

**Borrego Water District Board of Directors**  
**Special Meeting**  
**May 28, 2024 @ 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

The Borrego Water District Board of Directors meeting as scheduled will be conducted in person and in an electronic format please note BWD is providing remote attendance options solely as a matter of convenience to the public. BWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the GoTo meeting or call-in line listed on the agenda. We encourage members of the public to attend BWD meetings in-person at the address printed on page 1 of this agenda. Anyone who wants to listen to or participate in the meeting remotely is encouraged to observe the GO TO MEETING at:

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**I. OPENING PROCEDURES -**

- A. Call to Order
- B. Pledge of Allegiance
- C. Directors' Roll Call: President Dice, \*Vice President Baker, Secretary/Treasurer Johnson, Directors Duncan & Moran  
**\*Remote Address: 650 California St. Floor 7, San Francisco, CA 94108**
- D. Approval of Agenda
- E. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- F. Comments from Directors
- G. Correspondence Received from the Public - None

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION -**

- A. CONSENT CALENDAR
  - 1. Board of Director Minutes
    - a. October 24, 2023 Regular Board Meeting Minutes
    - b. November 09, 2023 Special Meeting Minutes
    - c. November 14, 2023 Special Meeting Minutes
    - d. December 12, 2023 Special Meeting Minutes
  - B. Borrego Water District Audited Financial Statements FY 22-23– J Clabaugh/K Dice/G Moran
  - C. Borrego Water District FY 24-25 Draft Budget - J Clabaugh/K Dice/G Moran
  - D. Abandonment of Well ID 8 – A Asche/T Driscoll, Intera
  - E. Automated Metering Infrastructure Policy – G Poole/T Baker/G Moran
  - F. Borrego Springs Subbasin Watermaster Board – VERBAL D Duncan/K Dice/T Driscoll
    - 1. Update on Board Activities
    - 2. Update on Technical Advisory Committee Activities

AGENDA: May 28, 2024: The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole, General Manager – 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.

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.

### III. BOARD COMMITTEE REPORTS, IF NEEDED

#### STANDING:

- A. Operations and Infrastructure: Duncan/Baker
- B. Budget and Audit: Dice/Moran
- C. ACWA/JPIA Insurance: Dice/Johnson

#### AD HOC:

- A. Prop 68 Implementation: Baker/Johnson
- B. Public Outreach: Dice/Johnson
- C. Grants: Dice/Johnson
- D. Cyber Security/Risk Management: Baker
- E. Developer's Agreement: Baker/Duncan
- F. Finance: Baker/Moran
- H. Borrego Springs Basin Water Quality: Moran/Johnson
- I. Automated Metering Infrastructure Selection and Implementation: Baker/Moran

### IV. STAFF REPORTS –

- A. Monthly Water Production and Operations Report: A Asche
- B. Monthly Wastewater Production Report: R Martinez
- C. Monthly Financial Report: J Clabaugh
- D. Administration: D Del Bono - VERBAL
- E. Legal Counsel: S Anderson - VERBAL
- F. General Manager: G Poole - VERBAL
  - 1. EPA #1 Grant 20% Fund Match Waiver Request
  - 2. EPA #3 Grant Request Status

### V. CLOSED SESSION:

- A. Conference with Legal Counsel - Potential Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Two (2) potential case)
- B. Conference with Legal Counsel – Existing Litigation (Borrego Water District v. All Persons (Groundwater), Orange County Superior Court Case No. 37-2020-00005776

**VI. CLOSING PROCEDURE:** The next Board Meeting is scheduled for 9:00 AM June 11, 2024, to be available online and in person at 806 Palm Canyon Drive. See Board Agenda at [BorregoWD.org](http://BorregoWD.org) for details, Agenda information available at least 72 hours before the meeting.

AGENDA: May 28, 2024: The Borrego Springs Water District complies with the Americans with Disabilities Act. Persons with special needs should call Geoff Poole, General Manager – 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.

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BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.A

May 13, 2024

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: CONSENT CALENDAR

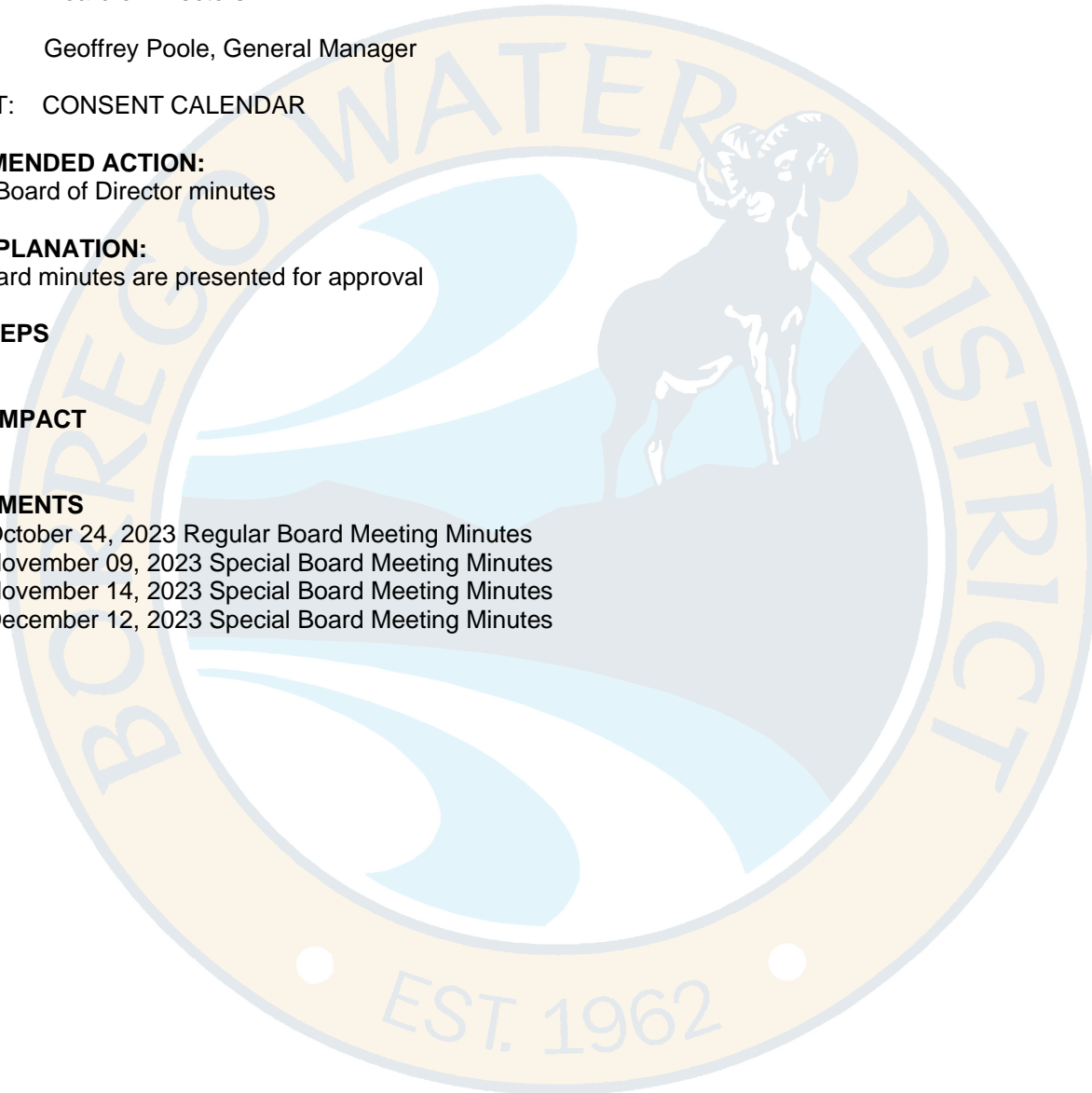
**RECOMMENDED ACTION:**  
Approve Board of Director minutes

**ITEM EXPLANATION:**  
1.The Board minutes are presented for approval

**NEXT STEPS**  
1. N/A

**FISCAL IMPACT**  
1. N/A

**ATTACHMENTS**  
1. October 24, 2023 Regular Board Meeting Minutes  
2. November 09, 2023 Special Board Meeting Minutes  
3. November 14, 2023 Special Board Meeting Minutes  
4. December 12, 2023 Special Board Meeting Minutes



**Borrego Water District Board of Directors  
Regular Board Meeting  
October 24, 2023 Meeting Minutes**

**OPENING PROCEDURES -Meeting was brought to order at 9am**

Directors' Roll Call: President Dice, Vice President Baker, Directors *\*Duncan*, Johnson & Moran  
*Director Duncan was available remotely from: 3153 Club Circle W., Borrego Springs Ca 92004*

**Approval of Agenda** there was a motion presented by Vice-President Baker to have agenda approved it was a first by Director Moran and a Second from director Johnson, motioned passed with a unanimous decision.

**Comments from the Public & Requests for Future Agenda Items** (may be limited to 3 min) there were no comments from the public.

**Comments from Directors** – Director Johnson advised there was an email that she had Geoff send out regarding a discrepancy/omission between the resolution that the watermaster passed in February or March regarding TAC procedures and what is in the Judgment as far as qualification for membership the resolution implies it's licensed professional versus the judgement. Director Johnson inquired if this is a matter that BBK would take to watermaster and have them adjust the resolution to match the judgement. Director Johnson mentions that there is a professor who is a modeler from UCI who has volunteered to be on TAC but is not licensed. Though highly qualified. District Attorney Anderson requested to move this subject to item 2D. District Manager Poole agreed.

**Correspondence Received from the Public** - None

**ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION -**

**Item A - Legislative Update**, District Manager Geoff Poole advised to those that were new to the water district that BWD did use the services from Legislative Advocates to assist primarily with grant acquisition assistance and other legislative assistance as needed, District manager mentions that with in the last couple of years and with their assistance the has received nine-million dollars in grants and congressional appropriations.

Ana Schwab who covers Washington DC reported that they are working closely with Geoff to ensure that all appropriations were awarded, totaling \$3.4- \$3.8 million dollars from FY23 appropriation, and assisting Geoff filling out applications though funds were already appropriated to district for infrastructure. Ms. Schwab did state that they had put an award forward for FY24 but due to the chaos in Washington DC and DC being in continued resolution until November 17, but until house has a speaker they will be unable to vote on pieces of legislation. This will play a role if FY24 funds will be available. Lowry advised that if they continue to have a full year of continued resolution and did not pass an annual appropriations bill then all direct congressional spending or earmarks go away, they will keep an eye on progress in Washington.

Syrus provided a Sacramento area update, session is shut down and legislation is shut down, it was advised to that getting bills out of the first house since this will have major impacts as it moves down the system. Syrus advised that funding is big issue – and mentioned 3 avenues of funding - budget requests, bonds, or existing grant programs, for core issues in Borrego Grants are not perfectly well suited to fit Borrego's needs, Bonds are there more to help existing Grant programs with room to negotiate and they are looking for opportunity, best chance of funding is with a budget request, which was successful this year. Everything aligning that would be a success for budget request. Director Johnson requested more information regarding the bill for new wells. Syrus explained that there were issues regarding the permitting and what role public agencies had but didn't really pertain to district issues which was why it was not brought to district attention.

**Item B - Groundwater Quality Memorandum** –Mr. Driscoll from Intera Engineers presented his technical draft report "Groundwater Quality Memorandum, update for the Borrego Sub-basin" primarily focused on District Wells for public review. Some of the conclusions in the report are that all BWD wells meet standards for drinking water without the need for treatment other than chlorination. The biggest risk to BWD wells are regulatory risk is if the Arsenic MCL were to be revised. Data continues to be collected in real time and this shows the high levels of Nitrates in the north management area. There are currently 2 monitoring wells in the North Management areas are showing nitrate levels higher than those allowed in the drinking water standard. BWD well ID4-18 on the fringe of agricultural areas is now more elevated, however wells in higher elevations do not seem to be impacted due to them being in undeveloped

areas. Idea was for the TAC to review and then submit to county department of environmental health for recommendation. Director Johnson had a question regarding figure 2 of report, - regarding passing this on to environmental health would we be asking them to require retrofitting for annular seal or would it be for new wells. Trey advised it would be for new wells. Diane Johnson also indicated there may be a need to dig deep enough in the north management area to avoid nitrate but may find arsenic. Trey confirmed that in the 10-year time frame they may find elevated levels of arsenic which is typical and also found in districts around the state. This may need to be considered for the northern district areas when digging any new future wells. Trey recommends engaging with the state as the MCL review goes on in terms of starting to evaluate treatment in the district for arsenic. In the lower aquifer in the southern management areas the wells have larger screen intervals in that lower aquifer area where we are seeing the arsenic. The biggest threat to domestic wells are their own septic tanks and the potential for nitrates. Vice President Baker asked if MCL were lowered today how many BWD wells would be affected? Trey advised wells in the central management were occasionally coming in higher than 1 MCL. Vice President Baker requested that Trey change from passive voice to "it is recommended to..." in his report as well pointing out that BWD does not have authority over domestic wells over quality among other things that Intera should amend report to recommend that the watermaster is to handle outreach and develop educational material. Vice President Baker asked the board if they wanted to accept the report with the understanding of changes, which are Intera Recommends to BWD recommends, or Intera can just take feedback and update this recommendation section. Report was accepted with modifications from Trey and Geoff.

**Item C - Reserve Fund Policy Changes and Recommended Fund Balance** – Mr. Poole explained that this is a continuation of discussion from a few months ago due to land acquisition. Ms. Clabaugh explained that with the committee they went over the reserves that the district needed to have, there are funds that the district has to have and went over the rate covenants that the bonds required. Ms. Clabaugh explained that the Rate Stabilization reserves needed to be kept at 30% from each sewer and water. The committee felt that it was not necessary to go with the 30% of revenues since each year in the budget it is budgeted for the debt service payment. Feeling that the old policy was too restrictive they are presenting the change at 25% of the 980,000 the second change was that with the purchase of the Bauer land it seemed unnecessary to start saving for additional BPA, since the reserve fund is board policy the committee is presenting a change to "board should dictate requirements of any purchase of additional BPA as it sees fit" the policy can be amended since it will be reviewed every year if the board feels the need to reenact the purchase reserve again it can do so but that at this time it seems redundant to continue to do so since the capital reserve and the repair reserve also include these amounts. Vice President Baker requested that it be published with a footnote explaining the current situation. Director Moran requested an additional change the amendments of the reserve policy for it to state "reviewed no later than 2030 or debt is paid." To ensure board is looking at how to reallocate money back into this reserve. Vice President Baker requested a motion to accept policy changes with the update to water purchase reserve, motioned presented by Director Moran, and second by vice president Baker, motion passed unanimously.

**Item D - Borrego Springs Subbasin Watermaster Board** – Director Duncan, had nothing to report next Watermaster Board meeting was going to be November 9<sup>th</sup>, 2023 beginning with open house at 1:30 and regular meeting would begin at 4:30. Mr. Driscoll updated that watermaster staff has been working with DWR on the helicopter survey, latest update is that they were able to extend lines outside the basin and that is good news. Next TAC meeting is on November 1<sup>st</sup>, and that is all he had to report. Director Moran asked regarding the report the board had previously reviewed, Mr. Driscoll advised that it would be on the agenda as a working draft informational item. Director Johnson mentioned that the watermaster passed resolution 23-01 guidelines for Technical Advisory Committee and it does say that the watermaster does ask the TAC committee to work on stuff, what was brought up in the beginning as to omission that creates the discrepancy between the judgement and the resolution state about membership on TAC membership, attorney Anderson read from the judgement where it states to participate on the TAC they must be a California licensed hydrogeologist, California Licensed engineer or professional hydrogeologic modeler, professional groundwater statistician it could be because California does not license those two professions. Attorney explained that anything the resolutions says cannot override the judgement, the watermaster can correct it to match but cannot go around it.

Vice President Baker requested Trey repeat the helicopter update.

Trey reported that staff had been working with the department of water resources with the flight lines, one recommendation from TAC members was to extend the flight line beyond the boundary of the basin to better understand for instance the Faultline at coyote canyon fault. Information flyers have also been provided by DWR about the flight lines and when they will be completed. Information will be included in a later meeting.

## **BOARD COMMITTEE REPORTS, IF NEEDED**

**Public Outreach:** Dice/Johnson Director Johnson updated that they had made presence at Borrego Days with a lot of public outreach success. The Booths were great, there were four booths. Board congratulated BWD staff on a job well done.

## **STAFF REPORTS – VERBAL**

**Monthly Wastewater Production Report: Mr. Martinez** reports no issues, he did advise that water inflow to the wastewater treatment plant has doubled, everything is working good at the plant aside from a minor issue on a man hole on palm canyon drive where a lid flipped up the top and damaged the rims on a passing truck, Fredricks was called in to repair. All other lids were inspected and seemed ok, said if he had extra funds in his budget he would begin working on those replacements, lids had been there since day one. The Flow Meter has been installed and is already working in about one month he would have a read.

**J Clabaugh presented September Financials**, and stated that September was average, water revenue was somewhat under projected, sewer water rate revenues is exactly as projected. Still waiting on Schools read. Operations went to auction and purchased much needed small tools. Ms. Clabaugh updated staff changes, all else is as expected with changes mostly to CIP's.

**Administration Manager D Del Bono** reports that she also agrees Borrego Days was a success and would like feedback for improvements. Liened meters are still being cleaned up, prior to AMI installation, the goal is to pull meters prior to install AMI, director baker asked as to why pulling versus leaving them in since they are grant funded, Diana explained that they are meters that have not been paid if customer wants to keep them, Geoff proceeded to explain that these are meters that are on vacant land, meters on property have the lien renewed. Additional updated information was staff was working on getting out the water softeners survey as soon as possible. Update on the Charlie White issue, we are still waiting on legal description to be updated.

**Legal Counsel, S Anderson**, had nothing to report.

**General Manager Poole**, updated that he had a calendar, and it was loaded on to the homepage available to public.

Board adjourned to closed session at 11:18am. President Dice returned from closed session to report that no reportable actions had been taken during closed session and ended the meeting at 12:30pm.

**Borrego Water District Board of Directors**  
**November 9, 2023**  
**Special Meeting Minutes**

**OPENING PROCEDURES – Meeting was called to order at 9am**

**Directors' Roll Call:** President Dice, Vice President Baker, Directors Duncan, Johnson & Moran. Motion was presented to approve agenda with a first by Director Duncan and a Second by Director Baker Approval of Agenda passed with unanimous vote.

**Comments from the Public & Requests for Future Agenda Items** none

**Comments from Directors** no comments from directors.

**Correspondence Received from the Public** - None

**ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION**

**Item A. Amendment to David Bauer Agreement** Attorney Anderson let board know that the correct version of the amendment was not in the board package and presented the correct version to the board, he summarized to the board that in the original agreement Mr. Bauer was going to do the following, now with the watermaster received from Prop 68 grant funds to do the following project, and with these two properties included in the following project, the district needs to amend the agreement to include that a portion of the following will be done working with Land IQ , and as a result of this following project there will be some changes in the amounts that are going to be paid. District Manager Poole explained that the amounts were going to be fallowed in years 2, 3, 4 and 5 and inflation was also accounted for. The totals include all of those factors. The amendment on page two is an acknowledgement that BWD is changing the deal and that the watermaster and Land IQ will do a portion of the following and even though the blanks are not filled we will pay him for following that has already been done. Amendments also include that Mr. Bauer, the watermaster and Land IQ will be working together. Amendments also include a modification of the following and following payment schedule, not the price of purchase or water rights. Director Duncan made a motion to accept the amendment to agreement, with a second from Director Moran, motion passed unanimously.

**Item B. Adjustment to Reserve Fund Balance Designations** Ms.Clabaugh reports that during last meetings presentation and additional adjustment was made to the debt service reserve, after discussion with the committee it was decided that a bank would want to see a full years' worth of debt service. In the presented version it was taken out of the risk management reserve, reimbursements from both grants are expected to be received by year end.

**Item C. Borrego Springs Subbasin Watermaster Board** – General Manager Poole advised that The watermaster open house meeting is happening today and that Attorney Anderson had updated on the Bauer amendment. Attorney Anderson did recommend that the board view the watermaster agenda report starting on page 101, regarding the carry over, there is more information beyond carry over. Attorney Anderson also explained that the judgement is very vague in regards to the transfer of property and BPA . We are not there yet on the Bauer property since we all agreed he could keep his carry over, but will have to go over it in two or three years from now.Question was brought to the board if as a board they were ok with parties that no longer hold land to hold carryover? Mr. Anderson and attorney Markman put together a draft policy for carryover,

which first says you can't have more than two times carry over. Attorney Anderson recommends to not allow carryover be owned by anyone that does not own BPA, carryover needs to be sold with land and BPA. Manager Poole explained that a simple solution was to purchase the Bauer carryover, he mentioned that buying the Bauer carryover now may be purchasing at a discount. President Dice asked if we would see this for the rest of the purchase, attorney Anderson explained that since we are purchasing the property in increments the carryover is attached to his other properties, in two years his BPA will be lower because District will own it, but the carryover will be higher due to the rollover. Director Duncan explained that he has two issues with the Markman policy one is the changing of the rules, it's taking away and another he would like to see carry over tied to BPA. Vice President Baker explains that carry over needs to be somehow tied to BPA. Board agrees that moving forward carry over must be tied to BPA holders. Attorney Anderson explains that if adopted carry over could not be sold but allocations could. Director Duncan asked Attorney Anderson why it is better to adopt a policy versus amending the judgement since the judgement will override the policy if challenged later on. Anderson agreed and explained that although he is not staff, he can say policy is cheaper and agrees that it could be challenged in the future. Ms. Samantha mentioned that the policy was still in draft stage and changes we still being made since the board was figuring out a policy solution that does not land in court, as an interim solution for now, separation is valid and the transfer from William to BSUSD is valid, and the policy will address the balance moving forward, this was recommendation from staff. President Dice requested a motion to purchase the carryover from Mr. William Bauer, up to maximum carryover, there was a first from Director Duncan and a Second From Director Moran all directors were in favor and motion passed.

***Item D. Farmland Following Study by Borrego Spring Subasin Watermaster Update*** General Manager Poole asked Trey to present the update. Trey let the board know that the TAC meeting was held on November first, and they went over some corrected errors in the Borrego Valley model and the overall impacts on the error correction to the whole water budget was basically a wash, there was no impact on the quantitative water budget, there was a decline of 1705 acre feet from spring 2020 to spring 2023, this brings the basin much closer to sustainability from five years ago. General recommendations were made to update base setting to incorporate changes to water quality across the basin and some additional results from the southern management area that are not in the original management plan, additional recommendation to review and potentially update the representative monitoring sites and the sustainable management criteria for those sites. The question was made to revisit the recommendation management action and to consider the definition of significate, there is a section to describe legal action, and a recommendation to include discussion and coordination with other agencies such as the Borrego Water District and DWR. West Yost staff will circulate an outline of 5 year report. District Manager Poole did update the board that DWR did reject the Prop 68 reimbursement for T2 hose removal, he did advise Cathy Milkey via email and asked what they wanted to do. Watermaster has not been advised. There are complications with having to provide prevailing wages and contractor requirements for compliance with the DIR. David does not need to be a licensed contractor to do the work due to landowner exemptions.

***Item E. Future BWD/WM Board Meeting Schedule*** – District Manager Poole suggested we have a meeting before the watermaster meeting to bring watermaster issues to the board if needed. Attorney Anderson advised the board that boards adjust meeting dates with a resolution unless it is a special meeting.



***BOARD COMMITTEE REPORTS, IF NEEDED***

Attorney Anderson recommended Ad Hoc committees be reviewed once a year.

Board adjourned to closed session at 11:27 am President Dice returned from closed session to report that no reportable actions had been taken during closed session and ended the meeting at 1:00pm

**Borrego Water District Board of Directors**  
**November 14, 2023**  
**Meeting Minutes**

**OPENING PROCEDURES – Meeting was called to order at 9am**

**Directors' Roll Call:** President Dice, Vice President Baker, Directors Duncan, Johnson & Moran.

**Approval of Agenda** President Dice requested a motion to approve agenda there was a first motion from Director Moran with a second from Director Duncan, motion passed unanimously.

**Comments from the Public & Requests for Future Agenda Items**

Mr. John Peterson presented an update regarding the groundwater monitoring activities from the Watco (Water and Land Use Subcommittee of the Sponsor Group), the focus was to look at the lack of monitoring wells in the area south of Henderson canyon road and north of palm canyon drive. West Yost was shown in June and it was explained the importance of getting those groundwater levels and also the water quality involved. The central management area has plenty of monitoring wells, the northern area does not, the concern is the amounts of insufficient data, it would take two years to collect 4 data points.

**Comments from Directors - Director Johnson** commented that in Trey's last report he stated that DWR will bring up water quality as well as domestic wells.

**Correspondence Received from the Public - None**

**ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION -**

**Item A. Air Quality Monitoring Program** – District Manager Poole received an email from Charles Zender the Administrator Program Manager from UCI air quality Monitoring that was in the board package letting us know that there was little money left and left up to us any amount \$4,000 to \$12,000, Jessica had budgeted for \$36,000. President Dice asked if there was actually anyone interpreting the data or if it was just being collected. Vice President Baker asked if the monitoring systems could be EPA calibrated the collected data could be actionable, and be used. President Dice asked for Dr Zender to clarify his budget , and ask if the systems can be calibrated. No motion was needed.

**Item B. BWD Board Meeting Schedule – G Poole** With the holidays and ACWA conferences coming up Mr. Poole would like to cancel the November 28<sup>th</sup> meeting if there are items that need to be addressed then they will have it. December 12<sup>th</sup> would be the only December meeting.

**Item C. Carry Over Transfer to Borrego School District – Attorney Anderson** explained Mr. Bauer's carry over would be purchased by BWD and the District would sell to the school. Still waiting for Markman to write out the policy to see if the school can even purchase carry over, they may need to purchase annual allocation which the district has a lot of. The amount that the school would have to purchase is 19.5 not 22 and that would be the amount that the board would authorize. Attorney Anderson suggest the Board approve the sale of Carry Over OR Annual Allocation to the school district. President Dice requested a motion sell up to 20-acre feet it will later be determined if it will be carry over or allocation. There was a First from Director Duncan and a Second From Director Moran. Motion passed unanimously.

**VERBAL Borrego Springs Subbasin Watermaster Board** – President Dice expressed that it was a positive Watermaster townhall meeting. Director Johnson expressed concern that the West Yost presentation was judgement oriented. They did not talk or ever say the word "undesirable results". Director Johnson also mentioned the discussion of "Best Available Science" was once again put off. Director Duncan suggested that if the study is not produced by the watermaster then it is not accepted. Directors agree the need to get the subject of "the best available science" on to the watermaster board agenda to introduce Trey's

report. Attorney Anderson recommends this subject be brought in with context, he recommends that the board bring it to the watermaster board or TAC to take action on record so then it can be taken to the judge for a decision on that question. Director Baker recommends BWD ask the watermaster to put the memorandum on the agenda as a direction to review. Director Moran mentions that there are still things that need to be considered on the Judgement such as carryover, carry over separate from BPA and involuntary transfer of property, and what does leasing mean. All these things are going to be policy questions or have to go back to the judgement.

**Farmland Fallowing Study Update-** General Manager Poole presented the issue over the confusion that Shannon was having for the ineligibility of the hose removal which is distinct from the overall project, and ineligible in the opinion of the DWR. President Dice explained that although she can see where it could get fuzzy, the project does imply that the land is ready for restoration. General Manager Poole states that DWR is comfortable spending money on private property, but the red flag is due to the specific private property owner being the only party to benefit which made it an ineligible expense.

## **BOARD COMMITTEE REPORTS**

**Operations and Infrastructure:** Director Duncan expressed a request from Vice President Baker for an Operations and Infrastructure meeting due to things that have happened recently that maybe should be discussed and shared. Vice President Baker expanded that a possible agenda topic is that Mr. Asche explains regulatory requirements, reviewing the items/things that other agencies oversee and we are required to do on a regular basis and that we've never really checked over the years. President Dice reminded that this was a standing committee and the agenda needed to be published.

**ACWA/JPIA Insurance:** President Dice reminded that her and Vice President Baker would be attending the ACWA conference.

### **AD HOC:**

**Automated Metering Infrastructure Selection:** Ms. Clabaugh reached out to three vendors and advised that we are interested in a pricing proposal. It was requested from the vendors to send over their standard contracts. One vendor, Ferguson, advised that he did have questions and would email me later today.

## **STAFF REPORTS – VERBAL**

General Manager had nothing to report.

**Board adjourned to closed session at 10:39am** President Dice returned from closed session to report that no reportable actions had been taken during closed session and ended the meeting at 11:30 am

**Borrego Water District Board of Directors  
December 12, 2023  
Special Board Meeting Minuets**

**OPENING PROCEDURES Meeting was called to order at 9:00am**

**Directors' Roll Call:** President Dice, Vice President Baker, Directors Duncan, Johnson & Moran.

**Approval of Agenda** President Dice requested a motion to approve the agenda there was a first from Director Duncan and a second by Director Moran, agenda approved unanimously.

**Comments from the Public & Requests for Future Agenda Items** there were none.

**Comments from Directors** Director Duncan commented that this has been the quietist period since he has been a director. President Dice commented that everyone together has done such a great job here.

**Correspondence Received from the Public** - None

**ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION -**

**Item A. Consent Calendar:** - *There were four sets of minutes presented*, Special Board Meeting July 11, 2023

Regular Board Meeting July 25, 2023, Special Board Meeting August 8, 2023, and Special Board Meeting September 12, 2023. There was one request for amendment for the August 8<sup>th</sup> meeting she was not in and Vice President Baker called the meeting to order. Director Johnson – requested a spelling correction to Rebecca Faulk’s name in the July 11 minutes in the watermaster section, this will be corrected.

**Item B. BWD/Watermaster Farmland Following Agreement Amendment** – General Manager Poole explained that for clarification purposes it was important to add information, about future responsibility of the property owner, getting back to the hose removal, the previous version was pretty clear this version will get specific. Attorney Anderson – explained the changes in paragraph two and five of the previous agreement, paragraph two now says “hose will be removed” at owners cost and paragraph five have been changed to ensure that the owner has to remove the hazardous material and abandoned well. President Dice asked for a motion to approve, there was a first from Director Duncan and a second from Vice President Baker. Amendment approved unanimously.

**Item C. Air Quality Monitoring Program** – General Manager Poole, explained that Dr. Zender had some unspent funds from the previous year and looking for \$12,000 for the work load for next year, in additional to specific questions that we asked of Dr Zender. Dr Zeneder explained that the funds were not extra but rather an anticipated cost. We asked specifically about data analysis and he explained he does not have a bandwidth to supervise someone to actually perform the work, and followed the question regarding calibration and Sicco up at UCI has been and will continue to work on the intercalibration. Director Johnson expressed concern that the data was not being analyzed and was specifically concerned because of the lithium mining and of recent Haboobs, it would be a big thing to get a baseline prior to the lithium mines. Vice President Baker requests clarification to ensure the system is EPA calibrated in order to make the data actionable by a regulatory authority. No action was needed as it was approved at the last meeting. Dr Zender shared that Sicco is continuously performing calibration.. The EPA standards are only available through EPA devices they use a completely different measurement technique, our devices are optical devices just like the UCI research stations. Sico is doing about 6 measurements a year for this inner calibration, there will be an additional cost to tie them into the EPA standards. Vice President Baker asked for the

EPA recommendation particularly how to calibrate or tie these two measurements together from EPA's point of view. Dr. Zender explained that EPA is very interested in well documented measurements outside of their own stations. They are willing to accept conclusions and investigate them that are drawn from other instruments. The group that would take action would be the San Diego Air Quality Control Board is your regional board. Data has not been published.

**Item D. VERBAL Borrego Springs Subbasin Watermaster Board** – Director Duncan reported that on Thursday at 4:30 there is a lot of discussion about the water rights accounting. There was some discussion and a conference call with Mr. Markman and Sam regarding amendments to the judgement; one in regards to the transfer of carry over, which Mr. Marksman said can be done with a resolution to the board not an amendment to judgement. President Dice commented that the Judges Conference is on Friday and that the reports to the judge from Mr. Markman stated that T2 would be going. President Dice brought up an interesting point from the report one was that T2 was going to pay the penalties in arrears and they also mentioned the carryover. President Dice asked if we could request that the Watermaster present their agenda sooner. Director Duncan explained that everyone now acknowledges that even though we are adjudicated the watermaster board understands that SIGMA still applies. Director Johnson disagrees and President Dice states that it may be a matter of interpretation.

Vice President Baker brings up the topic that the BWD provides very affordable water measurements and monitors quality for watermaster, to the extent that the BWD field staff is quite busy, there may come a time it no longer makes sense for BWD to provide in a very affordable way, because we are local, this service to the Watermaster. This is brought up mostly for Geoff. General Manager will follow up with Sam if we need to change anything.

Attorney Anderson updates that the New Judge will allow Board members only to participate in the hearing on Friday at the status conference, no general public will be allowed, Directors will have to state their appearance like an attorney, this accommodation will be only for the District Board and Watermaster Board.

## **BOARD COMMITTEE REPORTS**

**PROP 68** Director Johnson attended a groundwater collaborative from the state where they did advise that the budget would be less and for 2025 they are missing \$78 million dollars. The Stewardship Council will have educational seminars that will done with Prop 68 funds. Series will be called Borrego U.

**T2 Developers Agreement** General Manager Poole updated that there has been no discussion on the technical information, they are still waiting on the Calculations on the transmission main capacity, there is a meeting on January 18 to review the results of the transmission analysis.

**Automated Metering Infrastructure Selection:** General Manager Poole updated that we have received prices and specific solutions from the different vendors, staff will try to do more of an apples to apples comparison between the three which has been a bit of a challenge because they are so different.

## **ORGANIZATIONAL REPORTS**

**ACWA 2024 Conference Summary** – President Dice reported that her and Vice President Baker attended the conference in Indian Wells, it was a very interesting conference, the biggest impact was a talk of “making conservation a California way of life” and the new law that is applying to all the big

water districts. Vice president Baker reviewed changes in water quality that were presented at the conference, arsenic PPM will be significantly different than before and it will impact us. Updated standards for the distribution system is what is contaminating the water. In the future the State Water Resources control board will be presenting new regulations. From feedback of other districts who now have AMI the possibility of Citizens Advisory Committee. One of the positives of having AMI is if water budgeting does come our way from the state BWD will have much more information to share with the state.

### **General Manager Update**

***Final Calculations for W Bauer Carry Over Purchase*** – District received a final count from Sam 458.98 acre feet .

***BSUSD Carry Over Purchase from BWD***: Transfer Paperwork has been filed

***Grants Receivables*** Chris Martinez from DWR emailed that all the paper work has been transferred to the controller's office for disbursement.

***Syrus Deevers State Legislative Advocate Status*** Syrus and BBK separated. We knew it was coming and we will now receive two invoices but no increase in cost.

**With no need to convene to Closed Session meeting adjourned at 11:07**

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.B

May 13, 2024

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: Borrego Water District FY 22-23 Audit - J Clabaugh/K Dice/G Moran

**RECOMMENDED ACTION:**

Receive Report from Finance Officer and accept Audit for 22-23

**ITEM EXPLANATION:**

The attached Draft Audit has been prepared by Leaf and Cole, Independent Auditors. BWD Finance Officer and L and C Auditors will be available at the Board meeting to present the documents and answer questions.

**NEXT STEPS**

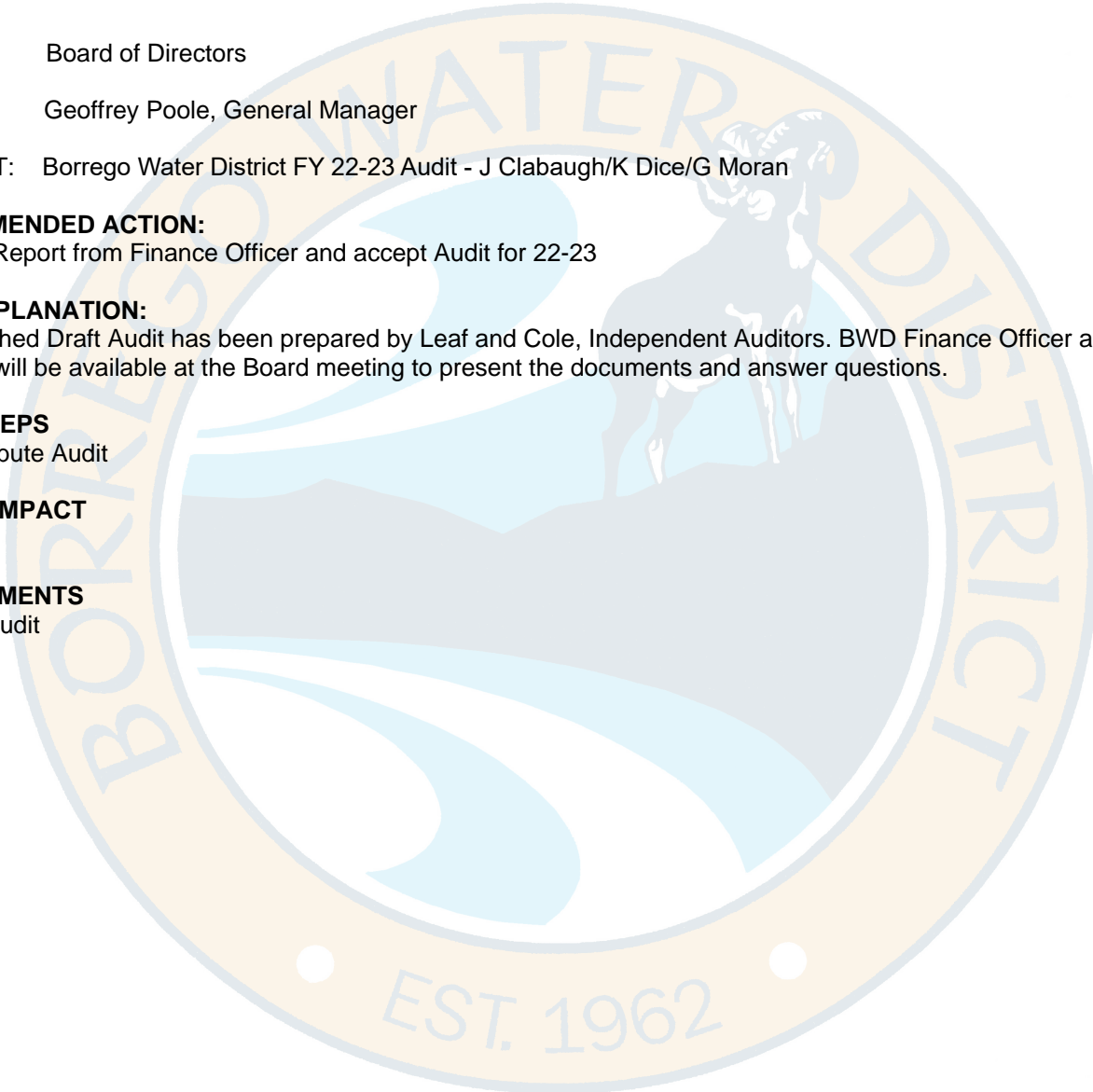
1. Distribute Audit

**FISCAL IMPACT**

1. N/A

**ATTACHMENTS**

1. Draft Audit



**BORREGO WATER DISTRICT**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

DRAFT



Leaf & Cole, LLP  
*Certified Public Accountants*



**BORREGO WATER DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

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May \_\_\_\_, 2024

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; District) for fiscal year ended June 30, 2023 is hereby submitted as required by Leaf and Cole, LLP., a firm of licensed certified public accountants, who 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 Auditors' Report.

Management assumes full responsibility for the completeness and reliability of the information contained in this Transmittal Letter, the MD&A, the accompanying financial statements, and the Supplemental Schedules, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls 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 is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023 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 unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this year's audit report.

## **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 risk management and gnat abatement for areas in the Borrego Springs 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 approximately 8,000 winter residents, located in a remote northeast corner of San Diego County, approximately 90 miles drive from San Diego and 87 miles drive from Palm Springs.

Borrego Springs is surrounded on all sides by the Anza-Borrego Desert State Park (the Park). The Park, which encompasses over 248,880 hectares (615,000 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. The Park 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 designated wilderness area within California and is approximately the size of Rhode Island. The Park attracts more than 500,000 visitors to the region on an average year. Borrego Springs can welcome more than a million visitors to its community on a super bloom year, as in the springs of 2017 and 2019. An economic study developed for the Anza-Borrego Foundation (ABF) estimates the revenue to the region generated by visitation to the Park during an average year is approximately \$40 million annually (BBC Consulting, 2012).

### ***Infrastructure***

The District has 9 production wells with a replacement cost of approximately \$1,500,000 each. These production wells are located primarily in the Central Management Area of the groundwater basin and are connected to approximately 100 miles of distribution lines. The District's water system serves approximately 2,059 residential, commercial, institutional, and irrigation customers. The District currently delivers approximately 1,600 acre-feet (521 million gallons) annually to its customers. The District also provides sewer and wastewater treatment services to approximately 830 customers located primarily in the Town Center, Club Circle and Rams Hill developments. The District's flood control authority is presently exercised only at Rams Hill. The estimated present replacement cost value of the District's water, sewer and wastewater treatment facilities infrastructure is approximately \$97,000,000 in 2023n dollars.

### ***Governance***

A five-member board of directors work 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 similar 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 may be required. The General Manager is responsible for carrying out the policies and ordinances approved by the District's board, for overseeing the day-to-day operations of the District, and for meeting the customer service and financial objectives set forth in the annual operating and capital improvements projects (CIP) budget approved by the board.

### ***Groundwater Supply, Usage & Availability***

The Borrego Springs Subbasin (Subbasin) of the Borrego Valley Groundwater Basin is located at the western-most extent of the Sonoran Desert. The Borrego Springs community overlying the Subbasin relies on local groundwater resources from the Subbasin as the sole source of municipal drinking water, domestic supply, and agricultural irrigation.

The California Department of Water Resources (DWR) has designated the 98-square-mile Subbasin as high priority and critically overdrafted. Chronic lowering of groundwater levels in the Subbasin's three aquifers has historically occurred and is ongoing. The critical overdraft annually exceeds the long-term sustainable yield of the Subbasin. Presently, there are no economically viable alternative sources of imported water supply.

The primary source of water to the Subbasin is surface water (storm water and ephemeral stream flow) that flows into the valley from adjacent mountain watersheds and infiltrates within the valley. The contributory watersheds are approximately 400 square miles (sq. mi) and much larger in area than the approximately 98 sq. mi (62,776 acres) Subbasin. Direct recharge by rainfall within the valley is very low compared to surface water inflows as the annual rainfall averages 5.8 inches per year (in/yr). Stream and flood flows from the adjacent watersheds provide the bulk of the water that enters the Subbasin.

The current hydrologic conceptual model for the aquifer system is that it consists of three unconfined aquifers; the upper, middle and lower aquifers. The upper and middle aquifers are the primary sources of groundwater currently and are typically comprised of unconsolidated sediments. However, with time, the upper aquifer has already become or is expected to become dewatered and the lower aquifer will become a more important source of water as overdraft continues. These three aquifers, Pleistocene (2.5 million years ago) to Holocene (11,700 years ago) era fossil water deposits, are the community's sole source of water. In modern times, the upper and middle aquifers have been the principle sources for groundwater pumping in Borrego Valley.

Since 1945, when large scale pumping began in the Borrego Springs area following World War II, the cumulative volume loss within the Subbasin (which accounts for both annual inflows and outflows) has been approximately 520,000 acre-feet (AF), equivalent to about one-third of the groundwater volume originally present.

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 of available and affordable 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 U.S. Bureau of Reclamation for more information. Importation of new supply from nearby groundwater basins has also been ruled out due to availability of potential adequate supply and cost. Readers may consult the *Borrego Spring Pipeline Feasibility Study: Final Report* by the U.S. Environmental Protection Agency – Region 9 (2012).

The net replenishment (natural recharge less outflows) of the basin of approximately 5,700 acre-feet per year (AFY) annually is based on historical data (1945-2015). During this period the actual annual natural net recharge was highly variable, fluctuating from less than 1,000 AFY during long dry periods 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 approximately 13,000 AF of water per year based on estimated current withdrawal rates using evapotranspiration rates by crop type for agricultural and recreational withdrawals and municipal metered usage and the US Geological Survey's (USGS) calculated average annual net replenishment rate. Based on the historical data from 66 years, groundwater levels have declined as much as 126 feet (average of nearly 2 feet per year) in the northern part of the Subbasin and about 87 feet (average of 1.3 feet per year) in the west-central part. In the southeastern part of the Subbasin where less groundwater has been pumped, groundwater levels have remained relatively stable during the same time period. At the current rate of use, the groundwater supply from the Subbasin is not sustainable.

Presently, the Subbasin is usefully divided into three Basin Management Areas (South, Central, North) based on differences in transmissivity (how fast groundwater flows from one area to the next) and water quality. Depending on the Management Area location, wells are often screened primarily in the three different aquifers of the basin and exhibit different water quality characteristics. Readers should review the USGS, *Hydrogeology, Hydrologic Effects of Development, and Simulation of Groundwater Flow in the Borrego Valley, San Diego County* (2015) for more complete information.

Sustaining groundwater use requires considering both water quantity and quality. As water levels continue to drop in the basin, water quality may also decline, which may require expensive additional advanced treatment for municipal uses. Thus, the cost of municipal water supply for municipal uses will likely continue to increase over time.

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 to San Diego County.

### ***Sustainable Groundwater Management Act of 2014 (SGMA)***

The overarching aim of SGMA is to establish and achieve a *sustainability goal* for the Subbasin through the development and implementation of a Groundwater Sustainability Plan (GSP) by the Groundwater Sustainability Agency (GSA) for the Subbasin or alternatively by a Watermaster implementing a *Physical Solution* under a court Stipulated Judgment. Both are valid options under SGMA. In enacting SGMA, the Legislature also set forth more specific purposes underlying the legislation, which include providing for sustainable management of groundwater, avoiding six designated *undesirable results* to groundwater resources that could occur without proper management, enhancing the ability of local agencies to take action to protect groundwater resources, and preserving the security of water rights to the greatest extent possible consistent with sustainable management of groundwater.

As defined by SGMA: “A basin is subject to critical overdraft when continuation of present water management practices would probably result in significant adverse overdraft-related environmental, social, or economic impacts.” Thus, the intent of the GSP is to achieve long-term groundwater sustainability by restoring balance to (i.e., reaching *sustainability*) in the Subbasin no later than January 2040, as mandated by SGMA.

The County of San Diego and BWD entered into a Memorandum of Understanding (MOU) for forming a multi-agency Borrego Valley Groundwater Sustainability Agency (GSA) to develop a GSP for the Subbasin. The intent of this GSP was to meet the requirements of SGMA. To this end, the GSP includes the scientific and other background information about the Subbasin required by SGMA and its implementing regulations. The GSP was also intended to provide a roadmap for how sustainability is to be reached in the Subbasin by January 2040. Information regarding the GSP including stakeholder process is available from the County’s website: <https://www.sandiegocounty.gov/content/sdc/pds/SGMA/borrego-valley.html>.

In October 2019, the County informed DWR of its decision to decline further participation as a GSA for the implementation phase of SGMA effective December 31, 2019. On January 30, 2020, pursuant to California Water Code (CWC) Sections 10733.6 and 10737.4, BWD submitted to DWR a proposed Stipulated Judgment including a groundwater management plan (GMP), constituting a *Physical Solution* for DWR’s review and approval to serve as an alternative to a GSP for the Subbasin in compliance with SGMA. The pumpers of the Subbasin representing approximately 92% of annual extractions agreed to a Settlement of water rights also applied to the California Superior Court (Court) for a Stipulated Judgement (Judgement). This Stipulated Judgement was approved by the Court on April 8, 2021 under which the Subbasin pumpers have agreed to implement the *Physical Solution* under management of the newly formed Borrego Springs Watermaster.

Under the Stipulated Judgement, Annual Reports for the Borrego Springs Groundwater Subbasin have been prepared for submittal to the California State Department of Water Resources (DWR) as of April 1, 2020 per Article 7, Section 356.2—Annual Reports, of the California Code of Regulations.<sup>1</sup> These reports has been prepared on behalf of the stipulating parties to the groundwater rights adjudication for the Borrego Springs Groundwater Subbasin (Subbasin) (DWR Basin No. 7.024.01) of the Borrego Valley Groundwater Basin. GSA reports are available on the Watermaster website at [www.borregospringswatermaster.com](http://www.borregospringswatermaster.com).

### ***California's Ongoing Drought***

Because the Borrego Valley relies solely on the Subbasin for its municipal, recreational, and farming irrigation uses, the California drought has produced no physical impairment of water supply for BWD and is not expected to do so in the near future. Although in 2017, the California drought was officially declared over, Borrego water users continue to make investments to use water more efficiently and to engage in water conservation programs. The desert environment provides an ongoing impetus to use water wisely.

### ***Capital Improvements Program (CIP)***

BWD updates its 10-year CIP project costs annually in consultation with its Operations Manager, WWTP Operator and District Engineer. Detail of the projects and costs incurred are included in BWD's annual budget.

### ***Cyber Security Risk Management***

BWD has a robust cybersecurity policy and engages in ongoing and periodic intrusion detection services performed by a the US Department of Homeland Security's Cyber Security and Infrastructure Agency(CISA). In addition, the District conducts regular staff trainings on various hacking schemes and has secured a robust Cyber Security Insurance Policy thru ACWA-JPIA.

### ***Flood Risk Management***

BWD has a flood risk reduction assessment policy and engages a professional engineering firm to periodically assess that BWD's flood risk reduction facilities at Rams Hill are maintained to meet the specific flood risk objectives for such facilities.

### ***Groundwater Water Levels and Water Quality Changes Risk Management***

The groundwater level monitoring network includes 23 dedicated monitoring wells and 27 extraction wells. Of the 50 wells in the network, 46 are monitored for groundwater levels, 30 are monitored for water quality, and 19 are monitored for production. Manual groundwater level measurements are collected in the spring and fall of each year to track seasonal groundwater trends. Groundwater quality monitoring includes sampling, on average, 30 wells on a semi-annual basis to determine and track groundwater quality trends. Wells are monitored for potential contaminants of concern (COCs). The COCs include arsenic, fluoride, nitrate, sulfate and total dissolved solids (TDS). During recent years, BWD's well ID4-18 in the North Management area has shown an increasing trend in nitrate levels. Although still below drinking water standards, BWD continues to closely monitor water quality and is currently exploring avenues for future mitigation.

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<sup>1</sup> Title 23, Division 2, Chapter 1.5, Subchapter 2 of the California Code of Regulations, which is commonly referred to as the Groundwater Sustainability Plan Regulations (GSP Regulations).

## ***COVID-19 Risk Management Policies***

The national COVID-19 public health emergency presents a range of challenges, including ensuring level of service, assisting low-income customers, and assuring responsible financial management of the District. The BWD Board shares its customers' concerns about the coronavirus. What the District's primary public health responsibility is to continue providing safe water to drink and use, right from the tap. The District's treatment process effectively removes viruses, including COVID-19. BWD is testing the water it provides its municipal customers daily, weekly and monthly to assure it continues to meet federal and state drinking water standards. During the COVID period, BWD was subjected to Governor Gavin Newsom's shut-off moratorium(Executive Order N-42-20) and suspended all turn-offs for nonpayment, to ensure continued access to water for washing hands and cleaning. This moratorium expired in January of 2022 which allowed BWD to resume collection action thru shut-offs. As a consequence of the shut-off moratorium, BWD's customer receivables grew significantly during the COVID emergency period. The State was able to offer some relief to customers thru their COVID-19 Water and Wastewater Arrearage Grant programs in which grant funds were applied as bill credits to water and sewer customers who were delinquent during the COVID-19 period.

While BWD has resumed in person meetings and gatherings, public meetings remain available via the internet. BWD has implemented COVID protocols and protections in our lobby to protect the public and office staff, and implemented social distancing for our field staff. Additionally, all our staff have paid sick leave and if they have been exposed to the virus or are symptomatic are told to stay home from work.

## **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***

Located in an arid desert climate, Borrego's present economy has been made possible by the overuse of groundwater supplies that have been depleted far faster than those supplies can be replenished. This is true of the agricultural, recreational and municipal water use sectors that bring on average 500,000 visitors to the Borrego Valley annually. Thus, uncertainty over the costs of long-term water supply, potential future costs for treating groundwater to meet safe drinking water quality standards due to the critical overdraft resulting in degraded water quality, and the economic impacts of meeting SGMA objectives for the Subbasin may be slowing investments for new development in the Valley.

Under the Stipulated Judgement, a court order effective April 8, 2021, the Borrego Springs Watermaster was formed and is required to collect fees from all major pumpers of the basin according to their BPA(Baseline Pumping Allocation). For Water Year 2022 this amount was \$20.30/Acre Foot and \$45.73/Acre Foot for Water Year 2023. In Fiscal Year 2023 the District closed on the purchase of 110 acres of citrus groves at the north end of DiGiorgio Road. Once the citrus is fallowed, BWD will add 670 AF to its existing BPA of 2,581 Acre Feet per Year. In addition, negotiations were ongoing for the purchase of additional farmland that may bring the BWD another 1,820 AF of BPA. As restrictions are in place to reduce the Districts pumping by 70%, these purchases will ramp down to 1,263 Acre Feet by 2040. This means that the District will still be required to purchase additional BPA, generally in the form of land with water rights, to meet existing demands of approximately 1,300 Acre Feet per year. The District has revised its revenue requirements to build reserves for BPA acquisition.

Borrego Springs is considered a Severely Disadvantaged Community (SDAC). A SDAC is defined as a community with a median household income (MHI) of less than 60% of the California statewide MHI. The Valley is also considered an Economically Distressed Area (EDA). An EDA is defined as a geographic area with a population of 20,000 or less with an annual MHI that is less than 85% of the California statewide MHI, and with at least one of the following conditions, as determined by the Department of Water Resources (DWR): a) financial hardship; b) unemployment rate at least 2% higher than the statewide average; or c) low population density.

### ***Previous Fiscal Years Spending by the District***

The District has largely addressed the financial situation that was inherited from the 2007-2010 Board and general manager's decisions that between FY 2008 – FY 2011 spent more than \$6.3 million of the District's \$6.5 million cash reserves and potentially obligated the District to spend another \$7.0 million for unfunded projects. These spending and future obligations resulted in the District no longer having the financial stability to obtain new debt to pay for necessary long-term capital improvement projects (CIP). With the cancellation of many of the future obligations incurred by the 2007 board, reduction of annual operating and maintenance (O&M) expenses by more than \$1.2 million, careful cash flow management, and Proposition 218 approved rate increases during the period FY 2012-2021, the District then had sufficient annual cash flow and cash reserves by FY 2018 for necessary borrowing to issue \$5.5 million in bonds to fund needed CIP for FY 2019-2021.

Due to historically low interest rates, in October of 2021 BWD was able to refinance the remaining principal of the \$5.5 million Pacific Western Bond and issued an additional \$3 million with Capitol One Public Financing. About \$1.5 million is allocated to complete construction of new production well ID5-15 and to perform necessary rehab and repairs on various existing production wells. The remaining \$1.5 million is held as cash on hand should an opportunity arise where the District can purchase additional BPA.

The District's Board believes timely investments in CIP are necessary to produce the lowest economic cost provision of municipal water, sewer and wastewater treatment services over the long term for the District's customers.

### ***Environmental and Climate Changes***

Decisions concerning land use, application to the land of substances that may contaminate groundwater, and the use of inadequate sureties for County grading permits in order to restore development-disturbed desert lands are some of the environmental changes that may cause additional costs for the District to provide potable municipal water to its customers. Additionally, with the advent of Anthropogenic Climate Disruption (climate change), the current scientifically accepted prognosis is for potentially greater future climate variability. Such variability may result in higher frequency of floods and longer periods of lower precipitation in the Park's watersheds that provide recharge to the Subbasin, and increased risk for wildfires due to longer, drier conditions. Thus, climate changes may introduce additional costs for the District to provide potable municipal water to its customers.

### ***Long-Term Financial Planning***

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 maintaining revenue sufficiency and good credit 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 reductions in future long term cash obligations; (e) minimizing its reliance of operating cash flow to fund CIP; (f) the active development of state and federal grant opportunities for funding CIP and SGMA-related costs; (g) implementing annual water and sewer rate increases to increase cash flow and to accumulate cash reserves; (h) the maintenance of sufficient cash reserves to address emergency and environmental and climate change risk factors; and (i) pursuing regular proactive Proposition 218 5-year rate increase approvals.



The primary driver for the long-term financial viability of the District, as well as the economy of the Valley is the critical overdraft's potential impact on water quality (see section on Groundwater Supply, Usage & Availability above) and the need to relocate existing wells and add new wells as well production is impacted by water table declines due to the overdraft. Thus, to minimize its financial risk, the District plans to maintain financial stability and a good credit standing with the debt markets in order to accommodate raising future new debt for its municipal operations.

## **RELEVANT FINANCIAL POLICIES**

### ***Reserve Policy***

The District has established a Reserve Funds Policy to anticipate and to prepare for future funding requirements as well as for unforeseen events. The Reserve Funds Policy establishes restricted and unrestricted reserves and describes the flow of funds to and from the various reserves. A copy of the District's updated and approved Reserve Funds Policy, along with the projected reserve funds targets, is available on the District's website as a component of the most recent fiscal year 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. The District also has a risk management policy that describes the policies, practices, and procedures for some of the District's more salient financial risks identified by staff and the Board.

### ***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.

### ***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 controls 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,

A handwritten signature in blue ink that reads "Geoffrey Poole".

Geoffrey Poole, General Manager

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Leaf & Cole, LLP  
*Certified Public Accountants  
A Partnership of Professional Corporations*

## **Independent Auditor's Report**

To the Board of Directors  
Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, California 92004

### **Opinion**

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Borrego Water District, as of and for the years ended June 30, 2023 and 2022, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of Borrego Water District as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Borrego Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Borrego Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borrego Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, we well as evaluating the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Borrego Water District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 41 - 43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and schedules of assessed valuation but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

San Diego, California  
May \_\_, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the financial performance of Borrego Water District (District) provides an overview of the District's financial activities for the years ended June 30, 2023 and 2022. Please read it in conjunction with the District's financial statements which begin on page 11.

### **Financial Statements**

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District operates as a public utility and maintains its accounting records in accordance with generally accepted accounting principles for a proprietary fund as prescribed by the Government Accounting Standards Board (GASB). The financial statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The District's financial statements include five components.

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Notes to the Financial Statements
- Other Information

The statements of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Net position may be displayed in three categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted

The statements of net position provide the basis for computing rate of return, evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The statements of revenues, expense and changes in net position present information which shows how the District's net position changed during the year. The financial statements, except for the cash flow statements are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The statements of revenues, expenses, and changes in net position measure the success of the District's operations over the past year and determines whether the District has recovered its costs through user fees and other charges.

The statements of cash flows provide information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in four categories:

- Operating
- Noncapital financing
- Capital and related financing
- Investing

This statement differs from the statement of revenues, expenses and changes in net position because the statement accounts only for transactions that result in cash receipts or cash disbursements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Financial Statements (Continued)**

The notes to the financial statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

### **Other Information**

In addition to the financial statements and accompanying notes, the financial statements also present certain required supplementary information, which follows the notes to the financial statements. This other information includes pension funding schedules.

### **Financial Highlights**

During the fiscal years ended June 30, 2023 and 2022, the following events impacted, or have the potential to impact, the finances of the District.

- Capital assets increased \$4,085,122 at June 30, 2023 from June 30, 2022, which included improvements to Production Well #2 (ID5 - 15), Wastewater Treatment Plant, Bending Elbow Pipeline and Well 11 electric upgrade.
- During fiscal year 2023, the District earned grant revenue of \$240,475 through funding provided in full or in part by the Clean Water State Revolving Fund through an agreement with the State Water Resource Control Board. The funding under the agreement is being used to rehabilitate and upgrade critical components of the District's wastewater treatment plant to comply with discharge requirements. The District also earned grant revenue of \$326,711 through funding provided by the Department of Water Resources of the State of California. The funding under this agreement is to assist in financing the Implementation Project for the Borrego Spring Sub Basin.
- Total operating revenues decreased \$16,277 primarily in water sales and other income as well as watermaster reimbursements.
- Total operating expenses increased \$795,032 as a result of increased pension, salaries, pumping, and watermaster costs.
- Nonoperating revenues exceeded non-operating expenses as grant revenue, property taxes and investment income exceeded interest expense.
- Cash and cash equivalents decreased to \$6,219,575 at June 30, 2023 from \$8,640,739 at June 30, 2022 primarily due to the water right acquisition from William Bauer.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Financial Analysis of the District

#### Net Position

The following is a summary of the District's statements of net position at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<u>Assets:</u>				
Cash and cash equivalents	\$ 6,219,575	\$ 8,640,739	\$ (2,421,164)	(28.02)%
Capital assets	24,834,726	20,749,604	4,085,122	19.69%
Other assets	1,384,646	1,441,749	(57,103)	(3.96)%
Total Assets	<u>32,438,947</u>	<u>30,832,092</u>	<u>1,606,855</u>	5.21%
<u>Deferred Outflows of Resources</u>	<u>673,725</u>	<u>246,556</u>	<u>427,169</u>	173.25%
<u>Liabilities:</u>				
Current liabilities	2,304,314	1,424,249	880,065	61.79%
Noncurrent liabilities	9,097,948	9,062,791	35,157	.39%
Total Liabilities	<u>11,402,262</u>	<u>10,487,040</u>	<u>915,222</u>	8.73%
<u>Deferred Inflows of Resources</u>	<u>75,095</u>	<u>281,931</u>	<u>(206,836)</u>	(73.36)%
<u>Net Position:</u>				
Net investment in capital assets	16,178,429	11,647,277	4,531,152	38.90%
Unrestricted	5,456,886	8,662,400	(3,205,514)	(37.00)%
Total Net Position	<u>\$ 21,635,315</u>	<u>\$ 20,309,677</u>	<u>\$ 1,325,638</u>	6.53%

From the table above, net position increased by \$1,325,638 from fiscal year 2022 to 2023. Net investment in capital assets increased \$4,531,152. As construction funds are spent, more of the long-term debt is allocated to net investment in capital assets. In addition, depreciation expense was exceeded by the amount spent on capital assets.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Revenues, Expenses and Change in Net Position

The following is a summary of the District's change in net position for the years ended June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<b><u>Operating Revenues:</u></b>				
Water revenues	\$ 3,950,320	\$ 3,957,289	\$ (6,969)	(.18)%
Sewer service charges	802,274	654,215	148,059	22.63%
Water, sewer and other assessments	246,751	239,702	7,049	2.94%
Watermaster reimbursements	-	102,499	(102,499)	(100.00)%
Other income	38,703	100,620	(61,917)	(61.54)%
Total Operating Revenues	<u>5,038,048</u>	<u>5,054,325</u>	<u>(16,277)</u>	(.32)%
<b><u>Operating Expenses:</u></b>				
Water operations	2,053,070	1,468,224	584,846	39.83%
Depreciation	973,927	927,725	46,202	4.98%
Sewer operations	510,810	454,292	56,518	12.44%
Pumping	478,973	422,335	56,638	13.41%
General and administrative	461,636	416,005	45,631	10.97%
Treatment	41,214	36,017	5,197	14.43%
Total Operating Expenses	<u>4,519,630</u>	<u>3,724,598</u>	<u>795,032</u>	21.35%
Operating Income	<u>518,418</u>	<u>1,329,727</u>	<u>(811,309)</u>	(61.01)%
<b><u>Nonoperating Revenues (Expenses):</u></b>				
Nonoperating revenues	713,891	560,811	153,080	27.30%
Nonoperating expenses	<u>(236,703)</u>	<u>(391,394)</u>	<u>154,691</u>	39.52%
Nonoperating Revenues (Expenses), Net	<u>477,188</u>	<u>169,417</u>	<u>307,771</u>	181.66%
Income Before Contributions	995,606	1,499,144	(503,538)	(33.59)%
Capital Contributions	<u>330,032</u>	<u>177,758</u>	<u>152,274</u>	85.66%
Change in Net Position	1,325,638	1,676,902	(351,264)	(20.95)%
Net Position at Beginning of Year	<u>20,309,677</u>	<u>18,632,775</u>	<u>1,676,902</u>	9.00%
Net Position at End of Year	<u>\$ 21,635,315</u>	<u>\$ 20,309,677</u>	<u>\$ 1,325,638</u>	6.53%

A closer examination of the source of changes in net position reveals that the District's operating revenues decreased by \$16,277 in fiscal year 2023 primarily due to a reduction in watermaster reimbursements. Nonoperating expenses, decreased \$154,691 due to a decrease in interest expense. Operating expenses, exclusive of depreciation increased \$748,830 primarily in water operations which increased \$584,846. Nearly \$470,000 of that increase is in pension expense which is driven more by actuarial assumptions about the future than actual cash flows.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Assets

Capital assets consist of the following at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Land	\$ 693,702	\$ 693,702	\$ -	-
Flood control facilities	4,287,340	4,287,340	-	-
Sewer facilities	7,254,327	6,497,895	756,432	11.64%
Water facilities	17,775,417	16,778,661	996,756	5.94%
General facilities	1,006,881	1,006,881	-	-
Telemetry system	46,459	46,459	-	-
Equipment and furniture	1,018,919	994,406	24,513	2.47%
Vehicles	757,791	687,297	70,494	10.26%
Construction in progress	5,317,881	3,471,988	1,845,893	53.17%
Fallowed water credits	932,050	932,050	-	-
Water rights - ID #4/William Bauer	1,549,961	185,000	1,364,961	737.82%
Total Assets	<u>40,640,728</u>	<u>35,581,679</u>	<u>5,059,049</u>	<u>14.22%</u>
Less: Accumulated depreciation	<u>(15,806,002)</u>	<u>(14,832,075)</u>	<u>(973,927)</u>	<u>6.57%</u>
Net Capital Assets	<u>\$ 24,834,726</u>	<u>\$ 20,749,604</u>	<u>\$ 4,085,122</u>	<u>19.69%</u>

The net additions to capital assets for fiscal year 2023 totaled \$4,085,122. Significant capital asset additions include improvements to Well #2, Rams Hill Tank #2, Twin Tanks and Indian Head Tank.

### Long-Term Debt

The following is a summary of long-term debt at June 30:

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
2021 Installment Purchase Agreement	\$ 7,080,970	\$ 7,508,930	\$ (427,960)	(5.70)%
Promissory Note 2018A	1,336,000	1,532,000	(196,000)	(12.79)%
Promissory Note 2018B	270,049	396,800	(126,751)	(31.94)%
Total Long-Term Debt	<u>\$ 8,687,019</u>	<u>\$ 9,437,730</u>	<u>\$ (750,711)</u>	<u>(7.95)%</u>

The District decreased its debt outstanding by \$750,711 for fiscal year 2023 by making principal payments on all of its long-term debts.

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### 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 2023 - 2024 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 to provide water, and insurance coverage.

These indicators were taken into consideration when adopting the District’s budget for the fiscal year 2023 - 2024. 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.

On July 27, 2021, the District’s Board of Directors approved Proposition 218 compliant rate increases for FY 2022 - 2026 that include a change in rate structure resulting in a 5% increase in water revenues and no increase for sewer revenues for fiscal year 2023, followed by a 5% increase in water revenues and a 4% increase in sewer revenues annually on July 1, through fiscal year 2026. The changes in water rate structure shifted a greater financial burden to high water users while resulting in lower rates for single family homes using a conservative amount of water. While the District previously charged commodity rates for two tiers, the recent changes have created three tiers where tier one is intended to include enough water for domestic use of a single family (0 to 7 units), tier two reflects single family usage plus average desert irrigation (8 to 22 units) and tier three reflects usage outside of what is considered necessary and conservative to a residential dwelling (more than 22 units). Tier three rates are intended to fund the future purchase of supplemental water supply to meet municipal needs.

The initial rate change was effective October 1, 2021 and was reflected on November 2021 billings. Subsequent increases are annually on July 1<sup>st</sup>, reflected in the August billings.

On June 13, 2023, the District’s Board of Directors approved the FY 2024 budget that anticipates Capital Improvement Program (CIP) project’s spending of approximately \$31,000,000 through FY 2033-34. The Board has engaged the District’s financial advisors to develop a financing plan and the District’s municipal advisors to conduct a Cost of Service study to determine the feasibility and funding plan for these necessary CIP projects. 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.

### **Fiscal Year 2023 Actual vs. Fiscal Year 2024 Budget**

	<u>2024 Budget</u>	<u>2023 Actual</u>	<u>Variance</u>	
			<u>Dollar</u>	<u>Percentage</u>
<b><u>Revenues:</u></b>				
Operating revenue	\$ 5,238,228	\$ 5,038,048	\$ 200,180	3.97%
Nonoperating revenue	105,000	713,891	(608,891)	85.29%
Capital contributions	-	330,032	(330,032)	100.00%
Total Revenue	<u>5,343,228</u>	<u>6,081,971</u>	<u>(738,743)</u>	12.14%
<b><u>Expenses:</u></b>				
Operating expenses	4,889,077	4,519,630	369,447	8.17%
Non-operating expenses	209,580	236,703	(27,123)	(11.46)%
Total Expenses	<u>5,098,657</u>	<u>4,756,333</u>	<u>342,324</u>	7.20%
<b>Change in Net Position</b>	<u>\$ 244,571</u>	<u>\$ 1,325,638</u>	<u>\$ (1,081,067)</u>	81.55%

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Economic Factors and Future Year's Budget and Rates (Continued)**

On April 8, 2021, the Superior Court approved the Stipulated Judgment which defines Basin water rights for each pumper producing two acre feet or more in the Basin and imposes a “physical solution” regarding Basin management including use of Basin storage space, overseen by the Superior Court. Under the Sustainable Goundwater Management Act (SGMA), a Stipulated Judgment can serve as an “alternative” to a Groundwater Sustainability Plan (GSP) mandated by SGMA. The judgment allows the District to recover approximately \$300,000 in GSP development costs, and includes an obligation to pay along with other pumpers approximately \$30/acre-foot annually for extractions from the Basin, and the District will likely be required to obtain some amount of supplemental water supply to meet municipal needs beginning in five years or sooner, if available.

### **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 Jessica Clabaugh, Fiscal Officer at the Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, California, 92004 or by telephone at (760) 767-5806.

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**BORREGO WATER DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets:</u></b> (Notes 1 and 2)		
Cash and cash equivalents	\$ 6,214,000	\$ 8,350,601
Accounts receivable - Water and sewer, net	1,037,887	713,444
Accounts receivable - Watermaster reimbursements	11,592	121,847
Accounts receivable - Wastewater treatment plant upgrade grant	-	405,746
Accrued interest receivable	16,527	3,873
Property tax receivable	3,967	2,752
Inventory	198,155	159,525
Prepaid expenses	116,518	34,562
Total Current Assets	7,598,646	9,792,350
<b><u>Noncurrent Assets:</u></b> (Notes 1, 2, 3 and 4)		
<b>Restricted Assets:</b>		
Cash and cash equivalents	5,575	290,138
Total Restricted Assets	5,575	290,138
<b>Capital Assets:</b>		
Nondepreciable capital assets	8,493,594	5,282,740
Depreciable capital assets, net	16,341,132	15,466,864
Total Capital Assets	24,834,726	20,749,604
<b>TOTAL ASSETS</b>	32,438,947	30,832,092
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b> (Notes 1 and 6)		
Deferred outflows related to refunding	25,147	45,266
Deferred outflows related to pensions	458,680	43,396
Deferred outflows related to pension contributions	189,898	157,894
Total Deferred Outflows of Resources	\$ 673,725	\$ 246,556

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

**BORREGO WATER DISTRICT  
STATEMENTS OF NET POSITION (CONTINUED)  
JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>LIABILITIES</u></b>		
<b><u>Current Liabilities:</u></b> (Notes 1 and 5)		
Accounts payable	\$ 1,354,290	\$ 152,597
Accrued interest payable	52,793	58,108
Deferred revenue	-	64,332
Customer deposits	5,575	290,138
Current portion of noncurrent liabilities	891,656	859,074
Total Current Liabilities	2,304,314	1,424,249
<b><u>Noncurrent Liabilities:</u></b> (Notes 1, 5 and 6)		
Notes payable, net of current portion	7,908,760	8,687,019
Compensated absences	75,598	72,241
Net pension liability	1,113,590	303,531
Total Noncurrent Liabilities	9,097,948	9,062,791
Total Liabilities	11,402,262	10,487,040
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b> (Notes 1 and 6)		
Deferred inflows related to pensions	75,095	281,931
<b><u>Commitments and Contingencies</u></b> (Note 7)		
<b><u>NET POSITION:</u></b>		
Net investment in capital assets	16,178,429	11,647,277
Unrestricted	5,456,886	8,662,400
Total Net Position	\$ 21,635,315	\$ 20,309,677

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

**BORREGO WATER DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Operating Revenues:</u></b>		
Water revenues	\$ 3,950,320	\$ 3,957,289
Sewer service charges	802,274	654,215
Water, sewer and other assessments	246,751	239,702
Other income	38,703	100,620
Watermaster reimbursements	-	102,499
Total Operating Revenues	5,038,048	5,054,325
<b><u>Operating Expenses:</u></b>		
Water operations	2,053,070	1,468,224
Pumping	478,973	422,335
Water treatment	41,214	36,017
Sewer operations	510,810	454,292
General and administrative	461,636	416,005
Depreciation	973,927	927,725
Total Operating Expenses	4,519,630	3,724,598
Operating Income	518,418	1,329,727
<b><u>Nonoperating Revenues (Expenses):</u></b>		
Grant revenue	567,186	479,672
Property taxes	76,820	72,848
Investment income	69,885	8,291
Interest expense	(236,703)	(336,957)
(Loss) Gain on disposal of capital assets	-	(54,437)
Total Nonoperating Revenues (Expenses)	477,188	169,417
Income Before Contributions	995,606	1,499,144
Capital Contributions	330,032	177,758
Change in Net Position	1,325,638	1,676,902
Net Position at Beginning of Year	20,309,677	18,632,775
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 21,635,315</b>	<b>\$ 20,309,677</b>

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

**BORREGO WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Cash Flow From Operating Activities:</u></b>		
Cash received from customers	\$ 5,758,089	\$ 4,899,943
Cash received from watermaster reimbursements	38,703	102,499
Cash payments to suppliers for goods and services	(1,078,725)	(1,573,835)
Cash payments to employees for services and benefits	(1,221,545)	(1,511,939)
Customer deposits	(284,563)	248,838
Other operating cash receipts	(64,332)	164,952
Net Cash Provided by Operating Activities	3,147,627	2,330,458
<b><u>Cash Flows From Noncapital Financing Activities:</u></b>		
Receipts from property taxes	75,605	72,700
Net Cash Provided by Noncapital financing Activities	75,605	72,700
<b><u>Cash Flows From Capital and Related Financing Activities:</u></b>		
Acquisition and construction of capital assets	(5,059,049)	(2,625,778)
Principal paid on long-term debt	(750,711)	(4,927,537)
Interest paid on long-term debt	(221,899)	(323,473)
Capital contributions	330,032	177,758
Proceeds from sale of capital assets	-	85,563
Proceeds from long term debt	-	7,508,930
Net Cash Used in Capital and Related Financing Activities	(5,701,627)	(104,537)
<b><u>Cash Flows From Investing Activities:</u></b>		
Investment income	57,231	6,103
Net Cash Provided by Investing Activities	57,231	6,103
Net (Decrease) Increase in Cash and Cash Equivalents	(2,421,164)	2,304,724
Cash and Cash Equivalents at Beginning of Year	8,640,739	6,336,015
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 6,219,575</b>	<b>\$ 8,640,739</b>

(Continued)

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



**BORREGO WATER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Reconciliation of Operating Income to Net</u></b>		
<b><u>Cash Provided by Operating Activities:</u></b>		
Operating income	\$ 518,418	\$ 1,329,727
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	973,927	927,725
<b>Change in assets and liabilities:</b>		
Accounts receivable - Water and sewer, net	(324,443)	(16,617)
Accounts receivable - Watermaster reimbursements	110,255	(8,572)
Inventory	(38,630)	(30,129)
Prepaid expenses	(81,956)	(3,740)
Deferred outflows related to pension	(415,284)	70,675
Deferred outflows related to pension contributions	(32,004)	(15,799)
Accounts payable	1,201,693	22,696
Deferred revenue	(64,332)	64,332
Customer deposits	(284,563)	248,838
Compensated absences	8,391	36,191
Net pension liability	810,059	(631,753)
Deferred inflows related to pensions	(206,836)	262,958
Grant revenue	972,932	73,926
Net Cash Provided by Operating Activities	<u>\$ 3,147,627</u>	<u>\$ 2,330,458</u>
<b><u>Cash and Cash Equivalents:</u></b>		
<b><u>Financial Statement Classification</u></b>		
Cash and cash equivalents	\$ 6,214,000	\$ 8,350,601
Restricted cash and cash equivalents	5,575	290,138
Total Cash and Cash Equivalents	<u>\$ 6,219,575</u>	<u>\$ 8,640,739</u>
<b><u>Supplemental Disclosure of Cash Flow Information</u></b>		
Capital assets included in increase in accounts payable	\$ -	\$ (435,088)
Amortization of deferred outflows related to refunding	<u>\$ 20,118</u>	<u>\$ 20,118</u>

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

**BORREGO WATER DISTRICT  
STATEMENTS OF FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
Cash	\$ 743,273	\$ 713,929
Total Assets	<u>743,273</u>	<u>713,929</u>
 <b><u>NET POSITION</u></b>		
Held in trust for the benefit of residents of Community Facilities District 2017-01	\$ <u>743,273</u>	\$ <u>713,929</u>

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

DRAFT

**BORREGO WATER DISTRICT  
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ADDITIONS</u></b>		
Property taxes and assessments	\$ 844,575	\$ 855,614
Interest	12,025	196
Total Additions	856,600	855,810
<b><u>DEDUCTIONS</u></b>		
Debt service	804,317	804,023
Outside professional services	18,064	11,884
Trust fees	4,875	4,400
Total Deductions	827,256	820,307
Change in Net Position	29,344	35,503
Net Position at Beginning of Year	713,929	678,426
<b>NET POSITION AT END OF YEAR</b>	<b>\$ 743,273</b>	<b>\$ 713,929</b>

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

DRAFT

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies:**

**Organization**

Borrego Water District (the “District”) was established in 1962 pursuant to section 35565 of the California Water Code to provide water, sewer, flood control and gnat abatement services to properties in the District. The District is governed by a five member board of directors that are elected at-large by the registered voters residing in the boundaries of the District. The District has nine active wells and approximately 90 miles of distribution lines. In addition, the District provides sewer and wastewater services primarily in the Town Center, Club Circle, and Rams Hill Development.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Cod. Sec. 2100 “Defining the Financial Reporting Entity”. The District is the primary government unit. Component units are those entities, which are financially accountable to the primary government, either because the District appoints a voting majority of the component unit’s board, or because the component unit will provide a financial benefit or impose a financial burden on the District.

The Borrego Water District Public Facilities Corporation (the Corporation) was organized in May 1996 under the nonprofit Public Benefit Corporation Law of the State of California to render assistance to the Borrego Water District and any Special Districts which are governed by the Board of Directors of the Borrego Water District with respect to providing various public facilities or services to or for the benefit of the District. The District has accounted for the Corporation as a blended component unit. Despite being legally separate, the Corporation is so intertwined with the District that the Corporation is in substance part of the District’s operations. Accordingly, the Corporation is included within the financial statements of the District.

**Significant Accounting Policies**

A summary of the District’s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**Method of Accounting**

The District utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly, the statements of net position and the statements of revenues, expenses and changes in net position have been prepared using the economic resources measurement focus and the accrual basis of accounting.

The District uses a fiduciary fund to account for amounts that it collects and distributes on behalf of Community Facility District 2017-01.

Capital assets may be constructed by private developers and then dedicated to the District, which is then responsible for their future maintenance. These facilities are recorded as capital contributions when they pass inspection by the District and the estimated costs are capitalized.

The District has not elected to apply the option allowed in GASB Cod. Sec. P80.103, “Proprietary Fund Accounting and Financial Reporting” and as a consequence will continue to apply GASB statements and interpretations.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Revenue Recognition**

The District recognizes revenues from water sales, sewer service charges, availability charges, and other income when they are earned. Operating activities generally result from providing services and producing and delivering goods. As such, the District considers fees received from water sales, sewer services and availability charges to be operating revenues. Taxes and assessments are recognized as revenues based upon amounts reported to the District by the County of San Diego.

**Accounts Receivable - Watermaster Reimbursement**

Pursuant to the State of California adopting the Sustainable Groundwater Management Act (SGMA) in 2014, all parties who pump groundwater from the Borrego Springs Groundwater Subbasin, entered into an agreement (Settlement Agreement) that establishes a physical solution to bring sustainability to the Critically Over-drafted Subbasin. In accordance with the Settlement Agreement, the signing parties agreed to share costs associated with preparation of a Groundwater Sustainability Plan (GSP). The majority of the costs associated with the Settlement Agreement are reimbursed thru the signing parties. The District recognized watermaster reimbursement revenue totaling \$-0- and \$102,499 for the years ended June 30, 2023 and 2022, respectively. Accounts receivable - watermaster reimbursement totaled \$11,592 and \$121,847 at June 30, 2023 and 2022, respectively.

**Allowance for Doubtful Accounts**

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. The allowance for doubtful accounts receivable totaled \$-0- and \$131,641 at June 30, 2023 and 2022, respectively.

**Taxes and Assessments**

Property taxes and assessments are billed by the County of San Diego to property owners. The District's property tax calendar for the fiscal year ended June 30, 2023 and 2022 was as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - December 10 Second Installment - April 10

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Taxes and Assessments - (Continued)**

The County collects the taxes from the property owners and remits the funds to the District periodically during the year. The District has an arrangement with the County whereby the County remits taxes which are delinquent as of each June 30 to the District in exchange for the right to retain the delinquent taxes, penalties, and interest when these amounts are subsequently collected.

**Inventory**

Inventory consists primarily of materials used in the construction and maintenance of capital assets and is valued using the FIFO costing method.

**Capital Assets**

Capital assets purchased or acquired with a cost exceeding \$5,000 and an estimated useful life more than one year are reported at historical cost. Donated capital assets, donated works of art, and similar items, and capital assets received in service concession agreements are reported at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Upon sale or disposition of property and equipment, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings. Depreciation is calculated on the straight-line method over the following estimated useful lives:

Flood control facilities	100 years
Sewer facilities	5 - 75 years
Water facilities	10 - 50 years
General facilities	20 - 50 years
Telemetry system	6 years
Equipment and furniture	5 - 20 years
Vehicles	5 - 40 years

Depreciation aggregated \$973,927 and \$927,725 for the years ended June 30, 2023 and 2022, respectively.

**Amortization**

The deferred amount on refunding is being amortized on the straight-line method over the remaining life of the related debt. Amortization of the deferred amount on refunding totaled \$20,118 for each of the years ended June 30, 2023 and 2022, and is included in interest expense.

**Compensated Absences**

Accumulated and unpaid vacation and sick leave totaling \$188,995 and \$180,604 is accrued when incurred and included in current and noncurrent liabilities at June 30, 2023 and 2022, respectively.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of deferred 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 outflows of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability, differences between actual and expected experience, and adjustment due to differences in proportions.

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

- Deferred inflows related to pensions resulting from the net difference between projected and actual earnings on pension plan investments, and differences between actual and required contributions.

**Risk Management**

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Authority). The Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. 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.

At June 30, 2023, the District participated in the self-insurance programs of the Authority as follows:

Property Loss - Provides for full value replacement of real and personal property owned by the District in the event of a loss. Actual cash value on licensed vehicles, mobile equipment and watercraft. The JPIA pools for the first \$10,000,000 and has purchased excess coverage up to \$500 million.

General and Auto Liability - Insured up to \$55 million per occurrence; the Authority is self-insured up to \$500,000 and excess insurance coverage has been purchased up to \$55 million. The general and auto liability program has no deductible.

Public Officials' Liability - Insured up to \$55 million per occurrence; the Authority is self-insured up to \$500,000 and excess insurance coverage has been purchased up to \$55 million.

Fidelity Bond - Insured up to \$1,000,000 per occurrence with a \$100,000 deductible.

Cyber Liability - Provides coverage from financial losses resulting from data breaches and other cyber events. Insured up to \$2 million per member and \$5 million policy aggregate.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Risk Management (Continued)**

Workers' Compensation - Insured up to the statutory limits; the Authority is self-insured up to \$2 million and excess insurance coverage has been purchased. Employer's liability is insured up to \$4 million.

Difference in Conditions - Provides coverage on a repair or replacement basis against loss of District property caused by earthquake or flood, up to \$25 million with a \$25,000 deductible.

The District pays annual premiums for this coverage. They are subject to retrospective adjustments based on claims experienced. The nature and amounts of the adjustments cannot be estimated and are charged to expense as invoiced. The District's insurance expense totaled \$84,339 and \$69,690 for the years ended June 30, 2023 and 2022 . There were no instances in the past three years where a settlement exceeded the District's coverage.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the Plan's 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. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS website under Forms and Publications.

Generally Accepted Accounting Principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

**Fair Value Measurements**

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.



**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 1 - Organization and Significant Accounting Policies: (Continued)**

**Significant Accounting Policies (Continued)**

**Fair Value Measurements (Continued)**

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The District's statements of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in the California Local Agency Investment Fund (LAIF) are considered Level 2 assets and are reported at the fair value of the underlying assets as provided LAIF.

**Economic Dependency**

The District pumps 100% of its water from the Borrego Springs Sub-Basin of the Borrego Valley groundwater basin. Interruption of this source would impact the District negatively.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all investment instruments purchased with a maturity of three months or less to be cash.

**Subsequent Events**

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May \_\_, 2024, the date the financial statements were available to be issued.

**Reclassification**

The District has reclassified certain prior year information to conform with the current year presentation.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 2 - Cash and Investments:**

**Investment Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District rather than the general provision of the California Government Code or the District's investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Quality Requirements</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	A1
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	A Rating
Mutual Funds	N/A	20%	Multiple
Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	AA Rating
Time Deposits	5 years	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None

The District's investment policy is more restrictive than the California Government Code. The District limits the percentage of its portfolio that can be invested in LAIF, certificates of deposit and savings accounts and U.S. Government bills, notes, bonds and overnight money market funds.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 2 - Cash and Investments: (Continued)**

Cash and investments held by the District were comprised of the following at June 30:

	<u>2023</u>	<u>2022</u>
	<u>Maturity in Years</u>	<u>Maturity in Years</u>
	<u>One Year or Less</u>	<u>One Year or Less</u>
Cash on hand	\$ 588	\$ 223
California Local Agency Investment Fund (LAIF)	2,104,938	2,069,053
Deposits with financial institutions	<u>4,857,322</u>	<u>7,285,392</u>
Total Cash and Investments	<u>\$ 6,962,848</u>	<u>\$ 9,354,668</u>
Financial Statement Classification:		
Cash and cash equivalents	\$ 6,214,000	\$ 8,350,601
Cash and cash equivalents - Restricted	5,575	290,138
Fiduciary fund - Cash	<u>743,273</u>	<u>713,929</u>
Total Cash and Investments	<u>\$ 6,962,848</u>	<u>\$ 9,354,668</u>

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The district manages its exposure to interest rate risk by purchasing shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the previous table that shows the distribution of the District's investments by maturity as of June 30, 2023 and 2022.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of the year for each investment type.

	<u>Rating as of Year End Standard &amp; Poor's</u>
California Local Agency Investment Fund (LAIF)	Not Rated

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 2 - Cash and Investments: (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude to the District’s investment in a single issue.

The investment policy of the District contains limits on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code as described below. The District holds no investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and external investment pools) that represent 5% or more of total District investments at June 30, 2023.

<u>Investment Type</u>	<u>Maximum Percentage of Portfolio</u>
California Local Agency Investment Fund	98%
FDIC Insured Institutions (C.D.’s and Savings Accounts)	95%
U.S. Government Bills, Notes, Bonds, and Overnight Money Markets Funds	20%
Certificates of Deposit, Account Registry Services	95%

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, none of the District’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 2 - Cash and Investments: (Continued)**

**Investment in State Investment Pool**

The District is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by California Government Code 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 cost 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.

The statements of cash flows have been prepared by considering all investment instruments purchased with a maturity of three months or less to be cash equivalents. Following is a detail at June 30:

	<u>2023</u>	<u>2022</u>
Deposits with financial institutions	\$ 4,114,049	\$ 6,571,463
California Local Agency Investment Fund (LAIF)	2,104,938	2,069,053
Cash on hand	588	223
Total	<u>\$ 6,219,575</u>	<u>\$ 8,640,739</u>

**Note 3 - Restricted Assets:**

Restricted assets were provided by, and are to be used for the following at June 30:

<u>Funding Source</u>	<u>Use</u>	<u>2023</u>	<u>2022</u>
Deposits	Deposits	<u>\$ 5,575</u>	<u>\$ 290,138</u>

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as necessary.

**BORREGO WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**Note 4 - Capital Assets:**

Capital assets consist of the following at June 30:

	2023			
	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 693,702	\$ -	\$ -	\$ 693,702
Construction in progress	3,471,988	3,446,607	(1,600,714)	5,317,881
Fallowed water credits	932,050	-	-	932,050
Water rights - ID No. 4	185,000	-	-	185,000
Water rights - William Bauer	-	1,364,961	-	1,364,961
Total Capital Assets Not Being Depreciated	<u>\$ 5,282,740</u>	<u>\$ 4,811,568</u>	<u>\$ (1,600,714)</u>	<u>\$ 8,493,594</u>
<b>Capital Assets Being Depreciated:</b>				
Flood control facilities	\$ 4,287,340	\$ -	\$ -	\$ 4,287,340
Sewer facilities	6,497,895	756,432	-	7,254,327
Water facilities	16,778,661	996,756	-	17,775,417
General facilities	1,006,881	-	-	1,006,881
Telemetry system	46,459	-	-	46,459
Equipment and furniture	994,406	24,513	-	1,018,919
Vehicles	687,297	70,494	-	757,791
Total Capital Assets Being Depreciated	30,298,939	1,848,195	-	32,147,134
Less: Accumulated depreciation	<u>(14,832,075)</u>	<u>(973,927)</u>	<u>-</u>	<u>(15,806,002)</u>
Net Capital Assets Being Depreciated	<u>15,466,864</u>	<u>874,268</u>	<u>-</u>	<u>16,341,132</u>
<b>Net Capital Assets</b>	<u>\$ 20,749,604</u>	<u>\$ 5,685,836</u>	<u>\$ (1,600,714)</u>	<u>\$ 24,834,726</u>
	2022			
	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 833,702	\$ -	\$ (140,000)	\$ 693,702
Construction in progress	2,900,405	1,974,484	(1,402,901)	3,471,988
Fallowed water credits	932,050	-	-	932,050
Water rights - ID No. 4	185,000	-	-	185,000
Total Capital Assets Not Being Depreciated	<u>\$ 4,851,157</u>	<u>\$ 1,974,484</u>	<u>\$ (1,542,901)</u>	<u>\$ 5,282,740</u>
<b>Capital Assets Being Depreciated:</b>				
Flood control facilities	\$ 4,287,340	\$ -	\$ -	\$ 4,287,340
Sewer facilities	6,497,895	-	-	6,497,895
Water facilities	15,375,760	1,402,901	-	16,778,661
General facilities	1,006,881	-	-	1,006,881
Telemetry system	46,459	-	-	46,459
Equipment and furniture	778,200	216,206	-	994,406
Vehicles	687,297	-	-	687,297
Total Capital Assets Being Depreciated	28,679,832	1,619,107	-	30,298,939
Less: Accumulated depreciation	<u>(13,904,350)</u>	<u>(927,725)</u>	<u>-</u>	<u>(14,832,075)</u>
Net Capital Assets Being Depreciated	<u>14,775,482</u>	<u>691,382</u>	<u>-</u>	<u>15,466,864</u>
<b>Net Capital Assets</b>	<u>\$ 19,626,639</u>	<u>\$ 2,665,866</u>	<u>\$ (1,542,901)</u>	<u>\$ 20,749,604</u>

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 5 - Noncurrent Liabilities:**

Noncurrent liabilities consist of the following at June 30:

	2023				
	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Current Portion
<b><u>Notes Payable:</u></b>					
2021 Installment Purchase Agreement	\$ 7,508,930	\$ -	\$ (427,960)	\$ 7,080,970	\$ 437,070
Promissory Note 2018A	1,532,000	-	(196,000)	1,336,000	209,000
Promissory Note 2018B	396,800	-	(126,751)	270,049	132,189
Total Notes Payable	<u>\$ 9,437,730</u>	<u>\$ -</u>	<u>\$ (750,711)</u>	<u>\$ 8,687,019</u>	<u>\$ 778,259</u>
<b><u>Other Noncurrent Liabilities:</u></b>					
Accrued Compensated Absences	\$ 180,604	\$ 188,995	\$ (180,604)	\$ 188,995	\$ 113,397
Net Pension Liability	303,531	1,048,588	(238,529)	1,113,590	-
Total Other Long-Term Liabilities	<u>\$ 484,135</u>	<u>\$ 1,237,583</u>	<u>\$ (419,133)</u>	<u>\$ 1,302,585</u>	<u>\$ 113,397</u>
2022					
	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Current Portion
<b><u>Notes Payable:</u></b>					
2018 Installment Purchase Agreement	\$ 4,613,000	\$ -	\$ (4,613,000)	\$ -	\$ -
2021 Installment Purchase Agreement	-	7,508,930	-	7,508,930	427,960
Promissory Note 2018A	1,725,000	-	(193,000)	1,532,000	196,000
Promissory Note 2018B	518,337	-	(121,537)	396,800	126,751
Total Notes Payable	<u>\$ 6,856,337</u>	<u>\$ 7,508,930</u>	<u>\$ (4,927,537)</u>	<u>\$ 9,437,730</u>	<u>\$ 750,711</u>
<b><u>Other Noncurrent Liabilities:</u></b>					
Accrued Compensated Absences	\$ 144,413	\$ 180,604	\$ (144,413)	\$ 180,604	\$ 108,363
Net Pension Liability	935,284	-	(631,753)	303,531	-
Total Other Long-Term Liabilities	<u>\$ 1,079,697</u>	<u>\$ 180,604</u>	<u>\$ (776,166)</u>	<u>\$ 484,135</u>	<u>\$ 108,363</u>

**Refinanced Installment Purchase Agreement**

In July 2018, the District entered into the 2018 Installment Purchase Agreement with the Borrego Water District Public Facilities Corporation (“Corporation”). The Corporation provided \$5,586,000 for the purpose of financing costs of the District’s project as defined in the Agreement. In October 2021, the 2018 Installment Purchase Agreement was refinanced with the proceeds received from the 2021 Installment Purchase Agreement of \$7,508,930. The 2018 Installment Purchase Agreement was payable in semi-annual installments of principal plus interest of 3.825% on or before April 1 and October 1 each year commencing October 1, 2018 through and including October 1, 2038. Payments under the 2018 Installment Purchase Agreement were secured by a lien on and pledge of net revenues. The District had covenanted to fix, prescribe, revise, and collect rates, fees, and charges for services and facilities sufficient to yield estimated net revenues equal to 125% of the aggregate amount of debt service on all parity obligations payable from net revenues coming due and payable during such fiscal year. The 2018 Installment Purchase Agreement had no outstanding principal balance at both June 30, 2023 and 2022.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 5 - Noncurrent Liabilities: (Continued)**

**Installment Purchase Agreement**

In October 2021, the District entered into the 2021 Installment Purchase Agreement with the Borrego Water District Public Facilities Corporation (“Corporation”). The Corporation provided \$7,508,930 for the purpose of financing costs of the District for certain improvements in the water and sewer enterprises and to prepay the installment payments due under the 2018 Installment Purchase Agreement. The 2021 Installment Purchase Agreement is payable in semi-annual installments of principal plus interest of 2.190% on or before April 1 and October 1 each year commencing April 1, 2022 through and including October 1, 2036. Payments under the 2021 Installment Purchase Agreement are secured by a lien on and pledge of net revenues. The District has covenanted to fix, prescribe, revise, and collect rates, fees, and charges for services and facilities sufficient to yield estimated net revenues equal to 125% of the aggregate amount of debt service on all parity obligations payable from net revenues coming due and payable during such fiscal year. The District had a debt service ratio of 2.61:1 and 3.96:1 for the years ended June 30, 2023 and 2022, respectively. The 2021 Installment Purchase Agreement had an outstanding principal balance of \$7,080,970 and \$7,508,930 and accrued interest payable of \$38,768 and \$41,111 at June 30, 2023 and 2022, respectively.

**Promissory Note 2018A**

In July 2018, the District entered into a promissory note with Compass Bank in the amount of \$2,294,000 for the purpose of defeasing and prepaying the Borrego Water District Refunding Installment Purchase Agreement. The promissory note is payable in semi-annual payments of principal and interest at 3.35% commencing October 1, 2018 through and including October 1, 2028. Payments under the promissory note are secured by a lien on and pledge of net revenues. The District has covenanted to fix, prescribe, revise, and collect rates, fees, and charges for services and facilities sufficient to yield estimated net revenues equal to 125% of the aggregate amount of debt service on all parity obligations payable from net revenues coming due and payable during such fiscal year. The District had a debt service ratio of 2.61:1 and 3.96:1 for the years ended June 30, 2023 and 2022, respectively. The Promissory Note 2018A had an outstanding principal balance of \$1,336,000 and \$1,532,000 and accrued interest payable of \$11,189 and \$12,831 at June 30, 2023 and 2022, respectively.

**Promissory Note 2018B**

In July 2018, the District entered into a promissory note with Compass Bank in the amount of \$863,535 for the purpose of defeasing and prepaying the 2015 Compass Bank Note. The promissory note is payable in semi-annual payments of principal and interest at 4.20% commencing October 1, 2018 through and including October 1, 2024. Payments under the promissory note are secured by a lien on and pledge of net revenues. The District has covenanted to fix, prescribe, revise, and collect rates, fees, and charges for services and facilities sufficient to yield estimated net revenues equal to 125% of the aggregate amount of debt service on all parity obligations payable from net revenues coming due and payable during such fiscal year. The District had a debt service ratio of 2.61:1 and 3.96:1 for the years ended June 30, 2023 and 2022, respectively. The Promissory Note 2018B had an outstanding principal balance of \$270,049 and \$396,800 and accrued interest payable of \$2,836 and \$4,166 at June 30, 2023 and 2022, respectively.



**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 5 - Noncurrent Liabilities: (Continued)**

**Promissory Note 2018B (Continued)**

Debt service requirements on notes payable are as follows:

<u>Years Ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 778,259	\$ 200,108
2025	796,960	177,705
2026	677,050	157,673
2027	689,900	140,135
2028	706,660	122,216
2029-2033	2,789,800	392,165
2034-2038	2,248,390	99,815
Total	<u>\$ 8,687,019</u>	<u>\$ 1,289,817</u>

**Note 6 - Defined Benefit Pension Plan:**

**General Information About the Pension Plan**

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the Miscellaneous Plan of the Borrego Water District, (All Plans) a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The Plan consists of the miscellaneous plan and the PEPR Miscellaneous Plan.

**Benefits Provided** - The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Miscellaneous plan members with 5 years of service are eligible to retire at age 50 with statutory reduced benefits. PEPR Miscellaneous members with 5 years of service are eligible to retire at age 52 with statutory reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees Retirement Law per contract. The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Prior to January 1, 2013 Miscellaneous	<u>On or After January 1, 2013</u>	
		With Prior Service 2 <sup>nd</sup> Tier	Without Prior Service PEPRA
Benefit formula	3.0% @ 60	2% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.81%	6.93%	6.75%
Required employer contribution rates	14.53%	8.63%	7.47%

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 6 - Defined Benefit Pension Plan: (Continued)**

**General Information About the Pension Plan (Continued)**

In addition to the contribution rates above, the District was also required to make payments of \$79,754 and \$67,353 toward its unfunded actuarial liability during the years ended June 30, 2023 and 2022, respectively .

The miscellaneous plan is closed to new members that are not already CalPERS eligible participants.

**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. The Plans 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.

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

The District reported the following net pension liability for its proportionate share of net position liability of the risk pool at June 30:

	Proportionate Share of Net Pension Liability 2023	Proportionate Share of Net Pension Liability 2022
	<u>                    </u>	<u>                    </u>
Miscellaneous Risk Pool	\$ 1,113,590	\$ 303,531

The District’s net pension liability for each risk pool is measured as the proportionate share of each risk pool’s net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer’s proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer’s proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer’s rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The District’s proportionate share of the net pension liability as of June 30, 2021, the valuation date, was calculated as follows:

- In determining an employer’s proportionate share, the employer rate plans included in the Plan were assigned to the miscellaneous risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans as of the valuation date June 30, 2021.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 6 - Defined Benefit Pension Plan: (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

- Each employer rate plan’s fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District’s proportionate share percentage at the valuation date was calculated by dividing the District’s net pension liability for each of its employer rate plans by the net pension liability of the risk pool as of the valuation date.

The District’s proportionate share of the net pension liability as of June 30, 2022, the measurement date, was calculated as follows:

- The risk pool’s total pension liability was computed at the measurement date, June 30, 2022, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for the risk pool at the measurement date was determined by CalPERS’ Financial Office. The net pension liability for the risk pool at June 30, 2022, was computed by subtracting the respective risk pool’s fiduciary net position from its total pension liability.
- The individual employer risk pool’s proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2022, was calculated by applying the District’s proportionate share percentage as of the valuation date (described above) to the total pension liability and fiduciary net position as of June 30, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2022. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The District’s proportionate share percentage of the net pension liability as of June 30, 2021 and June 30, 2022 was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2021	0.015985%
Proportion at measurement date - June 30, 2022	0.023799%
Change - Increase (Decrease)	0.007814%

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 6 - Defined Benefit Pension Plan: (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the years ended June 30, 2023 and 2022, the District recognized a pension expense (benefit) of \$345,833 and \$(156,025), respectively for the Plan. As of June 30, 2023 and 2022, the District reports deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 189,898	\$ -	\$ 157,894	\$ -
Differences between actual contributions made and proportionate share of contributions	-	(75,095)	-	(16,964)
Differences between expected and actual experience	7,385	-	34,038	-
Changes of assumptions	114,111	-	-	-
Net difference between projected and actual earnings on pension plan investments	203,980	-	-	(264,967)
Adjustment due to difference in proportions	133,204	-	9,358	-
Total	<u>\$ 648,578</u>	<u>\$ (75,095)</u>	<u>\$ 201,290</u>	<u>\$ (281,931)</u>

**Allocation of Net Pension Liability and Pension Expense to Individual Employers**

The \$189,898 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources in the previous chart will be recognized in future pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 106,562
2025	93,476
2026	58,784
2027	124,763
Total	<u>\$ 383,585</u>

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 6 - Defined Benefit Pension Plan: (Continued)**

**Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Age and Length of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Derived using CalPERS' Membership Data for all funds

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2021 based on June 30, 2020 Valuations*, that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated 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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (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 the Plan. 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.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 6 - Defined Benefit Pension Plan: (Continued)**

**Discount Rate (Continued)**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumption applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return</u> <sup>1, 2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

- (1) An expected price inflation of 2.3% used for this period.  
(2) Figures are based on 2021-22 Asset Liability Management study.

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

The following presents the District's proportionate share of the net pension liability of the risk pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Plan's Net Pension Liability	\$ <u>1,892,253</u>	\$ <u>1,113,590</u>	\$ <u>472,943</u>

**Note 7 - Commitments and Contingencies:**

**Contracts**

The District has entered into various contracts for the purchase of material and construction of capital assets. The amounts contracted are based on the contractor's estimated cost of construction. At June 30, 2023 and 2022, the total unpaid amount on these contracts is approximately \$1,171,805 and \$388,488, respectively.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 7 - Commitments and Contingencies: (Continued)**

**Litigation**

Legal claims and lawsuits arise from time to time in the normal course of business which, in the opinion of management, will have no material effect on the District’s financial position.

**Operating Leases**

The District has two operating leases for office equipment. The noncancelable lease terms exceeds 12 months and include a purchase option. Rent expense under these leases totaled \$5,444 and \$5,169 for the years ended June 30, 2023 and 2022, respectively. The lease is not considered material and as such was not capitalized under GASB 87.

Future minimum lease payments are as follows:

Years Ended June 30		
2024		\$ 4,143
2025		4,068
2026		<u>2,712</u>
Total		<u><u>\$ 10,923</u></u>

**Community Facilities District No. 2017-01 2017 Special Tax Bonds**

The Borrego Water District is the lead Agency of the Borrego Water District Community Facilities District No. 2007-1 (CFD 2007-1) and the Borrego Water District Community Facilities District CFD No. 2017-1 (CDF 2017-1). In April 2017, CFD 2017-1 was formed and an election held to authorize bonded indebtedness up to \$11,600,000 to refinance the outstanding balances of CFD 2007-1 special tax bonds. In May 2017, CFD 2017-1 issued Borrego Spring Water District Special Tax Refunding Bonds, Series 2017A (Series 2017A Bonds) and Borrego Water District Special Tax Refunding Bonds, Series 2017B (Series 2017B Bonds). The CFD 2007-1 special tax bonds are considered defeased.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 7 - Commitments and Contingencies: (Continued)**

**Community Facilities District No. 2017-01 2017 Special Tax Bonds (Continued)**

These financings were accomplished through the authorization of special tax bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 adopted by the Board of Directors of the Borrego Water District acting as the legislative body of the Community Facilities Districts. The bonds are only payable from certain proceeds of an annual special tax to be levied and collected from property located within the Community Facilities Districts and from certain bond proceeds pledged in the issuances. If the special taxes are not paid when due, the only source of funds to repay the bonds are cash deposits or letters of credit provided by property owners, amounts held in the bond reserve funds, or proceeds, if any, from foreclosure sales of land within the Community Facilities Districts following a delinquency in a special tax payment. Neither the faith nor credit nor the taxing power of the Borrego Water District, the State of California, or any other political subdivision thereof is pledged to the payment of these bonds. Therefore, the Community Facilities Districts are considered separate reporting entities. The District reports as a fiduciary fund the cash it holds on behalf of Community Facilities District No. 2017-01. The following special tax bonds were outstanding at June 30:

	<u>2023</u>	<u>2022</u>
Series 2017A	\$ <u>795,000</u>	\$ <u>860,000</u>
Series 2017B	\$ <u>9,685,000</u>	\$ <u>9,685,000</u>

**Note 8 - New Governmental Accounting Standards:**

**GASB No. 91**

In May 2019, the Governmental Accounting Standards Board issued Statement No. 91 “Conduit Debt Obligations”. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. The pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

**GASB No. 92**

In January 2020, the Governmental Accounting Standards Board issued Statement No. 92 “Omnibus 2020”. The requirements of this statement are effective at various dates up to and including fiscal years and reporting periods beginning after June 15, 2021. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.



**BORREGO WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**Note 8 - New Governmental Accounting Standards: (Continued)**

**GASB No. 93**

In March 2020, the Governmental Accounting Standards Board issued Statement No. 93 “Replacement of Interbank Offered Rates”. The requirements of this statement are effective at various dates up to and including reporting periods ending after December 31, 2021. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. This pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

**GASB No. 94**

In March 2020, the Governmental Accounting Standards Board issued Statement No. 94 “Public - Private and Public - Public Partnerships and Availability Payment Arrangements”. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The effective date of this pronouncement has been postponed by 12 months by GASB Statement 95. As used in this pronouncements these Partnerships are an arrangement in which the government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset such as infrastructure or other capital assets for a period of time in an exchange or an exchange-like transaction. The statement also provides guidance on accounting and financial reporting for availability payment arrangements in which the government compensates the operator for services that may include the designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not yet determined the effects of this pronouncement on the financial statements in the year of implementation.

**GASB No. 96**

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96 “Subscription-Based Information Technology Arrangements (SBITA’s)”. This Statement (1) defines SBITA’s (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. Earlier application is encouraged. The pronouncement did not have a material effect on the financial statements of the District in the year of implementation.

**GASB No. 97**

In June 2020, the Governmental Accounting Standards issued Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84 and Supersession of GASB Statement No. 32”. This statement requires that for purposes of determining whether a primary government is financial accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority. The statement requires that a Section 457 plan be classified as either pension or other employee benefit plan depending on whether the plan meets the definition of a pension plan. This statement supersedes the remaining provisions of GASB Statement No. 32.

**BORREGO WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**Note 8 - New Governmental Accounting Standards: (Continued)**

**GASB No. 99**

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99 “Omnibus 2022”. This statement enhances the comparability in accounting and financial reporting and improves consistency in authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this pronouncement are effective on various dates ranging from upon issuance through fiscal years beginning after June 2023. This pronouncement did not and is not expected to have a material effect on the financial statements of the District in the year of implementation.

**GASB No. 100**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100 “Accounting Changes and Error Corrections an amendment of GASB Statement No. 62”. This statement defined accounting changes. This statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement are effective for fiscal years ending after June 15, 2023. This pronouncement is not anticipated to have a material effect on the financial statements of the District in the year of implementation.

**GASB No. 101**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101 “Compensated Absences”. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this statement are effective for fiscal years ending after December 15, 2023. This pronouncement is not anticipated to have a material effect on the financial statements of the District in the year of implementation.

**BORREGO WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN YEARS \***

	<u>Measurement Date</u> June 30, 2022	<u>Measurement Date</u> June 30, 2021	<u>Measurement Date</u> June 30, 2020	<u>Measurement Date</u> June 30, 2019	<u>Measurement Date</u> June 30, 2018
Proportion of the Net Pension Liability	0.023799 %	0.015985 %	0.022713 %	0.022253 %	0.022558 %
Proportionate Share of the Net Pension Liability	\$ 1,113,590	\$ 303,531	\$ 935,284	\$ 891,132	\$ 850,153
Covered - Payroll - Measurement Period	\$ 955,752	\$ 858,482	\$ 850,749	\$ 740,131	\$ 698,023
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	116.51 %	35.36 %	109.94 %	120.40 %	121.79 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.50 %	94.08 %	79.54 %	78.92 %	77.34 %
	<u>Measurement Date</u> June 30, 2017	<u>Measurement Date</u> June 30, 2016	<u>Measurement Date</u> June 30, 2015	<u>Measurement Date</u> June 30, 2014	<u>Measurement Date</u> June 30, 2013
Proportion of the Net Pension Liability	0.023133 %	0.009466 %	0.01010 %	0.01123 %	N/A %
Proportionate Share of the Net Pension Liability	\$ 911,898	\$ 819,059	\$ 693,352	\$ 699,055	\$ N/A
Covered - Payroll - Measurement Period	\$ 675,819	\$ 658,514	\$ 671,180	\$ 595,422	\$ N/A
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	134.93 %	124.38 %	103.30 %	117.41 %	N/A %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.72 %	73.72 %	77.21 %	73.72 %	N/A %

**BORREGO WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)  
LAST TEN YEARS \***

**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, 2014 as they have minimal cost impact.

**Changes in Assumptions** - During 2023, the discount rate was changed from 7.15% to 6.90%.

**Omitted Years** - GASB Statement No 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

DRAFT

**BORREGO WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**SCHEDULES OF CONTRIBUIONS TO THE PENSION PLAN  
LAST TEN YEARS \***

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Contractually Required Contribution (Actuarially determined)	\$ 189,898	\$ 157,894	\$ 142,096	\$ 189,335	\$ 162,515
Contributions in Relation to the Actuarially determined Contribution	<u>(189,898)</u>	<u>(157,894)</u>	<u>(142,095)</u>	<u>(189,355)</u>	<u>(162,515)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll - Fiscal Year	\$ 1,079,991	\$ 955,752	\$ 858,442	\$ 850,749	\$ 740,131
Contributions as a Percentage of Covered Payroll	17.58 %	16.62 %	16.55 %	22.26 %	21.96 %
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually Required Contribution (Actuarially determined)	\$ 142,789	\$ 137,737	\$ 138,613	\$ 129,138	\$ N/A
Contributions in Relation to the Actuarially determined Contribution	<u>(142,789)</u>	<u>(137,737)</u>	<u>(138,613)</u>	<u>(129,138)</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ N/A</u>
Covered Payroll - Fiscal Year	\$ 698,023	\$ 723,125	\$ 671,180	\$ 595,422	\$ N/A
Contributions as a Percentage of Covered Payroll	20.46 %	10.05 %	20.65 %	21.69 %	N/A %

**BORREGO WATER DISTRICT  
SCHEDULES OF ASSESSED VALUATION  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

The assessed valuation of the District at June 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
<b>Assessed Valuation:</b>		
Secured property	\$ 406,480,518	\$ 380,766,218
Total Assessed Valuation	<u>\$ 406,480,518</u>	<u>\$ 380,766,218</u>

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BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.C

May 13, 2024

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Borrego Water District FY 24-25 Draft Budget - J Clabaugh/K Dice/G Moran

**RECOMMENDED ACTION:**

Receive Report from Finance Officer and Provide Input on DRAFT BUDGET

**ITEM EXPLANATION:**

The attached Draft Budget is being presented for Board comment which will be incorporated into the Final Draft to be presented in June.

**NEXT STEPS**

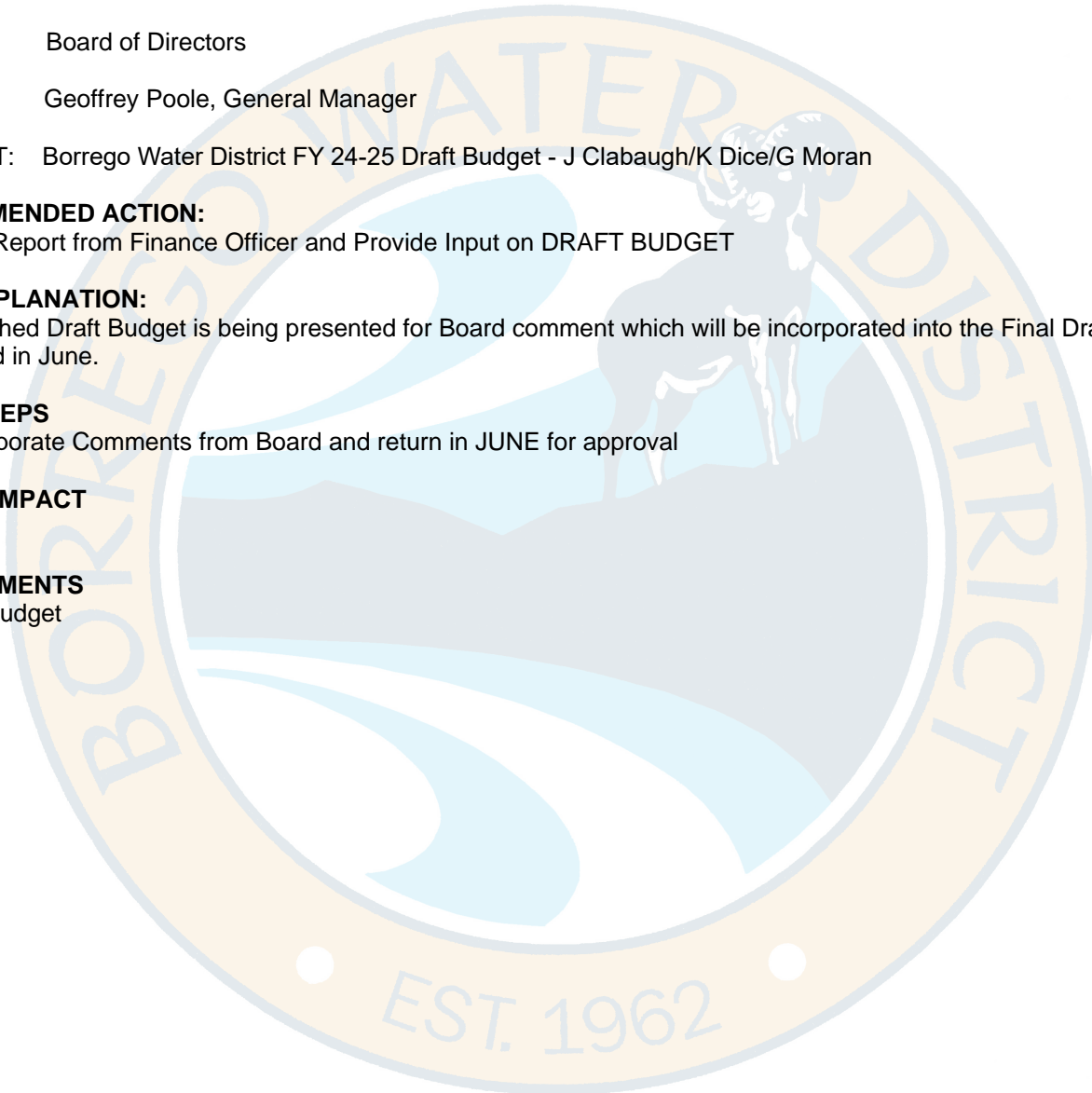
1. Incorporate Comments from Board and return in JUNE for approval

**FISCAL IMPACT**

1. TBD

**ATTACHMENTS**

1. Draft Budget





**Borrego Water District  
Water Enterprise Budget  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b><u>INCOME</u></b>			
<b>RATE REVENUE</b>			
<b>Water Rates Revenues</b>			
Commodity Rates			
Residential Tier 1 & 2 Revenues	1,292,136	1,099,226	1,154,187
Residential Tier 3 Revenues	300,000	255,000	267,750
Commercial	777,162	615,000	645,750
Irrigation	355,047	346,500	363,825
Total Commodity	2,724,345	2,315,726	2,431,512
Non-Commodity Charges			
Base Meter Charges	1,468,598	1,446,000	1,518,300
Meter Install/Repair	35,000	13,200	36,750
New Water Supply Connection Fee	24,880	-	26,124
Backflow Testing/Install	5,700	5,500	5,985
Bulk Water Sales	6,500	12,500	6,825
Total Non-Commodity	1,540,678	1,477,200	1,593,984
<b>Total Water Rate Revenues</b>	<b>4,265,023</b>	<b>3,792,926</b>	<b>4,025,496</b>
<b>Availability Charges Collected thru Tax Roll</b>			
ID1 - Water Standby	34,965	37,000	34,965
ID3/ID4 - Water Standby	117,000	117,000	117,000
<b>Total Availability (Tax Roll)</b>	<b>151,965</b>	<b>154,000</b>	<b>151,965</b>
<b><u>TOTAL WATER RATE REVENUE</u></b>	<b><u>4,416,988</u></b>	<b><u>3,946,926</u></b>	<b><u>4,177,461</u></b>
<b><u>EXPENSES</u></b>			
<b>OPERATING EXPENSES</b>			
<b>Operations &amp; Maintenance Expense</b>			
R&M Water	270,201	140,604	279,928
Telemetry	4,791	3,106	4,963
Trash Removal	5,749	1,496	5,956
Vehicle Expense	21,313	20,826	22,080
Fuel & Oil	47,259	40,970	42,445
Lab/Testing	33,144	28,000	34,338
Permit Fees	27,819	24,148	28,820
Pumping Electricity	500,000	502,700	525,000
<b>Total Operations &amp; Maintenance Expense</b>	<b>910,275</b>	<b>761,850</b>	<b>943,530</b>





**Borrego Water District  
Water Enterprise Budget (Continued)  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b>Professional Services</b>			
Accounting (Tax & Debt Filings)	4,120	1,056	4,268
Payroll Services	2,970	3,261	3,077
Audit Fees	26,400	22,000	27,350
IT & Cyber Security	37,066	50,200	38,400
Financial Consulting	76,652	3,461	79,411
Engineering (Dudek)	44,000	40,920	45,584
Legal Services - General	64,672	57,651	67,000
<i>Legal Services Reimbursible</i>		(18,313)	-
Federal & State Legislative Advocacy	57,489	51,216	59,558
<b>Total Professional Services</b>	<b>313,368</b>	<b>211,453</b>	<b>324,649</b>
<b>Insurance Expense</b>			
ACWA/JPIA Program Insurance	72,720	109,384	120,322
ACWA/JPIA Workers Comp	20,414	14,528	15,803
<b>Total Insurance Expense</b>	<b>93,133</b>	<b>123,912</b>	<b>136,126</b>
<b>Personnel Expense</b>			
Board Meeting Expense	22,037	24,200	22,830
Salaries & Wages	1,164,706	1,040,143	1,157,468
<i>Contra Account - Salaries &amp; Wages</i>	(52,800)	(40,832)	(57,436)
Contract Labor/Consulting	9,581	-	9,926
Payroll Taxes	31,847	21,351	23,759
Benefits - Medical	259,750	184,210	191,295
Benefits - CalPERS	238,851	172,955	192,560
Trainings & Conferences	17,246	15,400	17,867
Uniforms	6,707	5,401	6,949
Safety Compliance & Emergency Prep	4,791	2,917	4,963
<b>Total Personnel Expense</b>	<b>1,702,717</b>	<b>1,425,745</b>	<b>1,570,182</b>



**Borrego Water District  
Water Enterprise Budget (Continued)  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b>Office Expense</b>			
Office Supplies	22,995	16,224	23,823
Office Equipment	47,907	33,000	49,632
Postage & Freight	14,372	13,922	14,890
Property Tax	2,874	60	2,978
Telephone Expense	26,400	24,816	27,350
Dues & Subscriptions (ACWA/AWWA)	22,037	18,563	22,830
Printing & Publication	4,791	1,637	4,963
Office/Shop utilities	8,800	11,520	9,117
<b>Total Office Expense</b>	<b>150,176</b>	<b>119,741</b>	<b>155,583</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,169,670</b>	<b>2,642,702</b>	<b>3,130,070</b>
<b>Debt Expense</b>			
BBVA Bank Note 2018A/B - Principal	341,189	341,189	341,189
BBVA Bank Note 2018A/B - Interest	49,821	49,856	49,821
2021 Bond Cap One - Principal	376,605	384,622	376,605
2021 Bond Cap One - Interest	140,588	132,253	140,588
<b>Total Debt Expense</b>	<b>908,203</b>	<b>907,919</b>	<b>908,203</b>
<b>GROUNDWATER MANAGEMENT EXPENSES</b>			
Pumping Fees	100,000	49,825	100,000
GWM Expense	76,407	28,850	79,158
Legal Expense	100,000	48,253	100,000
Engineering/TAC Expense (Intera)	135,000	99,000	135,000
GW Quality Risk Assessment (Intera)	28,430	28,427	-
<b>TOTAL GROUNDWATER MGMT EXPENSES</b>	<b>439,837</b>	<b>254,355</b>	<b>414,158</b>
<b><u>TOTAL WATER ENTERPRISE EXPENSES</u></b>	<b>4,517,710</b>	<b>3,804,976</b>	<b>4,452,431</b>
<b><u>Net Income (Loss)</u></b>	<b>(100,722)</b>	<b>141,950</b>	<b>(274,969)</b>
<b><u>SHORTFALL COVERAGE FROM RATE CONTINGENCY RESERVES</u></b>			<b>274,969</b>
<b><u>Net Income Water Enterprise Fund</u></b>	<b>(100,722)</b>	<b>141,950</b>	<b>-</b>



**Borrego Water District  
Wastewater Enterprise Budget  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b><u>INCOME</u></b>			
<b>RATE REVENUE</b>			
<b>Sewer Rates</b>			
TCS Holder Fees (SA2)	163,973	167,000	170,532
TCS User Fees (SA2)	130,436	139,800	135,653
RH Sewer User Fees (ID1)	164,786	164,600	171,377
Sewer Standby/Capacity Fees	-	-	-
Sewer User Fees (ID5)	186,528	185,900	193,989
<b>Total Sewer Rates</b>	<b>645,723</b>	<b>657,300</b>	<b>671,552</b>
<b>Availability Charges Collected thru Tax Roll</b>			
ID1 - Sewer Standby	34,965	36,000	34,965
<b>Total Availability (Tax Roll)</b>	<b>34,965</b>	<b>36,000</b>	<b>34,965</b>
<b><u>TOTAL WASTEWATER RATE REVENUE</u></b>	<b><u>680,688</u></b>	<b><u>693,300</u></b>	<b><u>706,517</u></b>
<b><u>EXPENSES</u></b>			
<b>OPERATING EXPENSES</b>			
<b>Operations &amp; Maintenance Expense</b>			
R&M WWTF	130,656	117,000	135,360
Telemetry	653	424	677
Trash Removal	784	204	812
Vehicle Expense	2,906	2,840	3,011
Fuel & Oil	6,444	7,348	6,676
Lab/Testing	4,520	11,245	11,650
Permit Fees	11,922	10,175	12,352
<b>Total Operations &amp; Maintenance Expense</b>	<b>157,886</b>	<b>149,236</b>	<b>170,537</b>
<b>Professional Services</b>			
Accounting (Tax & Debt Filings)	562	144	582
Payroll Services	405	445	420
Audit Fees	3,600	3,000	3,730
IT & Cyber Security	5,054	6,846	5,236
Financial Consulting	10,452	472	10,829
Engineering (Dudek)	6,000	5,580	6,216
Legal Services - General	8,819	7,862	9,136
Advocacy	7,839	6,984	8,122
<b>Total Professional Services</b>	<b>42,732</b>	<b>31,332</b>	<b>44,270</b>



**Borrego Water District  
Wastewater Enterprise Budget (Continued)  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b>Insurance Expense</b>			
ACWA/JPIA Program Insurance	10,019	14,916	16,408
ACWA/JPIA Workers Comp	2,812	3,364	3,659
<b>Total Insurance Expense</b>	<b>12,831</b>	<b>18,280</b>	<b>20,067</b>
<b>Personnel Expense</b>			
Board Meeting Expense	3,005	3,300	3,113
Salaries & Wages	248,823	240,449	287,561
<i>Contra Account - Salaries &amp; Wages</i>	(7,200)	(5,568)	(7,832)
Contract Labor/Consulting	1,307	-	1,354
Payroll Taxes	4,343	4,936	5,902
Benefits - Medical	35,421	42,584	44,571
Benefits - CalPERS	32,571	39,982	47,912
Trainings & Conferences	2,352	2,100	2,436
Uniforms	915	736	948
Safety Compliance & Emergency Prep	653	398	677
<b>Total Personnel Expense</b>	<b>322,189</b>	<b>328,917</b>	<b>386,642</b>
<b>Office Expense</b>			
Office Supplies	3,136	2,212	3,249
Office Equipment	6,533	4,500	6,768
Postage & Freight	1,960	1,898	2,030
Property Tax	392	-	406
Telephone Expense	3,600	3,384	3,730
Dues & Subscriptions (ACWA/AWWA)	3,005	2,531	3,113
Printing & Publication	653	223	677
Office/Shop utilities	1,200	1,571	1,243
<b>Total Office Expense</b>	<b>20,479</b>	<b>16,320</b>	<b>21,216</b>
<b>Debt Expense</b>			
2021 Bond Cap One - Principal	51,355	52,448	51,355
2021 Bond Cap One - Interest	5,979	5,983	5,979
<b>Total Debt Expense</b>	<b>57,334</b>	<b>58,431</b>	<b>57,334</b>
 <b>TOTAL EXPENSES WASTEWATER</b>	 <b>613,450</b>	 <b>602,515</b>	 <b>700,065</b>
 <b><u>Net Income Wastewater Enterprise Fund</u></b>	 <b>67,238</b>	 <b>90,785</b>	 <b>6,452</b>



**Borrego Water District  
Pest Control Enterprise Budget  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b><u>INCOME</u></b>			
Pest Control Standby	<u>17,150</u>	<u>17,150</u>	<u>17,150</u>
<b><u>TOTAL PEST CONTROL FUND REVENUE</u></b>	<b><u>17,150</u></b>	<b><u>17,150</u></b>	<b><u>17,150</u></b>
<b><u>EXPENSES</u></b>			
R&M Pest Control	1,500	3,556	1,500
ACWA/JPIA Program Insurance	500	373	500
Salaries & Wages	3,000	3,877	4,193
Benefits - Medical		687	711
Benefits - CalPERS		645	701
ACWA/JPIA Workers Comp		54	59
Payroll Taxes	<u>350</u>	<u>80</u>	<u>87</u>
<b><u>TOTAL PEST CONTROL ENTERPRISE EXPENSES</u></b>	<b><u>5,350</u></b>	<b><u>9,271</u></b>	<b><u>7,751</u></b>
<b><u>Net Income Pest Control Enterprise Fund</u></b>	<b><u>11,800</u></b>	<b><u>7,879</u></b>	<b><u>9,399</u></b>



**Borrego Water District  
Flood Control Enterprise Budget  
07/01/2024 to 06/30/2025**

	<i><b>Budgeted FY2024</b></i>	<i><b>Projected FY2024</b></i>	<i><b>Budgeted FY2025</b></i>
<b><u>INCOME</u></b>			
ID1 - Flood Standby	34,965	36,000	34,965
<b><u>TOTAL FLOOD CONTROL FUND REVENUE</u></b>	<b><u>34,965</u></b>	<b><u>36,000</u></b>	<b><u>34,965</u></b>
<b><u>EXPENSES</u></b>			
ACWA/JPIA Program Insurance	550	746	550
Legal Services - General	5,000	393	5,000
Salaries & Wages	1,000	7,753	8,434
Benefits - Medical		1,373	1,423
Benefits - CalPERS		1,289	1,402
ACWA/JPIA Workers Comp		108	118
Payroll Taxes	130	159	173
<b><u>TOTAL FLOOD CONTROL ENTERPRISE EXPENSES</u></b>	<b><u>6,680</u></b>	<b><u>11,822</u></b>	<b><u>17,100</u></b>
<b><u>Net Income Flood Enterprise Fund</u></b>	<b><u>28,285</u></b>	<b><u>24,178</u></b>	<b><u>17,865</u></b>



**Borrego Water District**  
**Non-Rate Revenues & Expenses**  
**07/01/2024 to 06/30/2025**

	<i><b>Budgeted</b></i> <i><b>FY2024</b></i>	<i><b>Projected</b></i> <i><b>FY2024</b></i>	<i><b>Budgeted</b></i> <i><b>FY2025</b></i>
<b>OTHER INCOME</b>			
Penalties & Fees	50,000	88,800	50,000
BSUSD Well Agreement	35,000	35,000	35,000
1% Property Assessments	70,000	76,000	70,000
Interest Income	35,000	50,340	35,000
Other Income		1,200	
WM Meter Reading Income	3,333	4,383	3,333
<b>TOTAL OTHER INCOME</b>	<b>193,333</b>	<b>255,723</b>	<b>193,333</b>
<b><u>EXPENSES</u></b>			
Air Quality Study	36,341	150	36,341
<b>TOTAL NON-RATE REVENUE EXPENSES</b>	<b>36,341</b>	<b>150</b>	<b>36,341</b>
 <b><u>Net Income Non-Rate Revenue</u></b>	 <b>156,992</b>	 <b>255,573</b>	 <b>156,992</b>



**Borrego Water District  
Consolidated Enterprise Budget  
07/01/2024 to 06/30/2025**

	<i>Budgeted FY2024</i>	<i>Projected FY2024</i>	<i>Budgeted FY2025</i>
<b><u>INCOME</u></b>			
TOTAL WATER RATE REVENUE	4,416,988	3,946,926	4,177,461
SHORTFALL COVERAGE FROM RATE CONTINGENCY RESERVES			274,969
TOTAL WASTEWATER RATE REVENUE	680,688	693,300	706,517
TOTAL PEST CONTROL FUND REVENUE	17,150	17,150	17,150
TOTAL FLOOD CONTROL FUND REVENUE	34,965	36,000	34,965
TOTAL OTHER INCOME	<u>193,333</u>	<u>255,723</u>	<u>193,333</u>
<b><u>GROSS INCOME</u></b>	<u>5,343,124</u>	<u>4,949,099</u>	<u>5,404,396</u>
<b><u>EXPENSES</u></b>			
TOTAL WATER ENTERPRISE EXPENSES	4,517,710	3,804,976	4,452,431
TOTAL WASTEWATER ENTERPRISE EXPENSES	613,450	602,515	700,065
TOTAL PEST CONTROL ENTERPRISE EXPENSES	5,350	9,271	7,751
TOTAL FLOOD CONTROL ENTERPRISE EXPENSES	6,680	11,822	17,100
TOTAL NON-RATE REVENUE EXPENSES	<u>36,341</u>	<u>150</u>	<u>36,341</u>
<b><u>TOTAL EXPENSES</u></b>	<u>5,179,531</u>	<u>4,428,734</u>	<u>5,213,687</u>
<b><u>CONSOLIDATED NET INCOME</u></b>	<u>163,593</u>	<u>520,365</u>	<u>190,708</u>



BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.D

May 13, 2024

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: Abandonment of Well ID 8 – A Asche/T Driscoll, Intera

**RECOMMENDED ACTION:**

Abandon Well #8 due to water quality concerns (arsenic).

**ITEM EXPLANATION:**

Ops Manager Asche has been working on well 8 equipment with particular attention to water quality for over the past year or so. Due to degrading water quality caused by increasing arsenic, BWD staff is recommending abandonment of Well 8. The attached memo from Trey Driscoll concurs with the recommendation. Both Alan and Trey will be at the meeting to discuss.

**NEXT STEPS**

1. Disconnect well from BWD system and consider options (sale to Rams Hill, add to Watermaster monitoring network, other)

**FISCAL IMPACT**

1. TBD

**ATTACHMENTS**

1. T Driscoll WQ Memo



INTERA Incorporated  
3838 W. Carson Street, #380  
Torrance, CA 90503  
+1 (424) 275 4055  
INTERA.com



## WORKING DRAFT TECHNICAL MEMORANDUM

**To:** Geoff Poole, General Manger Borrego Water District  
**From:** Trey Driscoll, PG, INTERA Incorporated  
**Date:** May 22, 2024  
**RE:** **Production Well ID1-8 Condition Summary, Borrego Springs, California**

---

### Executive Summary

Well ID1-8 has been a potable source of drinking water supply to the Borrego Springs community since 1972 and is the only Borrego Water District (BWD) well located in the South Management Area (SMA) of the Borrego Springs Groundwater Subbasin (Subbasin) of the Borrego Valley Groundwater Basin. Well ID1-8 is screened over several intervals from 72 to 830 feet below ground surface (bgs) and completed primarily within the middle and lower aquifers. Elevated arsenic concentrations were first detected in Well ID1-8 in 1988 during a period of higher production from the well and prior to the adoption of the lower drinking water standard for arsenic in 2006. Annual production of SMA wells, including ID1-8, decreased from 1992 to 2016 and the arsenic concentrations in Well ID1-8 decreased to stabilize below the drinking water standard. With the resumption of greater pumping from wells in the SMA in 2016, the arsenic concentration in Well ID1-8 increased and is now consistently detected above the drinking water standard. Considering the elevated concentration of arsenic detected in Well ID1-8, the Borrego Water District staff has elected to take the well offline and has informed the Division of Drinking Water (DDW) that Well ID1-8 is no longer in service.

Well ID1-8 is now 52 years old and is near its remaining useful life estimated at 60 years as a production well. BWD staff communicated that a recent down-well video log of the Well ID1-8 revealed a hole in the well casing and that gravel pack has entered the well. A monitoring well, MW-3, is located approximately 120 feet north (heading of 13.16 degrees) from Well ID1-8 and is completed to a depth of 325 feet bgs with screen from 175 to 325 feet bgs. MW-3 is classified a Representative Monitoring Well (RMW) for purposes of reporting groundwater levels and compliance with the Sustainable Groundwater Management Act. A comparison of groundwater levels from Well ID1-8 and MW-3 indicates similar static groundwater levels. Because Well ID1-8 has reached near its remaining useful life and a recent video inspection of the well revealed a hole in the well casing, INTERA recommends that the well be properly abandoned. Funding to assist in the cost of abandonment is potentially available from the Sustainable Groundwater Management Grant Program. Until the well is properly abandoned, INTERA recommends continued monitoring for groundwater levels. Depth-discrete water quality sampling could be performed to better characterize variable water quality by depth over the interval from 72 to 830 feet bgs. Additional wellhead water quality sampling is not recommended. Alternatively, Well ID1-8 could be considered for conversion to a non-potable irrigation well; however, the cost on the conversion may be of limited benefit since the well is near the end of its remaining useful life.

## Well ID1-8

Well ID1-8 is in the South Management Area (SMA) of the Borrego Springs Groundwater Subbasin (Subbasin) and located along Borrego Springs Road. The well is located north of the Rams Hill Golf Club and east of the Rams Hill Wastewater Treatment Facility (Figure 1). The well and wellhouse is protected by an elevated rock berm that directs flood flows around the well and toward the Rams Hill flood control facilities.

Well ID1-8 was drilled and constructed in 1972 by Roscoe Moss Company for the DiGiorgio Corporation. Well ID1-8 was drilled to a depth of 830 feet below ground surface (bgs). Well Construction details and pump information are summarized below in Table 1.

**Table 1: Well ID1-8 Completion Information**

Well ID1-8	
<b>Well Completion</b>	
Year Drilled	1972
Well Depth	830 feet
Conductor Size/Depth	24 inches/50 feet
Well Casing Type/Thickness	mild steel/0.25 inch wall thickness
Well Casing Diameter	12.75 inches 0-312 feet 8.625 inches 312-830 feet
Blank Casing Intervals	0-72 feet 240-260 feet 830-850 feet (8.625 inch sump)
Screen Type	louver 0.070 inch slot
Screen Intervals	72-240 feet 260 to 312 feet 312 to 830 feet (8.625 inch)
Borehole Diameter/Filer Pack	22 inches from 0-324 feet 17.5 inches from 324-870 feet/ Crystal Silica 6-8 pit run
<b>Pump Information</b>	
Original Production	1,100 <sup>a</sup>
Current Production	350
Pump Type	Turbine, Byron Jackson
Motor Type	Newman 125 HP
Power	3 phase
Drop Pipe	300 feet galvanized (6 inch) estimated
Cable	310 feet (estimated)
Check Valve	6 inch (estimated)
Pump Panel	Unknown
Motor Saver	Unknown
<b>Distribution Information</b>	

Well ID1-8	
Improvement District	No.1, No.3
Pressure Zone	4,5,6

**Notes:**

- a. Original production is typically based on driller maximum production rates that may have overestimated actual production rates

A photograph taken in 2017 of the wellhead and motor is shown in Photograph 1. As part of the Proposition 1 SDAC Grant Task 5 Water Vulnerability/New Extraction Well Site Feasibility Analysis (Dudek 2018), the remaining useful life estimate for Well ID1-8 was 14 years [8 years in 2024] based on an estimated 60-year lifespan.



**Photograph 1. Well ID1-8 Wellhead and Motor**

## Groundwater Quality

### Arsenic

The U.S. Environmental Protection Agency Maximum Contaminant Level (MCL) for total arsenic in drinking water was reduced from 50 to 10 micrograms per liter ( $\mu\text{g}/\text{L}$ ) in January 2001, and compliance with this standard was required beginning in January 2006. The California arsenic MCL is 0.010 milligrams per liter ( $\text{mg}/\text{L}$ ) (equivalent to 10 micrograms per liter [ $\mu\text{g}/\text{L}$ ]) and became effective on November 28, 2008.

Arsenic naturally sorbs onto oxide surfaces of mineral grains in sedimentary aquifer matrix material. Naturally occurring arsenic concentrations in groundwater are highly variable in semi-arid and arid groundwater basins of the western United States, and the concentrations commonly exceed the California drinking water primary MCL (Welch et al. 2000, Anning et al. 2012). In these sedimentary basins, groundwater recharge is limited due to low precipitation and the residence time of the groundwater in the basin is high. The long residence time of the groundwater in the basin allows for interaction between the groundwater and the minerals that comprise the aquifer matrix material. With time and high pH values, particularly above 8.5, arsenic desorbs from iron, manganese, and aluminum oxides on the surfaces of mineral grains of sediments and enters the groundwater (Izbicki et al. 2008). The groundwater in the Subbasin has a pH of 7.5 to 9.0, a range that is conducive to this transfer of arsenic from the sediment to the water. Anoxic conditions also induce reductive dissolution of iron and manganese oxide coatings on mineral grains, releasing sorbed arsenic.

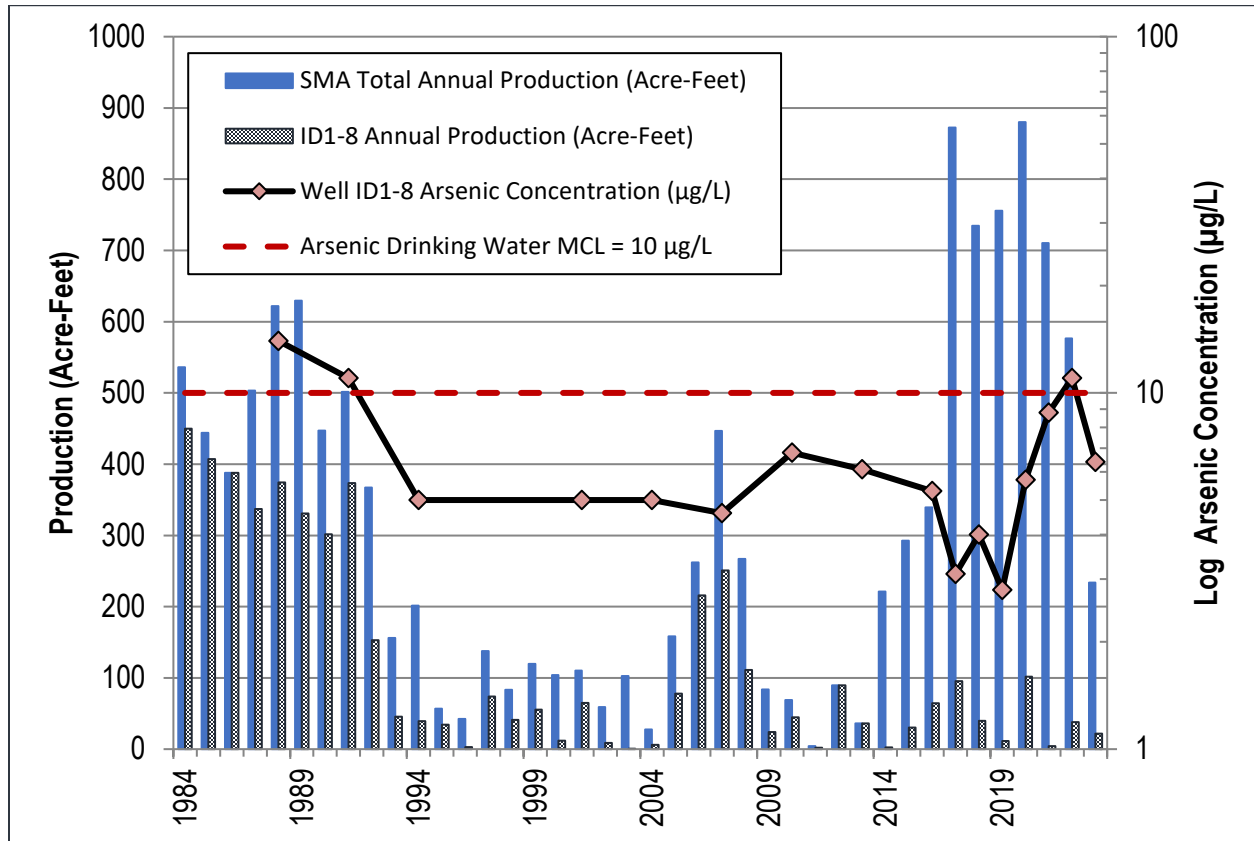
In addition, a study conducted in the San Joaquin Valley of California identified a correlation between overpumping and increasing arsenic concentrations (Smith et al. 2018). Overpumping in the San Joaquin Valley is leading to subsidence and compaction of clay layers. During this process water is expelled from the clay layers that may introduce higher concentrations of arsenic in the sand and gravel producing zones that are targeted for use.

While the majority of arsenic concentrations at ID1-8 have been below the California drinking water MCL, this well had three historical non-compliance samples with detections above the MCL – 14  $\mu\text{g}/\text{L}$  in 1988, 11  $\mu\text{g}/\text{L}$  in 1991, and 11  $\mu\text{g}/\text{L}$  in 2022. Subsequent compliance sampling completed by BWD in 2023 indicated that the arsenic concentration at ID1-8 was below the MCL at a concentration of 6.4  $\mu\text{g}/\text{L}$ ; however, recent sampling is now above the MCL.

Exhibit 1 shows the ID1-8 arsenic concentration fluctuates over time. This exhibit includes data through 2023 and does not include recent samples collected by BWD staff including the Spring 2024 sample included as part of the Watermaster semi-annual water quality monitoring. Visual review of the data shown in Exhibit 1 indicates that arsenic concentrations initially dropped, stabilized, and rose again in recent years. Comparison of arsenic concentrations and pumping over time suggest a correlation between increased concentrations and increased pumping.

The Proposition 1 SDAC Grant Task 5 Water Vulnerability/New Extraction Well Site Feasibility Analysis (Dudek 2018), noted that Well ID1-8 use is limited due to drawdown from surrounding wells and potential for arsenic to exceed the drinking water standard based on historical data. A Groundwater

Quality Risk Assessment performed in 2017 identified that groundwater production in excess of 300 acre-feet per year at well ID1-8 is predicted to exceed the arsenic drinking water standard after approximately 2 years of production at this rate (Dudek 2017).



**Exhibit 1. Well ID1-8 in SMA – Groundwater Production and Arsenic Data 1984 to 2023**

INTERA updated the Groundwater Quality risk analysis in 2023 (INTERA 2023). A linear regression analysis of the dependent variable, arsenic concentration was plotted against the independent variable, annual groundwater production with a 2-year lag applied for ID1-8. The goodness of fit for ID1-8 linear regression with a 2-year lag (R-squared value = 0.51) was better than annual production alone, but only about 50% of the increasing arsenic concentrations can be explained by annual production using the 2-year lag (Exhibit 2).

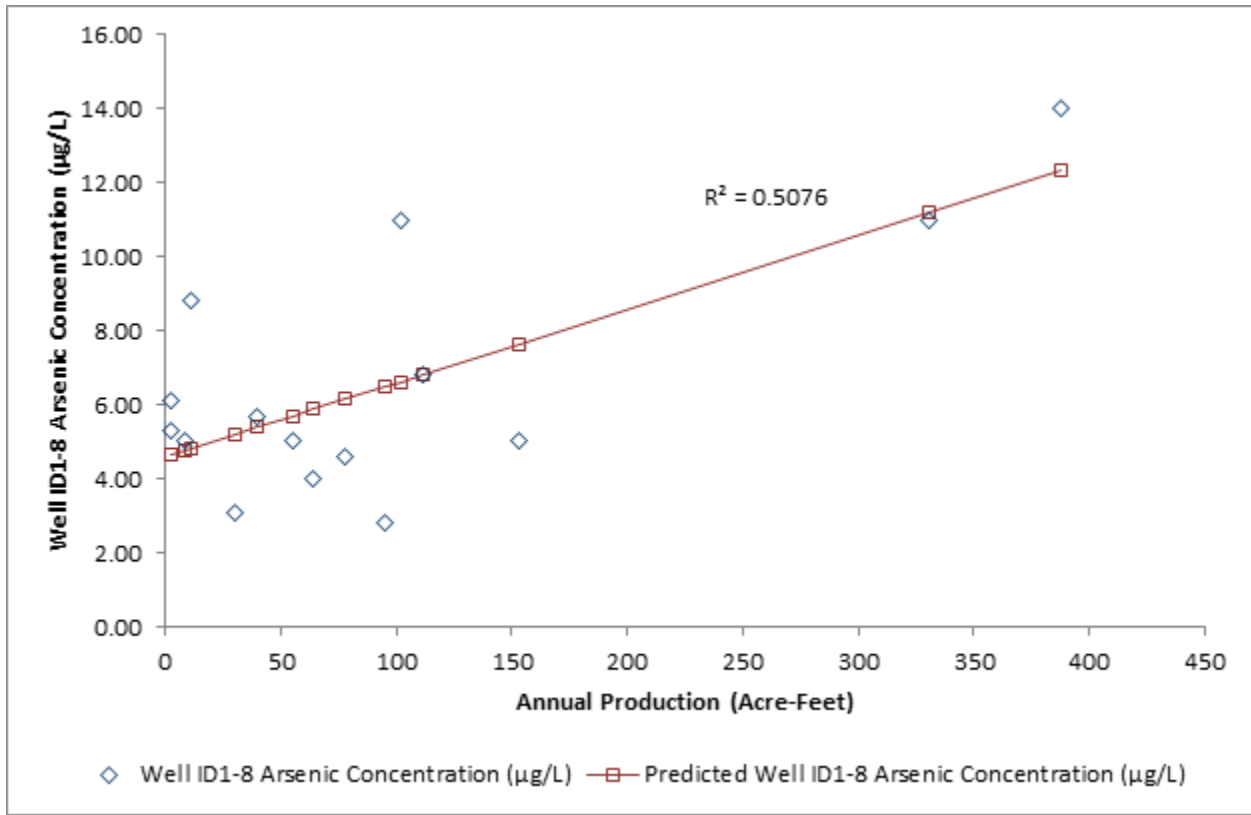


Exhibit 2. Well ID1-8 in SMA – One-way Linear Regression with a 2-year lag.

## Summary and Recommendations

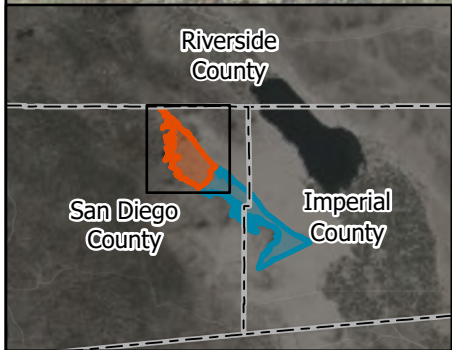
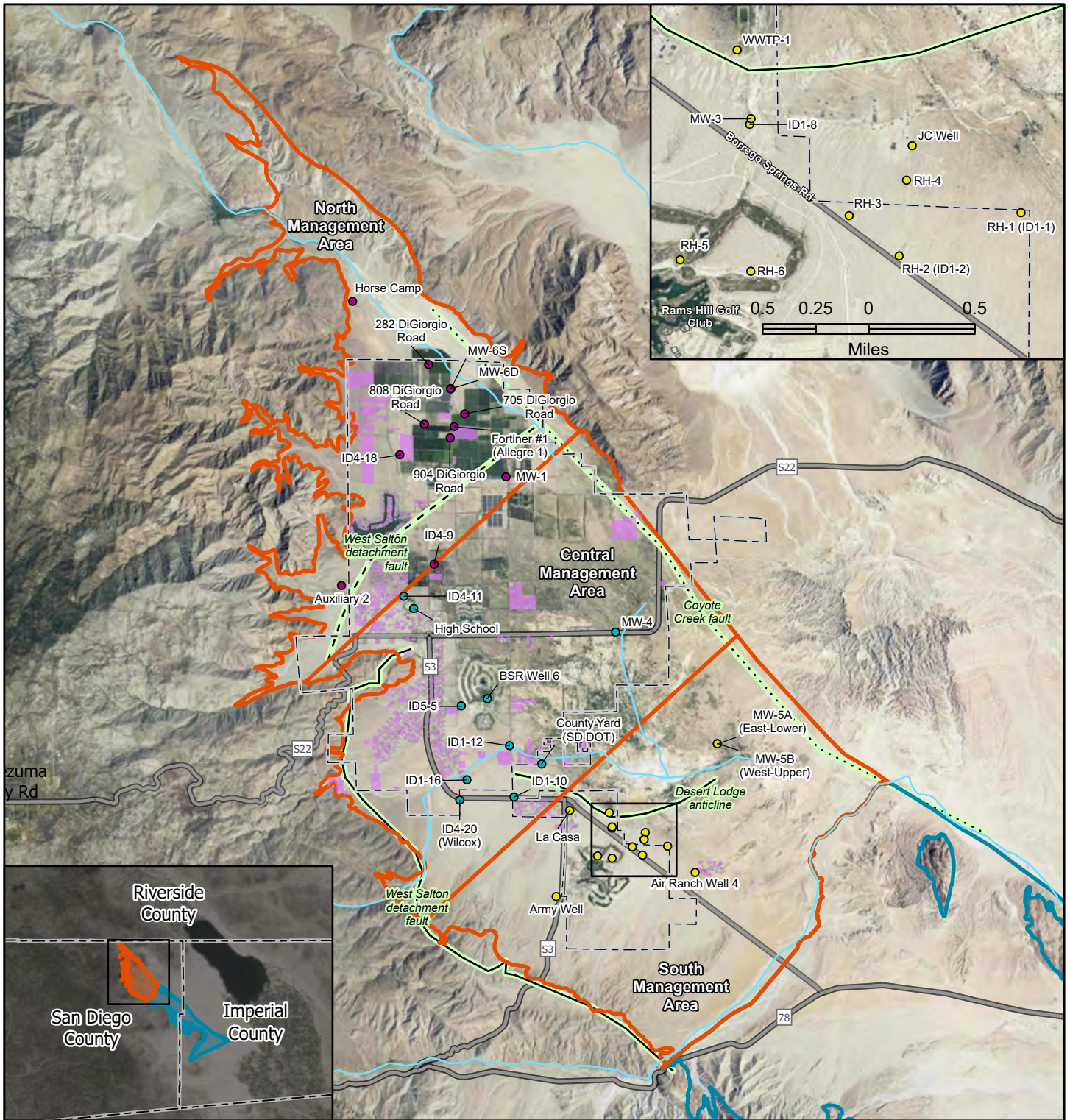
Detections of arsenic in Well ID1-8 above the drinking water standard have occurred historically and were predicted to occur with increased pumping in the SMA. Recent Well ID1-8 exceedance of the arsenic MCL is expected to continue as a result of lower groundwater levels and increased pumping in the SMA. INTERA concurs with the BWD staff decision to take the well out of service. Production of groundwater for municipal use in the SMA is no longer viable without costly treatment. Considering BWD can produce supply from multiple wells in other areas of the Subbasin (e.g., Central Management Area) without treatment, it will not be cost effective to locate any future municipal wells in the SMA.

Because Well ID1-8 has reached near its remaining useful life and a recent video inspection of the well revealed a hole in the well casing, INTERA recommends that the well be properly abandoned. Funding to assist in the cost of abandonment is potentially available from the Sustainable Groundwater Management Grant Program. Until the well is properly abandoned, INTERA recommends continued monitoring for groundwater levels. Depth-discrete water quality sampling could be performed to better characterize variable water quality by depth over the interval from 72 to 830 feet bgs. Additional wellhead water quality sampling is not recommended. Well ID1-8 could be considered for conversion to a non-potable irrigation well; however, the cost on the conversion may be of limited benefit since the well is near the end of its remaining useful life.

## References

- Dudek, 2018. Proposition 1 SDAC Grant Task 5 Water Vulnerability/New Extraction Well Site Feasibility Analysis. December 21, 2018.
- Dudek, 2017. Draft Working Technical Memorandum Borrego Springs Subbasin Groundwater Quality Risk Assessment. June 16, 2017.
- INTERA, 2023. Draft Working Technical Memorandum Groundwater Quality Risk Update. Prepared for Borrego Water District. October 17, 2023.
- Izbicki JA, Stamos CL, Metzger LF, Kulp TR (2008) Source, distribution, and management of arsenic in water from wells, eastern San Joaquin Ground
- Rezaie-Boroon, M.H., J. Chaney, and B. Bowers. 2014. "The Source of Arsenic and Nitrate in Borrego Valley Groundwater Aquifer." *Journal of Water Resource and Protection* 6: 1589-1602.  
<http://dx.doi.org/10.4236/jwarp.2014.617145>
- Smedly PL, Kinniburgh DG (2002) A review of the source, behavior, and distribution of arsenic in natural waters. *Appl Geochem* 14: 517-568. 4.
- Smith, R., Knight, R. & Fendorf, S. Overpumping leads to California groundwater arsenic threat. *Nat Commun* 9, 2089 (2018). <https://doi.org/10.1038/s41467-018-04475-3>.
- Welch, A.H., D.B. Westhohn, D.R. Helsel, and R.B. Wanty. 2000. "Arsenic in Groundwater of the United States—Occurrence and Geochemistry." *Groundwater* 38(4):589–604.





Management Area Wells

- North
- Central
- South

Faults and Folds

- Certain
- ⋯ Concealed
- - - Un-Certain

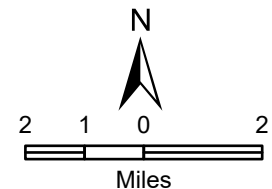
▭ Borrego Water District

▭ Borrego Springs Groundwater Subbasin (7-024.01)

▭ Ocotillo Wells Groundwater Subbasin (7-024.02)

▭ Residential Sewer Septic Parcels

— Rivers and Streams



**Figure 1**  
Well Location Map  
Borrego Springs Subbasin



Source(s): BWD 2023, Watermaster 2023

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.E

May 13, 2024

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: Automated Metering Infrastructure Policy – G Poole/T Baker/G Moran

**RECOMMENDED ACTION:**  
Review Draft AMI Policy

**ITEM EXPLANATION:**

The 100 meter pilot has been installed and data is being gathered and transmitted to BWD. Staff, Legal Counsel and the AMI Implementation Committee (Baker/Moran) have developed the attached Draft Policy for the Board to review.

In terms of a fee if any manual meter readings are needed, BBK has indicated a new 218 process would be needed, so Staff is proposing NO FEE at this time and the AMI will be included in the upcoming AMI process starting in 24-25. Even if we could charge a fee it would be minimal since manual meter reading is already included in the current rate structure. Maybe 5 minutes of data entry at a cost of approximately \$2.50 cost.

**NEXT STEPS**

1. Provide login and password to Pilot Participants using the Boards Policy, draft attached.

**FISCAL IMPACT**

1. TBD

**ATTACHMENTS**

1. Draft AMI Policy – S Anderson

RESOLUTION NO 2024-05-01 OF THE BOARD OF DIRECTORS OF BORREGO WATER DISTRICT APPROVING A POLICY REGARDING ADVANCED METERING INFRASTRUCTURE

WHEREAS, Borrego Water District received Proposition 68 grant funding from the State of California to install Advanced Metering Infrastructure (AMI) meters throughout the District's service area in order to encourage water use efficiency and to help prevent waste of water; and

WHEREAS, the District intends to install AMI at each District customer service connection in 2024, to the maximum extent achievable; and

WHEREAS, the District has prepared the attached policy to better explain the purpose of AMI and to address issues that may arise during AMI installation and use.

NOW, THEREFORE, be it resolved by the Board of Directors of the Borrego Water District, as follows:

1. Recitals. The above recitals are true and correct.
2. Policy. The Policy Regarding Advanced Metering Infrastructure attached hereto as Exhibit "A" is hereby approved and adopted.
3. Effective Date. This Resolution shall take effect upon adoption.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Borrego Water District held on the \_\_\_th day of May 2024, by the following vote:

**Ayes:**

**Noes:**

**Absent:**

---

President, Board of Directors of  
Borrego Water District

ATTEST:

---

Secretary of the Board of Directors of  
Borrego Water District

## BORREGO WATER DISTRICT POLICY

### REGARDING ADVANCED METERING INFRASTRUCTURE

1. **POLICY:** Borrego Water District (BWD or “District”) is committed to accurate metering, maximizing beneficial use and minimizing waste of water throughout its Service Area, including through early detection of leaks on the customer side of the meter and ensuring customers have the tools to be informed about water use in close to real-time. With these primary goals in mind, Automated Metering Infrastructure (AMI) is being planned for installation throughout the BWD service area. These AMI systems will replace existing water meters, allow the customer, with assistance from BWD if needed, to quickly recognize leaks within their homes, yards, and businesses, and allow customers to take corrective actions within their properties.

2. **METER INSTALLATION:** BWD will be installing new AMI on each existing BWD service connection with AMI meters of the same diameter as customers’ existing water meters. The process of meter replacement will ordinarily take approximately five minutes. BWD will notify each customer at least 24 hours prior to AMI installation.

3. **DATA COLLECTION:** Following installation of the AMI, the cellular chip inside the device will be activated and entered into a software program developed and implemented by the AMI vendor. Following activation, numerous meter reads will be taken remotely, stored and then transmitted one time daily to BWD via existing cellular networks.

4. **ACCESS TO DATA:** BWD will access data provided by the AMI vendor primarily for the purpose of accurate metering, detecting unexplained consumption and assisting the customer to the extent practical to take corrective measures. This data acquisition will be needed to satisfy coming state legal requirements regarding water use. (See [https://www.waterboards.ca.gov/water\\_issues/programs/conservation\\_portal/](https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/)) In cases where more detailed customer consumption information will need to be accessed by BWD beyond those needed to comply with law and to ensure water use efficiency, specific Board action will be required authorizing use of more detailed data including identifying the reason for the data, number of customers involved, duration, and other pertinent issues will be taken into consideration by the Board

5. **DATA MONITORING/NOTIFICATIONS:** BWD will use its best efforts to notify customers as soon as practical of irregular use to ensure corrective actions are taken.. In instances where the customer is not home and/or property damage is imminent due to water leaks or other situations involving water use, BWD reserves the right to temporarily shut off water service until corrective measures are taken by the customer to repair leaks.

6. **NO OPT OUT:** Installing AMI devices is a fundamental component in tracking indoor versus outdoor water use and to identify the number of gallons per day being used by customers. The data is a key component in meeting current and future statewide water efficiency and water conservation requirements. On occasions where a customer has extenuating circumstances and gathering AMI data creates potential unique issues, an AMI Device

Installation Deferral Form will be made available to the customer and completed forms will be considered by the General Manager. During the deferral period, of up to 180 days, the District and the Applicant will attempt to remedy any potential concerns prior to installation or use of AMI device.

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MAY 28, 2023  
AGENDA ITEM II.F

May 13, 2024

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Borrego Springs Subbasin Watermaster Board – VERBAL D Duncan/K Dice/T Driscoll  
1. Update on Board Activities  
2. Update on Technical Advisory Committee Activities

**RECOMMENDED ACTION:**

Receive verbal report from Watermaster delegates and Consultants on upcoming issues.

**ITEM EXPLANATION:**

BWD Representatives on the Watermaster Board and Consultants will update the Board and answer any questions.

**NEXT STEPS**

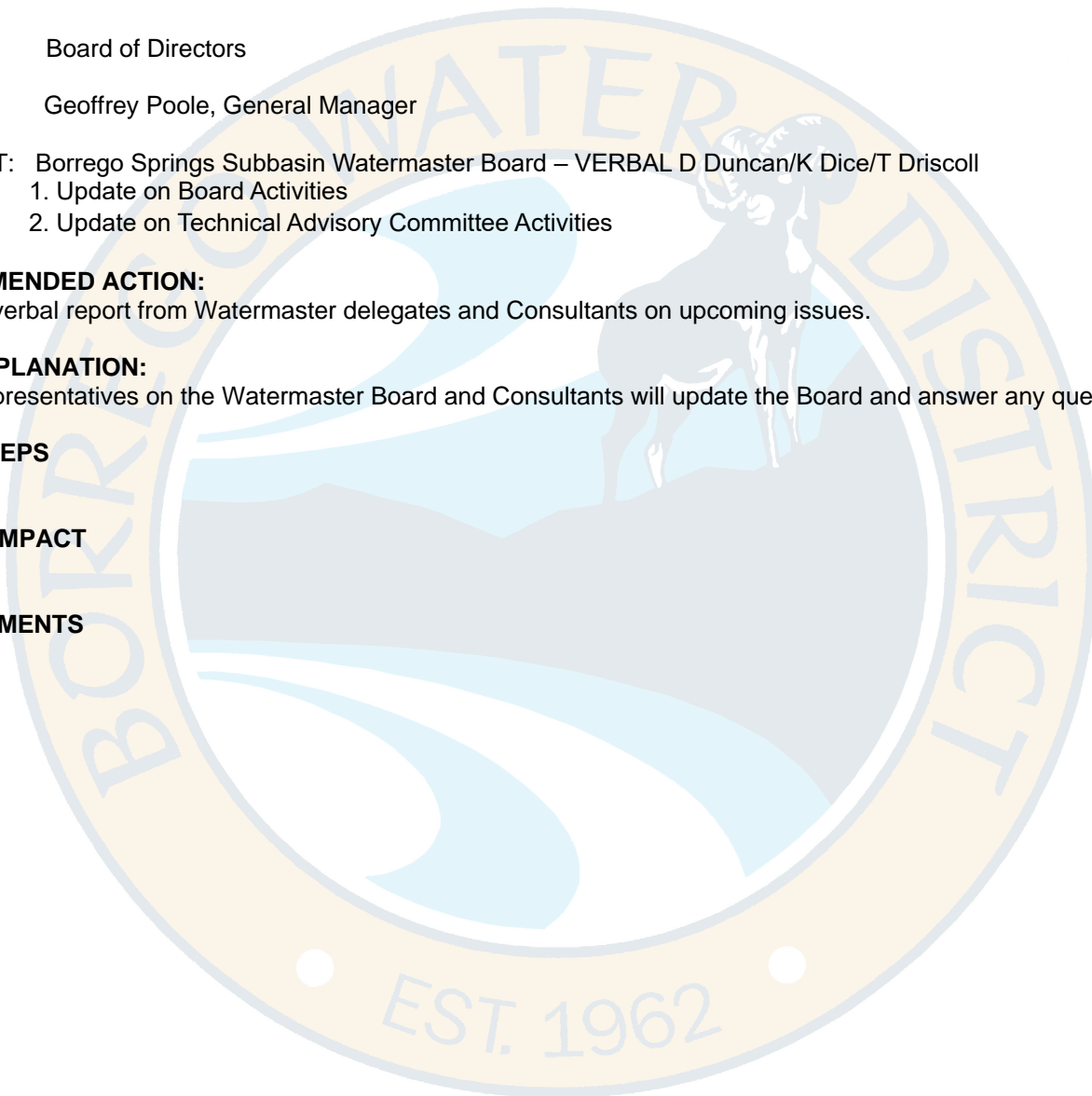
1. TBD

**FISCAL IMPACT**

1. TBD

**ATTACHMENTS**

1. None



# Item IV.B

## Monthly Water Production Report





# **BORREGO WATER DISTRICT**

**APRIL 2024**

## **WASTEWATER OPERATIONS REPORT**

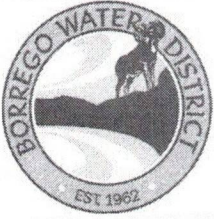
There's no know problems with wastewater system at the moment:

**Rams Hill Wastewater Treatment Facility serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):**

**Average flow:** 68000 (gallons per day)

**Peak flow:** 90000 gpd Wednesday, APRIL 3- 2024





## BORREGO WATER DISTRICT

RAMS HILL WASTEWATER TREATMENT FACILITY

4861 Borrego Springs Rd, BORREGO SPRINGS, CA 92004  
(760) 767-5806 FAX (760) 767-5994

05/15/2024

CALIFORNIA REGIONAL WATER QUALITY  
CONTROL BOARD – REGION 7  
73-720 FRED WARING DR. SUITE 100  
PALM DESERT, CA. 92260

Attn: Adriana Godinez/WRCE

RE: APRIL 2024 Borrego Springs WWTP

Dear Adriana,

Please find attached the APRIL 2024 monthly monitoring reports and Lab results for Borrego springs district WWTP.

We are pleased to inform you that there's no known violations for this month.

If you have any questions please contact ROGELIO MARTINEZ/WT-III. (760)419-2764.

Respectfully,

Rogelio Martinez/ water plant operator III

CC: Geoff Poole/GM

# **MONTHLY REPORT: R.H.W.T.F**

**MONTH: APRIL**

**YEAR: 2024**

BORREGO WATER DISTRICT,  
RAMS HILL WASTEWATER TREATMENT FACILITY,  
4861 BORREGO SPRINGS ROAD,  
BORREGO SPRINGS, CA 92004  
760-767-5806; phone  
760-767-5994; fax

COMMENTS: THERE ARE NO SPILLS TO REPORT FOR APRIL 2024; THE FLOW REPORT IS ATTACHED.

Submitted by: ROGELIO MARTINEZ/BWD TO: GEOFF POOLE/BWD;

05/15/2024

APR 2024	INFLUENT DAILY FLOW GAL.	TOTAL FLOW GAL.
1	90000 GAL	14397000 GAL
2	87000 GAL	14534000 GAL
3	90000 GAL	14624000 GAL
4	87000 GAL	14711000 GAL
5	69000 GAL	14780000 GAL
6	80000 GAL	14860000 GAL
7	85000 GAL	14945000 GAL
8	64000 GAL	15009000 GAL
9	63000 GAL	15072000 GAL
10	60000 GAL	15132000 GAL
11	62000 GAL	15194000 GAL
12	65000 GAL	15259000 GAL
13	75000 GAL	15334000 GAL
14	72000 GAL	15334000 GAL
15	83000 GAL	15417000 GAL
16	47000 GAL	15539000 GAL
17	58000 GAL	15597000 GAL
18	57000 GAL	15654000 GAL
19	58000 GAL	15712000 GAL
20	72000 GAL	15784000 GAL
21	63000 GAL	15847000 GAL
22	58000 GAL	15905000 GAL
23	59000 GAL	15964000 GAL
24	62000 GAL	16026000 GAL
25	65000 GAL	16091000 GAL
26	72000 GAL	16163000 GAL
27	79000 GAL	16243000 GAL
28	80000 GAL	16323000 GAL
29	58000 GAL	16381000 GAL
30	45000 GAL	16426000 GAL

**P.H. / D.O. LOG ; R.H.W.T.F., BORREGO WATER DISTRICT**

**YEAR,2024**

April

<b><u>DATE</u></b>	<b><u>LOCATION</u></b>	<b><u>P.H.</u></b>	<b><u>D.O</u></b>	<b><u>Alkalinity</u></b>	<b><u>Freeboard</u></b>
4/2/2024	EFFLUENT	7.02	5.42mg/l	190ppm	
4/2/2024	POND	6.98	6.25mg/l	190ppm	3.5ft
4/18/2024	EFFLUENT	7.00	5.12mg/l	190ppm	
4/18/2024	POND	6.97	5.81mg/l	190mg/l	3.5ft

Berm Condition: Good and no Odors around the pond

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
COLORADO RIVER BAIS REGION**

WDID NO.: 7A 37 0125 001  
ORDER NO.: R7-2007-0053

**MONITORING AND REPORTING  
BORREGO WATER DISTRICT - RAMS HILL WWTF  
MONTH: APRIL  
YEAR: 2024**

REPORTING FREQUENCIES: **MONTHLY (Oct-March)**

APRIL

TYPE OF SAMPLE:	INFLUENT			PONDS		
	Flow	BOD	TSS	PH	DO	Freeboard
CONSTITUENTS:	Flow	BOD	TSS	PH	DO	Freeboard
FREQUENCY:	Daily	Monthly	Monthly	Twice Monthly	Twice Monthly	Twice Monthly
DESCRIPTION:	Measurement	Grab	Grab	Grab	Grab	Measurement
UNITS:	gpd	mg/L	mg/L	s.u	mg/l	ft
REQUIREMENTS						
30-DAY MEAN:						
MAXIMUM:						
MINIMUM:						
DATE OF SAMPLE	APRIL					
1	90000					
2	87000	430	650	6.98	6.25	3.5
3	90000					
4	87000					
5	69000					
6	80000					
7	85000					
8	64000					
9	63000					
10	60000					
11	62000					
12	65000					
13	75000					
14	72000					
15	83000					
16	47000					
17	58000					
18	57000			6.97	5.81	3.5
19	58000					
20	72000					
21	63000					
22	58000					
23	59000					
24	62000					
25	65000					
26	72000					
27	79000					
28	80000					
29	58000					
30	45000					
31						
<b>30-DAY MEAN</b>	<b>68833</b>	<b>430</b>	<b>650</b>	<b>6.98</b>	<b>6.03</b>	<b>3.5</b>
<b>MAXIMUM</b>	<b>90000</b>	<b>430</b>	<b>650</b>	<b>6.98</b>	<b>6.25</b>	<b>3.5</b>
<b>MINIMUM</b>	<b>45000</b>	<b>430</b>	<b>650</b>	<b>6.97</b>	<b>5.81</b>	<b>3.5</b>

I declare under the penalty of law that I personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: *Rogelio White*  
Date: 5-15-2024

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
COLORADO RIVER BAIS REGION**

WDID NO.: 7A 37 0125 001  
ORDER NO.: R7-2007-0053

**MONITORING AND REPORTING  
BORREGO WATER DISTRICT - RAMS HILL WWTF  
MONTH: APRIL  
YEAR: 2024**

REPORTING FREQUENCY: MONTHLY (Oct - March)

APRIL

TYPE OF SAMPLE:	EFFLUENT					
	BOD	TSS	SS	T. Nitrogen	TDS	pH
CONSTITUENTS:	BOD	TSS	SS	T. Nitrogen	TDS	pH
FREQUENCY:	Twice Monthly	Twice Monthly	Twice Monthly	Twice Monthly	Twice Monthly	Twice Monthly
DESCRIPTION:	Grab	Grab	Grab	Grab	Grab	Grab
UNITS:	mg/L	mg/L	ml/L		ml/L	
REQUIREMENTS						
30-DAY MEAN:						
MAXIMUM:	30mg/l	30mg/l	0.3ml/l		700mg/l	9.0
MINIMUM:						
DATE OF SAMPLE						
1						
2	16	3.0	0.0	3.1	500	7.02
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18	0.0	3.0	0.0	5.3	530	7.0
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
<b>30-DAY MEAN</b>	<b>8.0</b>	<b>3.0</b>	<b>0.0</b>	<b>4.2</b>	<b>515</b>	<b>7.01</b>
<b>MAXIMUM</b>	<b>8.0</b>	<b>3.0</b>	<b>0.0</b>	<b>5.3</b>	<b>530</b>	<b>7.02</b>
<b>MINIMUM</b>	<b>5.3</b>	<b>3.0</b>	<b>0.0</b>	<b>3.1</b>	<b>500</b>	<b>7.00</b>

I declare under the penalty of law that I personally examined and am familiar with the information submitted in this document, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: *Rogelio Mito*  
Date: 5-15-2024

ITEM IV.C

Monthly Financial Report





## TREASURER'S REPORT April 2024

	Bank Balance	Carrying Value	Fair Value	<u>% of Portfolio</u> Current Actual	Rate of Interest	Maturity	Valuation Source
<b>Cash and Cash Equivalents:</b>							
<b>Demand Accounts at CVB/LAIF</b>							
General Account/Petty Cash	\$ 2,951,665	\$ 2,876,071	\$ 2,876,071	68.59%	1.08%	N/A	CVB/WF
Payroll Account	\$ 44,897	\$ 44,857	\$ 44,857	1.07%	1.08%	N/A	WF
Grant Fund Account	\$ 127,920	\$ 99,867	\$ 99,867	2.38%	0.00%	N/A	WF
2021 Bond Funds	\$ -	\$ -	\$ -	0.00%	1.08%	N/A	WF
LAIF	\$ 1,172,297	\$ 1,172,297	\$ 1,172,297	27.96%	4.23%	N/A	LAIF
<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,296,779</b>	<b>\$ 4,193,092</b>	<b>\$ 4,193,092</b>	<b>100.00%</b>			

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on June 09, 2020

Cash, investments and future cash flows are sufficient to meet the needs of the District for the next six months.

Sources of valuations are CVB Bank, LAIF and US Trust Bank.

Jessica Clabaugh, Finance Officer





**Borrego Water District  
Operating Budget Analysis  
03/01/2024 to 03/31/2024**

	<i>Budgeted FY2024</i>	<i>Actual Mar FY2024</i>	<i>Projected Mar FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>INCOME</b>					
<b>RATE REVENUE</b>					
<b>Water Rates Revenues</b>					
Commodity Rates					
Residential	1,592,136	74,017	80,854	1,036,351	65%
Commercial	777,162	43,751	39,467	460,666	59%
Irrigation	355,047	17,760	18,030	268,639	76%
Total Commodity	2,724,345	135,528	138,360	1,765,655	65%
Non-Commodity Charges					
Base Meter Charges	1,468,598	120,880	111,005	1,084,550	74%
Meter Install/Repair	35,000	50	2,917	13,819	39%
New Water Supply Connection Fee	24,880	-	2,073	-	0%
Backflow Testing/Install	5,700	-	-	100	2%
Bulk Water Sales	6,500	677	542	14,100	217%
Total Non-Commodity	1,540,678	121,607	116,537	1,112,569	72%
<b>Total Water Rate Revenues</b>	<b>4,265,023</b>	<b>257,135</b>	<b>254,897</b>	<b>2,878,225</b>	<b>67%</b>
<b>Sewer Rates</b>					
TCS Holder Fees (SA2)	163,973	13,947	13,664	125,536	77%
TCS User Fees (SA2)	130,436	11,649	10,870	104,874	80%
RH Sewer User Fees (ID1)	164,786	13,742	13,732	123,429	75%
Sewer Standby/Capacity Fees	-	-	-	-	-
Sewer User Fees (ID5)	186,528	15,489	15,544	139,444	75%
<b>Total Sewer Rates</b>	<b>645,723</b>	<b>54,828</b>	<b>53,810</b>	<b>493,284</b>	<b>76%</b>
<b>Availability Charges Collected thru Tax Roll</b>					
ID1 - Water/Sewer/Flood Standby	105,000	934	25,271	56,865	54%
ID3/ID4 - Water Standby	117,000	3,431	28,160	80,717	69%
Pest Control Standby	17,150	387	4,128	10,992	64%
<b>Total Availability (Tax Roll)</b>	<b>239,150</b>	<b>4,752</b>	<b>57,559</b>	<b>148,575</b>	<b>62%</b>
<b>TOTAL RATE REVENUE</b>	<b>5,149,896</b>	<b>316,715</b>	<b>366,266</b>	<b>3,520,083</b>	<b>68%</b>
<b>OTHER INCOME</b>					
Penalties & Fees	50,000	12,213	5,000	64,486	129%
BSUSD Well Agreement	35,000	-	8,750	-	0%
1% Property Assessments	70,000	2,327	16,848	49,075	70%
Interest Income	35,000	1,122	2,917	43,072	123%
Other Income	-	-	-	1,662	-
WM Meter Reading Income	3,333	-	550	1,689	51%
<b>TOTAL OTHER INCOME</b>	<b>193,333</b>	<b>15,662</b>	<b>34,064</b>	<b>159,983</b>	<b>83%</b>
<b>GROSS INCOME</b>	<b>5,343,229</b>	<b>332,377</b>	<b>400,330</b>	<b>3,680,066</b>	<b>69%</b>



**Borrego Water District  
Operating Budget Analysis  
03/01/2024 to 03/31/2024**

	<i>Budgeted FY2024</i>	<i>Actual Mar FY2024</i>	<i>Projected Mar FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>EXPENSES</b>					
<b>OPERATING EXPENSES</b>					
<b>Operations &amp; Maintenance Expense</b>					
R&M Water	272,201	20,551	22,683	130,142	48%
R&M WWTF	130,656	9,802	10,888	96,064	74%
Telemetry	5,444	-	454	4,692	86%
Trash Removal	6,533	635	544	5,822	89%
Vehicle Expense	24,219	1,309	2,018	19,420	80%
Fuel & Oil	53,703	5,201	4,475	38,738	72%
Lab/Testing	37,664	3,113	3,139	30,378	81%
Permit Fees	39,741	2,638	3,312	24,305	61%
Pumping Electricity	500,000	33,999	41,667	389,657	78%
<b>Total Operations &amp; Maintenance Expense</b>	<b>1,070,161</b>	<b>77,248</b>	<b>89,180</b>	<b>739,218</b>	<b>69%</b>
<b>Professional Services</b>					
Accounting (Tax & Debt Filings)	4,682	-	-	822	18%
Air Quality Study	36,341	-	3,028	32	0%
Payroll Services	3,375	299	281	2,720	81%
Audit Fees	30,000	-	2,500	17,350	58%
IT & Cyber Security	42,120	2,675	3,510	47,538	113%
Financial Consulting	87,104	-	7,259	348	0%
Engineering (Dudek)	50,000	-	4,167	38,708	77%
Legal Services - General	78,491	9,048	6,541	66,900	85%
<i>Legal Services Reimbursible</i>		<i>(6,008)</i>		<i>(25,786)</i>	
Advocacy	65,328	8,500	5,444	48,500	74%
<b>Total Professional Services</b>	<b>397,441</b>	<b>14,513</b>	<b>32,730</b>	<b>197,131</b>	<b>50%</b>
<b>Insurance Expense</b>					
ACWA/JPIA Program Insurance	83,490	-	-	103,587	124%
ACWA/JPIA Workers Comp	23,437	-	-	10,149	43%
<b>Total Insurance Expense</b>	<b>106,927</b>	<b>-</b>	<b>-</b>	<b>113,736</b>	<b>106%</b>
<b>Personnel Expense</b>					
Board Meeting Expense	25,042	1,704	2,087	21,412	86%
Salaries & Wages	1,323,529	103,910	110,294	967,702	73%
<i>Contra Account - Salaries &amp; Wages</i>	<i>(60,000)</i>	<i>(4,323)</i>	<i>(5,000)</i>	<i>(33,667)</i>	56%
Contract Labor/Consulting	10,888	-	907	-	0%
Payroll Taxes	36,190	1,870	3,016	20,138	56%
Benefits - Medical	295,171	22,690	24,598	190,711	65%
Benefits - CalPERS	271,422	10,819	16,666	167,958	62%
Trainings & Conferences	19,598	425	1,633	14,493	74%
Uniforms	7,622	769	635	4,632	61%
Safety Compliance & Emergency Prep	5,444	-	454	2,524	46%
<b>Total Personnel Expense</b>	<b>1,934,906</b>	<b>137,864</b>	<b>155,290</b>	<b>1,355,903</b>	<b>70%</b>



**Borrego Water District  
Operating Budget Analysis  
03/01/2024 to 03/31/2024**

	<i>Budgeted FY2024</i>	<i>Actual Mar FY2024</i>	<i>Projected Mar FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>OPERATING EXPENSES (Con't)</b>					
<b>Office Expense</b>					
Office Supplies	26,131	2,190	2,178	16,794	64%
Office Equipment	54,440	2,021	4,537	31,258	57%
Postage & Freight	16,332	2,487	1,361	13,186	81%
Property Tax	3,266	-	-	49	1%
Telephone Expense	30,000	1,847	2,500	23,241	77%
Dues & Subscriptions (ACWA/AWWA)	25,042	522	2,087	17,579	70%
Printing & Publication	5,444	225	454	1,469	27%
Office/Shop utilities	10,000	356	833	10,909	109%
<b>Total Office Expense</b>	<u>170,655</u>	<u>9,647</u>	<u>13,949</u>	<u>114,485</u>	67%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,680,090</b>	<b>239,273</b>	<b>295,649</b>	<b>2,520,473</b>	68%
<b>Debt Expense</b>					
BBVA Bank Note 2018A/B - Principal	341,189	-	-	341,189	100%
BBVA Bank Note 2018A/B - Interest	49,821	-	-	28,049	56%
2021 Bond Cap One - Principal	427,960	-	-	437,070	102%
2021 Bond Cap One - Interest	159,759	21,807	-	99,344	62%
<b>Total Debt Expense</b>	<u>978,729</u>	<u>21,807</u>	<u>-</u>	<u>905,652</u>	93%
<b>GROUNDWATER MANAGEMENT EXPENSES (see GWM Detail )</b>					
Pumping Fees	100,000	-	-	41,520	42%
GWM Expense	76,407	-	6,367	14,430	19%
Legal Expense	100,000	7,492	8,333	40,212	40%
Engineering/TAC Expense (Intera)	135,000	5,574	11,250	72,914	54%
GW Quality Risk Assessment (Intera)	28,430	-	2,369	20,748	73%
<b>TOTAL GROUNDWATER MGMT EXPENSES</b>	<u>439,837</u>	<u>13,066</u>	<u>28,320</u>	<u>189,823</u>	43%
<b>TOTAL EXPENSES</b>	<u><b>5,098,656</b></u>	<u><b>274,146</b></u>	<u><b>323,969</b></u>	<u><b>3,615,948</b></u>	71%
<b>NET INCOME</b>	<u><b>244,573</b></u>	<u><b>58,231</b></u>	<u><b>76,362</b></u>	<u><b>64,118</b></u>	



**Borrego Water District  
Cash CIP Budget Analysis  
03/01/2024 to 03/31/2024**

	<i><b>Budgeted FY2024</b></i>	<b>Actual Mar FY2024</b>	<b>Year to Date FY2024</b>
<b><u>CAPITAL IMPROVEMENT PROJECTS (CIP)</u></b>			
<b>CASH FUNDED CIP</b>			
<b>Water Projects</b>			
Office Imp. (FY22 Cameras, FY23 Paint, Lighting )	50,000	-	-
ID5-5 Replacement VFD	200,000	-	-
BPA Acquisition	851,125	35	1,202,058
Congressional Appropriations Cash Funded Poriton	<u>850,167</u>	<u>-</u>	<u>-</u>
<b>Total Water Projects</b>	<b>1,951,292</b>	<b>35</b>	<b>1,202,058</b>
<b>Sewer Projects</b>			
Manhole Refurbishments	49,778	-	-
Palm Canyon Sewer Line Inspection	150,000	-	<u>82,018</u>
<b>Total Sewer Projects</b>	<b>199,778</b>	<b>-</b>	<b>82,018</b>
<b>Short Lived Asset Replacements</b>			
Backup Generator Office & Shop	100,000	-	-
Well ID1-8 Rehab	-	-	121,102
ID4-18 Inspection	10,000	-	-
Reservoir Cleaning/Video Inspection	37,000	-	-
Clarifier Rehab	50,000	-	-
2017 GMC Replacement Transmission	<u>-</u>	<u>-</u>	<u>6,080</u>
<b>Total Short Lived Assets</b>	<b>197,000</b>	<b>-</b>	<b>127,182</b>
 <b>CASH FUNDED CIP TOTAL</b>	 <b>2,348,070</b>	 <b>35</b>	 <b>1,411,258</b>
 <b>2021 Bond/Cash Funded CIP</b>			
<b>Bond/Cash Funded Water Projects</b>			
ID5-15 Well Completion(Project Total = \$2,052,493)	-	4,377	-
ID4-10 Inspection/Repairs	-	92	245,845
Pipeline Replacements	<u>-</u>	<u>-</u>	<u>-</u>
<b>BOND/Cash FUNDED CIP TOTAL</b>	<b>-</b>	<b>4,469</b>	<b>245,845</b>



**Borrego Water District**  
**Grant/Bond Funded CIP Budget Analysis**  
**03/01/2024 to 03/31/2024**

	<i>Budgeted FY2024</i>	<b>Actual Mar FY2024</b>	<b>Year to Date FY2024</b>
<b>GRANT FUNDED CIP</b>			
<b>Water Projects- DWR Grant Net \$2,048,362 - Receivable @ 02/29/24 = \$1,704,223</b>			
Twin Tanks	32,835	554	328,017
Wilcox Diesel Motor	83,333	-	128,035
Indian Head Reservoir Replacement	450,000	-	344,418
Rams Hill Tank #2	450,000	-	275,724
<b>Total Water Projects - Water Reservoirs Grant</b>	<b>1,016,168</b>	<b>554</b>	<b>1,076,195</b>
<b>Prop 68 Grant - Receivable @ 02/29/24 = \$298,970</b>			
AMI	455,000	681	21,241
WWTP Monitoring Wells	60,000	-	10,609
Admin/Acquisiton Costs(Total since 2021 = \$121,268)	100,000	525	10,566
<b>Total Prop 68 Grant Projects</b>	<b>615,000</b>	<b>1,206</b>	<b>42,416</b>
<b>2023 Appropriations Bill</b>			
BSR Pipeline	912,406	-	-
Sungold Pipeline	2,488,260	-	-
<b>2023 Appropriations Bill Total</b>	<b>3,400,666</b>	<b>-</b>	<b>-</b>
 <b>TOTAL GRANT FUNDED CIP</b>	 <b>5,031,834</b>	 <b>1,760</b>	 <b>1,118,611</b>



**Borrego Water District**  
**Cash Flow Analysis**  
**03/01/2024 to 03/31/2024**

	<u>Actual Mar FY24</u>	
<b>Cash and Reserves at Beginning of Period</b>		<b>\$ 3,845,430</b>
<b>Cash Flows from Operating Activities</b>		
<i>Income Provided by Operating Activities</i>	77,442	
<i>Increase in Accounts Receivable</i>	(8,461)	
<i>Decrease in Accounts Payable</i>	(42,576)	
<i>Decrease in Inventory</i>	420	
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 26,825</b>	
<b>Cash Flows from Groundwater Management Activities</b>		
<b>Net Cash Paid for Groundwater Management Activities</b>	<b>\$ (13,066)</b>	
<b>Cash Flows from Non-Operating Activities</b>		
Other Income Received	15,662	
<b>Net Cash Provided by Other Income</b>	<b>\$ (6,145)</b>	
<b>Cash Flows from Capital Improvement Activities</b>		
<i>All CIP/BPA Purchase Activities (Cash + Grant)</i>	(28,174)	
<i>Grant Monies Received</i>	-	
<b>Net Cash Paid for Capital Improvements</b>	<b>\$ (28,174)</b>	
<b>Net Change in Cash</b>	<b>\$ (20,560)</b>	
<b>Cash and Reserves at End of Period</b>		<b>\$ 3,824,870</b>
Restricted Reserves at End of Period	\$ 978,729	
Unrestricted Reserves at End of Period	\$ 2,846,141	
Water Reserves Portion	\$2,875,351	
Sewer Reserves Portion	\$298,483	
Non-218 Reserves Portion	\$651,037	
<b>Fiscal Year Reserves Target</b>		<b>\$ 7,078,411</b>
<b>Fiscal Year Reserves Surplus/Shortfall to Date</b>		<b>\$ (3,253,541)</b>



**Borrego Water District  
Operating Budget Analysis  
04/01/2024 to 04/30/2024**

	<i>Budgeted FY2024</i>	<i>Actual April FY2024</i>	<i>Projected April FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>INCOME</b>					
<b>RATE REVENUE</b>					
<b>Water Rates Revenues</b>					
Commodity Rates					
Residential	1,592,136	92,171	104,511	1,128,522	71%
Commercial	777,162	52,223	51,015	512,889	66%
Irrigation	355,047	20,111	23,306	288,750	81%
Total Commodity	2,724,345	164,506	178,842	1,930,161	71%
Non-Commodity Charges					
Base Meter Charges	1,468,598	120,935	111,005	1,205,485	82%
Meter Install/Repair	35,000	25	2,917	13,844	40%
New Water Supply Connection Fee	24,880	-	2,073	-	0%
Backflow Testing/Install	5,700	-	-	100	2%
Bulk Water Sales	6,500	561	542	14,661	226%
Total Non-Commodity	1,540,678	121,521	116,537	1,234,091	80%
<b>Total Water Rate Revenues</b>	<b>4,265,023</b>	<b>286,027</b>	<b>295,379</b>	<b>3,164,252</b>	<b>74%</b>
<b>Sewer Rates</b>					
TCS Holder Fees (SA2)	163,973	13,947	13,664	139,483	85%
TCS User Fees (SA2)	130,436	11,649	10,870	116,524	89%
RH Sewer User Fees (ID1)	164,786	13,738	13,732	137,168	83%
Sewer Standby/Capacity Fees	-	-	-	-	-
Sewer User Fees (ID5)	186,528	15,493	15,544	154,937	83%
<b>Total Sewer Rates</b>	<b>645,723</b>	<b>54,828</b>	<b>53,810</b>	<b>548,112</b>	<b>85%</b>
<b>Availability Charges Collected thru Tax Roll</b>					
ID1 - Water/Sewer/Flood Standby	105,000	48,423	8,995	105,288	100%
ID3/ID4 - Water Standby	117,000	27,558	10,023	108,275	93%
Pest Control Standby	17,150	5,590	1,469	16,582	97%
<b>Total Availability (Tax Roll)</b>	<b>239,150</b>	<b>81,571</b>	<b>20,487</b>	<b>230,146</b>	<b>96%</b>
<b>TOTAL RATE REVENUE</b>	<b>5,149,896</b>	<b>422,426</b>	<b>369,676</b>	<b>3,942,509</b>	<b>77%</b>
<b>OTHER INCOME</b>					
Penalties & Fees	50,000	9,913	5,000	74,399	149%
BSUSD Well Agreement	35,000	-	-	-	0%
1% Property Assessments	70,000	26,897	5,997	75,972	109%
Interest Income	35,000	13,710	2,917	56,782	162%
Other Income		-	-	1,662	
WM Meter Reading Income	3,333	-	-	1,689	51%
<b>TOTAL OTHER INCOME</b>	<b>193,333</b>	<b>50,520</b>	<b>13,913</b>	<b>210,504</b>	<b>109%</b>
<b>GROSS INCOME</b>	<b>5,343,229</b>	<b>472,947</b>	<b>383,589</b>	<b>4,153,013</b>	<b>78%</b>



**Borrego Water District  
Operating Budget Analysis  
04/01/2024 to 04/30/2024**

	<i>Budgeted FY2024</i>	<i>Actual April FY2024</i>	<i>Projected April FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>EXPENSES</b>					
<b>OPERATING EXPENSES</b>					
<b>Operations &amp; Maintenance Expense</b>					
R&M Water	272,201	6,029	22,683	136,171	50%
R&M WWTF	130,656	2,992	10,888	99,056	76%
Telemetry	5,444	-	454	4,692	86%
Trash Removal	6,533	633	544	6,455	99%
Vehicle Expense	24,219	1,555	2,018	20,976	87%
Fuel & Oil	53,703	3,255	4,475	41,993	78%
Lab/Testing	37,664	1,732	3,139	32,110	85%
Permit Fees	39,741	-	3,312	24,305	61%
Pumping Electricity	500,000	34,483	41,667	424,140	85%
<b>Total Operations &amp; Maintenance Expense</b>	<b>1,070,161</b>	<b>50,680</b>	<b>89,180</b>	<b>789,898</b>	<b>74%</b>
<b>Professional Services</b>					
Accounting (Tax & Debt Filings)	4,682	-	-	822	18%
Air Quality Study	36,341	1,788	3,028	1,821	5%
Payroll Services	3,375	408	281	3,128	93%
Audit Fees	30,000	-	2,500	17,350	58%
IT & Cyber Security	42,120	2,768	3,510	50,306	119%
Financial Consulting	87,104	-	7,259	348	0%
Engineering (Dudek)	50,000	3,087	4,167	41,795	84%
Legal Services - General	78,491	3,609	6,541	70,508	90%
<i>Legal Services Reimbursible</i>		<i>(1,038)</i>		<i>(26,824)</i>	
Advocacy	65,328	8,500	5,444	57,000	87%
<b>Total Professional Services</b>	<b>397,441</b>	<b>19,122</b>	<b>32,730</b>	<b>216,253</b>	<b>54%</b>
<b>Insurance Expense</b>					
ACWA/JPIA Program Insurance	83,490	-	-	103,587	124%
ACWA/JPIA Workers Comp	23,437	4,896	-	15,045	64%
<b>Total Insurance Expense</b>	<b>106,927</b>	<b>4,896</b>	<b>-</b>	<b>118,632</b>	<b>111%</b>
<b>Personnel Expense</b>					
Board Meeting Expense	25,042	1,485	2,087	22,897	91%
Salaries & Wages	1,323,529	109,149	110,294	1,076,851	81%
<i>Contra Account - Salaries &amp; Wages</i>	<i>(60,000)</i>	<i>(5,013)</i>	<i>(5,000)</i>	<i>(38,680)</i>	64%
Contract Labor/Consulting	10,888	-	907	-	0%
Payroll Taxes	36,190	1,973	3,016	22,111	61%
Benefits - Medical	295,171	22,413	24,598	213,124	72%
Benefits - CalPERS	271,422	11,101	16,666	179,059	66%
Trainings & Conferences	19,598	483	1,633	14,976	76%
Uniforms	7,622	518	635	5,150	68%
Safety Compliance & Emergency Prep	5,444	238	454	2,762	51%
<b>Total Personnel Expense</b>	<b>1,934,906</b>	<b>142,346</b>	<b>155,290</b>	<b>1,498,249</b>	<b>77%</b>





**Borrego Water District  
Operating Budget Analysis  
04/01/2024 to 04/30/2024**

	<i>Budgeted FY2024</i>	<i>Actual April FY2024</i>	<i>Projected April FY2024</i>	<i>Year to Date FY2024</i>	<i>% of Annual Budget TD</i>
<b>OPERATING EXPENSES (Con't)</b>					
<b>Office Expense</b>					
Office Supplies	26,131	2,135	2,178	18,929	72%
Office Equipment	54,440	1,798	4,537	33,056	61%
Postage & Freight	16,332	243	1,361	13,428	82%
Property Tax	3,266	-	-	49	1%
Telephone Expense	30,000	1,846	2,500	25,087	84%
Dues & Subscriptions (ACWA/AWWA)	25,042	282	2,087	17,861	71%
Printing & Publication	5,444	401	454	1,870	34%
Office/Shop utilities	10,000	98	833	11,007	110%
<b>Total Office Expense</b>	<u>170,655</u>	<u>6,802</u>	<u>13,949</u>	<u>121,288</u>	71%
<b>TOTAL OPERATING EXPENSES</b>	<b>3,680,090</b>	<b>223,847</b>	<b>395,939</b>	<b>2,744,320</b>	75%
<b>Debt Expense</b>					
BBVA Bank Note 2018A/B - Principal	341,189	-	-	341,189	100%
BBVA Bank Note 2018A/B - Interest	49,821	-	24,911	49,856	100%
2021 Bond Cap One - Principal	427,960	-	-	437,070	102%
2021 Bond Cap One - Interest	159,759	72,751	79,880	150,287	94%
<b>Total Debt Expense</b>	<u>978,729</u>	<u>72,751</u>	<u>104,790</u>	<u>978,403</u>	100%
<b>GROUNDWATER MANAGEMENT EXPENSES (see GWM Detail )</b>					
Pumping Fees	100,000	-	-	41,520	42%
GWM Expense	76,407	-	6,367	14,430	19%
Legal Expense	100,000	5,015	8,333	45,227	45%
Engineering/TAC Expense (Intera)	135,000	6,033	11,250	78,947	58%
GW Quality Risk Assessment (Intera)	28,430	-	2,369	20,748	73%
<b>TOTAL GROUNDWATER MGMT EXPENSES</b>	<u>439,837</u>	<u>11,049</u>	<u>78,320</u>	<u>200,872</u>	46%
<b>TOTAL EXPENSES</b>	<u><b>5,098,656</b></u>	<u><b>307,646</b></u>	<u><b>474,259</b></u>	<u><b>3,923,594</b></u>	77%
<b>NET INCOME</b>	<u><b>244,573</b></u>	<u><b>165,300</b></u>	<u><b>(90,669)</b></u>	<u><b>229,419</b></u>	



**Borrego Water District  
Cash CIP Budget Analysis  
04/01/2024 to 04/30/2024**

	<i>Budgeted FY2024</i>	<b>Actual April FY2024</b>	<b>Year to Date FY2024</b>
<b><u>CAPITAL IMPROVEMENT PROJECTS (CIP)</u></b>			
<b>CASH FUNDED CIP</b>			
<b>Water Projects</b>			
Office Imp. (FY22 Cameras, FY23 Paint, Lighting )	50,000	-	-
ID5-5 Replacement VFD	200,000	-	-
BPA Acquisition	851,125	-	1,202,058
Congressional Appropriations Cash Funded Poriton	850,167	-	-
<b>Total Water Projects</b>	<u>1,951,292</u>	<u>-</u>	<u>1,202,058</u>
<b>Sewer Projects</b>			
Manhole Refurbishments	49,778	-	-
Palm Canyon Sewer Line Inspection	150,000	-	82,018
<b>Total Sewer Projects</b>	<u>199,778</u>	<u>-</u>	<u>82,018</u>
<b>Short Lived Asset Replacements</b>			
Backup Generator Office & Shop	100,000	-	-
Well ID1-8 Rehab	-	-	121,102
ID4-18 Inspection	10,000	-	-
Reservoir Cleaning/Video Inspection	37,000	-	-
Clarifier Rehab	50,000	-	-
2017 GMC Replacement Transmission	-	-	6,080
<b>Total Short Lived Assets</b>	<u>197,000</u>	<u>-</u>	<u>127,182</u>
<b>CASH FUNDED CIP TOTAL</b>	<b>2,348,070</b>	<b>-</b>	<b>1,411,258</b>
<b>2021 Bond/Cash Funded CIP</b>			
<b>Bond/Cash Funded Water Projects</b>			
ID5-15 Well Completion(Project Total = \$2,082,519)	-	19,238	-
ID4-10 Inspection/Repairs	-	-	245,845
Pipeline Replacements	-	-	-
<b>BOND/Cash FUNDED CIP TOTAL</b>	<u>-</u>	<u>19,238</u>	<u>245,845</u>



**Borrego Water District**  
**Grant/Bond Funded CIP Budget Analysis**  
**04/01/2024 to 04/30/2024**

	<i>Budgeted FY2024</i>	<i>Actual April FY2024</i>	<i>Year to Date FY2024</i>
<b>GRANT FUNDED CIP</b>			
<b>Water Projects- DWR Grant Net \$2,048362 - Receivable @ 04/30/24 = \$1,704,223</b>			
Twin Tanks	32,835	-	328,017
Wilcox Diesel Motor	83,333	-	128,035
Indian Head Reservoir Replacement	450,000	-	344,418
Rams Hill Tank #2	450,000	-	275,724
<b>Total Water Projects - Water Reservoirs Grant</b>	<u>1,016,168</u>	<u>-</u>	<u>1,076,195</u>
<b>Prop 68 Grant - Receivable @ 04/30/24 = \$54,034.07</b>			
AMI	455,000	1,363	22,604
WWTP Monitoring Wells	60,000	-	10,609
Admin/Acquisiton Costs(Total since 2021 = \$121,268)	100,000	1,418	11,985
<b>Total Prop 68 Grant Projects</b>	<u>615,000</u>	<u>2,782</u>	<u>45,198</u>
<b>2023 Appropriations Bill</b>			
BSR Pipeline	912,406	6,075	6,075
Sungold Pipeline	2,488,260	6,075	6,075
<b>2023 Appropriations Bill Total</b>	<u>3,400,666</u>	<u>12,150</u>	<u>12,150</u>
<b>TOTAL GRANT FUNDED CIP</b>	<b>5,031,834</b>	<b>14,932</b>	<b>1,133,543</b>



**Borrego Water District**  
**Cash Flow Analysis**  
**04/01/2024 to 04/30/2024**

	<u>Actual April FY24</u>	
<b>Cash and Reserves at Beginning of Period</b>		<b>\$ 3,824,870</b>
<b>Cash Flows from Operating Activities</b>		
<i>Income Provided by Operating Activities</i>	198,579	
<i>Increase in Accounts Receivable</i>	246,741	
<i>Decrease in Accounts Payable</i>	20,421	
<i>Decrease in Inventory</i>	(2,935)	
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 462,806</b>	
<b>Cash Flows from Groundwater Management Activities</b>		
<b>Net Cash Paid for Groundwater Management Activities</b>	<b>\$ (11,049)</b>	
<b>Cash Flows from Non-Operating Activities</b>		
Other Income Received	50,520	
<b>Net Cash Provided by Other Income</b>	<b>\$ (22,230)</b>	
<b>Cash Flows from Capital Improvement Activities</b>		
<i>All CIP/BPA Purchase Activities (Cash + Grant)</i>	(61,305)	
<i>Grant Monies Received</i>	-	
<b>Net Cash Paid for Capital Improvements</b>	<b>\$ (61,305)</b>	
<b>Net Change in Cash</b>	<b>\$ 368,222</b>	
<b>Cash and Reserves at End of Period</b>		<b>\$ 4,193,092</b>
Restricted Reserves at End of Period	\$ 978,729	
Unrestricted Reserves at End of Period	\$ 3,214,363	
Water Reserves Portion	\$3,200,959	
Sewer Reserves Portion	\$342,884	
Non-218 Reserves Portion	\$649,249	
<b>Fiscal Year Reserves Target</b>		<b>\$ 7,078,411</b>
<b>Fiscal Year Reserves Surplus/Shortfall to Date</b>		<b>\$ (2,885,319)</b>



## ASSETS

	<b>BALANCE SHEET</b> <b>April 30, 2024</b> (unaudited)	<b>BALANCE SHEET</b> <b>February 29, 2024</b> (unaudited)	<b>MONTHLY</b> <b>CHANGE</b> (unaudited)
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 4,329,055.50	\$ 3,962,494.58	\$ 366,560.92
Accounts Receivable - Water/Sewer Charges	\$ 602,580.98	\$ 433,635.61	\$ 168,945.37
Accounts Receivable - Other	\$ (3,253.49)	\$ 12,046.08	\$ (15,299.57)
Grant Reimbursements Receivable	\$ 697,275.07	\$ 942,295.30	
Inventory	\$ 211,879.88	\$ 209,364.56	\$ 2,515.32
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 6,051,937.38</b>	<b>\$ 5,773,828.43</b>	<b>\$ 278,108.95</b>
<b>RESTRICTED ASSETS</b>			
Debt Service:			
Unamortized bond issue costs	\$ 125,185.22	\$ 125,185.22	\$ -
Viking Ranch Refinance issue costs	\$ (100,037.55)	\$ (79,919.39)	\$ (20,118.16)
Deferred Outflow of Resources-CalPERS	\$ 648,578.00	\$ 201,290.00	\$ 447,288.00
Total Debt service	\$ 673,725.67	\$ 246,555.83	\$ 427,169.84
Trust/Bond funds:			
Investments with fiscal agent -CFD 2017-1	\$ 743,272.87	\$ 743,272.87	\$ -
Total Trust/Bond funds	\$ 743,272.87	\$ 743,272.87	\$ -
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 1,416,998.54</b>	<b>\$ 989,828.70</b>	
<b>UTILITY PLANT IN SERVICE</b>			
Land	\$ 3,308,394.81	\$ 3,308,394.81	\$ -
Flood Control Facilities	\$ 4,287,340.00	\$ 4,287,340.00	\$ -
Capital Improvement Projects	\$ 7,181,286.97	\$ 7,138,800.59	\$ 42,486.38
Sewer Facilities	\$ 6,936,646.48	\$ 6,936,646.48	\$ -
Water facilities	\$ 17,775,417.41	\$ 17,775,417.41	\$ -
General facilities	\$ 1,006,881.07	\$ 1,006,881.07	\$ -
Equipment and furniture	\$ 1,065,378.09	\$ 1,065,378.09	\$ -
Vehicles	\$ 757,790.31	\$ 757,790.31	\$ -
Accumulated depreciation	\$ (15,806,002.70)	\$ (15,806,002.70)	\$ -
<b>NET UTILITY PLANT IN SERVICE</b>	<b>\$ 26,513,132.44</b>	<b>\$ 26,470,646.06</b>	<b>\$ 42,486.38</b>
<b>OTHER ASSETS</b>			
Water Rights/BPA	\$ 1,387,057.93	\$ 1,448,201.79	\$ (61,143.86)
<b>TOTAL OTHER ASSETS</b>	<b>\$ 1,387,057.93</b>	<b>\$ 1,448,201.79</b>	
<b>TOTAL ASSETS</b>	<b>\$ 35,369,126.29</b>	<b>\$ 34,682,504.98</b>	<b>\$ 686,621.31</b>



Balance sheet continued

	<b>BALANCE SHEET</b> <b>April 30, 2024</b> (unaudited)	<b>BALANCE SHEET</b> <b>February 29, 2024</b> (unaudited)	<b>MONTHLY</b> <b>CHANGE</b> (unaudited)
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>			
Accounts Payable	\$ 103,801.40	\$ 141,245.21	\$ (37,443.81)
Accrued expenses	\$ 241,788.00	\$ 238,712.42	\$ 3,075.58
Deposits	\$ 107,603.26	\$ 105,574.84	\$ 2,028.42
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS</b>	<b>\$ 453,192.66</b>	<b>\$ 485,532.47</b>	<b>\$ (32,339.81)</b>
<b>CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS</b>			
Debt Service:			
Accounts Payable to CFD 2017-1	\$ 743,272.87	\$ 743,272.87	\$ -
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 743,272.87</b>	<b>\$ 743,272.87</b>	<b>\$ -</b>
<b>LONG TERM LIABILITIES</b>			
2018A & 2018B Refinance ID4/Viking Ranch	\$ 1,264,860.00	\$ 1,264,860.00	\$ -
2021 Installment Purchase Agreement	\$ 6,643,900.00	\$ 6,643,900.00	\$ -
Net Pension Liability-CalPERS	\$ 1,113,590.00	\$ 303,531.00	\$ 810,059.00
Deferred Inflow of Resources-CalPERS	\$ 75,095.00	\$ 281,931.00	\$ (206,836.00)
<b>TOTAL LONG TERM LIABILITIES</b>	<b>\$ 9,097,445.00</b>	<b>\$ 8,494,222.00</b>	<b>\$ 603,223.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 10,293,910.53</b>	<b>\$ 9,723,027.34</b>	<b>\$ 570,883.19</b>
<b>FUND EQUITY</b>			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:	\$ 15,463,401.41	\$ 14,347,663.29	\$ 1,115,738.12
<b>TOTAL FUND EQUITY</b>	<b>\$ 25,075,215.76</b>	<b>\$ 23,959,477.64</b>	<b>\$ 1,115,738.12</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 35,369,126.29</b>	<b>\$ 33,682,504.98</b>	<b>\$ 1,686,621.31</b>

To: BWD Board of Directors  
 From: Jessica Clabaugh  
 Subject: Consideration of the Disbursements and Claims Paid  
 Month Ending March 31, 2024




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**Vendor disbursements paid during this period:** **\$ 325,584.48**

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**Significant items:**

Babcock	Lab Services	\$ 4,061.05
Capital One Public Financing	Debt Service Payment	\$ 72,750.70
CalPERS	Employee Retirement Benefits	\$ 10,818.90
Employee Health Benefits	Medical JPIA & AFLAC	\$ 24,291.74
Ocotillo Solar	Refund of Credit Balance on Account	\$ 6,952.95
Ramona Disposal	Garbage Collection	\$ 5,041.84
SC Fuels	Fuel For District Vehicles	\$ 1,231.34
SDGE	Payment on Feb Use	\$ 30,991.11

**Capital Projects/Fixed Asset Outlays:**

McCalls Meters	Santiago Estates Replacement Meter	\$ 3,417.83
Pacific Pipeline Supply, Inc.	Parts for Inventory	\$ 2,092.04
San Diego County Environmental	Permits for Wilcox & Well 11	\$ 1,794.00

**Total Professional Services for this Period:**

BBK	General - Feb Invoices	\$ 9,103.87
BBK	Water Right Acquisition	\$ 484.40
BBK	Watermaster	\$ 3,793.20
BBK	Advocacy	\$ 2,500.00
BBK	Prop 68 Grant Admin	\$ 8,393.40
Control Systems Engineering	SCADA Improvements Water & Sewer	\$ 2,926.01
Interra Inc.	GWM Technical Support February	\$ 8,417.50
Syrus Devers	Advocacy	\$ 2,500.00
Travis Parker	IT Support	\$ 1,489.05

**Payroll for this Period:**

Gross Payroll	\$ 103,910.00
Employer Payroll Taxes and ADP Fee	\$ 2,162.84
<b>Total</b>	<b>\$ 106,072.84</b>

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To: BWD Board of Directors  
 From: Jessica Clabaugh  
 Subject: Consideration of the Disbursements and Claims Paid  
 Month Ending April 30, 2024



**Vendor disbursements paid during this period:** \$ 416,765.88

**Significant items:**

Automated Water Treatment	Calcium Hypochlorite Tablets	\$ 15,437.44
Babcock	Lab Services	\$ 3,072.85
Bay City Equipment	Generator R&M at Liftstation, WWTP, Well 11	\$ 5,376.77
BSUSD	Prop 68 Reimbursement No 2 & 3	\$ 28,053.11
CalPERS	Employee Retirement Benefits	\$ 11,101.15
CivicWell	Prop 68 Reimbursement No 2 & 3	\$ 14,745.75
Dotson, Steve	Replace bearings on paddle wheels at WWTP	\$ 2,057.00
Employee Health Benefits	Medical JPIA & AFLAC	\$ 25,840.50
Motion Industries, Inc.	Oxydation Ditch Brush Bearings	\$ 13,192.30
SC Fuels	Fuel For District Vehicles	\$ 3,969.39
SDGE	Payment on Mar Use	\$ 34,354.65
UCI	Prop 68 Reimbursement No 2 & 3	\$ 52,313.34

**Capital Projects/Fixed Asset Outlays:**

Brax Company	WWTP Aerator Brush Controls	\$ 1,290.25
Control Systems Inc	SCADA for ID5-15	\$ 11,953.43
Gold Coast Environmental, Inc	Greyline Wastewater Meters	\$ 2,586.50
In-Situ, Inc	Tranducer & Cable access for ID5-15	\$ 4,080.05
JWC Environmental Inc.	WWTP Headworks Grinder	\$ 11,328.84
Rocks Biological Consulting, Inc	Biological Report for BSR/Sungold Pipelines	\$ 12,150.00
Ramona Disposal	Garbage Collection	\$ 5,041.84
Western Pump	APCD Vapor Recovery Testing	\$ 1,527.09

**Total Professional Services for this Period:**

BBK	General - Mar Invoices	\$ 4,734.90
BBK	Water Right Acquisition	\$ 34.60
BBK	Watermaster	\$ 7,814.90
BBK	Advocacy	\$ 6,000.00
BBK	Prop 68 Grant Admin	\$ 715.90
Interra Inc.	GWM Technical Support March	\$ 4,937.50
Quadient	Postage for Postage Meter	\$ 2,000.00
Syrus Devers	Advocacy	\$ 2,500.00
Travis Parker	IT Support	\$ 2,673.00
UC Regents	Air Quality Study	

**Payroll for this Period:**

Gross Payroll	\$ 109,194.83
Employer Payroll Taxes and ADP Fee	\$ 2,381.01
<b>Total</b>	<u>\$ 111,575.84</u>





# March 2024

41122	1032	A-1 IRRIGATION, INC.	03/20/2024	51.78
41132	1109	ABILITY ANSWERING/PAGING SER	04/02/2024	250.00
41133	1266	AFLAC	04/02/2024	1,548.76
41113	9524	AIR POLLUTION CONTROL DISTRICT, SAN DIEGO COUNTY	03/12/2024	844.00
41134	1001	AMERICAN LINEN INC.	04/02/2024	769.28
41150	61	AT&T MOBILITY	04/16/2024	951.68
41135	9529	AT&T-CALNET 3	04/02/2024	645.38
41151	83	AUTOMATED WATER TREATMENT	04/16/2024	15,437.44
41152	9255	BABCOCK LABORATORIES	04/16/2024	3,072.85
41136	1481	BAY CITY EQUIPMENT INDUSTRIES, INC. BAY CITY ELECTRIC WORKS	04/02/2024	5,376.77
41153	10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	04/16/2024	19,300.30
41172	10900	BORREGO AUTO PARTS & SUPPLY CO	04/23/2024	908.90
41154	11140	BORREGO SPRINGS HARDWARE	04/16/2024	371.55
41137	1037	BORREGO SUN	04/02/2024	225.00
41114	1196	CASH	03/12/2024	400.00
41123	9054	COUNTY OF SAN DIEGO DEPT ENVIRONMENTAL HEALTH	03/20/2024	1,794.00
41124	1222	DEBBIE MORETTI	03/20/2024	140.00
41162	1222	DEBBIE MORETTI	04/16/2024	140.00
41155	96	DISH	04/16/2024	81.80
41115	1094	EMPIRE SOUTHWEST, LLC	03/12/2024	65.00
41156	11177	GOLD COAST ENVIRONMENTAL, INC.	04/16/2024	2,586.50
41157	1048	GRAINGER	04/16/2024	114.71
41158	1136	HOME DEPOT CREDIT SERVICES	04/16/2024	3,069.79
41159	9614	HYDROTEX	04/16/2024	242.46
41160	11137	INTERA INCORPORATED	04/16/2024	4,937.50
41173	67	JWC ENVIRONMENTAL INC.	04/23/2024	11,328.84
41161	11090	LUPE'S GARDENING MAINTENANCE INC.	04/16/2024	585.00
41089	1000	MEDICAL ACWA-JPIA	02/27/2024	24,291.74
41163	11178	MOTION INDUSTRIES, INC	04/16/2024	13,192.39
41139	11175	NEW YORK LIFE INSURANCE COMPANY	04/02/2024	277.82
41140	11114	OCEANUS BOTTLED WATER, INC	04/02/2024	49.00
41125	UB*00085	OCOTILLO SOLAR LLC	03/20/2024	6,952.95
41126	1208	PACIFIC PIPELINE SUPPLY INC	03/20/2024	2,092.04
41141	11083	QUADIENT FINANCE USA, INC.	04/02/2024	2,000.00
41127	11165	QUADIENT LEASING USA INC	03/20/2024	442.04
41142	9633	RAMONA DISPOSAL SERVICE	04/02/2024	5,041.84
41143	1065	SAN DIEGO GAS & ELECTRIC	04/02/2024	34,354.65
41116	11067	SC FUELS	03/12/2024	1,231.34
41144	11067	SC FUELS	04/02/2024	2,940.08
41164	11067	SC FUELS	04/16/2024	1,029.31
41165	11086	SPRINGBROOK HOLDING COMPANY LLC	04/16/2024	626.00
41174	11086	SPRINGBROOK HOLDING COMPANY LLC	04/23/2024	633.00
41128	9046	STATE WATER RESOURCE CONTROL BOARD OPERATOR CERT	03/20/2024	180.00
41138	11113	STEVE DOTSON	04/02/2024	2,057.00
41145	11173	SYRUS DEVERS	04/02/2024	2,500.00
41146	9581	TRAVIS PARKER	04/02/2024	2,673.00
41147	3000	U.S.BANK CORPORATE PAYMENT SYS	04/02/2024	2,227.09
41148	1023	UNDERGROUND SERVICE ALERT	04/02/2024	32.75
41129	11168	WESTFLEX, INC.	03/20/2024	70.62
41166	11168	WESTFLEX, INC.	04/16/2024	30.98
41167	92	XEROX FINANCIAL SERVICES	04/16/2024	365.28
41168	11050	ZITO MEDIA	04/16/2024	276.82
Report Total (52 checks):				180,807.03



# April 2024

41175	1109	ABILITY ANSWERING/PAGING SER	04/23/2024	250.00
41182	3035	ACWA / JPIA Finance Dept.	05/03/2024	4,896.09
41183	1266	AFLAC	05/03/2024	1,548.76
41170	11068	ALEXIS HERNANDEZ	04/16/2024	237.61
41184	1001	AMERICAN LINEN INC.	05/03/2024	517.60
41185	9222	ASBURY ENVIRONMENTAL SERVICES	05/03/2024	532.29
41199	61	AT&T MOBILITY	05/07/2024	951.20
41186	9529	AT&T-CALNET 3	05/03/2024	644.58
41200	9255	BABCOCK LABORATORIES	05/07/2024	1,652.38
41206	11084	BENTLEY SYSTEMS, INCORPORATED	05/22/2024	3,087.00
41207	10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	05/22/2024	14,623.90
41201	10900	BORREGO AUTO PARTS & SUPPLY CO	05/07/2024	720.52
41202	11140	BORREGO SPRINGS HARDWARE	05/07/2024	545.08
100002	11170	BORREGO SPRINGS UNIFIED SCHOOL DISTRICT	04/09/2024	28,053.11
41176	1037	BORREGO SUN	04/23/2024	80.00
41208	1037	BORREGO SUN	05/22/2024	80.00
41169	11066	BRAX COMPANY, INC.	04/16/2024	1,290.25
41131	11122	CAPITAL ONE PUBLIC FUNDING, LLC	03/20/2024	72,750.70
100003	11169	CivicWell	04/09/2024	14,745.75
41177	11099	CONTROL SYSTEMS ENGINEERING INC	04/23/2024	11,953.43
41187	11099	CONTROL SYSTEMS ENGINEERING INC	05/03/2024	1,182.87
41209	96	DISH	05/22/2024	81.80
41211	11153	EDDIE LOPEZ	05/22/2024	350.00
41203	1136	HOME DEPOT CREDIT SERVICES	05/07/2024	1,056.20
41179	9177	IN-SITU, INC.	04/23/2024	4,080.05
41188	11137	INTERA INCORPORATED	05/03/2024	4,150.00
41210	11137	INTERA INCORPORATED	05/22/2024	5,715.00
41189	9385	JOHNSON CONTROLS SECURITY SOLUTIONS	05/03/2024	394.43
41190	11090	LUPE'S GARDENING MAINTENANCE INC.	05/03/2024	585.00
41171	1216	McCALLS METERS, INC	04/16/2024	165.00
41130	1000	MEDICAL ACWA-JPIA	03/20/2024	24,291.74
41204	11114	OCEANUS BOTTLED WATER, INC	05/07/2024	64.25
41191	1208	PACIFIC PIPELINE SUPPLY INC	05/03/2024	4,528.67
41192	11083	QUADIENT FINANCE USA, INC.	05/03/2024	242.59
41193	9633	RAMONA DISPOSAL SERVICE	05/03/2024	5,041.84
41178	11087	REX HARVEY	04/23/2024	700.00
41149	11047	ROCKS BIOLOGICAL CONSULTING, INC.	04/02/2024	12,150.00
41194	1065	SAN DIEGO GAS & ELECTRIC	05/03/2024	34,580.85
41212	11067	SC FUELS	05/22/2024	1,196.01
41195	11086	SPRINGBROOK HOLDING COMPANY LLC	05/03/2024	642.00
41205	11173	SYRUS DEVERS	05/07/2024	2,500.00
100004	11174	THE REGENTS OF THE UNIVERSITY OF CALIFORNIA	04/09/2024	52,313.34
41196	9666	THE REGENTS, UCI IRVINE	05/03/2024	1,788.10
41213	9581	TRAVIS PARKER	05/22/2024	2,753.31
41214	3000	U.S.BANK CORPORATE PAYMENT SYS	05/22/2024	6,945.62
41197	1023	UNDERGROUND SERVICE ALERT	05/03/2024	19.25
41180	74	WESTERN PUMP, INC	04/23/2024	1,527.09
41198	11168	WESTFLEX, INC.	05/03/2024	352.63
41215	92	XEROX FINANCIAL SERVICES	05/22/2024	365.28
41216	11050	ZITO MEDIA	05/22/2024	276.72
Report Total (50 checks):				329,199.89

To: BWD Board of Directors  
 From: Jessica Clabaugh  
 Subject: Consideration of Watermaster related Income and Expenses for FY24



Date	Name	Description	Net Expenses during this Period		11,048.56
			Income	Expense	Year To Date
7/31/2023	BBK	Stipulation/Groundwater Rights		\$ 2,941.00	\$ (2,941.00)
7/31/2023	BBK	Watermaster Activities		\$ 207.60	\$ (3,148.60)
7/31/2023	Intera	T2: TAC Meetings		\$ 3,180.00	\$ (6,328.60)
7/31/2023	Intera	T3: Annual Report Review		\$ 2,165.00	\$ (8,493.60)
7/31/2023	Intera	T4: SY Review		\$ 3,955.00	\$ (12,448.60)
7/31/2023	Intera	T5: Land Use Sub Comm. - Existing Well Review		\$ 6,227.50	\$ (18,676.10)
7/31/2023	Intera	Groundwater Quality Risk Assessment Update		\$ 13,635.00	\$ (32,311.10)
8/30/2023	BBK	Stipulation/Groundwater Rights		\$ 553.60	\$ (32,864.70)
8/30/2023	BBK	Watermaster Activities		\$ 2,783.00	\$ (35,647.70)
8/30/2023	BWD	Record Staff Time		\$ 318.16	\$ (35,965.86)
8/30/2023	Intera	T2: TAC Meetings		\$ 2,122.50	\$ (38,088.36)
8/30/2023	Intera	T3: Annual Report Review		\$ 8,345.00	\$ (46,433.36)
8/30/2023	Intera	T4: SY Review		\$ 100.00	\$ (46,533.36)
8/30/2023	Intera	T5: Land Use Sub Comm. - Existing Well Review		\$ 2,517.50	\$ (49,050.86)
8/30/2023	Intera	Groundwater Quality Risk Assessment Update		\$ 7,112.50	\$ (56,163.36)
9/30/2023	BBK	Stipulation/Groundwater Rights		\$ 69.20	\$ (56,232.56)
9/30/2023	BBK	Watermaster Activities		\$ 2,175.90	\$ (58,408.46)
9/30/2023	Intera	T1: Watermaster Board Meetings		\$ 795.00	\$ (59,203.46)
9/30/2023	Intera	T2: TAC Meetings		\$ 11,167.50	\$ (70,370.96)
9/30/2023	Intera	T3: Annual Report Review		\$ 1,400.00	\$ (71,770.96)
9/30/2023	Intera	T4: SY Review		\$ 2,865.00	\$ (74,635.96)
9/30/2023	BWD	Income - Meter Reading Services July & Sept 23	\$ 1,688.68		\$ (72,947.28)
10/31/2023	BBK	Stipulation/Groundwater Rights		\$ 56.40	\$ (73,003.68)
10/31/2023	BBK	Watermaster Activities		\$ 5,618.40	\$ (78,622.08)
10/31/2023	BWD	Record Staff Time		\$ 318.16	\$ (78,940.24)
10/31/2023	Borrego Springs Watermaster	Meter Reading Services		\$ 3,062.62	\$ (82,002.86)
10/31/2023	Intera	T1: Watermaster Board Meetings		\$ 530.00	\$ (82,532.86)
10/31/2023	Intera	T2: TAC Meetings		\$ 5,565.00	\$ (88,097.86)
10/31/2023	Intera	T6: Review Prop 68 Following and GDE Projects		\$ 3,385.00	\$ (91,482.86)
11/30/2023	BBK	Stipulation/Groundwater Rights		\$ 1,703.10	\$ (93,185.96)
11/30/2023	BBK	Watermaster Activities		\$ 2,525.80	\$ (95,711.76)
11/30/2023	BWD	Record Staff Time		\$ 318.16	\$ (96,029.92)
11/30/2023	Intera	T1: Watermaster Board Meetings		\$ 1,590.00	\$ (97,619.92)
11/30/2023	Intera	T2: TAC Meetings		\$ 2,387.50	\$ (100,007.42)
11/30/2023	Intera	T3: Annual Report Review		\$ 4,025.00	\$ (104,032.42)
12/31/2023	BBK	Stipulation/Groundwater Rights		\$ 3,245.90	\$ (107,278.32)
12/31/2023	Intera	T1: Watermaster Board Meetings		\$ 795.00	\$ (108,073.32)
12/31/2023	Intera	T2: TAC Meetings		\$ 662.50	\$ (108,735.82)
1/31/2024	Borrego Springs Watermaster	Pumping Fees on BPA, Installment 1		\$ 29,249.00	\$ (137,984.82)
1/31/2024	Borrego Springs Watermaster	WB - Pumping Fees on BPA, Installment 1		\$ 7,578.15	\$ (145,562.97)
1/31/2024	Borrego Springs Watermaster	DB - Pumping Fees on BPA, Installment 1		\$ 4,693.14	\$ (150,256.11)
1/31/2024	Intera	T1: Watermaster Board Meetings		\$ 795.00	\$ (151,051.11)
1/31/2024	Intera	T2: TAC Meetings		\$ 305.00	\$ (151,356.11)
1/31/2024	Intera	T3: Annual Report Review		\$ 927.50	\$ (152,283.61)
1/31/2024	Intera	T4: SY Review		\$ 2,122.50	\$ (154,406.11)
1/31/2024	BWD	Record Staff Time		\$ 695.98	\$ (155,102.09)
1/31/2024	BBK	Stipulation/Groundwater Rights		\$ 7,045.60	\$ (162,147.69)
2/29/2024	BWD	Record Staff Time		\$ 159.80	\$ (162,307.49)
2/29/2024	Intera	T1: Watermaster Board Meetings		\$ 1,987.50	\$ (164,294.99)
2/29/2024	Intera	T3: Annual Report Review		\$ 6,430.00	\$ (170,724.99)
2/29/2024	BBK	Stipulation/Groundwater Rights		\$ 3,793.20	\$ (174,518.19)
3/31/2024	BBK	Stipulation/Groundwater Rights		\$ 7,492.40	\$ (182,010.59)
3/31/2024	Intera	T1: Watermaster Board Meetings		\$ 3,162.50	\$ (185,173.09)
3/31/2024	Intera	T2: TAC Meetings		\$ 1,212.50	\$ (186,385.59)
3/31/2024	Intera	T3: Annual Report Review		\$ 132.50	\$ (186,518.09)
3/31/2024	Intera	T4: SY Review		\$ 430.00	\$ (186,948.09)
3/31/2024	BWD	Record Staff Time		\$ 636.32	\$ (187,584.41)
4/30/2024	BBK	Stipulation/Groundwater Rights		\$ 5,015.40	\$ (192,599.81)
4/30/2024	Intera	T1: Watermaster Board Meetings		\$ 2,795.00	\$ (195,394.81)
4/30/2024	Intera	T2: TAC Meetings		\$ 2,120.00	\$ (197,514.81)
4/30/2024	Intera	T6: Review Prop 68 Following and GDE Projects		\$ 800.00	\$ (198,314.81)
4/30/2024	BWD	Record Staff Time		\$ 318.16	\$ (198,632.97)