

**Borrego Water District Board of Directors
Audit & Budget Standing Committee
April 29, 2025 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

This meeting is to be held in person at the address above.

- I. OPENING PROCEDURES**
 - A. Call to Order
 - B. Pledge of Allegiance
 - C. Committee Members Roll Call: President Dice, Director Moran
 - 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
- II. ITEM FOR AUDIT & BUDGET COMMITTEE CONSIDERATION AND POSSIBLE ACTION**
 - A. Budget Package Template Review – J. Clabaugh
 - B. FY26 Budget by Fund v2.0 – J. Clabaugh
 - C. Cash Balances Review – J. Clabaugh
- III. CLOSING PROCEDURE:** Next Committee Meeting - TBA

AUDIT & BUDGET COMMITTEE AGENDA: April 29, 2025

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

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

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

**Borrego Water District Board of Directors
Audit & Budget Standing Committee
April 29, 2025 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

ITEM II. A.

April 25, 2025

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: Budget Package Template Review

RECOMMENDED ACTION

None.

ITEM EXPLANATION

Enclosed is the Budget Package Template. Sections with a slash are to be updated from prior year. The committee will review the sections and discuss any changes to the overall template.

ATTACHMENTS

Budget Package Template.

FISCAL IMPACT

None.

BORREGO WATER DISTRICT

**FISCAL YEAR 2025-2026
ANNUAL BUDGET
ADOPTED June xx, 2025**

SUBMITTED BY:

**GEOFF POOLE
GENERAL MANAGER**

TO:

BOARD OF DIRECTORS

**KATHY DICE
PRESIDENT**

**TAMMY BAKER
VICE-PRESIDENT**

**DIANE JOHNSON
TREASURER**

**DAVE DUNCAN
DIRECTOR**

**GINA MORAN
DIRECTOR**

**BORREGO WATER DISTRICT
ANNUAL BUDGET
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ADOPTED JUNE xx, 2025**

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BORREGO WATER DISTRICT

June 14, 2024

TO: Ratepayers and Investors of the Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Strategic Objectives 2024-25

STRATEGIC GOALS AND OBJECTIVES 2024-25

Maintain/Enhance District Financial Condition:

GOAL: Operate BWD Finances to enhance the Financial Position/Creditworthiness and allow for possible future BWD debt issuances.

OBJECTIVE: The BWD Board/Staff have taken extraordinary steps over the past decade or so to first stabilize and then improve BWD Financial Condition. The effects of this hard work were realized when BWD successfully issued \$5.6 M in Bonds to fund various water and sewer improvements in 2018 and \$3M in additional debt in 2021. At the same time, the foundation was also being set to improve upon BWD Reserve Funds, which has resulted in the current position of \$7 M+ in reserves. BWD is committed to maintain water and wastewater rates/charges and reserve fund balances that provide the required debt service coverage ratios and other economic factors. BWD staff and Board will monitor water and wastewater Operations and Capital Planning to ensure all expenditures are prudent and necessary.

Recent purchases of water rights that are needed for existing BWD customers in the future, will put a strain on cash reserves during the next 7 to 10 years. Reserves are expected to dip below \$2 M in FY2027 which is approximately ½ of current levels. Non-essential capital expenses are being deferred to help preserve cash and the BWD Board will have an opportunity to adjust rates in three years during the next Prop 218 cycle if needed to address the low cash flow. Even at 50% of current reserve levels, BWD is still in a position to cover all expenses and debt service payments, and maintain contractually required reserves.

Replace/Upgrade Water and Sewer Infrastructure:

GOAL: Commit the necessary resources to fund replacement of aging water and sewer infrastructure before failure.

OBJECTIVE: Out of BWD's 88-mile water system, an estimated 45 miles is in need of replacement as soon as possible. Beginning in 2018, a systematic pipeline replacement process began and to date, De Anza, Flying J, Country Club, Bending Elbow, Double O Rd. and Frying Pan Rd. have been replaced using BWD Bond proceeds. The Board and Staff has been focusing on obtaining State and Federal funding for these vital projects.

Pursue Grant Funding:

GOAL: Pursue additional Federal and State funding, as available. Maximize the use of Federal and State Grant and other funding sources to offset future rate increases and/or maintain cash reserves.

OBJECTIVE: Utilize Legislative Advocates to strategize and pursue Federal/State and other funding opportunities. Use in house staff to complete the Applications on selected opportunities. BWD has made the Federal Direct Congressional Spend lists again for Legislators Butler, Padilla and Issa and if approved would fund up to \$3.3 M for additional pipeline replacements in and around Palm Canyon Drive and towards the High School.

Protect BWD Interests in Watermaster:

GOAL: A major accomplishment in 2019-20 was realized with the signing of The Settlement Agreement and Stipulated Judgment by over 92% of Basin pumpers. With the Judgment came the creation of the Borrego Spring Basin Watermaster. BWD and its Representatives will engage in the Watermaster process with the best interest of BWD ratepayers, community and environment in mind.

OBJECTIVE: Various potential future Watermaster actions could have a significant impact upon BWD ratepayers, community and environment including water quality degradation and other factors. BWD and its representatives on the Watermaster will continue to focus on ensuring actions taken by the Watermaster do not adversely and unfairly impact BWD and the community or the surrounding environments.



BORREGO WATER DISTRICT

June 14, 2024

TO: Ratepayers and Investors of the Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: 2023-24 In Review

Transmitted herewith is the Proposed Final Fiscal Year 2024-25 Budget and Capital Improvement Plan with Cash Flow analysis for the Borrego Water District. The consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals/priorities and the District's strategic plans by which to achieve them.

2023-24 IN REVIEW

Capital Project Construction/Start Up: A number of Capital Projects were completed and or started up in 23-24 including new tanks at formerly Twin Tanks site, Indian Head and Rams Hill #2. In addition, BWDs newest well 5-15 received power and was connected to BWDs system. New Monitoring Wells at the Wastewater Treatment Plant

Farmland Fallowing: BWD continues to coordinate with David Bauer on his efforts to fallow farms prior to transferring the land and water rights to BWD. After only 18 months, almost half of the total acreage has been fallowed.

Finances: In the past decade plus, BWD has taken significant steps to become "credit worthy" which was taken advantage of thru the issuance of \$5.3 M in bonds in 2018. In 2021, BWD and its Consultants determined interest rate decreases since 2018 created a situation where a refinance would be possible to reduce future bond payments by approximately \$500,000 during the life of the loan. Bids were requested and Capital One Bank responded with a rate of 2.36% on refinance of the 2018 bonds as well as new debt of \$3 M which will be used for capital and other asset acquisition.

Rate Setting: BWD staff continues to monitor revenue and expenditures and long-range projections in anticipation of the upcoming Proposition 218 Rate Setting process for water and sewer rates and charges in 2027. As required by Law, a comprehensive financial model will be created to project revenue and expenses in 5-year increments and rates set to provide the revenues needed to fund operations and capital. In the current 218 structure adopted in 2022, annual increases of 5% per year were approved for water and 4% on sewer for years 2 thru 5 (0% in year one).

Cyber Security Upgrades: During 2022-24 BWD continued to make cyber security a top priority and is utilizing the expertise of BWD Board Members, staff and IT experts, and has taken steps

Commented [GP1]: JESS: Can you help with this one?
CYBER

usually reserved for the larger agencies. Specifically, BWD has hardened its network at the WWTP and SCADA systems to ensure security in times of remote work and BWD has enlisted the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) to perform cyber risk and vulnerability assessments on OT systems in FY24.

Water Supply for Small Development Program Continues: A Program to provide water for small development (less than one acre foot per year) and implementation continued in 23-24. Under the terms of the Program, water supply may be purchased from BWD as well as water service line and meter installation. During 2023-24, 2.2-acre feet were applied for with .55-acre feet purchased under the Program.

Commented [GP2]: JESS: Plz check with DDB

Grant Funding: Federal Funding

In the last 36 months, BWD has received over \$9 M in State Grants and Direct Federal Congressional Appropriations funding to replace pipelines mentioned previously as well as replacement of 4 water storage tanks: Twin Tanks (2), Indian Head and Rams Hill #2. BWD continues to pursue other opportunities. Federal Funding in the FY 23-24 Budget totaled \$3.3 M for the Sun Gold development in Borrego Springs Road. The following year another \$3.3 M was approved for Deep Well, Lazy S and Club Circle. In FY 24-25,

Watermaster: The Borrego Springs Watermaster has taken steps to ensure all non de minimus (less than 2-acre feet per year) pumpers are metered and annual pumping restrictions imposed to reduce pumping by an estimated 74.6% on or before 2040. The BWD budget for 2024-25 includes expenditures for its proportional share of Watermaster expenses (approx. 10%).

No Major Service Disruptions: No extensive, unplanned water or sewer service outages were experienced during the year and the water delivered met all State Quality Requirements.

No Loss Time Injuries: No loss time employee injuries were encountered during the year.

Election of Board Members: Directors Dice and Duncan ran unopposed in 2022 and ex CA State Park Superintendent Gina Moran was appointed to a four-year term.

Budget Components for FY 2024-25 – Revenues

The amount budgeted in each category represents Management's best assumptions to successfully accomplish the District's objectives. A summary of the FY 2024-25 budget is below:

- Water sales are projected to remain stable (FY 2023-24 = 1,420 afy). Staff is continuously monitoring changes to consumption and payments and potential impacts to BWD and customers.
- BWD will proceed with the Prop 218 approved increases on July 1, 2024 of 5% for water and 4% for sewer.

Commented [GP3]: Whats the new afy?

- Property tax revenues are expected to remain constant and within BWD's legal authority to assess.

Budget Components for FY 2024-25 – Expenses

- In FY 2024-25, BWD has included projected expenses for Watermaster and general Groundwater Management.
- All existing programs in BWD Operations, Maintenance and Administration Departments are fully funded through 2024-25. The major programs in the Water Operations Department include system operations and maintenance, water quality monitoring, meter testing/replacement, pipeline replacement, reporting and the inevitable emergency pipeline repairs that happen each year.
- In the Sewer Operations Department, BWD will fully operate the "renovated" WWTP and assist in analyses to calculate gallons per day per equivalent dwelling unit and inventory and analysis of current EDUs assigned to each account.
- In the Administration Department, all programs are fully funded.

Included in this Budget Package are the proposed Board Resolution to adopt and approve the FY 2024-25 Budget, detailed revenue and expenses, Capital Improvement Plan with project explanations and justifications, non-CIP expenses and a projected Cash Flow that includes proposed future rate increases.

I would personally like to thank the BWD staff and Board for their hard work in preparing and reviewing this Proposed Budget for FY 2024-25.

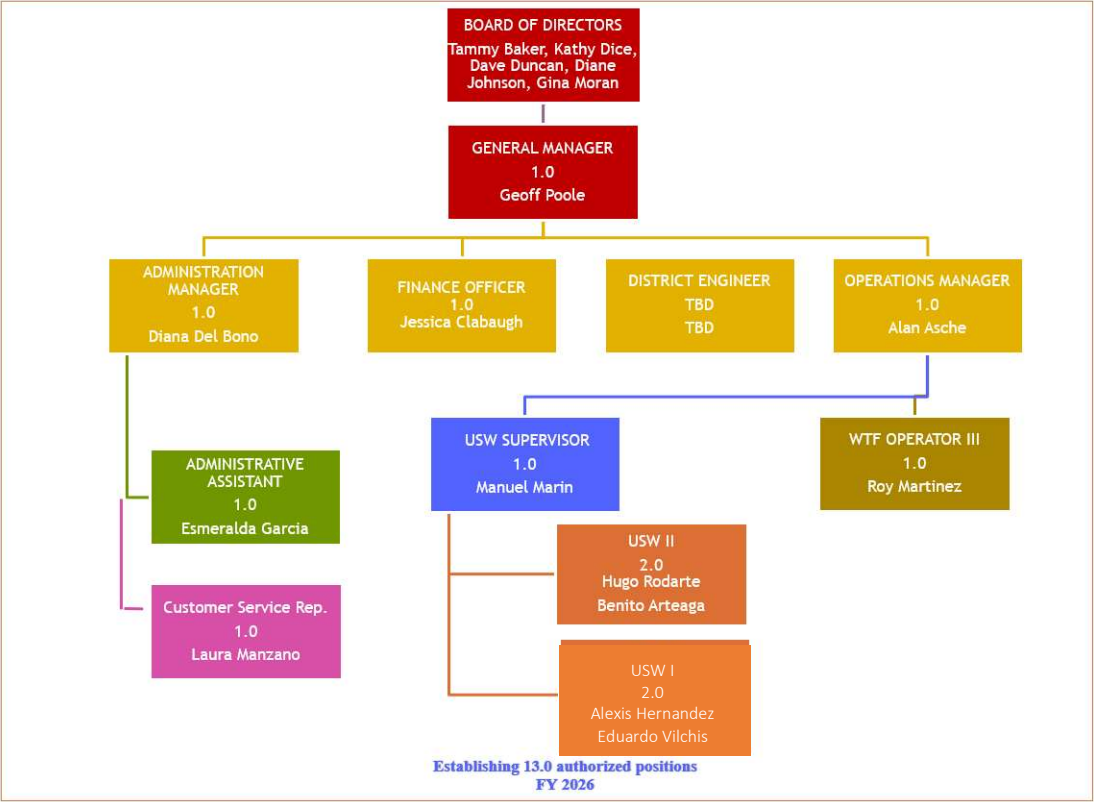
Sincerely,



Geoff Poole
General Manager

P.O. Box 1870 • 806 Palm Canyon Drive • Borrego Springs, CA 92004 • (760) 767-5806 • Fax: (760) 767-5994

**BORREGO WATER DISTRICT
ORGANIZATIONAL CHART
JULY 01, 2025**





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

	Budgeted FY2024	Projected FY2024	Budgeted FY2025
INCOME			
RATE REVENUE			
Water Rates Revenues			
Commodity Rates			
Residential Tier 1 & 2 Revenues	1,292,136	1,141,611	1,154,187
Residential Tier 3 Revenues	300,000	255,000	267,750
Commercial	777,162	626,824	645,750
Irrigation	355,047	345,554	363,825
Total Commodity	2,724,345	2,368,989	2,431,512
Non-Commodity Charges			
Base Meter Charges	1,468,598	1,460,469	1,518,300
Meter Install/Repair	35,000	13,869	36,750
New Water Supply Connection Fee	24,880	-	26,124
Backflow Testing/Install	5,700	5,450	5,985
Bulk Water Sales	6,500	17,584	6,825
Total Non-Commodity	1,540,678	1,497,372	1,593,984
Total Water Rate Revenues	4,265,023	3,866,361	4,025,496
Availability Charges Collected thru Tax Roll			
ID1 - Water Standby	34,965	37,000	34,965
ID3/ID4 - Water Standby	117,000	117,000	117,000
Total Availability (Tax Roll)	151,965	154,000	151,965
Other Income			
Sale of Viking Ranch Property			225,000
Total Other Income	-	-	225,000
TOTAL WATER RATE REVENUE	4,416,988	4,020,361	4,402,461
EXPENSES			
OPERATING EXPENSES			
Operations & Maintenance Expense			
R&M Water	270,201	160,000	279,928
Telemetry	4,791	4,840	4,963
Trash Removal	5,749	2,358	5,956
Vehicle Expense	21,313	21,380	22,080
Fuel & Oil	47,259	42,240	42,445
Lab/Testing	33,144	32,428	34,338
Permit Fees	27,819	24,148	28,820
Pumping Electricity	500,000	502,700	525,000
Total Operations & Maintenance Expense	910,275	790,095	943,530



BORREGO WATER DISTRICT

June 14, 2024

TO: Ratepayers and Investors of the Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Fiscal Year 2024-25 Budget and Capital Improvement Plan

Transmitted herein is the Proposed Final Fiscal Year 2024-25 Budget and Capital Improvement Plan for the Borrego Water District. The consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals/priorities and the District's strategic plans by which to achieve them. The amount budgeted in each category represents Managements best assumptions to successfully accomplish the District's objectives.

Budget Comparison for FY 2024-25 Revenues

Water sales are projected to be similar to the prior fiscal year. In 2021, The BWD Board adopted a water and sewer rate schedule that included 5% water and 4% sewer rates/charges increase for the next four years.

Budget Components for FY 2024-25 Expenses

All expenses for FY 2024-25 have been re-evaluated in an effort to ensure expenses are considering current inflation, supply shortage and other factors.

All existing programs in BWD Operations, Maintenance and Administration Departments are fully funded through 2024-25. The major programs in Water Operations Enterprise include system operations and maintenance, water quality monitoring, meter testing/replacement, Regulatory Reporting and the inevitable emergency repair that happen each year and Capital projects. Labor costs include cost of living adjustments based on the CIP-U for San Diego of 5.3%.

All existing programs in BWD Wastewater Department are fully funded through 2024-25. The major programs in Wastewater Enterprise include collection system and treatment plant operations, wastewater quality monitoring and Regulatory reporting. Capital projects planned include metering of the Rams Hill inflows and in-depth analysis of EDU situation as described previously.

In the Administrative Department, all programs are fully funded.

P.O. Box 1870 • 806 Palm Canyon Drive • Borrego Springs, CA 92004 • (760) 767-5806 • Fax: (760) 767-5994

Included in this Budget Package are the proposed Board Resolution to adopt and approve the FY 2024-25 Budget, detailed revenue and expenses, Capital Improvement Plan with Project explanations and justifications, Non-CIP expenses and projected Cash Flow that includes proposed future rate increases. I would personally like to thank the BWD staff and Board for their hard work and dedication displayed throughout the current Fiscal Year.

Sincerely,

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

Geoff Poole

CAPITAL IMPROVEMENT PROJECTS	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
CASH RESERVE FUNDED WATER PROJECTS											
WATER PROJECTS											
Replace and upgrade Booster Pump Station 5	\$ 118,000				\$ 250,000						
Country Club Tank Recoating, 1999 1.0 MG							\$ 438,500	\$ 190,000			
Pipeline Replacements											
FY23+ Water Supply Acquisition w/Following & Well Abandonment	\$ 486,694	\$ 557,624	\$ 442,669	\$ 442,669	\$ 486,956	\$ 486,956					
EPA Cash Funded Portion		\$ 721,600	\$ 721,600								
AMI Cash Portion	\$ 100,000										
Emergency System repairs	\$ 66,150	\$ 69,458	\$ 72,930	\$ 76,577	\$ 80,406	\$ 84,426	\$ 88,647	\$ 93,080	\$ 97,734	\$ 102,620	\$ 107,751
SUBTOTAL WATER CASH RESERVE PROJECTS	\$ 770,844	\$ 1,348,682	\$ 1,237,199	\$ 519,246	\$ 817,362	\$ 571,382	\$ 527,147	\$ 283,080	\$ 97,734	\$ 102,620	\$ 107,751
SEWER PROJECTS											
Manhole Replacements/Refurbishment (2/year)	\$ 52,267	\$ 54,880	\$ 57,624	\$ 60,505	\$ 63,531	\$ 66,707	\$ 70,042	\$ 73,545	\$ 77,222	\$ 81,083	\$ 85,137
SUBTOTAL SEWER CASH RESERVE PROJECTS	\$ 52,267	\$ 54,880	\$ 57,624	\$ 60,505	\$ 63,531	\$ 66,707	\$ 70,042	\$ 73,545	\$ 77,222	\$ 81,083	\$ 85,137
TOTAL CASH WATER/SEWER CIP PROJECTS 2023 THROUGH 2035	\$ 823,111	\$ 1,403,562	\$ 1,294,823	\$ 579,751	\$ 880,892	\$ 638,089	\$ 597,190	\$ 356,624	\$ 174,955	\$ 183,703	\$ 192,888
FACILITIES MAINTENANCE DETAIL											
Stucco Building and Replace Failing Solar Cells											
Carpet/Paint Office and Install Energy Efficient Lighting											
TOTAL CASH RESERVES CAPITAL IMPROVEMENTS PROGRAM	\$ 823,111	\$ 1,403,562	\$ 1,294,823	\$ 579,751	\$ 880,892	\$ 638,089	\$ 597,190	\$ 356,624	\$ 174,955	\$ 183,703	\$ 192,888
TOTAL CASH RESERVES SHORT LIVED ASSETS	\$ 121,500	\$ 181,913	\$ 292,650	\$ 211,888	\$ 271,500	\$ 256,833	\$ 310,018	\$ 229,210	\$ 477,976	\$ 269,433	\$ 350,424
TOTAL CASH RESERVES CIP, SHORT LIVED ASSETS BUDGET	\$ 944,611	\$ 1,585,475	\$ 1,587,373	\$ 791,639	\$ 1,152,392	\$ 894,922	\$ 907,207	\$ 585,834	\$ 652,932	\$ 453,137	\$ 543,313
GRANT FUNDED CIP PROJECTS											
GROUNDWATER MANAGEMENT PROP 68 GRANT											
DWR Grant Net \$1,731,000											
AMI	\$ 1,200,000										
Administration	\$ 75,000										
2023 APPROPRIATIONS BILL \$3,392,667 (aka EPA#1)											
Borrego Spring Road Pipeline Replacement	\$ 928,000										
Sun Gold Pipeline Replacement	\$ 2,464,000										
2024 APPROPRIATIONS BILL 80% of \$3,608,800 (aka EPA#2)											
West and East Star Road Pipeline Replacement		\$ 360,000									
Club Circle Water and Sewer Pipeline Replacement Project		\$ 1,828,800									
Palm Canyon/Ocotillo Circle/Lazy S		\$ 698,240									
2025 APPROPRIATIONS BILL 80% of \$3,608,000 (aka EPA#3)											
Deep Well			\$ 1,780,000								
Santiago Valve (ID5-5)											
Verberna/Circle J/Cloudy Moon			\$ 1,106,400								
POTENTIAL GRANT FUNDED CIP PROJECTS											
WWTP Oxidation Ditch			\$ 650,000								
WWTP Equalization Basin			\$ 650,000								
New Production Well											\$ 2,500,000
TOTAL WATER/SEWER GRANT CIP PROJECTS	\$ 4,667,000	\$ 2,887,040	\$ 4,186,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
POTENTIAL BOND FUNDED CIP PROJECTS											
Projected Water Supply Costs											\$ 2,000,000
Well 5 Transmission Main Project											\$ 1,215,000
Water Treatment Facility											\$ 2,000,000
TOTAL FUTURE BOND CIP PROJECTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,215,000
Total Annual CIP Spend:	\$ 5,611,611	\$ 4,472,515	\$ 5,773,773	\$ 791,639	\$ 1,152,392	\$ 894,922	\$ 907,207	\$ 585,834	\$ 652,932	\$ 453,137	\$ 8,258,313

CIP-SHORT LIVED ASSETS

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY2032-33	FY2033-34	FY2034-35
<u>FACILITY COMPONENTS</u>												
Backup Generator Office and Shop	\$ 100,000											
<u>WELLS</u>												
ID1-8, 125 Hp - Disconnect	\$ 10,000											
ID-1 Well 12 pump and casing/cleaning			\$ 181,913									
ID-1 16 - Inspection					\$ 199,238							
ID4-11, Add Generator Switch 200 Hp		\$ 80,500		\$ 180,000								
ID4-18 - Inspect to make a monitoring well	\$ 10,000											
Well Site Security Upgrades - Cameras/Door Sensors		\$ 30,000										
Other Well Rehabilitation						\$ 198,000	\$ 207,900	\$ 218,295	\$ 229,210	\$ 240,670	\$ 252,704	\$ 265,339
<u>TANKS</u>												
Reservoir cleaning/video inspection	\$ 37,000			\$ 42,550			\$ 48,933			\$ 56,272		
<u>WASTEWATER TREATMENT FACILITY</u>												
Clarifier Rehab - Every 10 years	\$ 50,000									\$ 100,000		
Lift Station Pump		\$ 11,000			\$ 12,650			\$ 14,548			\$ 16,730	
<u>EQUIPMENT</u>												
Pickup - Every 1.5 to 2 years 3/4 ton			\$ 70,000			\$ 73,500		\$ 77,175		\$ 81,034		\$ 85,085
TOTAL SHORT LIVED ASSETS REPLACEMENT PROGRAM	\$ 207,000	\$ 121,500	\$ 181,913	\$ 292,550	\$ 211,888	\$ 271,500	\$ 256,833	\$ 310,018	\$ 229,210	\$ 477,976	\$ 269,433	\$ 350,424

Ten Year Net Income and Working Capital Projections

Borrego Water District - Financial Model

Projected Operating Results Fiscal Year Ended June 30	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034	Projected 2035
Operating Revenue											
Water Revenue - commodity	2,431,512	2,553,088	2,680,742	2,814,779	2,955,518	3,103,294	3,258,459	3,421,382	3,592,451	3,772,073	3,960,677
Water Revenue - base	1,593,984	1,673,683	1,757,367	1,845,236	1,937,498	2,034,372	2,136,091	2,242,896	2,355,040	2,472,792	2,596,432
Sewer service charges	671,551	698,413	726,350	755,404	785,620	817,045	849,727	883,716	919,064	955,827	994,060
Availability charges	239,045	239,045	239,045	239,045	239,045	239,045	239,045	239,045	239,045	239,045	239,045
Property taxes and other	383,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333
Interest Income	35,000	35,875	-	-	-	-	-	-	-	-	-
Total Operating Revenues	\$5,354,425	\$5,358,437	\$5,561,837	\$5,812,797	\$6,076,014	\$6,352,089	\$6,641,654	\$6,945,371	\$7,263,933	\$7,598,071	\$7,948,547
O&M Expenses											
Water operations	2,573,663	2,650,873	2,730,399	2,812,511	2,896,680	2,983,581	3,073,088	3,165,281	3,260,239	3,358,046	3,458,788
Sewer operations	611,324	629,664	648,554	668,010	688,051	708,692	729,953	751,851	774,407	797,639	821,568
Pumping / Treatment	525,000	540,750	556,973	573,682	590,892	608,619	626,877	645,684	665,054	685,006	705,556
Subbasin Pumping Fees	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392
Subbasin Management Cost	314,158	323,583	333,290	343,289	353,588	364,195	375,121	386,375	397,966	409,905	422,202
General and administrative	16,690	17,691	18,753	19,878	21,071	22,335	23,675	25,096	26,601	28,197	29,889
Total O&M Expenses	\$4,140,835	\$4,265,561	\$4,394,058	\$4,526,443	\$4,662,832	\$4,803,349	\$4,948,120	\$5,097,274	\$5,250,945	\$5,409,271	\$5,572,395
Total CIP Costs (not included in formula; see line 38)	\$5,611,611	\$4,472,515	\$5,773,773	\$791,639	\$1,152,392	\$894,922	\$907,207	\$585,834	\$652,932	\$453,137	\$8,258,313
Net Revenues	\$1,213,590	\$1,092,876	\$1,167,779	\$1,286,354	\$1,413,181	\$1,548,740	\$1,693,534	\$1,848,097	\$2,012,989	\$2,188,799	\$2,376,152
Debt Service Obligations											
2008 IPA / Compass Loan 2018A	246,204	246,969	242,547	241,960	246,054	-	-	-	-	-	-
2015 note / Compass Loan 2018B	140,755	-	-	-	-	-	-	-	-	-	-
2018 Bonds / 2021 Refunding	\$587,706	\$587,755	\$587,488	\$586,916	\$587,030	\$587,762	\$587,152	\$587,165	\$586,802	\$587,026	\$586,848
Future Bond	-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$974,664	\$834,723	\$830,035	\$828,875	\$833,084	\$587,762	\$587,152	\$587,165	\$586,802	\$587,026	\$586,848
Debt Service Coverage Ratio	1.25	1.31	1.41	1.55	1.70	2.63	2.88	3.15	3.43	3.73	4.05
Net Revenue Available for Reserves or CIP	\$238,926	\$258,154	\$337,744	\$457,479	\$580,098	\$960,978	\$1,106,382	\$1,260,932	\$1,426,186	\$1,601,774	\$1,789,304
Total CIP Annual Requirements	\$5,611,611	\$4,472,515	\$5,773,773	\$791,639	\$1,152,392	\$894,922	\$907,207	\$585,834	\$652,932	\$453,137	\$8,258,313
	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Funding Sources											
New Bond Proceeds	-	-	-	-	-	-	-	-	-	-	5,215,000
Outside Funding Sources (Grants + Proceeds)	4,667,000	2,887,040	4,186,400	-	-	-	-	-	-	-	2,500,000
Pay-as-you-go Funding	944,611	1,585,475	1,587,373	791,639	1,152,392	894,922	907,207	585,834	652,932	453,137	543,313
Total Funding Sources	\$5,611,611	\$4,472,515	\$5,773,773	\$791,639	\$1,152,392	\$894,922	\$907,207	\$585,834	\$652,932	\$453,137	\$8,258,313
Beginning Reserve Balances (after CIP)	\$4,200,000	\$3,494,315	\$2,166,994	\$917,365	\$583,204	\$10,910	\$76,966	\$276,141	\$951,239	\$1,724,494	\$2,873,130
Ending Reserve Balances (after CIP)	\$3,494,315	\$2,166,994	\$917,365	\$583,204	\$10,910	\$76,966	\$276,141	\$951,239	\$1,724,494	\$2,873,130	\$4,119,121
Days Cash Ratio	308	185	76	47	1	6	20	68	120	194	270
Debt to Equity	1.36	2.00	4.23	5.87	269.94	35.05	8.84	2.29	1.10	0.56	0.32

GRANT SUMMARY
Awarded and Pending Applications

PROJECT	FUNDING ENTITY	VALUE	TIMING	STATUS
FY25 Appropriations Act – Deep Well, Verbena/Cloudy Moon/Circle J	Federal/EPA	\$3.6M	Request pending to waive 20% cost share for SDAC. Awaiting final implementation guidance. Work expected to begin in FY27.	Award pending.
FY24 Appropriations Act – Club Circle, Deep Well, East/West Star, Santiago Pipelines	Federal/EPA	\$3.6M	Request pending to waive 20% cost share for SDAC. Awaiting final implementation guidance. Work expected to begin in FY26.	Awarded.
FY23 Appropriations Act – Sun Gold Pipeline Replacement & Borrego Springs Road Transmission Main	Federal/EPA	\$3.39M	Work expected to begin in FY25.	Awarded. SDAC Waiver Approved.
Water Storage Tank Replacement (Twin, Rams Hill 2, Indian Head)	CA Drinking Water Grants	\$2,786,006 \$3,249,694	Work in progress. Bids higher than expected. Budget adjustment pending. Reimbursement Grant. First Disbursement Expected FY24	Awaiting final reimbursement less TT expected after land swap.
Wilcox Well Diesel Engine Replacement	CA Drinking Water Grants	\$100,000	Concurrent with Water Tank Replacement	Awaiting final reimbursement.
Prop 68 – WWTP Monitoring Wells	DWR	\$206,500	Reimbursement Grant. Disbursements expected to begin in FY24.	Awarded/In Progress
Prop 68 – Advanced Metering Infrastructure (AMI)	DWR	\$1.3M	Reimbursement Grant. Disbursements expected to begin in FY24.	Awarded/In Progress
Prop 68 – Admin	DWR	\$250,000	Reimbursement Grant. Disbursements expected to begin in FY24.	Awarded/In Progress
COVID-19 Wastewater Arrears Grant	DDW/ Waterboards	\$64,333	Received & Applied to Customer Accounts FY23	Awarded & Complete
COVID-19 Water Arrears Grant	DDW/ Waterboards	\$43,756	Received & Applied to Customer Accounts FY22	Awarded & Complete
WWTP Upgrade	CA Clean Water Grants	\$788,912	Reimbursement Grant received FY22 & FY23	Awarded & Complete

Air Quality Study	Borrego Valley Endowment Fund	\$21,766	Received in FY22	Contributed to share cost in FY22
Prop 1 SDAC Grant	DWR	\$232,398	Support for Well ID4-9. Reimbursement Grant Received FY2021	Awarded & Complete

APPENDIX A: CIP PROJECT SUMMARIES

The following table shows the summary of the 2025-2035 projects. The CIP projects are described in detail on the following pages.

CASH FUNDED CIP	18
#1: Upgrades to Booster Station #5	19
#2: Country Club Tank Recoating	19
#3: Pipeline Replacement Projects	21
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#5: Emergency Pipeline Repairs	22
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#7: Advanced Metering Infrastructure (AMI)	22
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#11: West & East Star Pipeline Replacement	24
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BOND FUNDED PROJECTS	27
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#22: Water Treatment Facility	27

CASH FUNDED CIP

#1: Upgrades to Booster Station #5

PROPOSED BUDGET: \$125,000 cash in FY25

DESCRIPTION

Booster Pump Station 5 pumps water to the Indian Head Tank. If Well 18 is inoperative, Booster Pump Station is used. It will need to be upgraded for capacity in the future.

#2: Country Club Tank Recoating

PROPOSED BUDGET: \$250,000 in FY29

DESCRIPTION

The Country Club Tank is located approximately 1-½ mile west of the intersection of Tilting T and Borrego Springs Road (S3). The tank has a capacity of 1.0 million gallons and is composed of coated steel. The California Department of Health Services requires the District to physically inspect the inside of the domestic water reservoirs every three years. This service is performed by a consultant that utilizes divers and provides a written report as well as a video. The tank was constructed approximately 17 years ago. The tank is in good condition currently, but it is anticipated that it will need to be recoated.

PROJECT DESIGN/ADMINISTRATION

After the inspection report is delivered and the tank needs recoating, the District Engineer will prepare engineering documents and the project will be sent out for public bidding with Board approval.

Based on experience, it is estimated that a recoating will be needed in 2029. The actual date of recoating will be determined following the periodic video inspections. Following is the estimated schedule based on this timeline:

Dive Inspection:	February 2029
Receive Dive Inspection Report:	March 2029
Engineering/design completion:	March 2029 – April 2029
Project Bidding:	April 2029 – May 2029
Repair Recoat Tank:	June 2029 – July 2029

COST DETAIL

Without a recent dive inspection, an accurate cost estimate is difficult because the number of metal repairs necessary is unknown. Experience with past projects gives an approximate cost estimate of \$250,000 to recoat and repair the tank.

IMPACTS OF DEFERRAL

Following completion of planned inspections, the magnitude of the corrosion will be known and a plan to repair developed. Deferral of the necessary maintenance could lead to increased repair costs or the need for replacement of the Reservoir completely before the end of its useful life.

Item	Quan	Unit	Description	Unit Cost	Amount
1	1	LS	Mobilization/ Demobilization, Temporary Facilities, Construction Sign, Insurance, Payment Bond, Taxes, Permits, Fees and Similar Expenses	\$22,500	\$ 22,500
2	18,800	SF	Sandblast Complete Interior Including Columns, Rafters, Appurtenances, Exterior Roof Coatings to SSPC-SP 10. Remove and Legally Dispose of Spent Blast Material.	\$ 3.75	\$ 70,500
3	1	LS	Remove and replace metal components as necessary	\$ 3,500	\$ 3,500
3	18,800	SF	Recoat Interior Surfaces. This Item to be Considered Lump Sum Unless the Area is Shown to be Materially Different than shown.	\$ 5.10	\$ 95,880
4	1	LS	Coating Inspection and Testing	\$ 3,500	\$ 3,500
5	1	EA	Replace Manway Gasket	\$ 750	\$ 750
6	1	LS	Hydrostatic Testing, VOC Testing, Disinfection of Tank, Bacteriological Testing	\$ 3,800	\$ 3,800

Construction Subtotal: \$200,430

Contingency (10%): \$ 20,043

Subtotal Construction: \$220,473

Engineering/Contract Document Preparation \$ 20,000

Construction Inspection: \$ 9,527

Total Project Estimate: \$250,000



Country Club Tank Location

#3: Pipeline Replacement Projects

PROPOSED BUDGET: \$438,500 cash in FY31
\$190,000 cash in FY32

DESCRIPTION

The District's water distribution system is aging. Some parts of the distribution system were installed in the 1960's and are starting to reach their life expectancy. The pressure in the system is over 100psi in many areas. Each year there are water pipe breaks that the District repairs. The CIP has included these costs as routine repairs each year. The District's water distribution system was piecemealed together over time as the District took over smaller Districts in the area. The smaller pipelines were interconnected in partial measures. The District has identified three pipeline replacement projects that should be implemented for a more dependable system. The water pipe lines have service laterals that would be replaced to the property lines.

PROJECT DESIGN/ADMINISTRATION

These projects will be designed by a professional engineer in the State of California. After design is complete, the projects will be put out to bid. The lowest responsible bidder will be awarded the project. These pipelines are in need of replacement within the next three years.

COST DETAIL

Estimates were derived using pipeline lengths and cost per unit length. Not enough information is available to do a detailed analysis at this time.

- Flying H Road Pipeline – Proposed Construction FY31 – Estimate \$188,500
- Walking H/Double O Pipeline – Proposed Construction FY31 – Estimate \$250,000
- El Tejon Road Pipeline – Proposed Construction FY32 – Estimate \$190,000

IMPACTS OF DEFFERAL

Potential devastating water pipeline breaks; disruption in water service for prolonged periods; unreliable water service. The projects should be completed as shown in the above timeline due to the frequency of water pipeline breaks which cause lack of service to the District's customers.

#4: Water Supply Acquisition

PROPOSED BUDGET: \$4,356,600 FROM CASH FY23 to FY30

Fiscal Year	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
BPA Purchase	\$ 721,188	\$ 344,916	\$ 344,916	\$ 344,916	\$ 344,916	\$ 344,916	\$ 344,916	\$ 344,916
Fallowing	\$ -	\$ 489,169	\$ 124,738	\$ 195,668	\$ 80,713	\$ 80,713	\$ -	\$ -
Well Conversions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ 125,000
Total Annual Cost	\$ 721,188	\$ 834,085	\$ 469,654	\$ 540,584	\$ 425,629	\$ 425,629	\$ 469,916	\$ 469,916

DESCRIPTION

The District has been strategically planning to purchase Water Supply (BPA) in order to be able to serve its customers thru the end of the rampdown period ordered under the basin adjudication. Under the Judgement, purchased lands must be fallowed prior to assigning the BPA to BWD's customer supply. BWD has entered into a multi-year Purchase and Sale Agreement to acquire land with water rights that total: $1,826 + 670 = 2,496$ AF BPA. Included

with this purchase are nine wells that will either need to be abandoned or converted to monitoring wells at a cumulative estimated cost of \$250,000.

PROJECT DESIGN/ADMINISTRATION

An initial purchase was completed in full in FY23 from William Bauer. In FY24 the District entered into a 7 year agreement with David Bauer. The District expects to have approximately 250 acres followed by the end of FY25.

COST DETAIL

To assist with cash flow, The District was able to get some fallowing costs in FY24 included in the Prop 68 fallowing project. The District is currently seeking additional ways to finance the remainder of the PSA. In addition, since some parcels are along the State Park and Coyote Creek, the District is also searching for land restoration grants.

IMPACTS OF DEFFERAL

The District had originally planned it's BPA purchases to being in FY27. However, it is prudent for the District to commence these transactions ASAP to maintain costs and to take advantage of market availability.

#5: Emergency Pipeline Repairs

PROPOSED BUDGET: \$63,000 cash in FY24

DESCRIPTION

Each year there are a number of breaks and leaks on District pipelines. This budget sets aside sufficient cash each year for operations staff to respond and repair.

#6: Manhole Replacements/Refurbishments

PROPOSED BUDGET: \$52,267 cash in FY25

DESCRIPTION

The District acquired Improvement District 5 (ID-5) in 2008. Club Circle is part of ID-5, and the infrastructure therein was installed in 1960's. Manholes have deteriorated in this area and should be rehabilitated or replaced as necessary.

GRANT FUNDED CIP

#7: Advanced Metering Infrastructure (AMI)

PROPOSED BUDGET: \$1.3M Prop 68 grant in FY23-25

DESCRIPTION

The Borrego Water District serves just over 2,000 residential water customers whose water meters are manually read on a monthly basis. A grant has been awarded to upgrade all meters to "smart" meters that will provide remote, real-time reads. In addition to reducing meter reading labor hours, AMI will be valuable tool to aid in leak detection and water conservation efforts.

PROJECT DESIGN/ADMINISTRATION

The project was awarded to Metron-Farnier in January of 2024 and is in the pilot program stages at the end of FY24. Full implementation is expected to be completed by December of 2024. The grant eligible period runs thru March 30th, 2025.

This is a unique project for the District as it includes creation of an AMI cellular network in addition to endpoint (smart meter) installation.

#8: DWR Prop 68 Grant Administration

PROPOSED BUDGET: \$250,000 Prop 68 grant in FY23-25

DESCRIPTION

DWR has awarded a total of \$6.3M to the Borrego Water District and a number of sub-grantees to complete projects basin wide to aid in meeting the objectives of the Groundwater Management Plan. Due to BWD being the eligible applicant on the grant, the District is responsible to administer all projects and to be the point of contact between DWR and the subgrantees.

PROJECT DESIGN/ADMINISTRATION

Grant administration includes working with subgrantees to ensure they comply with the terms of the grant and to compile and submit to DWR all progress reports, reimbursement requests and deliverables due under the grant. BWD has chosen to do this work in-house utilizing existing finance and administration staff.

#9 a) & b): Borrego Springs Road Pipeline Replacement

PROPOSED BUDGET: a) \$912,406 Grant funded thru 2023 Appropriations Act
b) \$228,102 Cash Funded 20% Cost Share

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace the 10" transmission main on Borrego Springs Road. It will also include replacement of all valves, service laterals and hydrants along the line.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD was able to submit this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. This project was awarded thru the 2023 Appropriations Act to be administered thru the EPA. BWD is currently awaiting next steps from the EPA. By default, Appropriation projects require 20% fund matching from the agency. BWD has submitted a request for a waiver of the 20% self-funding requirement due to the District's SDAC status.

#10 a) & b): Sungold Pipeline Replacement

PROPOSED BUDGET: a) \$2,488,260 Grant funded thru 2023 Appropriations Act
b) \$ 622,065 Cash Funded 20% Cost Share

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace approximately 11,400 LF of 6" C900 Pipe in the Sungold neighborhood. It will also include replacement of all valves, hydrants and about 86 service laterals along the lines.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD was able to submit this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. This project was awarded thru the 2023 Appropriations Act to be administered thru the EPA. BWD is currently awaiting next steps from the EPA. By default, Appropriation projects require 20% fund matching from the agency. BWD has submitted a request for a waiver of the 20% self-funding requirement due to the District's SDAC status.

#11: West & East Star Pipeline Replacement

PROPOSED BUDGET: \$450,000 Grant Funded in FY26

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace approximately 4,500 LF of 6" C900 Pipe on West Star Road & East Star Road. It will also include replacement of all valves, hydrants and about 26 service laterals along the lines.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD has submitted this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. The intent is to receive funding thru the 2024 Appropriations Act to be administered thru the EPA.

#12: Club Circle Water & Sewerline Replacement

PROPOSED BUDGET: \$2,286,000 Grant Funded in FY26

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace all water and sewer lines in the Club Circle neighborhood. It will also include replacement of all valves, hydrants and about 26 service laterals along the lines.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD has submitted this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. The intent is to receive funding thru the 2024 Appropriations Act to be administered thru the EPA.

#13: Palm Canyon/Ocotillo Circle/Lazy S Pipeline Replacements

PROPOSED BUDGET: \$872,800 Grant Funded in FY26

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace the oldest water lines along Palm Canyon, Lazy S and Ocotillo Circle. It will also include replacement of all valves and hydrants.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD has submitted this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. The intent is to receive funding thru the 2024 Appropriations Act to be administered thru the EPA.

#14: Deep Well Pipeline Replacement

PROPOSED BUDGET: \$2,250,000 Grant Funded in FY26

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace approximately 13,6000 LF of 6" C900 Pipe in the Deep Well neighborhood. It will also include replacement of all valves, hydrants and about 74 service laterals along the lines.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD has submitted this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. The intent is to receive funding thru the 2025 Appropriations Act to be administered thru the EPA.

#16: Verbena/Circle J/Cloudy Moon Pipeline Replacements

PROPOSED BUDGET: \$1,383,000 Grant Funded in FY26

DESCRIPTION

Aging infrastructure leads to costly emergency repairs and threatens continuity of service to BWD customers. The District has prioritized pipeline replacements according to age and propensity to leaks. This project is to replace the oldest water lines along Verbena, Circle J and Cloudy Moon. It will also include replacement of all valves and hydrants.

PROJECT DESIGN/ADMINISTRATION

Working with BBK's advocacy team, BWD has submitted this project request for congressional funding thru Representative Darrell Issa and Senator Alex Padilla. The intent is to receive funding thru the 2025 Appropriations Act to be administered thru the EPA.

#17: WWTP Oxidation Ditch

PROPOSED BUDGET: \$650,000 Grant Funded in FY27

DESCRIPTION

In 2021, Dudek prepared for the District a Technical Memorandum titled Rams Hill WWTF Capacity Analysis and Cost Estimates for Facility Replacement and Expansion Alternatives. The memo indicates "bottlenecks" in the design that are hindering the plant's ability to operate

at the design capacity of 250 MGD. One of these bottlenecks is the Oxidation Ditch which was found to have a current, in use TKN treatment capacity of 55lb per day where design criteria was assumed to be 63lb per day. Under this constraint, the District can only connect an additional 104 EDUs to the plant. Replacement of the Oxidation Ditch will result in the ability to add additional EDU's and aid in bringing the plant to design capacity.

PROJECT DESIGN/ADMINISTRATION

The planning for this project is very preliminary and additional studies will need to be done to finalize a more accurate cost and scope of work. DWR has indicated that there is most likely grant funding available for this type of project. Collaborating with Dudek, BWD intends to determine a final scope of work and cost estimate.

#18: WWTP Equalization Basin

PROPOSED BUDGET: \$650,000 Grant Funded in FY27

DESCRIPTION

In 2021, Dudek prepared for the District a Technical Memorandum titled Rams Hill WWTF Capacity Analysis and Cost Estimates for Facility Replacement and Expansion Alternatives. The memo indicates "bottlenecks" in the design that are hindering the plant's ability to operate at the design capacity of 250 MGD. One of these bottlenecks is the Equalization Basin which was found to have a current, in use capacity of 58,150 GPD where design criteria was assumed to be 121,500 GPD. Expansion of the Equalization Basin will result in the ability to add additional EDU's and aid in bringing the plant to design capacity.

PROJECT DESIGN/ADMINISTRATION

The planning for this project is very preliminary and additional studies will need to be done to finalize a more accurate cost and scope of work. DWR has indicated that there is most likely grant funding available for this type of project. Collaborating with Dudek, BWD intends to determine a final scope of work and cost estimate.

#19: New Production Well

PROPOSED BUDGET: \$2,500,000 Grant Funded in FY35

DESCRIPTION

A new production well may need to be installed in the next five years. Wells ID1-8, and ID1-10 cannot be rehabilitated again and falling groundwater levels are contributing to the problem.

PROJECT DESIGN/ADMINISTRATION

Dudek prepared a report "Draft Working Technical Memorandum" dated June 16, 2017 that describes three separate Subbasin within the BWD service boundary. The report identifies that the Central Management Basin has the best chance for water that meets the requirements of California Code of Regulations (CCR) Title 17 and Title 22.

The BWD has already initiated preliminary review of potential new sources of supply in the Borrego Springs Subbasin and will further identify strategic sources of supply that meet Title 22 potable drinking water quality requirements.

Once a site has been selected, an exploration phase will commence. If the water quality and depth is acceptable, the land will be acquired for the wellsite and the well will be constructed to municipal standards.

Due to the fact that certain BWD wells have reached the end of their useful life, it is imperative to investigate and construct the replacement well before any existing well fails. BWD is confident that it will be able to obtain future grant funding for this project.

BOND FUNDED PROJECTS

#20: Future Water Supply Acquisition

PROPOSED BUDGET: \$2,000,000 Bond Funded in FY35

DESCRIPTION

The District has been strategically planning to purchase Water Supply (BPA) in order to be able to serve its customers thru the end of the rampdown period ordered under the basin adjudication. Upon commencement of Water Supply Acquisitions listed in CIP Items NO. 6 & 27, the District will still be about 1,000 AF of BPA short to supply its customer base with overproduction estimated to being around 2049. The District will need to be on the lookout for additional opportunities to purchase BPA.

#21: Well 5 Transmission Main Project

PROPOSED BUDGET: \$1,215,000 Bond Funded in FY35

DESCRIPTION

Well ID5-5 is expected to require a new, dedicated transmission main in the future. Planning for this project does not need to commence for about 8-10 years, but the District has put it on the CIP as a placeholder for a future project.

#22: Water Treatment Facility

PROPOSED BUDGET: \$2,000,000 Bond Funded in FY35

DESCRIPTION

Due to increasing levels of nitrates and TDS in a few wells in the valley, BWD anticipates it will need to conduct some level of water treatment in the future. The District is in the early stages of a Water Quality Study by Intera. This study is intended to assess current level and trends of COCs and to implement thresholds to determine when and what types of treatment will be necessary.

Due to the likeliness that some level of water treatment will be required, BWD has included this project as a future Bond Funded CIP item in FY35. Project costs are highly speculative and since there is no immediate risk of water contamination in BWD Production wells, it is yet to be determined when and where future treatment will be necessary based on the factors outlined above.

APPENDIX B: WATER SUPPLY PURCHASE

Description: Explanation and Description of current and future Water Supply Purchase

On January 30, 2020, pursuant to California Water Code (CWC) Sections 10733.6 and 10737.4, BWD submitted to the California Department of Water Resources (DWR) a proposed Stipulated Judgment (Judgement) for the Borrego Springs Groundwater Subbasin (Subbasin) including a Groundwater Management Plan (GMP), constituting a *Physical Solution* for DWR's review and approval to serve as an alternative to a Groundwater Sustainability Plan (GSP) for the Subbasin in compliance with the California 2014 Sustainable Groundwater Management Act (SGMA).

The pumpers of the Subbasin representing approximately 92% of annual Subbasin extractions agreed to a Settlement of water rights also applied to the California Superior Court (Court) for a Judgement. Until the Court approves the Judgement, the Subbasin pumpers have agreed to implement the *Physical Solution* under an interim Watermaster Board.

The objective of the Judgement is to assign Baseline Pumping Allocations (BPAs) to Subbasin pumpers that will be reduced on an annual basis to collectively not exceed the sustainable yield of the Subbasin by no later than 2040. The result of this means of achieving SGMA requirements is that BWD will be required to purchase BPA from other Subbasin pumpers to meet the water demand needs of existing BWD customers. For this reason, BWD spent about \$760,000 in FY23 and began in FY24 a 7-year Installment purchase valued at \$3.75M to acquire a combined total of 2,490 BPA. The District anticipates that it will require another BPA purchase of approximately \$2M in FY35. These amounts are included in CIP projections.

RESOLUTION NO. 2024-06-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO
WATER DISTRICT APPROVING THE OPERATIONS, MAINTENANCE,
CAPITAL IMPROVEMENTS AND GROUNDWATER MANAGEMENT
BUDGETS FOR FISCAL YEAR 2024-2025**

WHEREAS, the Board of Directors has reviewed and considered the Budget as presented for Fiscal Year 2024-2025 hereinafter referred to as the “Budget” which is attached hereto and incorporated by reference, and

WHEREAS, the Budget provides a comprehensive plan of financial operations for the District including an estimate of revenues and the anticipated requirements for expenditures, appropriations, and reserves for the forthcoming fiscal year, and

WHEREAS, the Budget establishes the basis for incurring liability and making expenditures on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrego Water District, that the Budget and each and every part thereof, is hereby approved and adopted for the Fiscal Year 2024-2025

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on June 25, 2024

Kathy Dice
President of the Board of Directors
Of Borrego Water District

ATTEST:

Dave Duncan
Secretary/Treasurer of the Board of Directors
Of Borrego Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, Dave Duncan, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 25th of June, 2024, and that it was so adopted by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS

Secretary of the Board of Directors of Borrego
Water District

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

I, Dave Duncan, Secretary of the Board of Directors of the Borrego Water District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 2024-06-01, of said Board, and that the same has not been amended or repealed.

Dated:

Secretary of the Board of Directors of Borrego
Water District

**Borrego Water District Board of Directors
Audit & Budget Standing Committee
April 29, 2025 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

ITEM II. B.

April 25, 2025

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: Fiscal Year 2026 Draft Budget Review

RECOMMENDED ACTION

Discuss and make suggestions for next version. No official action.

ITEM EXPLANATION

Enclosed is the second version of the FY26 Draft Budget and CIP.

Items have been updated per prior review and discussions with staff.

FISCAL IMPACT

See attached.

ATTACHMENTS

BWD FY26 Draft Budget & CIP v2.0



Borrego Water District
Water Enterprise Budget
07/01/2025 to 06/30/2026

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2026</i>
INCOME				
RATE REVENUE				
Water Rates Revenues				
Commodity Rates				
Residential Tier 1 & 2 Revenues	41100	1,154,187	1,154,187	1,015,987
Residential Tier 3 Revenues		267,750	600,000	676,568
Commercial	41150	645,750	645,750	643,522
Irrigation	41200	363,825	363,825	423,161
Total Commodity		2,431,512	2,763,762	2,759,237
Non-Commodity Charges				
Base Meter Charges	41400	1,518,300	1,505,853	1,689,581
Meter Install/Repair	41550	36,750	26,573	36,750
New Water Supply Connection Fee	41550	26,124	8,298	26,124
Backflow Testing/Install	41630	5,985	7,000	11,400
Bulk Water Sales	41700	6,825	45,000	6,825
Total Non-Commodity		1,593,984	1,592,723	1,770,680
			-	
Total Water Rate Revenues		4,025,496	4,356,485	4,529,916
			-	
Availability Charges Collected thru Tax Roll				
ID1 - Water Standby	42100 X.333	34,965	34,965	34,965
ID3/ID4 - Water Standby	42200	117,000	117,000	117,000
Total Availability (Tax Roll)		151,965	151,965	151,965
			-	
Other Income				
Sale of Viking Ranch and other parcels	42100 X.333	225,000	247,089	
Sale of Water Fleet Truck			8,000	
Total Other Income		225,000	255,089	
			-	
TOTAL WATER RATE REVENUE		<u>4,402,461</u>	<u>4,763,539</u>	<u>4,681,881</u>



Borrego Water District
Water Enterprise Budget (Continued)
07/01/2025 to 06/30/2026

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2026</i>
EXPENSES				
OPERATING EXPENSES				
Operations & Maintenance Expense				
R&M Water	56000	279,928	200,000	286,926
Telemetry	58400	4,963	22,000	15,000
Trash Removal	58900	5,956	6,500	7,500
Vehicle Expense	58960	22,080	35,000	30,000
Fuel & Oil	54600	42,445	36,365	45,007
Lab/Testing	58600	34,338	51,721	45,000
Permit Fees	54010	28,820	28,820	29,541
Pumping Electricity	57200	525,000	512,554	566,528
Total Operations & Maintenance Expense		<u>943,530</u>	<u>892,960</u>	<u>1,025,502</u>
Professional Services				
Accounting (Lockbox/Debt Filings)	51000	4,268	2,000	9,680
Payroll Services	51200	3,077	4,413	4,400
Audit Fees	51600	27,350	20,100	28,034
IT & Cyber Security	52000	38,400	50,000	39,360
Financial Consulting	52600	79,411	74,911	
Engineering Consultant	54400	45,584	5,556	46,724
Legal Services - General	55600	67,000	50,000	68,675
<i>Legal Services Reimbursible</i>		-		-
Federal & State Legislative Advocacy	55610	59,558	69,960	64,944
Total Professional Services		<u>324,649</u>	<u>279,139</u>	<u>261,817</u>
Insurance Expense				
ACWA/JPIA Program Insurance	55200	120,322	120,322	132,355
ACWA/JPIA Workers Comp	55210	15,803	15,803	17,068
Total Insurance Expense		<u>136,126</u>	<u>136,125</u>	<u>149,422</u>
Personnel Expense				
Board Meeting Expense	51900	22,830	13,000	13,939
Salaries & Wages	57600	1,131,468	1,131,500	1,221,985
<i>Contra Account - Salaries & Wages</i>	57680	(57,436)	(97,437)	(62,031)
Contract Labor/Consulting	52610	9,926	-	10,175
Payroll Taxes	58000	23,226	23,226	25,084
Benefits - Medical	54200	190,841	190,841	200,383
Benefits - CalPERS	54210	188,140	194,080	222,721
Trainings & Conferences	52400	17,867	17,867	18,314
Uniforms	58950	6,949	6,249	7,123
Safety Compliance & Emergency Prep	56810	4,963	2,249	5,087
Total Personnel Expense		<u>1,538,775</u>	<u>1,481,575</u>	<u>1,662,780</u>



Borrego Water District
Water Enterprise Budget (Continued)
07/01/2025 to 06/30/2026

		Budgeted FY2025	Projected FY2025	Budgeted FY2026
Office Expense				
Office Supplies	56620	23,823	30,768	22,659
Office Equipment	56630	49,632	48,679	49,641
Postage & Freight	56900	14,890	15,000	4,400
Property Tax	58200	2,978	2,978	3,052
Telephone Expense	58580	27,350	29,000	28,034
Dues & Subscriptions (ACWA/AWWA)	54000	22,830	24,000	23,401
Statement Printing & Publication	57000	4,963	3,359	25,087
Office/Shop utilities	56640	9,117	17,336	18,897
Total Office Expense		155,583	171,120	175,170
			-	
TOTAL OPERATING EXPENSES		3,098,663	2,960,920	3,274,691
Debt Expense				
BBVA Bank Note 2018B - Principal	27570/80	337,138	337,138	220,000
BBVA Bank Note 2018B - Interest	03/04-55550	49,821	49,821	26,967
2021 Bond Cap One - Principal	27510	376,605	376,605	393,063
2021 Bond Cap One - Interest	01-55550	140,571	140,571	125,477
Total Debt Expense		904,135	904,135	765,507
			-	
GROUNDWATER MANAGEMENT EXPENSES				
Pumping Fees	54830	100,000	49,327	103,000
GWM Expense	54800	79,158	5,463	81,532
Legal Expense	54810	100,000	50,289	103,000
Engineering/TAC Expense (Intera)	54820	135,000	84,392	139,050
Special Tasks for Intera?	54820	-	-	-
TOTAL GROUNDWATER MGMT EXPENSES		414,158	189,471	426,582
TOTAL WATER ENTERPRISE EXPENSES		4,416,956	4,054,526	4,466,781
Net Income (Loss)		(14,494)	709,014	215,101
SHORTFALL COVERAGE FROM NON-RATE REVENUE		14,494		-
Net Income Water Enterprise Fund		-	709,014	215,101



**Borrego Water District
Wastewater Enterprise Budget
07/01/2025 to 06/30/2026**

		Budgeted FY2025	Projected FY2025	Budgeted FY2026
<u>INCOME</u>				
RATE REVENUE				
Sewer Rates				
TCS Holder Fees (SA2)	06-43100	170,532	174,099	187,159
TCS User Fees (SA2)	06-43250	135,653	145,407	148,880
RH Sewer User Fees (ID1)	09-43250	171,377	178,148	188,087
Sewer Standby/Capacity Fees		-	11,048	-
Sewer User Fees (ID5)	05-43250	193,989	193,363	212,903
Total Sewer Rates		<u>671,552</u>	<u>702,065</u>	<u>737,028</u>
Availability Charges Collected thru Tax Roll				
ID1 - Sewer Standby	42100 X.333	34,965	34,965	34,965
Total Availability (Tax Roll)		<u>34,965</u>	<u>34,965</u>	<u>34,965</u>
<u>TOTAL WASTEWATER RATE REVENUE</u>		<u>706,517</u>	<u>737,030</u>	<u>771,993</u>
<u>EXPENSES</u>				
OPERATING EXPENSES				
Operations & Maintenance Expense				
R&M WWTF	56010	135,360	117,000	138,744
Telemetry	58400	677	11,535	1,000
Trash Removal	58900	812	1,248	2,400
Vehicle Expense	58960	3,011	5,500	3,086
Fuel & Oil	54600	6,676	10,420	8,533
Lab/Testing	58600	11,650	19,939	20,437
Electricity				5,723
Permit Fees	54010	12,352	15,000	15,000
Total Operations & Maintenance Expense		<u>170,537</u>	<u>180,641</u>	<u>194,922</u>
Professional Services				
Accounting (Lockbox/Debt Filings)	51000	582	582	1,320
Payroll Services	51200	420	578	600
Audit Fees	51600	3,730	2,500	3,823
IT & Cyber Security	52000	5,236	6,000	5,367
Financial Consulting	52600	10,829	10,829	
Engineering	54400	6,216	6,216	6,371
Legal Services - General	55600	9,136	7,554	9,365
Advocacy	55610	8,122	9,540	8,325
Total Professional Services		<u>44,270</u>	<u>43,799</u>	<u>35,171</u>



**Borrego Water District
Wastewater Enterprise Budget (Continued)
07/01/2025 to 06/30/2026**

		Budgeted FY2025	Projected FY2025	Budgeted FY2025
Insurance Expense				
ACWA/JPIA Program Insurance	55200	16,408	16,408	18,048
ACWA/JPIA Workers Comp	55210	3,659	3,659	3,952
Total Insurance Expense		20,067	20,067	22,000
Personnel Expense				
Board Meeting Expense	51900	3,113	2,000	2,000
Salaries & Wages	57600	261,561	267,403	282,486
Contra Account - Salaries & Wages	57680	(7,832)	(1,361)	(8,459)
Contract Labor/Consulting	52610	1,354	7,931	10,000
Payroll Taxes	58000	5,369	5,444	5,799
Benefits - Medical	54200	44,117	47,752	47,646
Benefits - CalPERS	54210	43,492	38,950	51,486
Trainings & Conferences	52400	2,436	1,728	2,497
Uniforms	58950	948	854	971
Safety Compliance & Emergency Prep	56810	677	-	694
Total Personnel Expense		355,235	370,701	395,120
Office Expense				
Office Supplies	56620	3,249	3,500	3,100
Office Equipment	56630	6,768	6,768	6,769
Postage & Freight	56900	2,030	2,300	600
Property Tax	58200	406	406	416
Telephone Expense	58580	3,730	3,957	3,823
Dues & Subscriptions (ACWA/AWWA)	54000	3,113	3,300	3,191
Statement Printing & Publication	57000	677	677	694
Office/Shop utilities	56640	1,243	4,500	2,129
Total Office Expense		21,216	25,408	20,722
Debt Expense				
2021 Bond Cap One - Principal	27510	64,545	64,545	63,987
2021 Bond Cap One - Interest	01-55550	5,979	5,979	5,228
Total Debt Expense		70,524	70,524	69,215
TOTAL EXPENSES WASTEWATER		681,848	711,140	737,150
Net Income Wastewater Enterprise Fund		24,669	25,891	34,843



**Borrego Water District
Pest Control Enterprise Budget
07/01/2025 to 06/30/2026**

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2025</i>
<u>INCOME</u>				
Pest Control Standby	42300	<u>17,150</u>	<u>17,150</u>	<u>17,150</u>
<u>TOTAL PEST CONTROL FUND REVENUE</u>		<u>17,150</u>	<u>17,150</u>	<u>17,150</u>
<u>EXPENSES</u>				
Pest Control Plan Consultant				15,600
R&M Pest Control	56000	1,500	800	
ACWA/JPIA Program Insurance	55200	500	373	550
Salaries & Wages	57600	4,193	3,508	1,000
Benefits - Medical	54200	711	702	
Benefits - CalPERS	54210	701	537	
ACWA/JPIA Workers Comp	55210	59	52	
Payroll Taxes	58000	87	75	
<u>TOTAL PEST CONTROL ENTERPRISE EXPENSES</u>		<u>7,751</u>	<u>6,047</u>	<u>17,150</u>
<u>Net Income Pest Control Enterprise Fund</u>		<u>9,399</u>	<u>11,103</u>	<u>-</u>



**Borrego Water District
Flood Control Enterprise Budget
07/01/2025 to 06/30/2026**

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2025</i>
<u>INCOME</u>				
ID1 - Flood Standby	42100 X.333	<u>34,965</u>	<u>34,965</u>	<u>34,965</u>
<u>TOTAL FLOOD CONTROL FUND REVENUE</u>		<u>34,965</u>	<u>34,965</u>	<u>34,965</u>
<u>EXPENSES</u>				
ACWA/JPIA Program Insurance	55200	550	300	605
Legal Services - General	55600	5,000	600	5,125
Salaries & Wages	57600	8,434	2,500	9,109
Benefits - Medical	54200	1,423	500	1,494
Benefits - CalPERS	54210	1,402	500	1,661
ACWA/JPIA Workers Comp	55210	118	38	127
Payroll Taxes	58000	173	58	187
<u>TOTAL FLOOD CONTROL ENTERPRISE EXPENSES</u>		<u>17,100</u>	<u>4,496</u>	<u>18,307</u>
<u>Net Income Flood Enterprise Fund</u>		<u>17,865</u>	<u>30,469</u>	<u>16,658</u>



Borrego Water District
Non-Rate Revenues & Expenses
07/01/2025 to 06/30/2026

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2026</i>
OTHER INCOME				
Penalties & Fees	41800	50,000	88,000	50,000
BSUSD Well Agreement	40400/40410/40420	35,000	15,000	35,000
1% Property Assessments	42000	70,000	70,000	70,000
Interest Income	48980	35,000	75,000	60,000
Other Income	47900	-	4,686	-
WM Meter Reading Income	40320	3,333	6,500	6,500
TOTAL OTHER INCOME		193,333	259,186	221,500
<u>EXPENSES</u>				
Air Quality Study	52620	36,341	6,000	36,341
TOTAL NON-RATE REVENUE EXPENSES		36,341	6,000	36,341
TRANSFER TO WATER FUND TO COVER REVENUE SHORTFALL		(14,494)		
<u>Net Income Non-Rate Revenue</u>		142,498	253,186	185,159



Borrego Water District
Consolidated Enterprise Budget
07/01/2025 to 06/30/2026

		<i>Budgeted FY2025</i>	<i>Projected FY2025</i>	<i>Budgeted FY2026</i>
<u>INCOME</u>				
TOTAL WATER RATE REVENUE		4,402,461	4,763,539	4,681,881
TOTAL WASTEWATER RATE REVENUE		706,517	737,030	771,993
TOTAL PEST CONTROL FUND REVENUE		17,150	17,150	17,150
TOTAL FLOOD CONTROL FUND REVENUE		34,965	34,965	34,965
TOTAL OTHER INCOME	42300	193,333	259,186	221,500
<u>GROSS INCOME</u>		<u>5,354,426</u>	<u>5,811,871</u>	<u>5,727,490</u>
<u>EXPENSES</u>				
TOTAL WATER ENTERPRISE EXPENSES		4,402,461	4,054,526	4,466,781
TOTAL WASTEWATER ENTERPRISE EXPENSES		681,848	711,140	737,150
TOTAL PEST CONTROL ENTERPRISE EXPENSES		7,751	6,047	17,150
TOTAL FLOOD CONTROL ENTERPRISE EXPENSES		17,100	4,496	18,307
TOTAL NON-RATE REVENUE EXPENSES		36,341	6,000	36,341
<u>TOTAL EXPENSES</u>		<u>5,145,501</u>	<u>4,782,208</u>	<u>5,275,729</u>
<u>CONSOLIDATED NET INCOME</u>		<u>208,926</u>	<u>1,029,663</u>	<u>451,761</u>

CAPITAL IMPROVEMENT PROJECTS	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY2032-33	FY2033-34	FY2034-35
<u>CASH RESERVE FUNDED WATER PROJECTS</u>										
<u>WATER PROJECTS</u>										
Country Club Tank Recoating/repair, 1999 1.0 MG	\$ 350,000									
DB 20 Evaluation	\$ 100,000									
Pipeline Replacements						\$ 438,500	\$ 190,000			
FY23+ Water Supply Acquisition w/Following & Well Abandonment	\$ 557,624	\$ 442,669	\$ 442,669	\$ 486,956	\$ 486,956					
EPA Cash Funded Portion		\$ 721,600	\$ 150,000							
AMI Battery/Upgrades										\$ -
Valve Raising TBD	\$ 100,000									
Emergency System repairs	\$ 69,458	\$ 72,930	\$ 76,577	\$ 80,406	\$ 84,426	\$ 88,647	\$ 93,080	\$ 97,734	\$ 102,620	\$ 107,751
SUBTOTAL WATER CASH RESERVE PROJECTS	\$ 1,177,082	\$ 1,237,199	\$ 669,246	\$ 567,362	\$ 571,382	\$ 527,147	\$ 283,080	\$ 97,734	\$ 102,620	\$ 107,751
<u>SEWER PROJECTS</u>										
Sewer Cleaning/Inspection	\$ 125,000	\$ 131,250	\$ 137,813	\$ 144,703	\$ 151,938	\$ 159,535	\$ 167,512	\$ 175,888	\$ 184,682	\$ -
Oxidation Ditch				\$ 650,000						
Manhole Replacements/Refurbishment (2/year)	\$ 54,880	\$ 57,624	\$ 60,505	\$ 63,531	\$ 66,707	\$ 70,042	\$ 73,545	\$ 77,222	\$ 81,083	\$ 85,137
SUBTOTAL SEWER CASH RESERVE PROJECTS	\$ 179,880	\$ 188,874	\$ 198,318	\$ 858,234	\$ 218,645	\$ 229,578	\$ 241,057	\$ 253,109	\$ 265,765	\$ 85,137
TOTAL CASH WATER/SEWER CIP PROJECTS 2023 THROUGH 2035	\$ 1,356,962	\$ 1,426,073	\$ 867,564	\$ 1,425,595	\$ 790,027	\$ 756,725	\$ 524,136	\$ 350,843	\$ 368,385	\$ 192,888
<u>FACILITIES MAINTENANCE DETAIL</u>										
TOTAL CASH RESERVES CAPITAL IMPROVEMENTS PROGRAM	\$ 1,356,962	\$ 1,426,073	\$ 867,564	\$ 1,425,595	\$ 790,027	\$ 756,725	\$ 524,136	\$ 350,843	\$ 368,385	\$ 192,888
TOTAL CASH RESERVES SHORT LIVED ASSETS	\$ 150,000	\$ 112,550	\$ 211,888	\$ 453,413	\$ 256,833	\$ 310,018	\$ 229,210	\$ 477,976	\$ 269,433	\$ 350,424
TOTAL CASH RESERVES CIP, SHORT LIVED ASSETS BUDGET	\$ 1,506,962	\$ 1,538,623	\$ 1,079,452	\$ 1,879,008	#####	#####	\$ 753,346	\$ 828,819	\$ 637,819	\$ 543,313
Total Cash Funded Less BPA & EPA										
BPA Paid to date										
<u>GRANT FUNDED CIP PROJECTS</u>										
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY2032-33	FY2033-34	FY2034-35
<u>GROUNDWATER MANAGEMENT PROP 68 GRANT</u>										
DWR Grant Net \$1,731,000										
AMI Administration										
<u>2023 APPROPRIATIONS BILL \$3,392,667 (aka EPA#1)</u>										
Borrego Spring Road Pipeline Replacement	\$ 928,000									
Sun Gold Pipeline Replacement	\$ 2,464,000									
<u>2024 APPROPRIATIONS BILL 80% of \$3,608,800 (aka EPA#2)</u>										
West and East Star Road Pipeline Replacement		\$ 360,000								
Club Circle Water and Sewer Pipeline Replacement Project		\$ 1,828,800								
Palm Canyon/Ocotillo Circle/Lazy S		\$ 698,240								
<u>POTENTIAL GRANT FUNDED CIP PROJECTS</u>										
WWTP Equalization Basin		\$ 650,000								
New Production Well										\$ 2,500,000
TOTAL WATER/SEWER GRANT CIP PROJECTS	\$ 3,392,000	\$ 3,537,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
<u>POTENTIAL BOND FUNDED CIP PROJECTS</u>										
Well 5 Transmission Main Project										\$ 1,215,000
Water Treatment Facility										\$ 2,000,000
TOTAL FUTURE BOND CIP PROJECTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,215,000
Total Annual CIP Spend:	\$ 4,898,962	\$ 5,075,663	\$ 1,079,452	\$ 1,879,008	#####	#####	\$ 753,346	\$ 828,819	\$ 637,819	\$ 6,258,313

FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY2032-33	FY2033-34	FY2034-35
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Backup Generator Office and Shop

ID1-8, 125 Hp - Disconnect

\$ 181,913

\$ 199,238

\$ 15,000

\$ 40,000

\$ 198,000	\$ 207,900	\$ 218,295	\$ 229,210	\$ 240,670	\$ 252,704	\$ 265,339
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Reservoir cleaning/video inspection

\$ 20,000

\$ 48,933

\$ 56,272

Clarifier Rehab - Every 10 years

\$ 12,650

\$ 14,548

\$ 100,000

\$ 16,730

Office Propane Generator

\$ 75,000

\$ -

\$ 73,500

\$ 77,175

\$ 81,034

\$ 85,085

\$	150,000	\$	112,550	\$	211,888	\$	453,413	\$	256,833	\$	310,018	\$	229,210	\$	477,976	\$	269,433	\$	350,424
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water truck
alan truck \$10k re

**Borrego Water District Board of Directors
Audit & Budget Standing Committee
April 29, 2025 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004**

ITEM II. C.

April 25, 2025

To: Audit & Budget Committee

From: Jessica Clabaugh, Finance Officer

Subject: Budget Effects on Cash Balances

RECOMMENDED ACTION

Discuss and make suggestions for next version. No official action.

ITEM EXPLANATION

Enclosed is an estimated cash flow to discuss the effects of the FY26 budget on reserve balances.

FISCAL IMPACT

See attached.

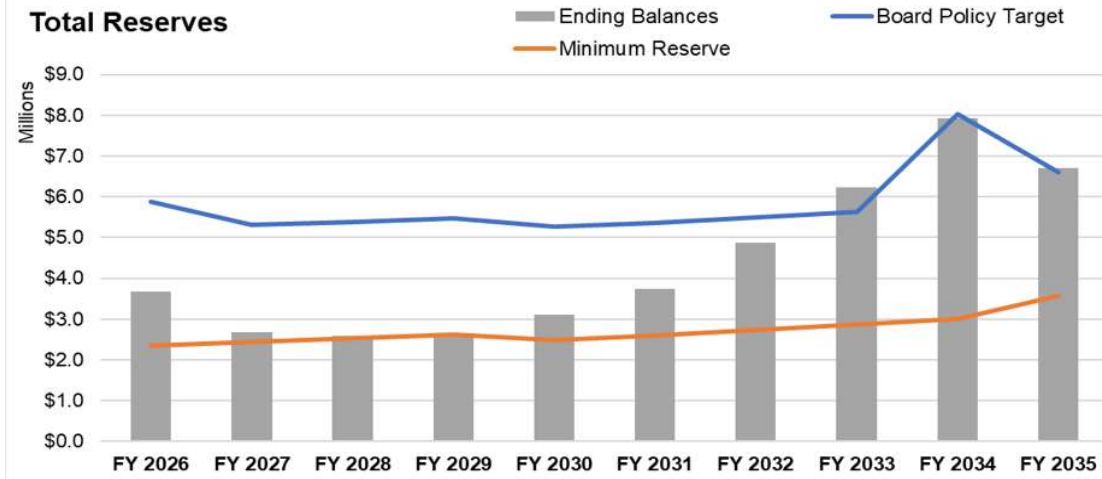
ATTACHMENTS

Projected FY26 Cash Flow

BWD Cash Flow Assumptions
Thru 06/30/2026
4/25/2025

<u>Cash Balance @ 03/31/2025</u>	<u>\$3,475,879</u>
Net Cash Received thru Operations by 06/30/25	\$41,605
Cash Payments for CIP April thru June 2025	(\$130,000)
Prop 68 Reimbursement Invoice 7 (expected May)	\$902,820
<u>Estimated Cash Balance @ 06/30/2025</u>	<u>\$4,290,304</u>
Net Income from Operations FY26	\$1,286,483
Less Debt Service Payments FY26	(\$834,722)
Less CIP Cash Payments FY26 (includes WB)	(\$1,506,162)
Prop 68 Reimbursement Invoices 8 thru 10	\$600,000
Twin Tank Reimbursement	\$979,000
<u>Estimated Cash Balance @ 06/30/26</u>	<u>\$5,721,065</u>

WATER PROJECTED



SEWER PROJECTED

