



BORREGO WATER DISTRICT

Request for Proposal (RFP) for Auditing Services

Borrego Water District (the "District") is soliciting proposals from qualified firms of certified public accountants to audit the District's financial statements for three (3) fiscal years, starting with fiscal year beginning July 1, 2023 and ending June 30, 2026. There will be an additional option of auditing the District's financial statements for two (2) subsequent fiscal years, those fiscal years ending June 30, 2027 and June 30, 2028. The District wishes to receive a final audit for each fiscal year in the October/early November timeframe in order to meet debt covenants with its banks. Presenting the final audit to the Board via teleconference to save on travel costs is perfectly acceptable.

Audits are to be performed in accordance with the California State Controller's audit requirements for special districts, Generally Accepted Accounting Principles (GAAP), and Standards and Governmental Accounting Standards Board (GASB) guidelines. There is no expressed or implied obligation from the District to reimburse responding firms for any expense incurred in preparing proposals in response to this request.

If your firm is interested in providing a response to this RFP, please present your firm's qualifications and experience with auditing water districts' finances; the experience and qualifications of your firm's proposed engagement partner; and proposed audit cost for a one year and three year engagement to audit the District's finances by no later than Friday, May 24, 2024, 3:00PM Pacific Time via email to Jessica Clabaugh, Finance Officer at jessica@borregowd.org.



BORREGO WATER DISTRICT

Profile of the District

The District was established in 1962 as a State of California special district (Water Code § 35565) to provide water and sewer services and flood control and gnat abatement for areas in the Borrego Springs, California community. The District acquired neighboring Borrego Springs Water Company in 1997 and in 2009 acquired Borrego Springs Park Community Services District. The present size of the District's service area is approximately 50 square miles. Borrego Springs is an unincorporated destination community of approximately 3,500 full-time and more than 6,000 winter residents, located in a remote northeast corner of San Diego County, approximately 90 miles drive from San Diego and 87 miles from Palm Springs. Borrego Springs is surrounded by the Anza-Borrego Desert State Park, a park the size of the state of Rhode Island.

The District has 9 active municipal production wells located primarily in the Central Management Area of the Borrego Springs Subbasin connected to approximately 100 miles of distribution lines to serve its approximately 2,073 residential, commercial, institutional, and irrigation customers amongst two Improvement Districts. The District currently delivers approximately 1,600 acre-feet (521 million gallons) annually to its water services customers. The District also provides sewer and wastewater treatment services to approximately 385 connections amongst three service areas; SA1: Rams Hill, SA2: Town Center and SA5: Club Circle/Borrego Springs Resort. The District's flood control authority is presently exercised only at Rams Hill and the District receives funds thru the San Diego County tax roll to perform gnat abatement.



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The estimated present replacement cost value of the District's water, sewer and wastewater treatment facility infrastructure is approximately \$95,000,000. The District's budgeted rate revenues for FY24 are approximately \$4.8M. The District has been aggressively pursuing grants in recent years and is expecting to complete a \$2.85M Drinking Water Construction(DWR) grant in FY25 and is currently the grant administrator of a basin wide Prop 68 grant (DWR) totaling \$6.1M in projects for BWD and four other agencies. In addition, \$4.25M in Federal funds were approved for pipeline replacements as part of the 2023 Appropriations Bill.

The Borrego Valley Subbasin is an adjudicated groundwater basin deemed critically overdrafted under SGMA. As a result, the District has ongoing agreements to acquire farmland to be fallowed in exchange for Baseline Pumping Allocation (BPA) necessary to meet the water needs of its existing customer base thru the year 2040. Additional information about the District, including past fiscal year audits are available on the District's website located at: www.borregowd.org