

**Borrego Water District Board of Directors  
Audit & Budget Standing Committee  
Wednesday, April 19, 2023 @ 1:00 p.m.  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

THIS MEETING WILL BE HELD IN PERSON ATTENDANCE AT THE ADDRESS ABOVE.

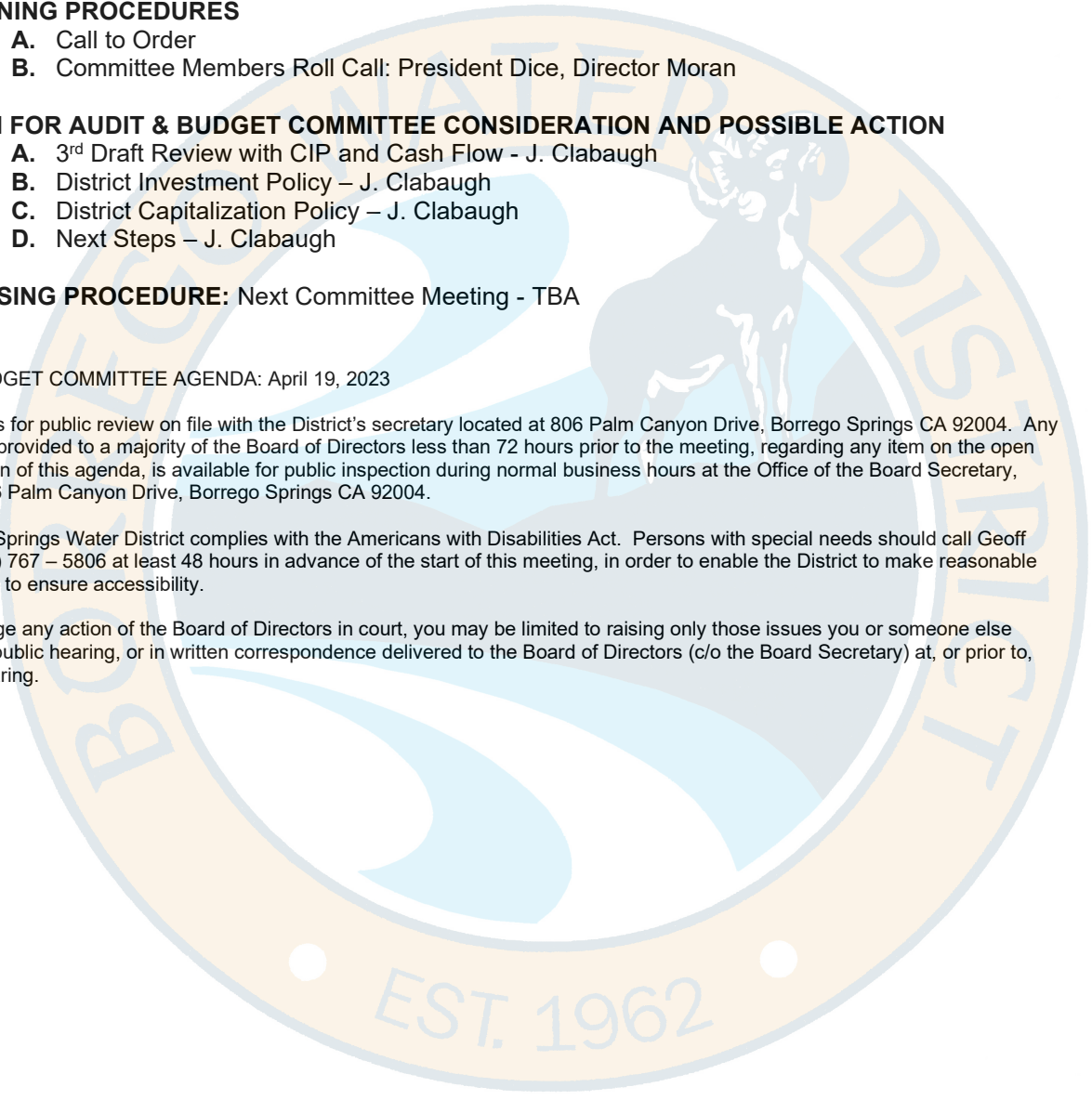
- I. OPENING PROCEDURES**
  - A. Call to Order
  - B. Committee Members Roll Call: President Dice, Director Moran
  
- II. ITEM FOR AUDIT & BUDGET COMMITTEE CONSIDERATION AND POSSIBLE ACTION**
  - A. 3<sup>rd</sup> Draft Review with CIP and Cash Flow - J. Clabaugh
  - B. District Investment Policy – J. Clabaugh
  - C. District Capitalization Policy – J. Clabaugh
  - D. Next Steps – J. Clabaugh
  
- III. CLOSING PROCEDURE:** Next Committee Meeting - TBA

AUDIT & BUDGET COMMITTEE AGENDA: April 19, 2023

All Documents for public review on file with the District's secretary located at 806 Palm Canyon Drive, Borrego Springs CA 92004. Any public record provided to a majority of the Board of Directors less than 72 hours prior to the meeting, regarding any item on the open session portion of this agenda, is available for public inspection during normal business hours at the Office of the Board Secretary, located at 806 Palm Canyon Drive, Borrego Springs CA 92004.

The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole at (760) 767 – 5806 at least 48 hours in advance of the start of this meeting, in order to enable the District to make reasonable arrangements to ensure accessibility.

If you challenge any action of the Board of Directors in court, you may be limited to raising only those issues you or someone else raised at the public hearing, or in written correspondence delivered to the Board of Directors (c/o the Board Secretary) at, or prior to, the public hearing.



**Borrego Water District Board of Directors  
Audit & Budget Standing Committee  
April 19, 2023 @ 1:00p.m.  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**ITEM II. A.**

April 18, 2023

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: 3<sup>rd</sup> Draft Review with CIP and Cash Flow

**RECOMMENDED ACTION**

Review and present suggested edits or consider board recommendation.

**ITEM EXPLANATION**

The 3<sup>rd</sup> Budget Draft has been formulated based upon input from previous budget meetings and from staff identified changes over the past two weeks.

- Inflation changed from 6.0% to 5.3% based upon March CPI numbers.
- CIP alterations from prior conversations.
- Revised cash flow.

**FISCAL IMPACT**

None.

**ATTACHMENTS**

Attachment 1: FY24 Budget Doc Draft 3

Attachment 2: FY24 CIP Draft 3

Attachment 3: Revised 10+ Year Cash Flow Model



Item II. A. Attachment 1 – FY24 Budget  
Doc Draft 3



## Borrego Water District Draft Budget for Fiscal Year 2024

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024	Budg 23 vs Prop 24 \$ Change	Budg 23 vs Prop 24 % Change
<b>INCOME</b>							
<b>RATE REVENUE</b>							
<b>Water Rates Revenues</b>							
<b>Commodity Rates</b>							
Residential	1,403,327	1,467,839	1,516,320	1,516,320	1,592,136	75,816	5.00%
Commercial	646,294	644,685	740,154	683,962	777,162	37,008	5.00%
Irrigation	314,987	317,025	338,140	355,639	355,047	16,907	5.00%
<b>Total Commodity</b>	<b>2,364,608</b>	<b>2,429,549</b>	<b>2,594,614</b>	<b>2,555,921</b>	<b>2,724,345</b>	<b>129,731</b>	<b>5.00%</b>
<b>Non-Commodity Charges</b>							
Base Meter Charges	1,262,966	1,315,110	1,398,665	1,376,040	1,468,598	69,933	5.00%
Meter Install/Repair	2,765	12,258	35,000	150	35,000	-	0.00%
New Connection BPA Fee	-	24,813	24,880	95,000	24,880	-	0.00%
Backflow Testing/Install	5,643	7,815	5,700	5,700	5,700	-	0.00%
Bulk Water Sales	6,327	105,285	82,500	58,000	6,500	(76,000)	-92.12%
<b>Total Non-Commodity</b>	<b>1,277,701</b>	<b>1,465,281</b>	<b>1,546,745</b>	<b>1,534,890</b>	<b>1,540,678</b>	<b>(6,067)</b>	<b>-0.39%</b>
<b>Total Water Rate Revenues</b>	<b>3,642,309</b>	<b>3,894,830</b>	<b>4,141,359</b>	<b>4,090,811</b>	<b>4,265,023</b>	<b>123,664</b>	<b>2.99%</b>
<b>Sewer Rates</b>							
TCS Holder Fees (SA2)	246,151	212,820	157,666	158,132	163,973	6,307	4.00%
TCS User Fees (SA2)	101,349	115,115	125,419	129,374	130,436	5,017	4.00%
RH Sewer User Fees (ID1)	-	137,158	158,448	158,104	164,786	6,338	4.00%
Sewer Capacity Fees	-	5,994	-	34,718	-	-	0.00%
Sewer User Fees (ID5)	304,047	183,128	179,354	178,526	186,528	7,174	4.00%
<b>Total Sewer Rates</b>	<b>651,547</b>	<b>654,215</b>	<b>620,887</b>	<b>658,854</b>	<b>645,722</b>	<b>24,835</b>	<b>4.00%</b>
<b>Availability Charges Collected thru Tax Roll</b>							
ID1 - Water/Sewer/Flood Standby	106,256	106,786	105,000	105,652	105,000	-	0.00%
ID3/ID4 - Water Standby	119,280	116,477	117,000	117,000	117,000	-	0.00%
Pest Control Standby	16,429	16,353	16,000	17,150	17,150	1,150	7.19%
<b>Total Availability (Tax Roll)</b>	<b>241,965</b>	<b>239,616</b>	<b>238,000</b>	<b>239,802</b>	<b>239,150</b>	<b>1,150</b>	<b>0.48%</b>
<b>TOTAL RATE REVENUE</b>	<b>4,535,821</b>	<b>4,788,660</b>	<b>5,000,246</b>	<b>4,989,467</b>	<b>5,149,895</b>	<b>149,649</b>	<b>2.99%</b>
<b>Non-Rate Revenue</b>							
Penalties & Fees	1,580	61,860	40,000	56,809	50,000	10,000	25.00%
BSUSD Agreement	15,478	46,053	35,000	45,000	35,000	-	0.00%
1% Property Assessments	71,486	72,848	70,000	71,000	70,000	-	0.00%
Interest Income	28,442	8,290	5,000	35,000	35,000	30,000	600.00%
Groundwater Mgmt Income(FY23-Meter Reading)	104,351	106,855	3,500	5,000	3,333	(167)	-4.76%
<b>TOTAL NON-RATE REVENUE</b>	<b>221,337</b>	<b>295,906</b>	<b>153,500</b>	<b>212,809</b>	<b>193,333</b>	<b>39,833</b>	<b>25.95%</b>
<b>GROSS INCOME</b>	<b>4,757,158</b>	<b>5,084,567</b>	<b>5,153,746</b>	<b>5,202,276</b>	<b>5,343,229</b>	<b>189,483</b>	<b>3.68%</b>



## Borrego Water District Draft Budget for Fiscal Year 2024 (Con't)

### Operating Expenses

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024	Budg 23 vs Prop 24 \$ Change	Budg 23 vs Prop 24 % Change
<b>EXPENSES</b>							
<b>OPERATING EXPENSES</b>							
<b>Operations &amp; Maintenance Expense</b>							
R&M Water	133,704	223,070	258,500	245,000	272,201	13,701	5.30%
R&M WWTF	49,335	37,445	124,080	100,000	130,656	6,576	5.30%
Telemetry	3,914	7,061	5,170	9,414	5,444	274	5.30%
Trash Removal (includes CSD)	6,297	6,767	6,204	6,720	6,533	329	5.30%
Vehicle Expense	29,690	35,835	23,000	23,000	24,219	1,219	5.30%
Fuel & Oil	33,585	46,327	51,000	51,000	53,703	2,703	5.30%
Lab/Testing	26,519	36,017	31,020	35,000	37,664	6,644	21.42%
Permit Fees	29,997	34,979	37,741	36,500	39,741	2,000	5.30%
Pumping Electricity	330,936	422,335	440,000	479,400	500,000	60,000	13.64%
<b>Total Operations &amp; Maintenance Expense</b>	<b>643,977</b>	<b>849,836</b>	<b>976,715</b>	<b>986,034</b>	<b>1,070,161</b>	<b>93,446</b>	<b>9.57%</b>
<b>Professional Services</b>							
Accounting (Tax & Debt Filings)	1,595	1,973	4,446	4,446	4,682	236	5.30%
Air Quality Study	42,154	13,690	21,077	21,077	36,341	15,264	72.42%
<i>Contra - Air Quality Study (BVEF Cont.)</i>	(10,888)	(21,766)	-	-	-	-	0.00%
Payroll Services	3,864	3,866	3,205	3,205	3,375	170	5.30%
Audit Fees	21,645	21,480	20,163	26,000	30,000	9,837	48.79%
IT & Cyber Security	39,644	45,915	40,000	40,000	42,120	2,120	5.30%
Financial Consulting	89,119	16,621	82,720	20,100	87,104	4,384	5.30%
Engineering	20,935	83,184	23,265	45,000	50,000	26,735	114.92%
Legal Services - General	83,000	70,922	74,540	74,540	78,491	3,951	5.30%
Advocacy	15,000	60,000	62,040	60,000	65,328	3,288	5.30%
<b>Total Professional Services</b>	<b>306,067</b>	<b>295,885</b>	<b>331,456</b>	<b>294,368</b>	<b>397,440</b>	<b>65,984</b>	<b>19.91%</b>
<b>Insurance Expense</b>							
ACWA/JPIA Program Insurance	71,809	69,690	75,900	85,636	83,490	7,590	10.00%
ACWA/JPIA Workers Comp	15,023	16,344	20,700	20,700	23,437	2,737	13.22%
<b>Total Insurance Expense</b>	<b>86,832</b>	<b>86,034</b>	<b>96,600</b>	<b>106,336</b>	<b>106,927</b>	<b>10,327</b>	<b>10.69%</b>



**Borrego Water District**  
**Draft Budget for Fiscal Year 2024 (Con't)**  
**Operating Expenses**

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024	<i>Budg 23 vs Prop 24 \$ Change</i>	<i>Budg 23 vs Prop 24 % Change</i>
<b>OPERATING EXPENSES (Con't)</b>							
<b>Personnel Expense</b>							
Board Meeting Expense	22,995	24,701	23,782	23,782	25,042	1,260	5.30%
Salaries & Wages	1,009,263	1,069,451	1,212,281	1,212,218	1,323,529	111,248	9.18%
<i>Contra Account - Salaries &amp; Wages</i>	(106,948)	(83,395)	(60,000)	(75,000)	(60,000)	-	0.00%
Contract Labor/Consulting	1,625	-	10,340	2,200	10,888	548	5.30%
Payroll Taxes	25,607	28,451	32,328	30,034	36,190	3,862	11.95%
Benefits - Medical	234,007	266,394	263,670	263,670	295,171	31,501	11.95%
Benefits - CalPERS	150,891	168,234	242,456	242,456	271,422	28,966	11.95%
Trainings & Conferences	7,703	10,555	18,612	18,612	19,598	986	5.30%
Uniforms	6,605	7,352	7,238	7,238	7,622	384	5.30%
Safety Compliance & Emergency Prep	1,919	3,896	5,170	5,170	5,444	274	5.30%
<b>Total Personnel Expense</b>	<b>1,353,667</b>	<b>1,495,639</b>	<b>1,755,877</b>	<b>1,730,380</b>	<b>1,934,907</b>	<b>179,030</b>	<b>10.20%</b>
<b>Office Expense</b>							
Office Supplies	14,507	18,481	24,816	24,816	26,131	1,315	5.30%
Office Equipment	20,359	45,002	51,700	38,000	54,440	2,740	5.30%
Postage & Freight	14,137	13,141	15,510	15,510	16,332	822	5.30%
Property Tax	2,610	2,618	3,102	3,102	3,266	164	5.30%
Telephone Expense	20,234	24,297	23,000	23,300	30,000	7,000	30.43%
Dues & Subscriptions (ACWA/AWWA)	15,211	18,689	23,782	23,782	25,042	1,260	5.30%
Printing & Publication	3,260	1,996	5,170	5,170	5,444	274	5.30%
Office/Shop utilities	5,046	6,807	7,500	10,000	10,000	2,500	33.33%
<b>Total Office Expense</b>	<b>95,364</b>	<b>131,031</b>	<b>154,580</b>	<b>143,680</b>	<b>170,656</b>	<b>16,076</b>	<b>10.40%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>2,485,907</b>	<b>2,858,425</b>	<b>3,315,228</b>	<b>3,260,798</b>	<b>3,680,091</b>	<b>364,863</b>	<b>11.01%</b>



**Borrego Water District**  
**Draft Budget for Fiscal Year 2024 (Con't)**  
**Debt Service & GWM Expenses (Con't)**

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024	<i>Budg 23 vs Prop 24 \$ Change</i>	<i>Budg 23 vs Prop 24 % Change</i>
<b>DEBT SERVICE</b>							
Compass Bank Note 2018A/B - Principal	306,538	314,537	305,000	322,751	341,189	36,189	11.87%
Compass Bank Note 2018A/B - Interest	85,000	73,644	85,000	33,994	49,821	(35,179)	-41.39%
Pacific Western 2018 IPA - Principal	317,000	104,070	427,960	-	-		
Pacific Western 2018 IPA - Interest	184,850	89,540	159,759	-	-		
Capital One Public Funding 2021 - Principal	-	-	-	427,960	427,960	427,960	-
Capital One Public Funding 2021 - Interest	-	82,223	-	82,223	159,759	159,759	-
<b>TOTAL DEBT SERVICE</b>	<b>893,387</b>	<b>664,014</b>	<b>977,719</b>	<b>866,928</b>	<b>978,729</b>	<b>588,729</b>	<b>60.21%</b>
<b>GROUNDWATER MANAGEMENT EXPENSES</b>							
Pumping Fees	123,888	49,776	100,000	75,000	100,000	-	0.00%
GWM Expense	61,438	861	72,561	2,000	76,407	3,846	5.30%
Legal Expense	355,389	10,310	150,000	60,000	100,000	(50,000)	-33.33%
Engineering/TAC Expense	48,339	58,601	50,000	128,740	135,000	85,000	170.00%
Water Quality Study	-	-	-	-	28,430	28,430	100.00%
<b>TOTAL GROUNDWATER MGMT EXPENSES</b>	<b>589,054</b>	<b>119,548</b>	<b>372,561</b>	<b>265,740</b>	<b>439,837</b>	<b>67,276</b>	<b>18.06%</b>
<b>TOTAL EXPENSES</b>	<b>3,968,349</b>	<b>3,641,987</b>	<b>4,665,508</b>	<b>4,393,466</b>	<b>5,098,657</b>	<b>1,020,868</b>	<b>21.88%</b>
<b>NET INCOME</b>	<b>788,809</b>	<b>1,442,580</b>	<b>488,238</b>	<b>808,810</b>	<b>244,572</b>	<b>(831,385)</b>	<b>-170.28%</b>



**Borrego Water District**  
**Draft Budget for Fiscal Year 2024 (Con't)**  
**Cash Funded Capital Improvement Projects**

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024
<b><u>CAPITAL IMPROVEMENT PROJECTS (CIP)</u></b>					
<b>CASH FUNDED CIP</b>					
<b>Water Projects</b>					
Office Imp. (FY22 Cameras, FY23 Paint, Lighting)	-	13,700	50,000	-	50,000
ID5-5 Replacement VFD	-	-			200,000
BPA Acquisition	-	-	-	601,250	521,250
Congressional Appropriations Cash Funded Poriton	-	-	-	-	850,167
<b>Total Water Projects</b>	-	-	-	601,250	1,621,417
<b>Sewer Projects</b>					
Manhole Refurbishments			47,408	14,000	49,778
Palm Canyon Sewer Line Inspection					150,000
LCDZ Gravity Main Completion	-	102,623	-	11,000	-
Oxygen Injection Station	-	6,293	-	4,000	-
<b>Total Sewer Projects</b>	-	108,916	47,408	29,000	199,778
<b>Short Lived Asset Replacements</b>					
Backup Generator Office & Shop	-	-	-	-	100,000
ID1-8 Our of Service Life	-	-	-	-	60,000
ID4-18 Inspection	-	-	-	-	10,000
Reservoir Cleaning/Video Inspection	-	-	-	-	37,000
Clarifier Rehab	-	-	-	-	50,000
ID5-5 Electrical Upgrades	-	29,853	-	-	-
Booster Station 3 Upgrades	-	17,387	-	30,000	-
Paddock Well - Convert to Monitoring	-	10,323	7,779	10,211	-
10-15 kw Backup Diesel Generator	-	-	15,000	15,000	-
Main Server Replacement	-	7,924	-	-	-
Well ID4-11 Rehab	-	194,113	-	-	-
ID4-9 Motor Rebuild & Shaft Repair	-	-	-	120,000	-
Trailer Mounted Vacuum Unit	-	90,630	-	-	-
Track Skid Steer	-	103,948	-	-	-
Pickup Truck	29,000	-	60,000	64,856	-
Emergency Repairs	-	-	60,000	-	60,000
<b>Total Short Lived Assets</b>	29,000	454,178	142,779	240,067	317,000
<b>CASH FUNDED CIP</b>	<b>29,000</b>	<b>563,094</b>	<b>190,187</b>	<b>870,317</b>	<b>2,138,195</b>





**Draft Budget for Fiscal Year 2024 (Con't)**  
**Contributed Capital and Bond Funded Capital Improvement Projects**

	Actual FY2021	Budget FY2022	Budget FY2023	Projected FY2023	Proposed FY2024
<b>CONTRIBUTED CAPITAL PROJECTS</b>					
<b>Ocotillo Solar</b>					
ID 4-10 Filling Station		9,151		-	
Ocotillo Solar Reimbursements		<u>(1,883)</u>		-	
<b>Ocotillo Solar Net Expenses For FY</b>		7,268			
<b>SDGE Pipeline</b>					
BVR Pipeline n/o Palm Canyon		154,230		185,000	
SDGE Reimbursement Income		<u>(175,875)</u>		(163,355)	
<b>SDGE Pipeline Net Income for FY</b>		(21,645)			
<b>CONTRIBUTED CAPITAL NET INCOME</b>		<b>(14,377)</b>	-	-	-
<b>2021 BOND FUNDED CIP</b>					
<b>Bond Funded Water Projects</b>					
ID 5-15 Completion		560,135	300,000		
ID 4-10 Inspection and Repairs			225,621		
BPA Acquisition	-		1,300,000		
Pipeline Replacements		<u>357,750</u>	<u>615,500</u>		
<b>2021 BOND FUNDED CIP TOTAL</b>	-	<b>917,885</b>	<b>2,441,121</b>	-	



**Borrego Water District**  
**Draft Budget for Fiscal Year 2024 (Con't)**  
**Grant Funded Capital Improvement Projects**

	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2023	Proposed FY2024
<b>GRANT FUNDED CIP</b>					
<b>Water Projects- DWR Grant Net \$2,048,362</b>					
Twin Tanks	2,836	20,353	891,165	891,165	32,835
Wilcox Diesel Motor	-	-	83,333	83,333	-
Indian Head Reservoir Replacement	-	-	474,000	474,000	450,000
Rebulid Rams Hill Tank #2	-	21,516	474,000	474,000	450,000
<b>Total Water Projects - Water Reservoirs Grant</b>	<u>2,836</u>	<u>41,869</u>	<u>1,922,498</u>	<u>1,922,498</u>	<u>932,835</u>
<b>Sewer Projects - DWR Grant - \$788,912</b>					
WWTP Upgrade/Rehabilitation	32,338	468,843	288,912	228,912	-
WWTP Grant Reimbursement Received	-	(479,672)	-	-	-
<b>WWTP Upgrade Grant Net Income</b>	<u>32,338</u>	<u>(10,829)</u>	<u>288,912</u>	<u>228,912</u>	<u>-</u>
<b>Prop 68 Grant</b>					
AMI	-	-	455,000	20,000	455,000
WWTP Monitoring Wells	-	5,002	141,000	81,000	60,000
Admin/Acquisition Costs	-	93,465	75,000	75,000	100,000
<b>Total - Prop 68 Grant</b>	<u>-</u>	<u>98,467</u>	<u>671,000</u>	<u>176,000</u>	<u>615,000</u>
<b>2022 Appropriations Bill</b>					
BSR Pipeline	-	584	912,406	-	912,406
Sungold Pipeline	-	334	2,488,260	-	2,488,260
<b>2022 Appropriations Bill Total</b>	<u>-</u>	<u>918</u>	<u>3,400,666</u>	<u>-</u>	<u>3,400,666</u>
<b>NET GRANT FUNDED CIP</b>	<b>35,173</b>	<b>- 130,425</b>	<b>6,283,076</b>	<b>2,327,410</b>	<b>4,948,501</b>



Item II. A. Attachment 2 – FY24 CIP Draft 3

CAPITAL IMPROVEMENT PROJECTS	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY2032-33	FY2033-34	FY2034-35
<b>CASH RESERVE FUNDED WATER PROJECTS</b>													
<b>WATER PROJECTS</b>													
1 Facilities Maint - Office	\$ 50,000	\$ 50,000											
2 ID-5 Well VFD		\$ 200,000											
16b Borrego Springs Road Pipeline Replacement (Cash Portion)		\$ 228,162											
17b Sun Gold Pipeline Replacement (Cash Portion)		\$ 622,065											
3 Replace and upgrade Booster Pump Station 5			\$ 125,000										
4 Pipeline Replacements			\$ 438,500	\$ 190,000									
5 FY23+ Water Supply Acquisition \$3,800,000 Total	\$ 601,250	\$ 521,250	\$ 521,250	\$ 432,250	\$ 432,250	\$ 512,250	\$ 512,250	\$ 636,250					
24b FY23 Water Supply Acquisition \$1,320,000 Total	\$ 271,082												
6 Emergency System repairs	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
<b>SUBTOTAL WATER CASH RESERVE PROJECTS</b>	<b>\$ 982,332</b>	<b>\$ 1,681,417</b>	<b>\$ 1,144,750</b>	<b>\$ 682,250</b>	<b>\$ 492,250</b>	<b>\$ 572,250</b>	<b>\$ 572,250</b>	<b>\$ 696,250</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>
<b>SEWER PROJECTS</b>													
7 Palm Canyon Sewer Line Inspection		\$ 150,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Manhole Replacements/Refurbishment (2/year)	\$ 47,408	\$ 49,778	\$ 52,267	\$ 54,880	\$ 57,624	\$ 60,505	\$ 63,531	\$ 66,707	\$ 70,042	\$ 73,545	\$ 77,222	\$ 81,083	\$ 85,137
<b>SUBTOTAL SEWER CASH RESERVE PROJECTS</b>	<b>\$ 47,408</b>	<b>\$ 199,778</b>	<b>\$ 52,267</b>	<b>\$ 54,880</b>	<b>\$ 57,624</b>	<b>\$ 60,505</b>	<b>\$ 63,531</b>	<b>\$ 66,707</b>	<b>\$ 70,042</b>	<b>\$ 73,545</b>	<b>\$ 77,222</b>	<b>\$ 81,083</b>	<b>\$ 85,137</b>
<b>TOTAL CASH WATER/SEWER CIP PROJECTS 2023 THROUGH 2035</b>	<b>\$ 1,029,740</b>	<b>\$ 1,881,194</b>	<b>\$ 1,197,017</b>	<b>\$ 737,130</b>	<b>\$ 549,874</b>	<b>\$ 632,755</b>	<b>\$ 635,781</b>	<b>\$ 762,957</b>	<b>\$ 130,042</b>	<b>\$ 133,545</b>	<b>\$ 137,222</b>	<b>\$ 141,083</b>	<b>\$ 145,137</b>
<b>FACILITIES MAINTENANCE DETAIL</b>													
Stucco Building and Replace Falling Solar Cells	\$ 20,000	\$ 20,000											
Carpet/Paint Office and Install Energy Efficient Lighting	\$ 30,000	\$ 30,000											
<b>TOTAL CASH RESERVES CAPITAL IMPROVEMENTS PROGRAM</b>	<b>\$ 1,029,740</b>	<b>\$ 1,881,194</b>	<b>\$ 1,197,017</b>	<b>\$ 737,130</b>	<b>\$ 549,874</b>	<b>\$ 632,755</b>	<b>\$ 635,781</b>	<b>\$ 762,957</b>	<b>\$ 130,042</b>	<b>\$ 133,545</b>	<b>\$ 137,222</b>	<b>\$ 141,083</b>	<b>\$ 145,137</b>
<b>TOTAL CASH RESERVES SHORT LIVED ASSETS</b>	<b>\$ 82,779</b>	<b>\$ 257,000</b>	<b>\$ 249,250</b>	<b>\$ 290,163</b>	<b>\$ 232,550</b>	<b>\$ 211,888</b>	<b>\$ 205,500</b>	<b>\$ 187,533</b>	<b>\$ 237,253</b>	<b>\$ 152,807</b>	<b>\$ 397,763</b>	<b>\$ 185,199</b>	<b>\$ 261,978</b>
<b>TOTAL CASH RESERVES CIP AND SHORT LIVED ASSETS ANNUAL BL</b>	<b>\$ 1,112,519</b>	<b>\$ 2,138,194</b>	<b>\$ 1,446,267</b>	<b>\$ 987,293</b>	<b>\$ 782,424</b>	<b>\$ 844,643</b>	<b>\$ 841,281</b>	<b>\$ 950,490</b>	<b>\$ 367,295</b>	<b>\$ 286,351</b>	<b>\$ 534,975</b>	<b>\$ 326,282</b>	<b>\$ 407,115</b>
<b>GRANT FUNDED CIP PROJECTS</b>													
<b>WATER GRANT PROJECTS</b>													
DWR Grant Net \$2,855,333													
9 Replace Twin Tanks	\$ 891,165	\$ 32,835											
10 Replace Wilcox Diesel Motor	\$ 83,333												
11 Replace Indianhead Reservoir	\$ 474,000	\$ 450,000											
12 Rams Hill #2, 1980 galv. 0.44 MG recasting	\$ 474,000	\$ 450,000											
<b>GROUNDWATER MANAGEMENT PROP 68 GRANT</b>													
DWR Grant Net \$1,731,000													
13 AMI	\$ 455,000	\$ 455,000	\$ 455,000										
14 Monitoring Wells	\$ 81,000	\$ 60,000											
15 Administration	\$ 75,000	\$ 100,000	\$ 75,000										
<b>2022 APPROPRIATIONS BILL</b>													
16a Borrego Spring Road Pipeline Replacement		\$ 912,406											
17a Sun Gold Pipeline Replacement		\$ 2,408,260											
<b>POTENTIAL GRANT FUNDED CIP PROJECTS</b>													
18 WWTP Oxidation Ditch			\$ 650,000										
19 WWTP Equalization Basin				\$ 650,000									
20 Club Circle Water and Sewer Pipeline Replacement Project						\$ 2,286,000							
21 New Production Well								\$ 2,000,000					
<b>TOTAL WATER/SEWER GRANT CIP PROJECTS</b>	<b>\$ 2,533,498</b>	<b>\$ 4,948,501</b>	<b>\$ 1,180,000</b>	<b>\$ 650,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,286,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2021 BOND FUNDED CIP PROJECTS</b>													
22 Well ID5-15 Completion	\$ 300,000												
23 Well ID4-10 Inspection and Repairs	\$ 225,621												
24a FY23 Water Supply Acquisition \$1,320,000 Total	\$ 1,048,918												
<b>TOTAL 2021 BOND FUNDED CIP PROJECTS</b>	<b>\$ 1,574,539</b>												
<b>POTENTIAL BOND FUNDED CIP PROJECTS</b>													
25 Deep Well Pipeline Replacement				\$ 2,225,000									
26 West and East Star Road Pipeline Replacement					\$ 450,000								
27 Country Club Tank Recasting, 1999 1.0 MG						\$ 250,000							
28 Projected Water Supply Costs								\$ 2,000,000					
29 Well 5 Transmission Main Project										\$ 1,215,000			
30 Water Treatment Facility												\$ 2,000,000	
<b>TOTAL FUTURE BOND CIP PROJECTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,225,000</b>	<b>\$ 450,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 1,215,000</b>	<b>\$ 2,000,000</b>
<b>Total Annual CIP Spend:</b>	<b>\$ 5,220,556</b>	<b>\$ 7,086,696</b>	<b>\$ 2,626,267</b>	<b>\$ 1,637,293</b>	<b>\$ 3,007,424</b>	<b>\$ 1,294,643</b>	<b>\$ 3,377,281</b>	<b>\$ 950,490</b>	<b>\$ 367,295</b>	<b>\$ 4,286,351</b>	<b>\$ 534,975</b>	<b>\$ 1,541,282</b>	<b>\$ 2,407,115</b>

<b>CIP-SHORT LIVED ASSETS</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>
<b><u>Facility Components</u></b>							
Backup Generator Office and Shop		\$ 100,000					
<b><u>WELLS</u></b>							
Paddock Well - Convert to Monitoring	\$ 7,779						
ID1-8, 125 Hp - Well out of service life		\$ 60,000					
ID-1 Well 12 pump and casing/cleaning				\$ 181,913			
ID-1 16 - Inspection			\$ 173,250			\$ 199,238	
ID4-11, 200 Hp					\$ 120,000		
ID4-18 - Inspect to make a monitoring well		\$ 10,000					
Other Well Rehabilitation							\$ 132,000
<b><u>TANKS</u></b>							
Reservoir cleaning/video inspection		\$ 37,000			\$ 42,550		
<b><u>BOOSTER/PRESSURE REDUCING STATIONS</u></b>							
<b><u>WASTEWATER TREATMENT FACILITY</u></b>							
Clarifier Rehab - Every 10 years		\$ 50,000					
RAS pumps							
Trash Pump							
Lift Station Pump			\$ 11,000			\$ 12,650	
<b><u>EQUIPMENT</u></b>							
10-15kw Backup Diesel Generator	\$ 15,000						
Pickup - Every 1.5 to 2 years 3/4 ton	\$ 60,000		\$ 65,000	\$ 68,250	\$ 70,000		\$ 73,500
<b>TOTAL SHORT LIVED ASSETS REPLACEMENT PROGRAM</b>	<b>\$ 82,779</b>	<b>\$ 257,000</b>	<b>\$ 249,250</b>	<b>\$ 250,163</b>	<b>\$ 232,550</b>	<b>\$ 211,888</b>	<b>\$ 205,500</b>



Item II. A. Attachment 3 – Revised 10+  
Year Cash Flow Model

**Borrego Water District - Financial Model**

<b>Projected Operating Results</b>	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<b>Fiscal Year Ended June 30</b>	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Operating Revenue</b>													
Water Revenue - commodity	2,594,610	2,724,341	2,860,558	3,003,586	3,123,729	3,248,678	3,378,626	3,479,984	3,584,384	3,691,915	3,802,673	3,916,753	4,034,256
Water Revenue - base	1,546,745	1,613,713	1,678,261	1,745,392	1,815,207	1,887,816	1,963,328	2,022,228	2,082,895	2,145,382	2,209,743	2,276,036	2,344,317
Sewer service charges	620,887	645,722	671,551	698,413	719,366	740,947	763,175	786,070	809,653	833,942	858,960	884,729	911,271
Availability charges	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000	238,000
Property taxes and other	148,500	86,453	88,182	89,946	91,745	91,745	91,745	91,745	91,745	91,745	91,745	91,745	91,745
Interest Income	5,000	35,000	35,875	36,772	15,949	18,865	15,029	12,600	24,547	30,231	37,171	39,498	44,343
<b>Total Operating Revenues</b>	<b>\$5,153,742</b>	<b>\$5,343,229</b>	<b>\$5,572,428</b>	<b>\$5,812,109</b>	<b>\$6,003,997</b>	<b>\$6,226,051</b>	<b>\$6,449,903</b>	<b>\$6,630,627</b>	<b>\$6,831,223</b>	<b>\$7,031,215</b>	<b>\$7,238,292</b>	<b>\$7,446,761</b>	<b>\$7,663,931</b>
<b>O&amp;M Expenses</b>													
Water operations	1,893,847	2,077,988	2,140,328	2,204,537	2,270,673	2,338,794	2,408,957	2,481,226	2,555,663	2,632,333	2,711,303	2,792,642	2,876,421
Sewer operations	423,602	507,366	522,587	538,264	554,412	571,045	588,176	605,821	623,996	642,716	661,997	681,857	702,313
Pumping / Treatment	415,000	500,000	515,000	530,450	546,364	562,754	579,637	597,026	614,937	633,385	652,387	671,958	692,117
Subbasin Pumping Fees	100,000	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746	155,133	162,889	171,034
Subbasin Management Cost	272,561	339,837	350,032	360,533	371,349	382,490	393,964	405,783	417,957	430,495	443,410	456,713	470,414
General and administrative	564,803	594,738	612,580	630,957	649,886	669,382	689,464	710,148	731,452	753,396	775,998	799,278	823,256
<b>Total O&amp;M Expenses</b>	<b>\$3,669,813</b>	<b>\$4,119,928</b>	<b>\$4,245,526</b>	<b>\$4,374,992</b>	<b>\$4,508,447</b>	<b>\$4,646,015</b>	<b>\$4,787,827</b>	<b>\$4,934,014</b>	<b>\$5,084,715</b>	<b>\$5,240,071</b>	<b>\$5,400,228</b>	<b>\$5,565,337</b>	<b>\$5,735,555</b>
<b>Total CIP Costs (not included in formula; see line 38)</b>	<b>\$5,220,556</b>	<b>\$7,086,696</b>	<b>\$2,626,267</b>	<b>\$1,637,293</b>	<b>\$3,007,424</b>	<b>\$1,294,643</b>	<b>\$3,377,281</b>	<b>\$950,490</b>	<b>\$367,295</b>	<b>\$4,286,351</b>	<b>\$534,975</b>	<b>\$1,541,282</b>	<b>\$2,407,115</b>
<b>Net Revenues</b>	<b>\$1,483,929</b>	<b>\$1,223,301</b>	<b>\$1,326,902</b>	<b>\$1,437,117</b>	<b>\$1,495,550</b>	<b>\$1,580,035</b>	<b>\$1,662,076</b>	<b>\$1,696,613</b>	<b>\$1,746,508</b>	<b>\$1,791,145</b>	<b>\$1,838,065</b>	<b>\$1,881,423</b>	<b>\$1,928,376</b>
<b>Debt Service Obligations</b>													
2008 IPA / Compass Loan 2018A	249,244	250,255	246,204	246,968	242,547	241,960	246,054	-	-	-	-	-	-
2015 note / Compass Loan 2018B	140,755	140,755	140,755	-	-	-	-	-	-	-	-	-	-
2018 Bonds / 2021 Refunding	\$587,719	\$587,719	\$587,706	\$587,755	\$587,488	\$586,916	\$587,030	\$587,762	\$587,152	\$587,165	\$586,802	\$587,026	\$586,848
FY27 Bond	-	-	-	-	\$0	\$223,632	\$223,632	\$223,632	\$223,632	\$223,632	\$223,632	\$223,632	\$223,632
FY32 Bond	-	-	-	-	-	-	-	-	-	\$0	\$259,967	\$259,967	\$259,967
FY34 Bond	-	-	-	-	-	-	-	-	-	-	-	-	\$109,531
<b>Total Debt Service</b>	<b>\$977,718</b>	<b>\$978,729</b>	<b>\$974,664</b>	<b>\$834,723</b>	<b>\$830,035</b>	<b>\$1,052,507</b>	<b>\$1,056,716</b>	<b>\$811,393</b>	<b>\$810,784</b>	<b>\$810,797</b>	<b>\$1,070,402</b>	<b>\$1,070,625</b>	<b>\$1,179,978</b>
<b>Debt Service Coverage Ratio</b>	<b>1.52</b>	<b>1.25</b>	<b>1.36</b>	<b>1.72</b>	<b>1.80</b>	<b>1.50</b>	<b>1.57</b>	<b>2.09</b>	<b>2.15</b>	<b>2.21</b>	<b>1.72</b>	<b>1.76</b>	<b>1.63</b>
<b>Net Revenue Available for Reserves or CIP</b>	<b>\$506,211</b>	<b>\$244,571</b>	<b>\$352,237</b>	<b>\$602,394</b>	<b>\$665,515</b>	<b>\$527,528</b>	<b>\$605,361</b>	<b>\$885,220</b>	<b>\$935,724</b>	<b>\$980,348</b>	<b>\$767,663</b>	<b>\$810,798</b>	<b>\$748,398</b>
<b>Total CIP Annual Requirements</b>	<b>\$5,220,556</b>	<b>\$7,086,696</b>	<b>\$2,626,267</b>	<b>\$1,637,293</b>	<b>\$3,007,424</b>	<b>\$1,294,643</b>	<b>\$3,377,281</b>	<b>\$950,490</b>	<b>\$367,295</b>	<b>\$4,286,351</b>	<b>\$534,975</b>	<b>\$1,541,282</b>	<b>\$2,407,115</b>
<b>Bond Proceeds</b>													
Fixed-Rate Bond Issue #1	\$0	\$0	\$0	\$0	\$2,925,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed-Rate Bond Issue #2	-	-	-	-	-	-	-	-	-	4,000,000	-	-	-
Fixed-Rate Bond Issue #3	-	-	-	-	-	-	-	-	-	-	-	1,215,000	-
Fixed-Rate Bond Issue #4	-	-	-	-	-	-	-	-	-	-	-	-	-
SRF Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Bond Proceeds Available for CIP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,925,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$1,215,000</b>	<b>\$0</b>
<b>Remaining Bond Proceeds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Funding Sources</b>													
New Bond Proceeds	1,574,539	-	-	-	2,925,000	-	-	-	-	4,000,000	-	1,215,000	-
Outside Funding Sources (Grants + Proceeds)	2,533,498	4,948,501	1,180,000	650,000	-	-	2,286,000	-	-	-	-	-	-
Pay-as-you-go Funding	1,112,519	2,138,195	1,446,267	987,293	82,424	1,294,643	1,091,281	950,490	367,295	286,351	534,975	326,282	2,407,115
<b>Total Funding Sources</b>	<b>\$5,220,556</b>	<b>\$7,086,696</b>	<b>\$2,626,267</b>	<b>\$1,637,293</b>	<b>\$3,007,424</b>	<b>\$1,294,643</b>	<b>\$3,377,281</b>	<b>\$950,490</b>	<b>\$367,295</b>	<b>\$4,286,351</b>	<b>\$534,975</b>	<b>\$1,541,282</b>	<b>\$2,407,115</b>
<b>Beginning Reserve Balances (after CIP)</b>	<b>\$7,168,751</b>	<b>\$6,562,443</b>	<b>\$4,668,820</b>	<b>\$3,574,790</b>	<b>\$3,189,891</b>	<b>\$3,772,982</b>	<b>\$3,005,866</b>	<b>\$2,519,946</b>	<b>\$2,454,676</b>	<b>\$3,023,105</b>	<b>\$3,717,102</b>	<b>\$3,949,790</b>	<b>\$4,434,306</b>
<b>Ending Reserve Balances (after CIP)</b>	<b>\$6,562,443</b>	<b>\$4,668,820</b>	<b>\$3,574,790</b>	<b>\$3,189,891</b>	<b>\$3,772,982</b>	<b>\$3,005,866</b>	<b>\$2,519,946</b>	<b>\$2,454,676</b>	<b>\$3,023,105</b>	<b>\$3,717,102</b>	<b>\$3,949,790</b>	<b>\$4,434,306</b>	<b>\$2,775,589</b>
<b>Days Cash Ratio</b>	<b>653</b>	<b>414</b>	<b>307</b>	<b>266</b>	<b>305</b>	<b>236</b>	<b>192</b>	<b>182</b>	<b>217</b>	<b>259</b>	<b>267</b>	<b>291</b>	<b>177</b>

**Borrego Water District Board of Directors  
Audit & Budget Standing Committee  
April 05, 2023 @ 1:00 p.m.  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**ITEM II. B.**

April 3, 2023

To: Audit & Budget Committee  
From: Jessica Clabaugh, Finance Officer  
Subject: District Investment Policy

**RECOMMENDED ACTION**

Review new policy.

**ITEM EXPLANATION**

BWD last updated its investment policy in 1994. In order to update compliance and ensure a robust investment policy, please see new proposed policy for review. A new policy will need to be approved by Board Resolution pending recommendation by the ABC committee.

**FISCAL IMPACT**

None.

**ATTACHMENTS**

Attachment 1 – 94-1 – BWD Existing Investment Policy

Attachment 2 – Proposed Investment Policy Draft





Item II. B. Attachment 1 – 94-1 BWD  
Investment Policy

RESOLUTION NO. 94-1

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BORREGO WATER DISTRICT  
APPROVING AND ADOPTING AN  
ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, The Treasurer of the BORREGO WATER DISTRICT has hereby rendered to the BOARD OF DIRECTORS this statement in compliance with Section 53646(a) of the Government Code,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District that the following is the investment policy of the Borrego Water District:

1. General

District funds not needed for immediate obligations should be invested in such institutions or instruments allowed by law that offer the maximum yield while insuring that the principal invested is protected from loss. Surplus money from separate fund accounts of the District, i.e., General Fund and Bond Reserve Fund, or appropriated for separate departmental operations, may be combined for investment purposes; where practicable, earnings from investments should be applied to the fund or operating account from which the principal invested was acquired.

2. Delegation of Authority

The BOARD OF DIRECTORS is ultimately responsible for safekeeping of all District monies. Therefore, the following provisions are made for the purpose of meeting District obligations or making timely investments.

(a) Members of the BOARD OF DIRECTORS, the GENERAL MANAGER, the ASSISTANT TREASURER and the ACCOUNTANT may be authorized signers for the following accounts:

- (1) Borrego Springs Bank - Checking Account;
- (2) Borrego Springs Bank - Business Investment Account
- (3) Bank of America - (San Luis Rey Branch) - Business Investment Account; and
- (4) Local Agency Investment Fund.

Payment of the foregoing claims shall be reported in the ACCOUNTANT'S monthly report and be submitted for ratification by the BOARD OF DIRECTORS.

- (e) All other claims shall be submitted to the BOARD OF DIRECTORS for approval before payment is made.
- (f) For the purpose of making bond redemption payments, the GENERAL MANAGER and/or the ASSISTANT TREASURER are authorized to transfer funds from the Local Agency Investment Fund to and from Bank of America (San Luis Rey Branch); the GENERAL MANAGER, and/or ASSISTANT TREASURER, and/or the District ACCOUNTANT, are authorized to transfer said funds to the Corporate Agency Service Center, Bank of America, San Francisco.
- (g) The GENERAL MANAGER, ASSISTANT TREASURER and the District ACCOUNTANT are authorized to deposit receipts from any source in the Bank of America (San Luis Rey Branch), Business Investment Account for immediate transfer to the Local Agency Investment Fund, maintaining as nearly as is practicable a minimum amount of funds in the Business Investment Account.
- (h) The Bank of America (San Luis Rey Branch) Business Investment Account is to be used solely for the purposes of Subsection (f) and (g) above, and shall not be used to pay any other claims of the DISTRICT.

3. Cash Flow and Availability

Sufficient funds will be maintained in the DISTRICT'S Checking Account to meet projected monthly claims and to assure that all claims are paid within thirty (30) days of receipt. All funds not immediately needed shall be invested for income.

4. Local Agency Investment Fund (LAIF)

Money allocated to the Bond Reserve Fund and the Debt Service Fund may be deposited with the Local Agency Investment Fund (LAIF). Surplus General Fund money may also be deposited in the LAIF when that Fund is competitive with other approved institutions or investments. There is no District limit on the amount of money that may be on deposit with the LAIF.

5. Instruments of the United States Government

United States Treasury Bills, Bonds, and Notes may be purchased in amounts not to exceed 50% of the funds available for investment. The

principal and accumulated interest of a Treasury Bill may be reinvested for a period not to exceed six (6) years. Individual transactions are to be approved by the Board of Directors.

6. Acceptable Investment Institutions and Instruments.


The District investment portfolio may include the following institutions or instruments.

- (a) Business investment accounts may be maintained at the Borrego Springs Bank and the Bank of America (San Luis Rey Branch), for short terms to assure liquidity. The amount of money or deposit in such accounts shall not exceed \$100,000.00 except during those periods when funds are being transferred to and from LAIF or for purchase of U.S. Treasury instruments.
- (b) Time Certificates of Deposit may be purchased in California based institutions which are insured by the FDIC. No more than \$100,000.00 may be invested in any one institution and the maturity date of any Certificate of Deposit will not exceed one (1) year.

APPROVED AND ADOPTED this 16th of March, 1994 by the following vote:

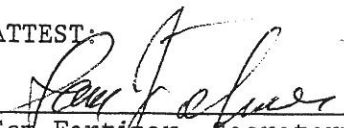
AYES:	DIRECTORS:	SASSO, DUBUQUE, FORTINER, ANDERSON, HOLLADAY
NOES:	DIRECTORS:	NONE
ABSTAIN:	DIRECTORS:	NONE
ABSENT:	DIRECTORS:	NONE

APPROVED:

  
\_\_\_\_\_  
John Sasso, President of the  
Board of Directors of the  
Borrego Water District

(Seal)

ATTEST:

  
\_\_\_\_\_  
Sam Fortiner, Secretary to the  
Board of Directors  
Borrego Water District





Item II. B. Attachment 1 – Proposed  
Revised Investment Policy

# BORREGO WATER DISTRICT

## INVESTMENT POLICY

(Last Revised 4/318/23)



### Table of Contents

1. Policy .....	2
2. Scope .....	2
3. Prudence .....	2
4. Objectives .....	2
5. Delegation of Authority .....	3
6. Ethics and Conflicts of Interest .....	3
7. Authorized Dealers and Institutions .....	4
8. Authorized and Suitable Investments .....	4
9. Review of Investment Portfolio .....	6
10. Investment Pools / Money Market Funds .....	6
11. Collateralization .....	7
12. Safekeeping and Custody .....	7
13. Diversification .....	7
14. Maximum Maturities .....	7
15. Internal Controls .....	8
16. Performance Standards .....	8
17. Reporting .....	8
18. Investment Policy Adoption .....	9
19. Glossary of Terms in this Policy .....	9
20. Glossary of General Investment Terms .....	11



## **1. Policy**

The Borrego Water District shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment. In accordance with the Municipal Code of the Borrego Water District and under authority granted by the Board of Directors, the Finance Officer is responsible for investing the unexpended cash in the District Treasury.

## **2. Scope**

The investment policy applies to all investment activities and financial assets of the Borrego Water District as accounted for in the Annual Comprehensive Financial Report (ACFR). This policy is applicable, but not limited to, all funds listed below:

- General Fund
- Capital Funds
- Other Special Revenue Funds, Debt Service Funds, Internal Service Funds
- Any new fund created by the Board of Directors unless specifically exempted.

## **3. Prudence**

The standard of prudence to be used by the designated representative shall be the “prudent investor” standard and shall be applied in the context of managing the overall portfolio. Persons authorized to make investment decisions on behalf of local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard which states, “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency”.

The Finance Officer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

## **4. Objectives**

The District's primary investment objectives, in order of priority, shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.





- a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in issuers that carry the direct or implied backing of the U.S. Government (including, but not limited to, the U.S. Treasury, U.S. Government Agencies, and federally insured banks). The portfolio will be diversified so that the failure of any one issuer does not unduly harm the District's capital base and cash flow.
  - b. Market risk, (aka "interest rate risk") defined as market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long-term securities for the sole purpose of short-term speculation. Moreover, it is the District's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. Limited exceptions will be granted for security swaps that would improve the portfolio's yield and/or credit quality.
2. Liquidity: The District's investment portfolio will remain sufficiently liquid to enable the Borrego Water District to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: The District's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the District's investment risk constraints identified in this Investment Policy and the cash flow characteristics of the portfolio.

## **5. Delegation of Authority**

The Municipal Code of the Borrego Water District and the authority granted by Board of Directors assign the responsibility of investing unexpended cash to the Finance Officer and/or the Senior Accountant/Accountant. Daily management responsibility of the investment program may be delegated to the Senior Accountant or Accountant, who shall establish procedures for the operation consistent with this investment policy.

## **6. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the Finance Officer and the Senior Accountant/Accountant are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC). Furthermore, Investment officials must refrain from undertaking personal investment transactions with



the same individual(s) employed by the financial institution with whom business is conducted on behalf of the District.

## **7. Authorized Dealers and Institutions**

The Finance Officer will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). Best practices include the following: 1) A determination that all approved broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy; 2) the broker/dealer firms should have the ability to meet all their financial obligations in dealing with the Public Agency; 3) the firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved; 4) no public deposit shall be made except in a qualified public depository as established by the established state laws; 4) all financial institutions and broker/dealers who desire to conduct investment transactions with the public agency may supply the Finance Officer with audited financial statements, proof of FINRA certification, trading resolution, proof of State of California registration, a completed broker/dealer questionnaire, certification of having read the Public Agency’s investment policy and depository contracts.

The Finance Officer may conduct an annual review of the financial condition and registrations of qualified dealers & institutions.

## **8. Authorized and Suitable Investments**

Investment of District funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, and [Los Angeles San Diego County Investment pool](#), may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.



Additionally, shares of beneficial interest issued by a joint powers authority organized pursuant to CA Code (Section 6509.7) that invests in the securities and obligations in compliance with CA Code 53601 (subsection 'a' to 'r', inclusive) are also authorized. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- The adviser is registered or exempt from registration with the Securities and Exchange Commission.
  - The adviser has not less than five years of experience investing in the securities and obligations authorized in CA Code (subsection 'a' to 'r', inclusive).
  - The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
4. Negotiable Certificates of Deposit issued by nationally or state-chartered banks (FDIC insured institutions) or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. Principal and accrued interest on these investments must not exceed the \$250,000 FDIC insurance limit. A maturity limitation of five years is applicable.
  5. Time deposits or placement service deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 50% of the investment portfolio may be invested in this investment type. A maturity limitation of five years is applicable. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investments made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.
  6. Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the Borrego Water District may be purchased as allowed under the State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be used.



The following summary of maximum percentage limits, by instrument, are established for the District's investment portfolio:

Authorized Investment Type	Government Code	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
Treasury Obligations (bills, notes, & bonds)	53601(b)	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	53601(f)	5 Years	N/A	100%	N/A
Local Agency Investment Fund (LAIF)	16429.1	Upon Demand	N/A	As permitted by LAIF (currently \$65 million per account)	N/A
San Diego County Investment Pool	53684	Upon Demand	N/A	As permitted by County Treasurer (currently no limit)	N/A
Joint Powers Authority Pool	53601(p)	N/A	See § 8.3 (above)	None	N/A
Negotiable Certificates of Deposit	53601(i)	5 Years	N/A	30%	N/A
Placement Service Deposits	53601.8 and 53635.8	5 Years	N/A	50%	N/A

## 9. Review of Investment Portfolio

The securities held by the Borrego Water District must be in compliance with Section 8.0 "Authorized and Suitable Investments" at the time of purchase. The Finance Officer should review the portfolio (at least annually) to identify those securities that do not comply.

The Finance Officer should establish procedures to report any major and critical incidences of noncompliance identified through the review of the portfolio.

## 10. Investment Pools / Money Market Funds

A thorough investigation of the investment pool/money market fund is required prior to investing, and on a continual basis. Best efforts will be made to acquire the following information:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.



4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

### **11. Collateralization**

Collateralization will be required on two types of investments: non-negotiable certificates of deposit and repurchase (and reverse repurchase) agreements. To anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for non-negotiable certificate of deposit and 102% for reverse repurchase agreements of principal and accrued interest.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

The District may waive the collateralization requirements for any portion of the deposit that is covered by Federal Deposit Insurance.

### **12. Safekeeping and Custody**

All security transactions shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts.

### **13. Diversification**

The District shall diversify the investments within the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, excluding U.S. Treasuries, federal agencies, and pooled investments such as LAIF, money market funds, or local government investment pools.

### **14. Maximum Maturities**

To the extent possible, the Borrego Water District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than 5 years from the date of purchase. Any investment longer than 5 years must be done with advance permission from Board of Directors.



## 15. Internal Controls

The Finance Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Borrego Water District are protected from loss, theft, fraud or misuse.

Separation of functions between the District's Finance Officer or Senior Accountant/Accountant is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions are made by the Finance Officer, executed by the Accountant and confirmed by the Senior Accountant, if applicable. All wire transfers initiated by the Accountant/Senior Accountant must be reconfirmed by the appropriate financial institution to the Finance Officer. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Senior Accountant on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the District's cash and investments that have a material impact on the financial statements. The Finance Officer shall review and assure compliance with investment process and procedures.

## 16. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The District intends to spread its investments relatively evenly between 0 and 5 years and hold those investments to maturity. The District is limiting its authorized investments to the safest end of the investment spectrum—debt issued by the U.S. Treasury, U.S. Government Agencies, and debt that is federally insured (see section 8.0 Authorized and Suitable Investments, above, for a complete list of authorized investments).

Therefore, an appropriate performance benchmark will be a Constant Treasury Maturity Rate consistent with the weighted average maturity of the portfolio. The District recognizes that benchmarks may change over time based on changes in market conditions or cash flow requirements.

## 17. Reporting

The Finance Officer shall review and render quarterly reports to the Board of Directors that include the following information:

- Investment type (e.g. U.S. Treasury Note, U.S. Government Agency Bond)
- Name of the issuer (e.g. Federal Farm Credit Bank, Federal Home Loan Bank)
- Maturity date



- Yield to maturity
- Current market value and source of market value
- Par and dollar amount for each security the District has invested in
- Par and dollar amount on any money held by the District (e.g. LAIF balance, Cash Balance).

The report shall also include a description of any of the District's funds, investments, or programs that are under the management of contracted parties, including lending programs.

The quarterly report shall state compliance of the portfolio to the investment policy, or manner in which the portfolio is not in compliance.

The quarterly report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall (or may not) be available.

The quarterly reports shall be placed on the Board of Directors meeting agenda for its review and approval no later than 30 days after the quarter ends. If there are no Council meetings within the 30-day period, the quarterly report shall be presented to the Council at the soonest possible meeting thereafter.

### **18. Investment Policy Adoption**

The Borrego Water District investment policy shall be adopted by resolution of the Board of Directors. The policy shall be reviewed annually by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.

The Finance Officer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Borrego Water District.

### **19. Glossary of Terms in this Policy**

**Accrued Interest:** Interest earned but not yet received.

**Annual Comprehensive Financial Report (ACFR):** The official annual financial report for the District. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

**Bond:** A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.



**Bond Swap:** Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

**Broker:** In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

**Certificate of Deposit:** A deposit insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) at a set rate for a specified period of time.

**Collateral:** Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

**Constant Maturity Treasury (CMT):** An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

**Custody:** A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement that also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

**Delivery vs. Payment (DVP):** Delivery of securities with a simultaneous exchange of money for the securities.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns and risk profiles.

**Federal Deposit Insurance Corporation (FDIC):** Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

**Interest Rate:** The annual yield earned on an investment, expressed as a percentage.

**Liquidity:** Refers to the ability to rapidly convert an investment into cash.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

**Purchase Date:** The date in which a security is purchased for settlement on that or a later date.





**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Risk:** Degree of uncertainty of return on an asset. Safekeeping: See Custody.

**Settlement Date:** The date on which a trade is cleared by delivery of securities against funds.

**Time Deposit:** A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

**Treasury Obligations:** Debt obligations of the U.S. Government that are sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

**U.S. Government Agencies:** Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

**Yield to Maturity:** The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

## 20. Glossary of General Investment Terms

**Active Deposits:** Funds that are immediately required for disbursement.

**Amortization:** An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

**Asked Price:** The price a broker dealer offers to sell securities. **Basis Point:** One basis point is one hundredth of one percent (.01). **Bid Price:** The price a broker / dealer offers to purchase securities.

**Book Entry Securities:** Securities, such stocks held in "street name," that are recorded in a customer's account, but are not accompanied by a certificate. The trend is toward a certificate-free society to cut down on paperwork and to diminish investors' concerns about the certificates themselves. All the large New York District banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the



use of automated telecommunications and the “book-entry” custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity for the District. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

**Book Value:** The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

**Bullet Bond:** See “*Non-callable Bond.*”

**Callable Bond:** A debit obligation where the bond issuer (i.e. borrower) has the option to *call the bond* or pay it off early (before the scheduled maturity date). For instance, a 5-year bond might be “callable quarterly”—meaning that, although the bond has a scheduled end date 5 years from now, it could end in 3 months (and every 3 months after that, until the scheduled maturity date).

**Coupon:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

**Credit Analysis:** A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

**Current Yield:** The interest paid on an investment expressed as a percentage of the current price of the security.

**Discount:** The difference between the cost of a security and its value at maturity when quoted at lower than face value.

**Duration:** The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

**Fannie Mae:** Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

**Federal Reserve System:** The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and approximately 8,000 commercial banks that are members.

**Fed Wire:** A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.



**Freddie Mac:** Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

**Investment Agreements:** An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

**Nationally Recognized Statistical Rating Organizations (NRSRO):** A U.S. Securities & Exchange Commission registered agency that assesses the creditworthiness of an entity or specific security. NRSRO typically refers to Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services.

**New Issue:** Term used when a security is originally "brought" to market.

**Non-callable Bond:** Also known as, "*Bullet Bond.*" A non-callable bond is a debt obligation where the bond issuer does not have the option to "call the bond" i.e.-end the bond before the scheduled maturity date.

**Perfect Delivery:** Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

**Repurchase Agreement (REPO):** A transaction where the seller (bank) agrees to buy back from the buyer (District) the securities at an agreed upon price after a stated period of time.

**Reverse Repurchase Agreement (REVERSE REPO):** A transaction where the seller (District) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

**Secondary Market:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**Yield Curve:** The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.



**Borrego Water District Board of Directors  
Audit & Budget Standing Committee  
April 19, 2023 @ 1:00 p.m.  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**ITEM II. C.**

April 18, 2023

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: Review of Proposed Changes to Capitalization Policy

**RECOMMENDED ACTION**

None.

**ITEM EXPLANATION**

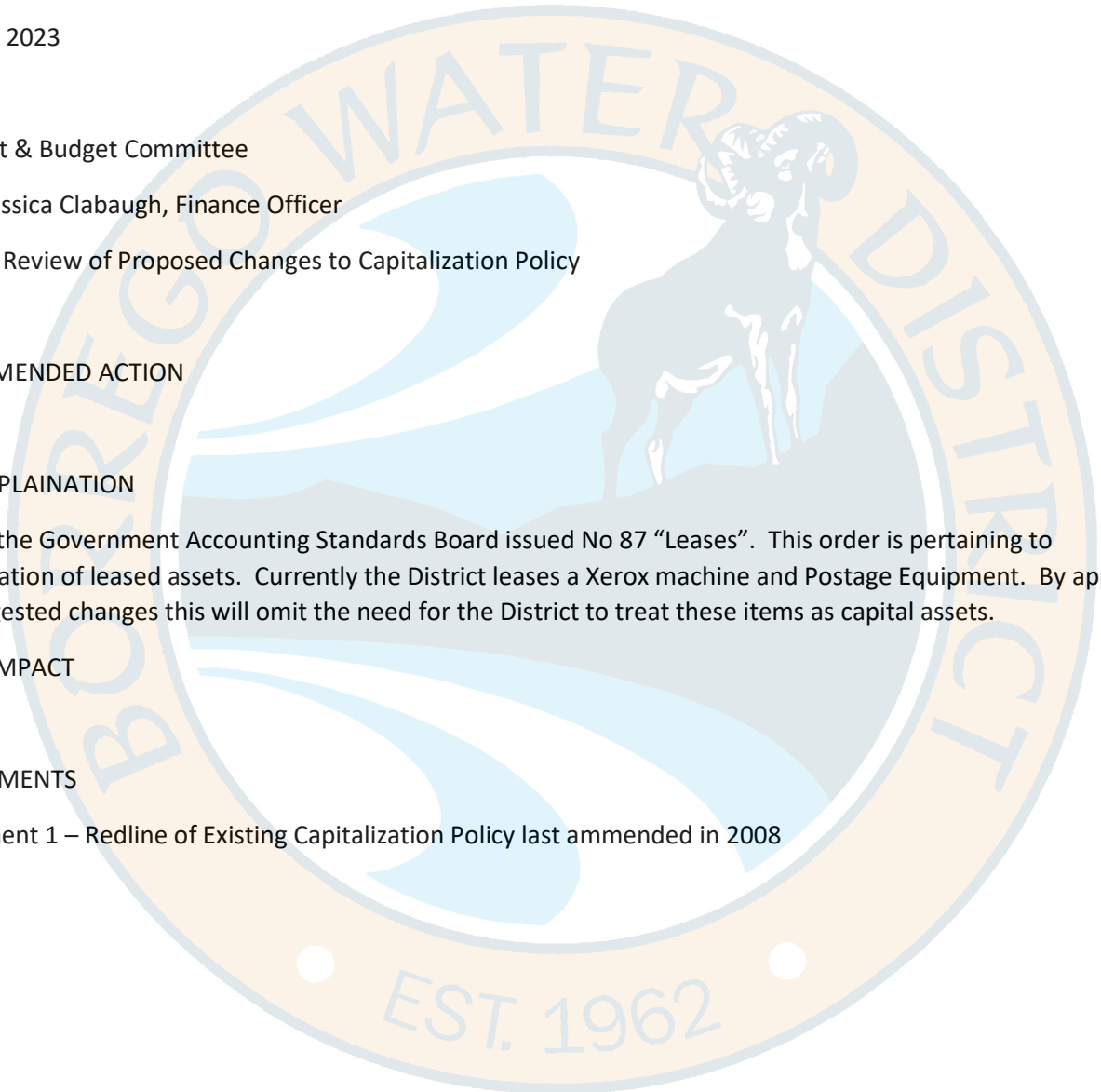
In 2017 the Government Accounting Standards Board issued No 87 "Leases". This order is pertaining to capitalization of leased assets. Currently the District leases a Xerox machine and Postage Equipment. By approving the suggested changes this will omit the need for the District to treat these items as capital assets.

**FISCAL IMPACT**

None.

**ATTACHMENTS**

Attachment 1 – Redline of Existing Capitalization Policy last ammended in 2008





Item II.C. Attachment 1 – Redline of 2008  
Capitalization Policy

**BORREGO WATER DISTRICT**

**POLICY STATEMENT**

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**SUBJECT:** Guidelines for Capitalization of Assets

**NO:** 90-1

**ADOPTED:** June 20, 1990

**AMENDED:** January 9, 2008

**AMMENDED:** tbd 2023

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**POLICY**

All purchased assets, assets constructed by the District or donated assets valued in excess of \$5,000 and leased assets valued in excess of \$35,000 shall be numbered and accounted for in the District's fixed asset inventory.

The minutes of the board of directors meetings shall note the date when each construction project has been completed and accepted by the District Engineer. The minutes of the board of directors meetings shall note the date, value and name of each donated facility received from developers.

The District's Finance Officer shall keep the fixed asset inventory and the corresponding accounting records in accordance with this policy.

Depreciable assets shall be depreciated according to the Straight Line method.

**Borrego Water District Board of Directors  
Audit & Budget Standing Committee  
April 19, 2023 @ 1:00 p.m.  
806 Palm Canyon Drive  
Borrego Springs, CA 92004**

**ITEM II. D.**

April 18, 2023

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: Next Steps

**RECOMMENDED ACTION**

None.

**ITEM EXPLANATION**

If no significant changes have been identified today, staff recommends a final Budget meeting in about a month to review and approve for Board Recommendation, the FY24 Budget Package as a whole.

In addition to the documents addressed in today's meeting, the BWD Budget Package is a robust compilation of BWD financial and operational information. Prior years' budget packets can be found on the BWD website. If the committee feels that there are any significant positions that should be presented in the FY23 Budget please discuss.

**FISCAL IMPACT**

None.

**ATTACHMENTS**

None.

