWER SERVICE CHARGES:**		752,850	49,055	44,972	195,193	554,968
42							
43	OTHER INCOME						
47	Miscellaneous Income (net csd fee)			40	0	5,157	5,157
48	Water Credits income/Gain on Asset Sold			0	0	500	500
52	Interest Income		49	32	17	32	64
53	**TOTAL OTHER INCOME:**		49	72	17	5,689	5,721
54							
55	**TOTAL INCOME:**		4,170,507	314,200	327,990	1,394,987	4,067,081
56							
57	CASH BASIS ADJUSTMENTS						
58	Decrease (Increase) in Accounts Receivable			12,290		(71,143)	(71,143)
60	Deposits					(7,860)	(7,860)
61	Other Cash Basis Adjustments					-	-
62	**TOTAL CASH BASIS ADJUSTMENTS:**			12,290		(79,003)	(79,003)
63							
64	**TOTAL INCOME RECEIVED:**		4,170,507	326,490	327,990	1,316,665	3,988,759

	CI	CJ	CK	CL	CM	CN	CO	CP	CQ
1									
2	PROJECTED	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	CASH FLOW	November	December	January	February	March	April	May	June
4	2016-2017	2016	2016	2017	2017	2017	2017	2017	2017
5									
6									
7	730,823	100,800	87,998	65,824	77,413	73,935	110,297	88,194	126,362
8	103,156	13,024	12,272	10,643	11,788	12,111	16,772	13,421	13,125
9	103,282	15,872	11,698	6,674	8,685	9,876	16,557	15,174	18,746
10	92,965	12,510	10,828	8,006	9,625	9,549	14,139	14,155	14,155
11	291,430	40,474	35,033	25,900	31,139	30,893	43,667	41,265	43,058
12	1,321,655	182,680	157,829	117,047	138,650	136,364	201,431	172,208	215,446
13									
14	679,075	84,682	84,492	84,087	85,163	85,163	85,163	85,163	85,163
15	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0
18	1,700	340	680	0	0	340	0	340	0
19	6,500	0	0	0	6,500	0	0	0	0
20	0	0	0	0	0	0	0	0	0
21	6,660	840	830	840	830	830	830	830	830
22	2,015,591	268,542	243,831	201,974	231,143	222,697	287,424	258,541	301,439
23									
24									
25	61,961	1,852	21,205	10,235	1,107	2,102	15,638	9,622	200
26	104,495	985	5,115	49,490	594	693	1,056	46,262	300
28	79,407	4,011	22,571	26,716	2,542	3,015	3,732	14,821	2,000
30	33,371	532	3,922	14,464	151	889	396	12,527	490
31	17,463	86	2,936	7,044	311	416	651	5,498	523
32	296,697	7,465	55,749	107,949	4,705	7,114	21,472	88,729	3,513
33									
34									
35	145,589	18,199	18,199	18,199	18,199	18,199	18,199	18,199	18,199
36	54,186	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773
37	160,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
39	0	0	0	0	0	0	0	0	0
41	359,775	44,972	44,972	44,972	44,972	44,972	44,972	44,972	44,972
42									
43									
47	0	0	0	0	0	0	0	0	0
48	0	0	0	0	0	0	0	0	0
52	32	0	0	0	0	0	16	0	16
53	32	0	0	0	0	0	16	0	16
54									
55	2,672,094	320,979	344,552	354,895	280,820	274,783	353,884	392,242	349,939
56									
57									
58									
60									
61									
62									
63									
64	2,672,094	320,979	344,552	354,895	280,820	274,783	353,884	392,242	349,939

	C	D	CA	CB	CC	CD	CH
1	**BWD**		06/09/16				
2	**CASH FLOW**		ADOPTED	Actual	Projected	Actual	Actual YTD
3	**2016-2017**		BUDGET	October	October	YTD	and Projected
4			2016-2017	2016	2016	2016-2017	
65	**EXPENSES**						
66							
67	MAINTENANCE EXPENSE						
68	R & M Buildings & Equipment		185,000	19,654	15,500	55,266	179,266
69	R & M - WWTP		150,000	93	12,500	12,611	112,611
70	Telemetry		10,000	1,133	840	2,715	9,435
71	Trash Removal		4,000	298	310	1,194	3,964
72	Vehicle Expense		18,000	846	1,500	11,882	23,882
73	Fuel & Oil		25,000	542	2,100	4,325	21,125
74	**TOTAL MAINTENANCE EXPENSE:**		392,000	22,568	32,750	87,992	350,282
75							
76	PROFESSIONAL SERVICES EXPENSE						
77	Tax Accounting (Taussig)		3,000	0	0	2,596	3,596
78	Administrative Services (ADP/Bank Fees)		3,500	209	250	835	3,335
79	Audit Fees		14,995	0	0	9,626	14,624
80	Computer billing		12,000	0	0	2,359	14,359
81	Consulting/Technical/Contract Labor		1,200	0	100	-	800
82	Engineering		35,000	53,853	2,500	17,924	41,924
83	District Legal Services		30,000	2,089	2,500	3,327	23,327
84	Testing/lab work		12,000	1,645	1,000	2,893	10,893
85	Regulatory Permit Fees		46,000	400	21,500	2,639	46,639
86	**TOTAL PROFESSIONAL SERVICES EXPENSE:**		157,695	58,196	27,850	42,198	159,496
87							
88	INSURANCE/DEBT EXPENSE						
89	ACWA Insurance		60,000	25,246	25,246	25,246	60,576
90	Workers Comp		16,800	0	0	3,993	16,593
91	COP 2008 Installment		253,113	0	0	200,688	253,113
92	Viking Ranch Debt Payment		143,312	0	0	35,909	143,394
93	**TOTAL INSURANCE/DEBT EXPENSE:**		473,225	25,246	25,246	265,836	473,675
94							
95	PERSONNEL EXPENSE						
96	Board Meeting Expense (board stipend/board secretary)		18,500	1,468	1,680	3,653	17,113
97	Salaries & Wages (gross)		791,000	63,591	64,237	306,989	837,720
98	Taxes on Payroll		21,300	1,611	1,000	7,541	25,041
99	Medical Insurance Benefits		210,400	16,079	17,200	87,703	212,103
100	Calpers Retirement Benefits		171,000	8,241	8,100	100,199	164,999
101	Salaries & Wages contra account		(18,500)	(1,205)	(1,680)	(2,740)	(16,200)
102	Conference/Conventions/Training/Seminars		7,000	0	100	2,715	6,696
103	**TOTAL PERSONNEL EXPENSE:**		1,200,700	89,786	90,637	506,059	1,247,471
104							
105	OFFICE EXPENSE						
106	Office Supplies		18,000	1,450	2,667	12,445	24,196
107	Office Equipment/ Rental/Maintenance Agreements		40,000	2,014	1,040	12,755	36,235
108	Postage & Freight		15,000	2,009	2,100	4,137	12,937
109	Taxes on Property		2,400	2,279	2,253	2,331	2,478
110	Telephone/Answering Service		8,600	1,247	716	3,091	8,827
111	Dues & Subscriptions		3,600	114	100	881	4,170
112	Printing, Publications & Notices		3,000	111	475	162	1,487
113	Uniforms		5,400	377	450	1,550	5,150
114	OSHA Requirements/Emergency preparedness		4,000	283	350	1,110	3,760
115	**TOTAL OFFICE EXPENSE:**		100,000	9,883	10,151	40,392	101,171
116							
117	UTILITIES EXPENSE						
118	Pumping-Electricity		350,000	29,119	32,350	112,353	337,399
119	Office/Shop Utilities		25,000	2,635	2,050	9,984	26,734
120	Cellular Phone		7,500	647	625	3,575	8,575
121	**TOTAL UTILITIES EXPENSE:**		382,500	32,401	35,025	123,098	369,895
122							
123	**TOTAL EXPENSES:**		2,706,119	238,080	221,659	1,065,575	2,701,990
124							
125	CASH BASIS ADJUSTMENTS						
126	Decrease (Increase) in Accounts Payable			34,244		48,795	48,795
127	Increase (Decrease) in Inventory			(2,372)		9,466	9,466
128	Other Cash Basis Adjustments					-	-
129	**TOTAL CASH BASIS ADJUSTMENTS:**			31,872		58,261	58,261
130							
131	**TOTAL EXPENSES PAID:**		2,706,119	269,952	221,659	1,123,836	2,760,251
132							
133	**NET CASH FLOW (O&M)**		1,464,388	56,538	106,332	192,829	1,228,508

	CI	CJ	CK	CL	CM	CN	CO	CP	CQ
1									
2	PROJECTED	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	CASH FLOW	November	December	January	February	March	April	May	June
4	2016-2017	2016	2016	2017	2017	2017	2017	2017	2017
65									
66									
67									
68	124,000	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
69	100,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
70	6,720	840	840	840	840	840	840	840	840
71	2,770	310	300	360	360	360	360	360	360
72	12,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
73	16,800	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
74	262,290	32,750	32,740	32,800	32,800	32,800	32,800	32,800	32,800
75									
76									
77	1,000	0	0	0	0	0	0	0	1,000
78	2,500	500	250	500	250	250	250	250	250
79	4,998	4,998	0	0	0	0	0	0	0
80	12,000	0	0	0	0	0	0	0	12,000
81	800	100	100	100	100	100	100	100	100
82	24,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
83	20,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
84	8,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
85	44,000	20,000	10,200	4,300	1,600	5,500	1,000	900	500
86	117,298	32,098	17,050	11,400	8,450	12,350	7,850	7,750	20,350
87									
88									
89	35,330	0	0	0	0	35,330	0	0	0
90	12,600	0	4,200	0	0	4,200	0	0	4,200
91	52,425	0	0	0	0	52,425	0	0	0
92	107,484	35,828			35,828			35,828	
93	207,839	35,828	4,200	0	35,828	91,955	0	35,828	4,200
94									
95									
96	13,460	1,690	1,680	1,680	1,690	1,680	1,680	1,680	1,680
97	530,731	71,356	65,856	65,856	64,237	67,476	62,618	67,476	65,856
98	17,500	1,000	1,000	5,000	2,400	1,600	1,800	2,200	2,500
99	124,400	17,200	17,200	18,000	18,000	18,000	18,000	18,000	0
100	64,800	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100
101	(13,460)	(1,690)	(1,680)	(1,680)	(1,690)	(1,680)	(1,680)	(1,680)	(1,680)
102	3,981	400	1,000	600	555	400	300	600	126
103	741,412	98,056	93,156	97,556	93,292	95,576	90,818	96,376	76,582
104									
105									
106	11,752	1,703	1,299	1,250	1,500	1,500	1,500	1,500	1,500
107	23,480	1,815	4,300	1,810	4,055	1,500	4,000	1,500	4,500
108	8,800	181	2,100	69	2,100	75	2,100	75	2,100
109	147	147	0	0	0	0	0	0	0
110	5,736	717	717	717	717	717	717	717	717
111	3,289	100	100	200	134	200	2,360	50	145
112	1,325	150	150	150	150	116	150	150	309
113	3,600	450	450	450	450	450	450	450	450
114	2,650	350	350	300	350	300	350	300	350
115	60,779	5,613	9,466	4,946	9,456	4,858	11,627	4,742	10,071
116									
117									
118	225,047	30,311	26,986	23,849	25,554	25,633	29,714	31,000	32,000
119	16,750	2,100	2,050	2,100	2,100	2,100	2,050	2,200	2,050
120	5,000	625	625	625	625	625	625	625	625
121	246,797	33,036	29,661	26,574	28,279	28,358	32,389	33,825	34,675
122									
123	1,636,415	237,381	186,273	173,276	208,105	265,897	175,484	211,321	178,678
124									
125									
126									
127									
128									
129									
130									
131	1,636,415	237,381	186,273	173,276	208,105	265,897	175,484	211,321	178,678
132									
133	1,035,679	83,598	158,279	181,619	72,715	8,886	178,400	180,921	171,261

	C	D	CA	CB	CC	CD	CH
1	**BWD**		06/09/16				
2	**CASH FLOW**		ADOPTED	Actual	Projected	Actual	Actual YTD
3	**2016-2017**		BUDGET	October	October	YTD	and Projected
4			2016-2017	2016	2016	2016-2017	
134	**NON O & M EXPENSES**						
135	**Water**						
136	Twin Tanks, 1970's-inside coating		125,000			-	125,000
137	Pickup		35,000			42,607	42,607
140	Pipeline replacements		30,000	9,026		10,895	30,000
142	Pump and Cleaning Well ID4-4-Wells-ID1-12/ID4-4		150,000		35,000	-	115,000
143	Booster Station 1 Rehab		40,000			-	40,000
147	New 800 Reservoir		500,000		250,000	-	500,000
148	Transmission mains for new 800 Reservoir		100,000			-	100,000
149	Environmental review for water storage infrastructure		50,000		10,000	-	50,000
150	Engineering analysis for water storage infrastructure		75,000	11,603	7,300	12,346	74,250
151							-
152	**TOTAL WATER NON O&M**		1,105,000			65,848	1,076,857
153	**Sewer**						
155	WWTP-Back up Generator/Portable engine driven trash pump		26,000			29,773	29,773
165	Transfer Switch		20,000			10,037	10,037
166	Return Pump		8,500			-	-
167	Fence at ponds WWTP		15,000			-	15,000
168							
169	**TOTAL SEWER NON O&M**		69,500			39,810	54,810
170	**NON-CIP**						
172	GWM -legal/Misc.-prop 1 grant/USGS		60,000		5,000	190	45,190
173	District portion of GSP/Interium General Manager support		204,000	7,650	24,000	47,234	144,234
185	**TOTAL GWM NON O&M**		264,000			47,424	189,424
186	**OTHER**						-
201	Air Photo Imagery		10,000			-	10,000
202			10,000			-	10,000
203	**TOTAL NON O&M EXPENSES**		1,448,500	28,279	331,300	153,081	1,331,090
204							
205	**CASH RECAP**						
206	Cash beginning of period		3,257,872	3,269,361	3,269,361	3,257,872	3,044,393
207	Net Cash Flow (O&M)		1,464,388	56,538	106,332	192,829	1,228,508
208	Total Non O&M Expenses		(1,448,500)	(28,279)	(331,300)	(153,081)	(1,331,090)
209	**CASH AT END OF PERIOD**		3,273,759	3,297,619	3,044,393	3,297,619	2,941,810
210							
211	**RESERVES**						
212	Debt Reserves		(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
213	Working Capital-Water (4 months)		(600,000)	(900,000)	(600,000)	(900,000)	(600,000)
217	Contingency Reserves (10% O&M)		(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
218	Rate Stabilization Reserves		(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
219	Available for Emergency Reserves		928,759	1,247,619	699,393	1,247,619	596,810
220	**Target Emergency Reserves**		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
221	**Emergency Reserves Deficit**		(1,071,241)	(752,381)	(1,300,607)	(752,381)	(1,403,190)
222							
223	**SIGNIFICANT ITEMS**	ACTUAL	PROJECTED				
224							
225	Total Water Revenue	263,326	281,254	(17,928)	Res usage down 9912 units from 10/31/15		
226	Tota Maintenance Expense	22,568	32,750	(10,182)	No purchases for the WWTP		
227	Total Professional Expense	53,835	2,500	51,335	Reimbursed $49,436 in Sept		

	CI	CJ	CK	CL	CM	CN	CO	CP	CQ
1									
2	PROJECTED	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	CASH FLOW	November	December	January	February	March	April	May	June
4	2016-2017	2016	2016	2017	2017	2017	2017	2017	2017
134									
135									
136	125,000					125,000			
137	0								
140	19,105	2,500	2,500	2,500	2,500	2,500	2,500	2,500	1,605
142	115,000		25,000		30,000		30,000		30,000
143	40,000	0		40,000					
147	500,000		0			250,000		250,000	
148	100,000			50,000	50,000				
149	50,000	12,500	12,500	12,500	12,500				
150	61,904	15,000	15,000	15,000	16,904				
151									
152	1,011,009								
153									
155	0								
165	0								
166	0								
167	15,000	0			15,000				
168									
169	15,000								
170									
172	45,000	5,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000
173	97,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	13,000
185	142,000								
186									
201	10,000					10,000			
202	10,000								
203	1,178,009	47,000	72,000	137,000	144,904	405,500	50,500	270,500	50,605
204									
205									
206	3,297,619	3,297,619	3,334,218	3,420,497	3,465,115	3,392,927	2,996,313	3,124,213	3,034,634
207	1,035,679	83,598	158,279	181,619	72,715	8,886	178,400	180,921	171,261
208	(1,178,009)	(47,000)	(72,000)	(137,000)	(144,904)	(405,500)	(50,500)	(270,500)	(50,605)
209	3,155,290	3,334,218	3,420,497	3,465,115	3,392,927	2,996,313	3,124,213	3,034,634	3,155,290
210									
211									
212	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)
213	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
217	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(270,000)
218	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)	(480,000)
219	810,290	989,218	1,075,497	1,120,115	1,047,927	651,313	779,213	689,634	810,290
220	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
221	(1,189,710)	(1,010,782)	(924,503)	(879,885)	(952,073)	(1,348,687)	(1,220,787)	(1,310,366)	(1,189,710)
222									
223									
224									
225									
226									
227									

BORREGO WATER DISTRICT

ASSETS:	BALANCE SHEET October 31, 2016 (unaudited)	BALANCE SHEET September 30, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT ASSETS			
Cash and cash equivalents	$ 3,297,619.48	$ 3,269,361.28	$ 28,258.20
Accounts receivable from water sales and sewer charges	$ 453,982.67	$ 466,272.68	$ (12,290.01)
Interest receivable	$ -	$ -	$ -
Inventory	$ 124,231.83	$ 126,603.50	$ (2,371.67)
Availability charges receivable	$ -	$ -	$ -
Allowance for uncollectable availability charges	$ -	$ -	$ -
Grant Receivable	$ -	$ -	$ -
Prepaid expenses	$ 31,969.89	$ 58,369.89	$ (26,400.00)
Other Receivables	$ -	$ -	$ -
TOTAL CURRENT ASSETS	**$ 3,907,803.87**	**$ 3,920,607.35**	$ (12,803.48)
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	$ 112,546.17	$ 112,546.17	$ -
Deferred Outflow of Resources-calPERS	$ 244,883.00	$ 138,759.00	$ 106,124.00
Total Debt service	$ 357,429.17	$ 380,451.92	$ (23,022.75)
Trust fund:			
Investments with fiscal agent -CFD 2007-1	$ 117,565.22	$ 119,534.50	$ (1,969.28)
Total Trust fund	$ 117,565.22	$ 119,534.50	$ (1,969.28)
TOTAL RESTRICTED ASSETS	**$ 474,994.39**	**$ 499,986.42**	
UTILITY PLANT IN SERVICE			
Land	$ 2,328,663.65	$ 2,321,191.65	$ 7,472.00
Flood Control Facilities	$ 4,319,603.58	$ 4,319,603.58	$ -
Capital Improvement Projects	$ 305,949.46	$ 262,519.98	$ 43,429.48
Sewer Facilities	$ 5,887,919.81	$ 5,887,919.81	$ -
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	$ 433,383.77	$ 433,383.77	$ -
Vehicles	$ 582,802.28	$ 582,802.28	$ -
Accumulated depreciation	$ (12,137,990.70)	$ (12,141,280.70)	$ (3,290.00)
			$ -
NET UTILITY PLANT IN SERVICE	**$ 13,527,646.69**	**$ 13,473,455.21**	$ 54,191.48
OTHER ASSETS			
Water rights -ID4	$ 185,000.00	$ 185,000.00	$ -
TOTAL OTHER ASSETS	**$ 185,000.00**	**$ 185,000.00**	
TOTAL ASSETS	**$ 18,095,444.95**	**$ 18,079,048.98**	$ 16,395.97

Balance sheet continued

	BALANCE SHEET October 31, 2016 (unaudited)	BALANCE SHEET September 30, 2016 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES:			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	$ -	$ 34,243.61	$ (34,243.61)
Accrued expenses	$ 154,788.17	$ 146,789.17	$ 7,999.00
Deposits	$ 1,200.00	$ 1,200.00	$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	**$ 155,988.17**	**$ 182,232.78**	$ (26,244.61)
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	$ 117,565.22	$ 119,534.50	$ (1,969.28)
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	**$ 117,565.22**	**$ 119,534.50**	$ (1,969.28)
LONG TERM LIABILITIES			
2008 Certificates of participation	$ 2,330,000.00	$ 2,330,000.00	$ -
BBVA Compass Bank Loan	$ 1,013,962.32	$ 1,013,962.32	$ -
Net Pension Liability-calPERS	$ 693,352.00	$ 699,055.00	$ (5,703.00)
Deferred Inflow of Resources-calPERS	$ 246,389.00	$ 160,113.00	
TOTAL LONG TERM LIABILITIES	**$ 4,283,703.32**	**$ 4,203,130.32**	$ 80,573.00
TOTAL LIABILITIES	**$ 4,557,256.71**	**$ 4,504,897.60**	$ 52,359.11
FUND EQUITY			
Contributed equity	$ 9,611,814.35	$ 9,611,814.35	$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	$ 3,926,373.89	$ 3,962,337.03	$ (35,963.14)
Total retained earnings	$ 3,926,373.89	$ 3,962,337.03	$ (35,963.14)
TOTAL FUND EQUITY	**$ 13,538,188.24**	**$ 13,574,151.38**	$ (35,963.14)
TOTAL LIABILITIES AND FUND EQUITY	**$ 18,095,444.95**	**$ 18,079,048.98**	$ 16,395.97

BORREGO WATER DISTRICT

TREASURER'S REPORT
OCTOBER, 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	$ 3,351,058	$ 3,182,155	$ 3,182,155	95.84%	0.00%	N/A	UB
Payroll Account	$ 96,334	$ 94,362	$ 94,362	3.51%	0.00%	N/A	UB
LAIF	$ 21,103	$ 21,103	$ 21,103	0.65%	0.60%	N/A	LAIF
Total Cash and Cash Equivalents	$ 3,468,494	$ 3,297,619	$ 3,297,619	100.00%			
Facilities District No. 2007-1							
First American Treas Obligation -US BANK	$ 117,565	$ 117,565	$ 117,565				
Total Cash,Cash Equivalents & Investments	$ 3,372,263	$ 3,365,575	$ 3,365,575				

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 October, 2016

Vendor disbursements paid during this period:		**$**	**213,001.51**
Significant items:			
San Diego Gas & Electric		$	30,243.30
AT&T Risk Management-Damaged line repair charge		$	6,553.33
CalPERS Payments		$	11,287.75
Medical Health Benefits		$	19,500.61
ACWA/JPIA Auto & General Liability Insurance		$	25,246.00
Capital Projects/Fixed Asset Outlays:			
Pipeline repairs		$	9,026.38
Geotechnical investigaton for 900 tank		$	9,939.22
Total Professional Services for this Period:			
McDougal, Love, Eckis, Attorneys	Legal-general	$	2,089.23
Downey Brand, Attorneys	GWM		
Dudek Professional Services	GSP	$	7,650.00
(reimbursed)	RHGC	$	49,436.34
	Prepare Grants		
North Gardens Mgmnt.-David Dale	Survey 900 Tank	$	1,663.88
	General Engineering	$	2,251.13
Raftelis Financial Consultants	BWD Growth Study	$	553.75
Payroll for this Period:			
Gross Payroll		$	63,591.00
Employer Payroll Taxes and ADP Fee		$	1,811.00
Total		**$**	**65,402.00**

Accounts Payable

Checks by Date - Summary by Check Date

User: ezmeralda
Printed: 12/5/2016 9:46 AM

Check No	Vendor No	Vendor Name	Check Date	Check Amount
30897	3035	ACWA/JPIA	10/18/2016	25,246.00
30898	1132	AIRGAS USA,LLC	10/18/2016	120.14
30899	10849	AT& T RISK MANAGEMENT	10/18/2016	6,553.33
30900	61	AT&T MOBILITY	10/18/2016	669.34
30901	9255	BABCOCK LABRATORIES	10/18/2016	655.00
30902	9269	BENITO ARTEAGA	10/18/2016	118.79
30903	1003	BORREGO SPRINGS BOTTLED WATER	10/18/2016	14.09
30904	1037	BORREGO SUN	10/18/2016	55.50
30905	9517	JON LEE DBA/PUMP CHECK	10/18/2016	825.00
30906	1222	DEBBIE MORETTI	10/18/2016	122.00
30907	1208	PACIFIC PIPELINE SUPPLY INC	10/18/2016	2,732.14
30908	3011	PUBLIC EMP'S RETIREMENT SYSTEM	10/18/2016	6,190.14
30909	1033	QUILL CORPORATION	10/18/2016	515.89
30910	97	RESERVE ACCOUNT	10/18/2016	2,000.00
30911	1066	MANUEL RODRIGUEZ DE ANZA REAI	10/18/2016	239.88
30912	1114	ROGELIO MARTINEZ	10/18/2016	118.78
30913	3007	SAN DIEGO COUNTY TREASURER	10/18/2016	2,279.38
30914	1112	SAN DIEGO MAILING SOLUTIONS	10/18/2016	119.87
30915	9046	STATE WATER RESOURCE CONTROL	10/18/2016	230.00
30916	9385	TYCO INTEGRATED SECURITY LLC	10/18/2016	203.30
30917	92	XEROX FINANCIAL SERVICES	10/18/2016	377.88
			Total for 10/18/2016:	49,386.45
30918	1109	ABILITY ANSWERING/PAGING SER	10/26/2016	225.03
30919	1266	AFLAC	10/26/2016	1,517.86
30920	88	BORREGO AUTO PARTS, INC.	10/26/2016	720.15
30921	1003	BORREGO SPRINGS BOTTLED WATER	10/26/2016	8.00
30922	1196	CASH	10/26/2016	300.00
30923	96	DISH	10/26/2016	80.74
30924	9640	DUDEK	10/26/2016	49,436.34
30925	1067	KENNY STRICKLAND, INC.	10/26/2016	542.39
30926	9549	McDOUGAL LOVE ECKIS	10/26/2016	2,089.23
30927	1208	PACIFIC PIPELINE SUPPLY INC	10/26/2016	7,514.11
30928	10850	RAFTELIS FINANCIAL CONSULTANTS	10/26/2016	553.75
30929	1065	SAN DIEGO GAS & ELECTRIC	10/26/2016	30,243.30
30930	9046	STATE WATER RESOURCE CONTROL	10/26/2016	80.00
			Total for 10/26/2016:	93,310.90
30931	9159	AQUATIC INSPECTIONS	11/03/2016	4,600.00
30932	1037	BORREGO SUN	11/03/2016	55.50
30933	9640	DUDEK	11/03/2016	7,650.00
30934	9579	GREEN DESERT LANDSCAPE	11/03/2016	4,770.00
30935	9452	JIMMY'S EQUIPMENT & TURF SUPP.	11/03/2016	763.80
30936	93	MRC SMART TECHNOLOGY SOLUTIO	11/03/2016	912.49
30937	1489	NORTH COUNTY LAWNMOWER	11/03/2016	119.16

Check No	Vendor No	Vendor Name	Check Date	Check Amount
30938	1208	PACIFIC PIPELINE SUPPLY INC	11/03/2016	2,928.43
30939	3011	PUBLIC EMP'S RETIREMENT SYSTEM	11/03/2016	5,097.61
30940	1033	QUILL CORPORATION	11/03/2016	195.18
30941	9046	STATE WATER RESOURCE CONTROL	11/03/2016	90.00
30942	1027	VICTOR VALENTI CONTRON SCADA S	11/03/2016	1,133.40
			Total for 11/3/2016:	28,315.57
30943	3035	ACWA/JPIA	11/09/2016	19,500.61
30944	1001	AMERICAN LINEN INC.	11/09/2016	376.59
30945	61	AT&T MOBILITY	11/09/2016	659.12
30946	9529	AT&T-CALNET 2	11/09/2016	352.30
30947	1022	JAMES HORMUTH	11/09/2016	88.02
30948	65	JC LABS & MONITORING SERVICE	11/09/2016	1,500.00
30949	1016	NAPA AUTO PARTS INC	11/09/2016	7.55
30950	1623	WENDY QUINN	11/09/2016	312.50
30951	9633	RAMONA DISPOSAL SERVICE	11/09/2016	3,311.88
30952	3000	U.S.BANK CORPORATE PAYMENT SYS	11/09/2016	850.34
			Total for 11/9/2016:	26,958.91
30963	9255	BABCOCK LABRATORIES	11/17/2016	960.00
30964	1136	HOME DEPOT CREDIT SERVICES	11/17/2016	642.47
30965	9378	LANDMARK	11/17/2016	9,300.00
30966	84	NORTH GARDENS MANAGEMENT, LL	11/17/2016	3,915.01
30967	1059	STAPLES CREDIT PLAN	11/17/2016	198.70
30968	1023	UNDERGROUND SERVICE ALERT	11/17/2016	13.50
			Total for 11/17/2016:	15,029.68
			Report Total (62 checks):	213,001.51

GROUNDWATER MANAGEMENT
ACCOUNTING
FY 2017
Acct #10154800

MONTH	DOWNEY BRAND	DUDEK	MONTHLY TOTAL	FYE 2017 TOTAL
Jul-16			-	-
Aug-16	190.00	39,583.64	39,773.64	39,773.64
Sep-16			-	-
Oct-15		7,650.00	7,650.00	47,423.64
Total	190.00	47,233.64	47,423.64	47,423.64

ITEM III C
WATER AND WASTE WATER OPERATIONS REPORT

ITEM III D
WATER PRODUCTION /USE RECORDS

BORREGO WATER DISTRICT

BOARD OF DIRECTORS MEETING – DECEMBER 14, 2016

AGENDA BILL VI

December 8, 2016

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Informational Items Summary

A. ACWA Fall Conference
   1. H. Ehrlich
   2. G. Poole – Verbal Presentation and Handouts

Director Ehrlich and GM Poole attended different days of the ACWA Conference. Director Ehrlich's and GM Poole's Reports are attached.

B. 900 Tank Design - D. Dale

David Dale and Greg Holloway have been working hard and making great progress on the 900 Tank design. Flow tests have been conducted and adequate flows can be achieved at the tank site without any booster pumps. David and Greg have also come up with creative ideas for current and future pipeline configurations to maximize the benefit of the tank.

C. Review of new BWD Water Bills – J. Tatusko

Director Tatsuko asked for this item to be placed on the Agenda to allow for the Board to discuss the new water bill format.

D. Grant Funding Update – Prop One and USDA – J. Tatusko

Director Tatusko, GM Poole and DE Dale will update the Board on the current status of Prop 1 and USDA grant programs.

Harry Ehrlich, SDA
PO Box 247
Borrego Springs, CA 92004
760.415-6148
ehrlichprs@gmail.com

December 01, 2016

To: Borrego Water District Board of Directors
Geoff Poole, General Manager
From: Harry Ehrlich, ACWA/JPIA Representative

RE: ACWA/JPIA Annual Meeting on November 28-29, 2016

As the recently appointed Director Representative to the ACWA/JPIA, I attended the Annual Meeting and training in Anaheim on November 28-29, 2016. I was pleased with the quality of the programs, the organization of the meetings and many of the topics covered over the two days. I am attaching a couple of examples to show the program highlights and some important information on present and projected issues of insurance coverages and costs that will impact the BWD in the coming years. I am comfortable that ACW/JPIA is doing a good job panning for these issues and we need to be keeping our focus on them to plan for the Risk Management for the District.

As you will see, the District has been recognized for our experience factors of being in the lower than twenty percent (20%) or less Loss Ration in all three of the insurance programs: Liability, Property and Workers' Compensation Programs. For this achievement the District is receiving the "President's Special Recognition Award" that will be mailed to the District soon.

Other important topics included: Cost Drivers for future costs for coverages including health and liability programs; Goals & Objectives for the 2015-16 and 2016-17 years; receipt of the Certificate of Achievement for Excellence in Financial Reporting by GFOA for the fiscal year ending September 30, 2015; and discussion of possible program savings efforts for the upcoming 1-5 years.

I also attended the AB1825 & AB2053 training for Sexual Harassment Prevention for Board Members & Managers that is required of all new Board Members and each two years. It was a well presented workshop by two lawyers. There was also a session structured as a mock trial – "On Trial: Your Water District" that

presented the life like facts and trial of a sexual harassment and retaliation case against a water district and General Manager. It presented the real life example of what could happen when actions take place dealing with sensitive human resources issues.

I appreciate the Board of Directors appointing me to be the District representative and will continue to monitor JPIA efforts and needs as they take place.

If you have any questions I will be glad to expand on them at the Board Meeting or as needed.

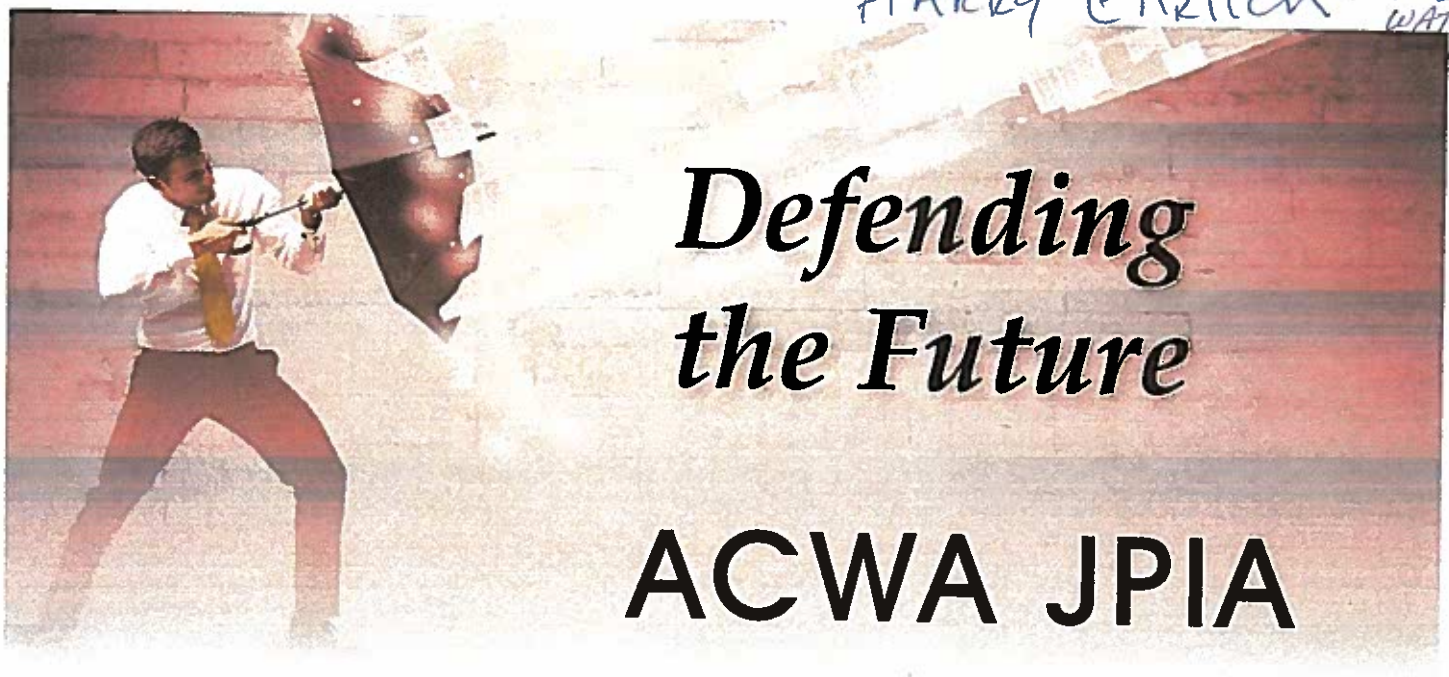
Respectfully submitted by:

Harry Ehrlich, SDA

Board Member

Enclosures

Harry Ehrlich - Borre Water Dis



2016 Fall Conference Packet

ACWA JPIA
YOUR BEST PROTECTION

November 28, 2016

Marriott Hotel - Anaheim, CA

800.231.5742 — www.acwajpia.com

ACWA JPIA
Pooled Programs Update
November 28, 2016

BACKGROUND
The JPIA has four major pooled programs. The Liability Program began in 1979, the Property Program began in 1982, and the Workers' Compensation Program began in 1984. Administration of the Employee Benefits Program by the JPIA became effective July 2012. Each of the programs are administered as separate programs and members choose in which programs they wish to participate. Most members participate in all four programs.

CURRENT SITUATION
Staff will review highlights for each program for the respective 2015-2016 policy year.

RECOMMENDATION
None, informational only.

Prepared by: Walter "Andy" Sells, CEO

Date prepared: October 28, 2016

ACWA JPIA
Program Highlights

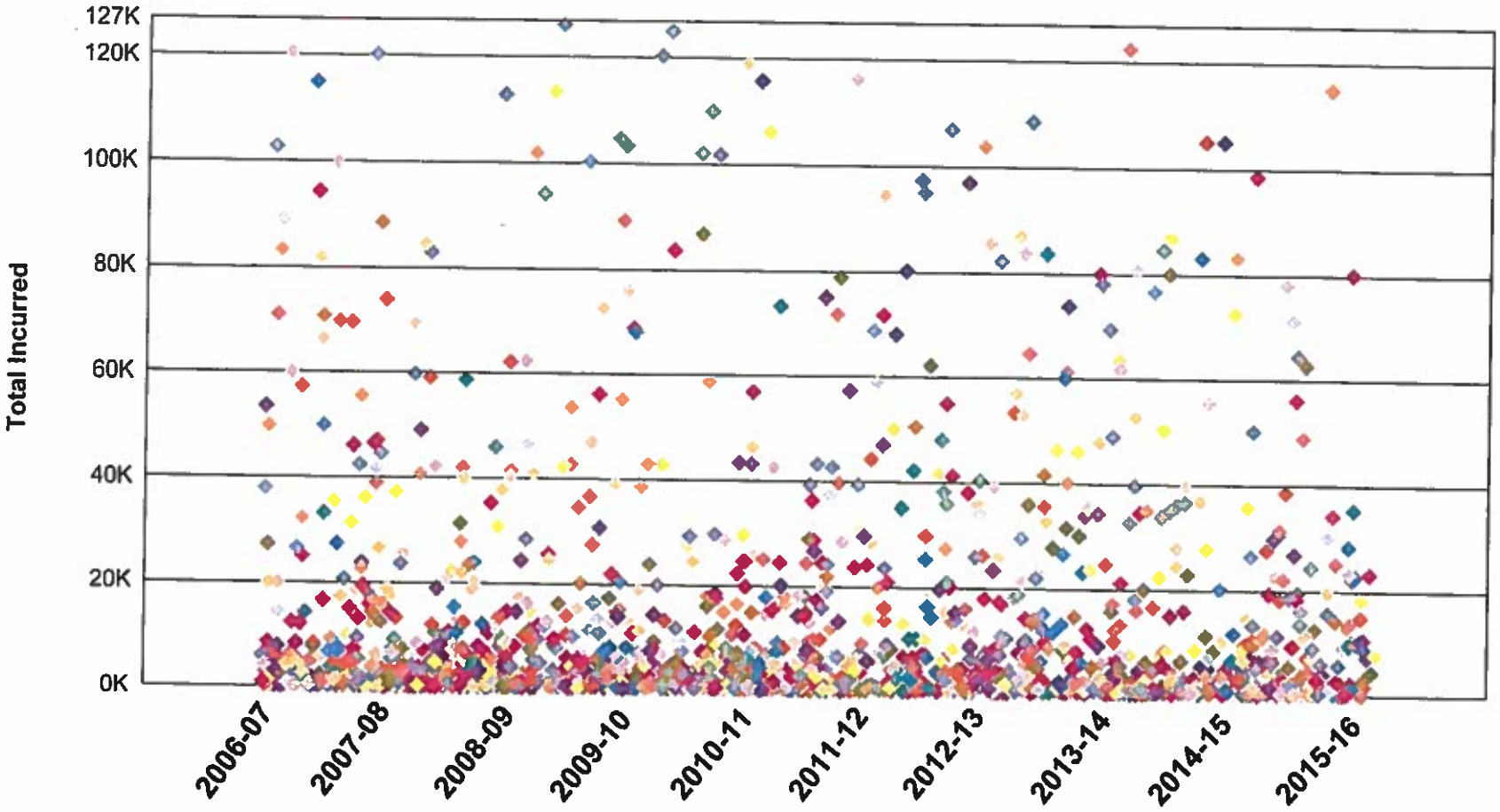
I. Liability Program
   a. 2016-17 policy year renewed with a $5 million Self Insured Retention (SIR)
   b. SIR history:
      i. 1979 – 2005: $500 thousand
      ii. 2006 – 2011: $1 million
      iii. 2012 – 2016: $2 million
   c. 10 year trend analysis
   d. Two important appellate rulings
      i. Bertsch vs. Mammoth Community Services District
      ii. United National Insurance vs. Weaverville Community Services District

II. Property Program
   a. $150 million in limits
   b. Flood insurance – $25 million
   c. Earthquake insurance – $2.5 million
   d. Natural Disaster Fund – goal of $10 million
   e. Auxiliary services:
      i. Pressure vessel testing
      ii. Infrared testing

III. Workers' Compensation Program
   a. $2 million SIR
   b. Legislative changes
      i. AB 1124 –
      ii. SB 1160 –
   c. Temporary disability rates rising to $1,172.57 per week from $1,128.43 per week

IV. Employee Benefits Program
   a. Medical trend for 2017 – 7%; Rx – 12%
   b. Dental ≈ 8,500 enrollees, stable
   c. Vision – 7,200 enrollees, stable

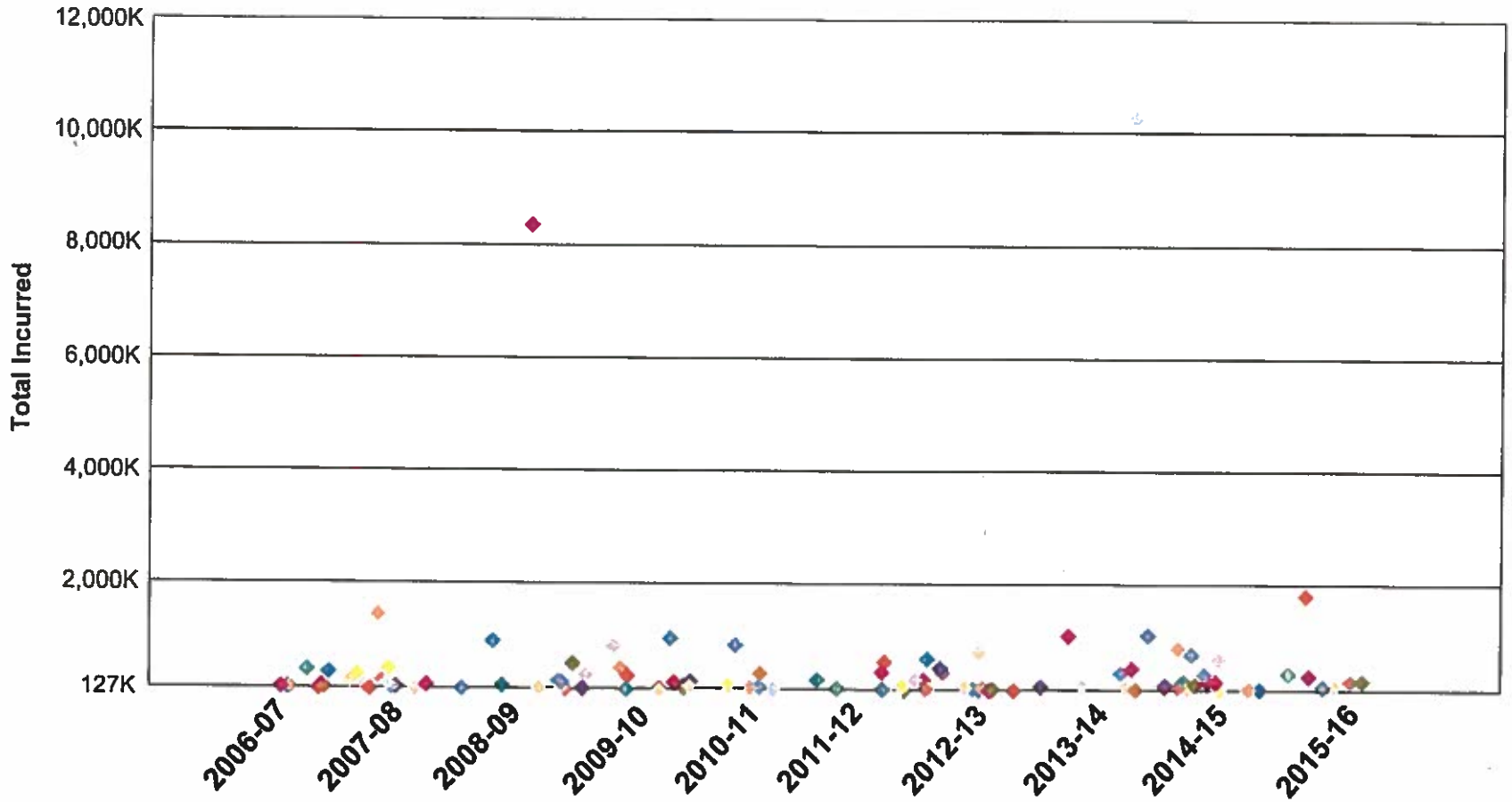
ACWA JPIA - Liability Program
Losses less than $127,000
2006-2016 Policy Years



2006-2016 Liability Claim Count: 1,968

2006-2016 Liability Claim Total: $22,043,446

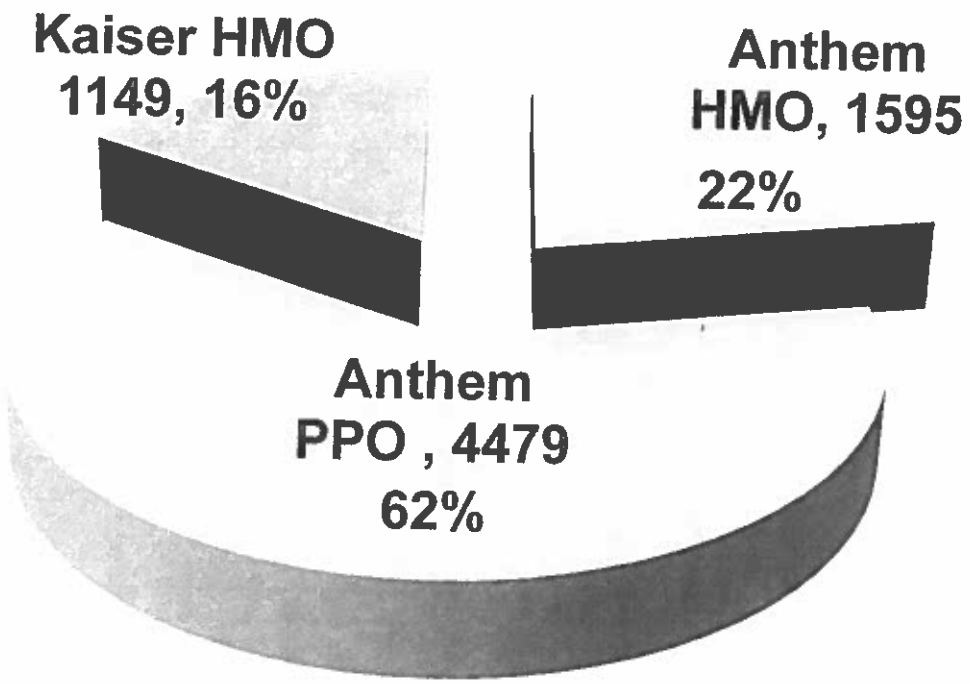
ACWA JPIA - Liability Program
Losses greater than $127,000
2006-2016 Policy Years



2006-2016 Liability Claim Count: 106

2006-2016 Liability Claim Total: $54,505,949

ACWA JPIA Renewal Overview
Medical Enrollment Breakout



Anthem HMO Anthem PPO Kaiser HMO

Kaiser enrollment as of 12/31/15 & Anthem enrollment as of 3/31/16

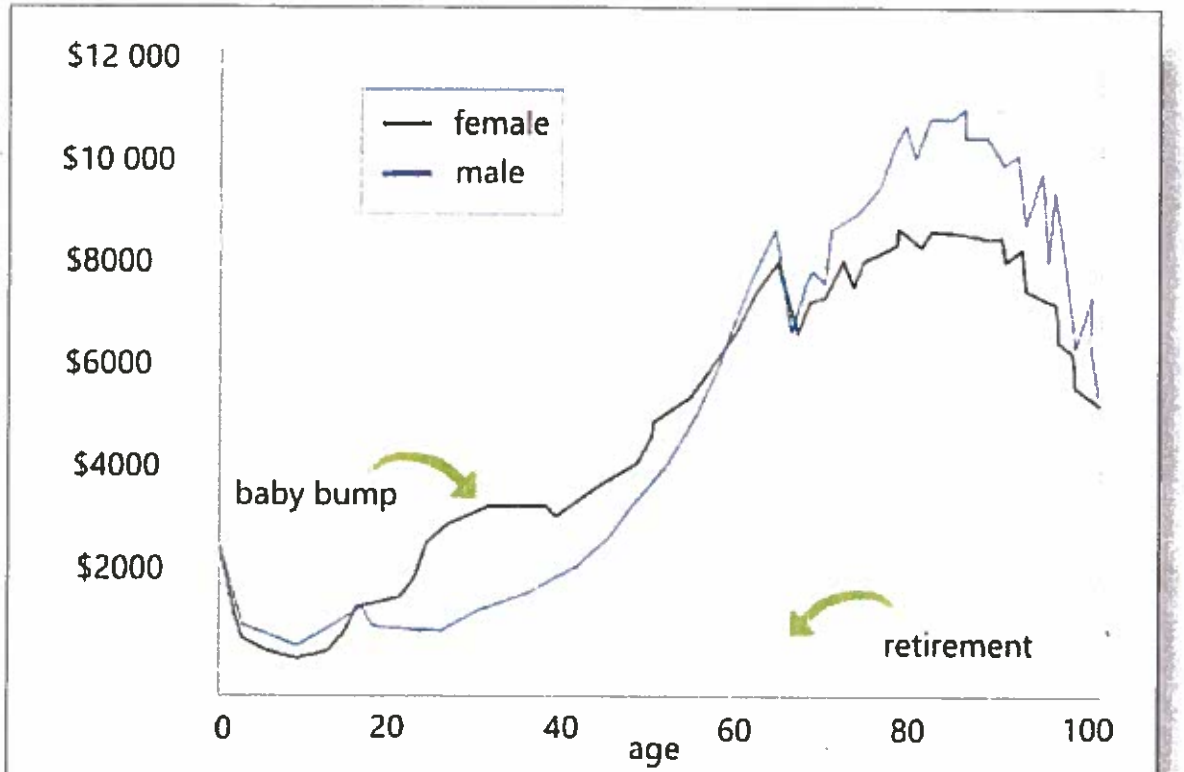
Cost Drivers

- Claims
  - Chronic conditions – a.k.a Human diabetes
  - Prescriptions
    - New drugs
    - Generics
    - Medicare Reimbursement
  - Hospitalizations
  - Doctor visits – frequency and severity
  - Emergency Room use
  - Imaging/labs
- Network negotiated fees for physicians and facilities
- Plan design

Cost Drivers

Best Predictors

- Age
- Region
- Gender
- # of Dependents
- Lifestyle



(http://nearlyscience.com/wp-content/uploads/2013/09/cost_of_healthcare_graph.png)

The cost of healthcare over a person's lifetime. Age is on the bottom and yearly expense is on the side axis. Blue for boy, black for girls

Consider High deductible plan approach + place difference into Self Directed Health savings acct.

44 agencies/325 employees now

ACWA JPIA
President's Special Recognition Award Recipients
November 28, 2016

BACKGROUND
Each year at its Fall Conference, the JPIA recognizes those members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation Programs. Those members receive the "President's Special Recognition Award".

CURRENT SITUATION
The following districts are receiving this special recognition. The districts with an asterisk next to their name were recognized in *all three categories*: Liability, Property, and Workers' Compensation. The data for this calculation is for a three-year period, 2012-2015, as of September 30, 2016. Printed awards will be mailed directly to the districts.

If your district is one of those receiving this special recognition...

RECOMMENDATION
None, informational only.

Prepared by: Walter "Andy" Sells, Chief Executive Officer

Date prepared: October 10, 2016

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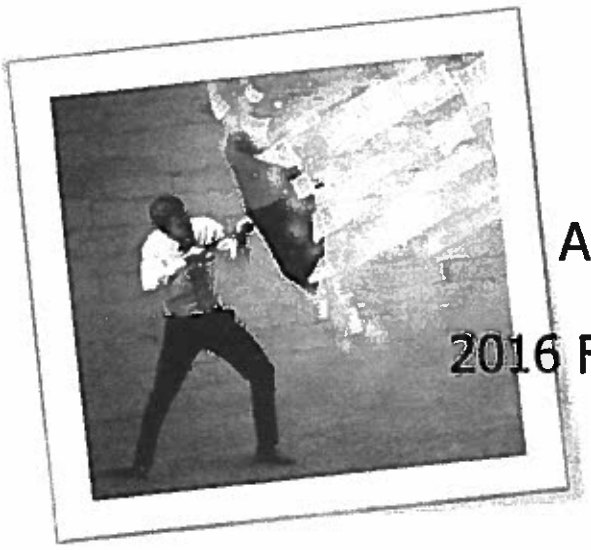
Liability Program
President's Awards
November 28, 2016

Alpaugh Community Services District
Alpaugh Irrigation District*
Amador Water Agency*
American River Flood Control District
Antelope Valley State Water Contractors Association
Antelope Valley-East Kern Water Agency
Apple Valley Heights County Water District
Aromas Water District
Banta Carbona Irrigation District
Beaumont-Cherry Valley Water District
Bella Vista Water District
Belridge Water Storage District*
Big Bear Municipal Water District
Bodega Bay Public Utility District
Bolinas Community Public Utility District
Boron Community Services District
Borrego Water District*
Brophy Water District
Browns Valley Irrigation District*
Buena Vista Water Storage District
Calaveras County Water District*
Calaveras Public Utility District
Calleguas Municipal Water District*
Calpella County Water District
Camp Far West Irrigation District
Carpinteria Valley Water District*
Castroville Community Services District
Centerville Community Services District*
Central California Irrigation District
Central Coast Water Authority*
Central San Joaquin Water Conservation District
Central Water District
Chino Basin Water Conservation District*
Chowchilla Water District
Circle Oaks County Water District
Coastside County Water District
Consolidated Irrigation District*
Corning Water District
Cottonwood Water District
Crestline Village Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District*
Deer Creek & Tule River Authority
Del Puerto Water District
Delano-Earlimart Irrigation District
Desert Water Agency
Devil's Den Water District
Ducor Community Services District
Dudley Ridge Water District
Dunnigan Water District*
East Contra Costa Irrigation District
East Orange County Water District*
El Toro Water District
Empire West Side Irrigation District
Fall River Valley Community Services District
Feather Water District
Foothill Municipal Water District
Forestville Water District
Frazier Park Public Utility District
Free Water County Water District
Fresno Metropolitan Flood Control District
Friant Power Authority
Glenn-Colusa Irrigation District
Glide Water District
Golden Hills Community Services District
Goleta Water District
Gravelly Ford Water District
Hi-Desert Water District
Humboldt Bay Municipal Water District*
Humboldt Community Services District*
Ivanhoe Irrigation District
Ivanhoe Public Utility District
James Irrigation District
Joshua Basin Water District*
Kanawha Water District*
Kaweah Delta Water Conservation District
Kaweah River Power Authority
Kern County Water Agency
Kern Water Bank Authority*
Kern-Tulare Water District*
Kings County Water District*
Kings River Conservation District
Kings River Water District
Kinneloa Irrigation District*
Knights Landing Ridge Drainage District
La Canada Irrigation District
La Puente Valley County Water District
Laguna Beach County Water District*
Lakeside Water District*
Laton Community Services District
Laytonville County Water District
Le Grand-Athlone Water District
Lindsay-Strathmore Irrigation District
Littlerock Creek Irrigation District*
Los Alamos Community Services District*

*awarded in all three programs



ACWA JPIA

2016 Fall Conference

ON TRIAL
YOUR WATER DISTRICT

Presented by:

Robert Greenfield, JPIA General Counsel

&

JPIA Panel Defense Attorneys

November 29, 2016

Marriott Hotel
Anaheim, California

Certificate of Completion

HARRY EHRLICH

Attended the following class on November 29, 2016

Sexual Harassment Prevention for Board Members & Managers

*This Course meets the requirements by AB 1825 & AB 2053

Sponsoring Agency: ACWA JPIA
P.O. Box 619082 Roseville, Ca. 95661-9082

Designed For: Water Utilities

Verified:

Nancy Stangel

Nancy Stangel, MS, IPMA-CP, SPHR-CA
Director of Administration, ACWA JPIA

Robert Greenfield, ESQ.
General Counsel, ACWA JPIA

JPIA
YOUR BEST PROTECTION

Contract / Project	October	November	December
PAYMENTS			
T2 Borrego			12/31/14: T2 to purchase land to fallow 12/31/18 lease expires Send invoice for Spare Capacity
P & I Payment for ID4 COP's			
Compass Bank	Payment due December 1st.		
CONTRACTS			
American Red Cross-can cancel any time			
Club Circle (Cameron)			
Green Desert Landscape			
Xerox			
Pitney Bowes - postage machine			
San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)			
Ramona Disposal - Club Circle			rate valid until 12/2016
Ramona Disposal - BWD Dumpsters			rate valid until 12/2016
REPORTS			
CASGEM		Submit CASGEM water level data	
CCR	10/1/15 Mail CCR Certification form		
Cameron Bros. Water Usage Report (golf course) to county	Send to County DPLU by 10/31		
Santago Estate			
Annual EAR Report (CDHS)			
Check fallow property for water usage			
Report Conservation efforts to State		Report Due	
Surplus Water Activity			
ADMINISTRATIVE			
Audit			
Budget			
Business Plan			
Utility Rate Study Schedule			
Groundwater Sustainability Plan (GSP)			Agree on GSP funding mechanism; start GSP development
BVG GSP Consultant Selection Process and GSP Development Schedual		2016: Advertise and Issue RFP	
Investment Policy			
Special Assessments / tax bill resolutions-Taussig			
Town Hall Meeting			
Borrego Water Advisory Committee (BWAC)Formation			**2016**: BWAC Member Nominations
Water Credit Policy			
Storage/blending infrastructure project			

Contract / Project	January	February	March
PAYMENTS			
T2 Borrego	1/1/15: Pay spare cost in advance		
P & I Payment for ID4 COP's			1st half of payments due
Compass Bank		2016 - payment due March 1st.	
CONTRACTS			
American Red Cross-can cancel any time			
Club Circle (Cameron)		option to renew lease by 2/28/2017	
Green Desert Landscape		discuss w/ Bob the option of continuing with contract 2/28/2017	
Xerox			
Pitney Bowes - postage machine			
San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)			
Ramona Disposal - Club Circle			
Ramona Disposal - BWD Dumpsters			
REPORTS			
CASGEM			
CCR			
Cameron Bros. Water Usage Report (golf course) to county			
Santago Estate			
Annual EAR Report (CDHS)			Due 3/31 for previous year
Check fallow property for water usage			
Report Conservation efforts to State			
Surplus Water Activity			
ADMINISTRATIVE			
Audit			
Budget			Pump check
Business Plan			
Utility Rate Study Schedule			
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 Coaltion; proposal for mechanism(s) to pay for GSP development	
BVG GSP Consultant Selection Process and GSP Development Schedual			**2017**: Consultant Notice to Proceed; **2017-2019**: GSP Development
Investment Policy			
Special Assessments / tax bill resolutions-Taussig			
Town Hall Meeting	Design Agenda for 2017 Town Hall Meeting		March 2017'
Borrego Water Advisory Committee (BWAC)Formation			
Water Credit Policy			2015- Check if pricing needs to be adjusted (moved to due dilligence)
Storage/blending infrastructure project			

Contract / Project	April	May	June
PAYMENTS			
T2 Borrego	Raftelis spare capacity cost analysis	5/1/15 Notice of 2015/2016 spare capacity due.	
P & I Payment for ID4 COP's			
Compass Bank		2016-payment due June 1st.	
CONTRACTS			
American Red Cross-can cancel any time			
Club Circle (Cameron)			Lease expires 6/30/2017
Green Desert Landscape			Agreement expires 6/30/2017
Xerox			
Pitney Bowes - postage machine	4/1/2017 send letter of cancellation if desired		
San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)			
Ramona Disposal - Club Circle			
Ramona Disposal - BWD Dumpsters			
REPORTS			
CASGEM	Submit CASGEM water level data		
CCR			
Cameron Bros. Water Usage Report (golf course) to county			
Santago Estate			Occupancy report due
Annual EAR Report (CDHS)			
Check fallow property for water usage			
Report Conservation efforts to State			
Surplus Water Activity	**4/1/17**: Calculate Surplus Water Activity	**05/01/17**: Notify Rams Hill of Surplus Water Availability	
ADMINISTRATIVE			
Audit			
Budget	CIP meeting, draft budget document	Final Budget document / FY Rate Resolution	Approval of Budget June 9th
Business Plan		FY Budget and new rates approved	
Utility Rate Study Schedule			
Groundwater Sustainability Plan (GSP)	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		
BVG GSP Consultant Selection Process and GSP Development Schedual			
Investment Policy			Investment polices restated
Special Assessments / tax bill resolutions-Taussig			Special Assessments resolutions due
Town Hall Meeting			
Borrego Water Advisory Committee (BWAC)Formation	**2017**: BWD/County approval of Nominations	**2017**: BWD/County approval of Nominations, Prepare By-Laws and Orientation	
Water Credit Policy			
Storage/blending infrastructure project			

Contract / Project	July	August	September
PAYMENTS			
T2 Borrego	7/1/17: establish water budget		
P & I Payment for ID4 COP's			2nd half of payments due
Compass Bank	1st payment due September 1st		
CONTRACTS			
American Red Cross-can cancel any time			
Club Circle (Cameron)			
Green Desert Landscape	Cost of Water Adjustment each July 1st. With Cameron		
Xerox	Lease contract expires 7/2020		
Pitney Bowes - postage machine	lease expires 7/2017		
San Diego Mailing Solutions (Annual maintenance - postage and stuffer machine)		Annual maintenance contract expires 10/6/16	
Ramona Disposal - Club Circle		contact RDS re: contract renewal	
Ramona Disposal - BWD Dumpsters		contact RDS re: contract renewal	
REPORTS			
CASGEM			
CCR	CCR to be distributed July 1st		
Cameron Bros. Water Usage Report (golf course) to county			
Santago Estate			
Annual EAR Report (CDHS)			
Check fallow property for water usage			Annual fallow property check
Report Conservation efforts to State			
Surplus Water Activity			
ADMINISTRATIVE			
Audit		Begin audit	Review of draft audit report
Budget			
Business Plan	New rates go into effect		March 2015-Identify & Implement Mechansim to pay for GSP costs. March 2016- Update rate structure & water, sewer & WWT rates
Utility Rate Study Schedule			
Groundwater Sustainability Plan (GSP)			DRAFT MOU of County and District with Coalition; proposal for mechanism(s) to pay for GSP development
BVG GSP Consultant Selection Process and GSP Development Schedual			
Investment Policy			
Special Assessments / tax bill resolutions-Taussig			
Town Hall Meeting			
Borrego Water Advisory Committee (BWAC)Formation			
Water Credit Policy			
Storage/blending infrastructure project			