Borrego Water District Board of Directors
Regular Meeting
May 28th, 2019 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

- **A.** Call to Order
- **B.** Pledge of Allegiance
- **C.** Roll Call
- **D.** Approval of Agenda
- **E.** Approval of Minutes
  - April 09, 2019 Special Meeting (3-5)
  - April 23, 2019 Regular Board Meeting (6-9)
- **F.** Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- **G.** Comments from Directors
- **H.** Correspondence Received from the Public

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Borrego Water District (10-70)
1. 2019-2020 Budget/Capital Improvement Plan & Water/Sewer Rate Resolutions – K Pitman
   a. Air Quality Monitoring Budget Request – G Poole
2. Request for Sewer Fee Collection Extension for Mesquite Trails – K Pitman
3. WasteWater Treatment Plant Discharge Permit Studies – G Poole (71-92)

B. GSA: Borrego Springs Sub Basin
1. Dr Jay Jones Synopsis of GSP related analyses and impacts upon BWD – Dr Jay Jones (93)

III. STANDING AND AD-HOC COMMITTEES

A. STANDING:
1. Operations and Infrastructure – Delahay/Duncan

B. AD-HOC:
1. GSP Preparation – Brecht/Duncan
2. 2019-20 Budget – Brecht/Ehrlich
3. Risk – Ehrlich
4. Proposition 68 Funding – Dice
5. Association of California Water Agencies/Joint Powers Authority – Ehrlich
6. Organizational Staffing/Prop 218 Preparation: Dice/Ehrlich

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 – Board Secretary 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.

IV. STAFF REPORT

A. Financial Reports: April 2019 (94-108)
B. Water and Wastewater Operations Report: Pushed out to June Regular Board Meeting
C. Water Production/Use Records: Pushed out to June Regular Board Meeting
D. General Manager (111-113)

V. CLOSED SESSION:

A. Conference with Legal Counsel - Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: (Three (3) potential cases)
B. Conference for Public Employee Performance Evaluation - Title: General Manager Employee Performance Review- pursuant to subdivision (d) (4) of Government Code Section (Government Code § 54957)

VI. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda:
B. The next Regular Meeting of the Board of Directors is scheduled for Tuesday, June 11th - 9:00

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.

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Borrego Water District Board of Directors
MINUTES
Special Meeting
April 9, 2019 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

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

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

C. Roll Call:

Directors:	Present:	President Dice, Vice-President Brecht, Secretary/Treasurer Duncan, Delahay, Ehrlich	
Staff:	Geoff Poole, General Manager Wendy Quinn, Recording Secretary		
Public:	Jim Engelke, L. Lundberg	Beth Hart	
	Bill Berkley	Lee Scharf	

D. Approval of Minutes: None

E. Approval of Agenda: ***MSC: Brecht/Delahay approving the Agenda as written.***

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

G. Comments from Directors: None

H. Correspondence Received from the Public: None

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Borrego Water District:

1. Consent Calendar.
   a. AB 1486: Letter of Opposition
   b. SB 669: Letter of Support
   c. ACA 1: Letter of Support

MSC: Ehrlich/Brecht approving the Consent Calendar.

2. Fallowing Checklist. President Dice invited comments on the proposed Fallowing Checklist, included in the Board package. She inquired about the Burnand fallowing. Geoff Poole reported that Ray Burnand has two years to complete the fallowing. He has submitted a plan. Mr. Poole noted that the Checklist under consideration today would probably only apply to the Roadrunner Tree Farms, because the Water Credit Program will eventually be replaced by the Water Trading Program under SGMA. He and President Dice will inspect and evaluate the Roadrunner property between now and the next Board meeting. Discussion followed, and the Board agreed that staff would negotiate with the landowner and the Board wouldn't be involved until it was time to issue water credits.

B. GSA: Borrego Springs Sub Basin:

1. Review of Draft Groundwater Sustainability Plan. Mr. Poole presented the draft GSP, developed by the GSA and its consultant. Comments from Director Brecht were included in the Board package. There were three public meetings last week to introduce the draft GSP. Most of the comments related to the next steps and the desire to eliminate water use cuts for municipal users. Mr. Poole announced that today he would review Chapters 3 (Sustainable Management Criteria), 4 (Projects and Management Actions) and 5 (Plan Implementation).

Mr. Poole invited the Board's attention to the Executive Summary, written by Jim Bennett. Chapter 1 describes the purpose of the Plan, development structure, fees and basin

maps. Chapter 2 incudes basin acreages, population projections and history, property ownership, watershed, historic planning, the water credit policy, County land use policies, and beneficial uses and users. Chapter 3 presents six sustainability indicators. Those applicable to Borrego Springs are groundwater elevation, changes in groundwater storage, and degradation of water quality. These are negative impacts to be avoided. The other indicators, not applicable here, are land subsidence, salt-water intrusion and impacts of surface flows on users downstream.

Chapter 4 describes the PMAs. Director Delahay expressed concern regarding the requirements listed, which he felt could impact the District. Director Brecht explained that they did not apply to BWD projects, and this needs to be clarified. Mr. Poole listed the PMAs: Water Trading Program, Water Conservation, Pumping Reduction Program, Voluntary Fallowing of Agricultural Land, Water Quality Optimization, and Intra Basin Water Transfers. Chapter 5 covers the GSP implementation. It includes annual and five-year reporting requirements, cost estimates and potential funding sources.

President Dice inquired about impacts on our SDAC designation, and Director Brecht replied that it was not addressed in the GSP. President Dice added that the GSP does not address economic and social issues, either. She hoped the Legislature would change that, and funds would become available. Director Brecht said that we need to point out issues that make it difficult to move forward. His written comments, in the Board package, were more applicable to the PMAs; i.e., the GSA and BWD have separate interests and liabilities. BWD needs to focus on infrastructure and the CIP. He felt these issues should be resolved before GSP adoption.

2. Process for Collecting BWD Board Comments on Draft GSP. Director Brecht asked whether the Board wanted to submit comments on the draft GSP as a Board or as individuals. Director Duncan noted that the Core Team would meet on April 30, and comments could be brought up then. Director Brecht thought the comments should be public, because in the past private comments have not always worked. President Dice asked the Board members to read the GSP and bring their comments and concerns to the next BWD Board meeting. Beth Hart noted that it is important for DWR to know what the BWD Board thinks. President Dice will work with Mr. Poole to draft letters for Board approval as a public comment. The Board agreed that comments should go to both the Core Team and the County. Director Delahay will put his comments on the PMAs in writing.

3. Borrego Valley Endowment Fund Project Update. President Dice invited the Board's attention to a letter from David Garmon, Co-convener of the Borrego Valley Stewardship Council, in the Board package. She noted that the Board had previously agreed to a $4,000 contribution to support the Local Government Commission's assistance in finding funding through Proposition 68 or other sources for GSP review, SDAC engagement and integrated planning. The Borrego Valley Endowment Fund has approved a $20,000 grant for this effort, and Dr. Garmon has requested that BWD add its $4,000 to the grant. The money would go to the Borrego Valley Endowment Fund and be restricted to the LGC project. LGC will act as fiscal agent, and the Stewardship Council will be involved. ***MSC: Brecht/Duncan authorizing a check to BVED for $4,000 to add to their $20,000 grant for the LGC project, once BWD receives a signed contract with LGC.*** President Dice will contact Dr. Garmon, find out who the President of the BVED is, and write the letter to him/her with a copy to Dr. Garmon.

III. CLOSED SESSION

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Government Code Section 54956.9 (Three (3) potential cases):

B. Conference for Public Employee Performance Evaluation – Title: General Manager Employee Performance Review – pursuant to subdivision (d)(4) of Government Code Section 54957:

The Board adjourned to closed session at 11:00 a.m., and the open session reconvened at 12:15 p.m. There was no reportable action.

IV. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: Items for the next Agenda were discussed earlier in the meeting.

B. The next Regular Meeting of the Board of Directors is scheduled for Tuesday, April 23rd @ 9:00. There being no further business, the Board adjourned at 12:15 p.m.

Borrego Water District Board of Directors
MINUTES
Regular Meeting
April 23, 2019 @ 9:00 a.m.
806 Palm Canyon Drive
Borrego Springs, CA 92004

I. OPENING PROCEDURES

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

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

C. Roll Call:

Directors: Present: President Dice, Vice-President Brecht, Secretary/Treasurer Duncan, Delahay, Ehrlich

Staff: Geoff Poole, General Manager; Kim Pittman, Administration Manager; Greg Holloway, Operations Manager; Wendy Quinn, Recording Secretary

Public: Julian Peabody, Ray Shindler, Wendy Busara, Mesquite, Diane Johnson, Jim Wilson, CCCP, Dick Walker, Rebecca Falk, AC, Sponsor Group

D. Approval of Agenda: ***MSC: Brecht/Delahay approving the Agenda as written.***

E. Approval of Minutes:

1. March 12, 2019
2. March 26, 2019

MSC: Brecht/Ehrlich approving the Minutes March 12, 2019 and March 26, 2019 as written.

F. Comments from the Public and Requests for Future Agenda Items: Ray Shindler presented his views on adjudication. He disagreed with the implication in Director Brecht's brief, in the Board package, that adjudication would not address environmental issues and water quality. He cited water attorney Tom Bunn's opinion that they could be addressed, and that pumpers would be required to use best management practices to avoid water contamination. Mr. Shindler added that an adjudication may result in giving BWD the first right to water. Mr. Bunn had concluded that the GSA has broad discretion and is not required to mandate equal water use reduction from all sectors. There are arguments that municipal users should reduce less, and Mr. Shindler urged BWD to take this position. Director Brecht requested a copy of Mr. Bunn's opinion. Mr. Shindler reported that he had had a phone conversation with Mr. Bunn and Steve Anderson, and Mr. Anderson felt BWD should be more aggressive in asserting its rights. Director Brecht requested a copy of Mr. Shindler's notes from that conversation. Mr. Shindler felt adjudication should have been pursued years ago and that it would have saved money. Dick Walker asked which Board members had legal training in California water law, and President Dice explained that it was not necessary because the Board has an attorney.

G. Comments from Directors: President Dice invited the Board's attention to her letter to Robert Kelly, President of the Borrego Valley Endowment Fund, informing him that the District would contribute to the Local Government Commission socioeconomic study upon receipt of a contract.

H. Correspondence Received from the Public:

1. Letter from Jim Wilson – Christmas Circle Community Park. Jim Wilson spoke on behalf of Christmas Circle Community Park, a nonprofit. He explained that there is no allocated funding, and the park is supported by fundraising. The annual cost is approaching

$80,000, with half going for water. He hoped the District could work with the park to support this community asset by reducing costs. Mr. Wilson noted that they had removed 5,000 square feet of turf, but increased water costs wiped out the savings. Director Ehrlich suggested referring the matter to Raftelis to determine if the District could offer a reduced rate. Director Brecht suggested that legal counsel also be consulted. President Dice asked that it be included in a future Agenda, and that a written response be prepared for Mr. Wilson. Geoff Poole will notify Mr. Wilson when the item is on the Agenda.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Borrego Water District:

1. Fallowing Checklist and Roadrunner Tree Farm Inspection. President Dice reported that she and Mr. Poole visited the Roadrunner Tree Farm last week. Roadrunner proposes to fallow densely planted palm trees, remove the irrigation, grind the trees and spread the mulch. They farm organically so contamination is not a concern. President Dice and Mr. Poole will visit the site again once the fallowing is complete. ***MSC: Dice/Duncan approving the fallowing plan for Roadrunner Tree Farms.***

2. Financial Assistance for Water Quality Sampling During 2019 Sheep Count. Mr. Poole reported that John Peterson has been coordinating the annual sheep count, and suggested the counters take water samples. This has been going on for two years, and since last year was a wet one, Mr. Peterson suggested expanding the sampling. UCI, ABF and BWD are being asked to contribute $1,100 each. ***MSC: Ehrlich/Brecht approving an expenditure of $1,100 for water quality sampling during the 2019 sheep count, subject to confirmation that UCI and ABF are participating.***

3. Wastewater Treatment Plant Discharge Permit Requirements. Mr. Poole reported that the State Water Resources Control Board had approved the District's wastewater treatment plant discharge permit. New requirements include completion of testing for nitrates and TDS within the next six months. Dudek and Holt Engineering were contacted to submit proposals, but only Dudek responded. Holt recommended another firm, which also did not respond. Dudek's proposal was in the Board package. Greg Holloway suggested that he meet with Mr. Poole and Roy Martinez to determine what part of the work can be done in house. Mr. Poole asked the Board to wait two weeks to give staff the opportunity to refine the scope of work and contact additional firms. He will also contact the State Board to confirm that they will accept in-house work to satisfy the permit requirements.

4. FY 2019 Water Quality Sampling Update. Mr. Poole reported that a year ago the District increased its water quality testing, and the network was recently expanded to include wells from De Anza, the Elementary School and the Roadrunner Club. GeoSyntec has submitted a proposal, included in the Board package, to continue the work. ***MSC: Ehrlich/Brecht authorizing the General Manager to approve the proposal from GeoSyntec and sign the contract, not to exceed $15,000.***

5. FY 2020 Budget Review. Kim Pittman noted that the proposed budget still needs to be reviewed by the Operations and Management Committee. She summarized the water revenue and expenses. Director Brecht requested a new line item under Professional Services, "Grant Acquisition," in the same amount as what was spent last year. He also asked for a "Water Quality Monitoring" line item, also under Professional Services.

Discussion followed regarding funding for Rams Hill flood control. Mr. Holloway explained that the work recommended by Dudek had been completed, and additional work shouldn't be needed more often than every three to five years. Director Brecht was concerned about liability, and Mr. Holloway promised to keep an eye on it. Director Ehrlich suggested an annual inspection.

Director Ehrlich requested an increase in the Computer Billing budget to $50,000. There was some confusion over the debt-funded CIP, which should add up to $5.5 million. Ms.

Pittman agreed to double check it. After discussion, it was agreed to remove Line Items 176 through 179. The Capital Improvements budget listed projects for 2020 and 2021. At Director Ehrlich's request, Mr. Poole agreed to compile a brief status report on each project. Director Brecht pointed out that a lot of cash will be spent in 2025, '26 and '27. Director Ehrlich noted that the ten-year plan called for another bond issue. Ms. Pittman will work with the Budget Committee to clarify. Director Brecht requested that the projected annual new debt starting in 2025 be increased to $350,000.

6. FY 2021 Cost of Service Study Status. Mr. Poole referred to the Board's approval of the Raftelis cost of service study. Staff has received a number of requests for data from Raftelis, including detailed customer data files. Springbrook, the billing and software consultant, was at the District for training last week, and Ms. Pittman spoke to them about designing a program to help compile the information. Hopefully it will be ready in early June.

B. GSA: Borrego Springs Sub Basin:

1. BWD GSP Draft Comments. Mr. Poole invited the Board's attention to Director Brecht's written comments on the GSP, included in the Board package, and invited comments. He announced an April 30 Core Team meeting, when the Board members' comments can be brought to the County. Director Duncan expressed concern regarding the future of the GSA, and recommended a specific plan. Mr. Poole explained that Jim Bennett felt this was covered in the statute. President Dice agreed with Director Duncan that it should be included in the GSP. Director Ehrlich agreed that an administration and management plan should be addressed. Director Brecht recommended that comments to the County be in writing. Rebecca Falk pointed out that options to manage the GSP post-adoption include the GSA, a water manager, a joint powers agency or a takeover by the State. Director Duncan explained that if the State takes over, they try to bring the parties together to reach a resolution.

2. Adjudication Brief 2019. Director Brecht invited the Board's attention to his written comments on adjudication in the Board package, based on information from water law attorneys, engineering firms and financial people. Mr. Shindler felt it should have mentioned other points of view. Mr. Walker asked whether it was the Board's goal to require ratepayers to reduce their water use by 75 percent, and President Dice replied that it was not. Other avenues are being pursued.

3. ENSI 2019 SDAC Impact/Vulnerability Analysis (Task 2) April 15, 2019. Director Brecht stated that the Analysis was provided for information, and he hoped to drive some of the engineering into the GSP. Some has already been included but not all.

4. ENSI 2019 Decision Management Analysis April 16, 2019. Director Brecht referred to the information item from Jay Jones.

III. STANDING AND AD-HOC BOARD COMMITTEE REPORTS

A. Standing:

1. Operations and Infrastructure. No report.

B. Ad-Hoc:

1. GSP Preparation. No report.
2. 2019-20 Budget. No report.
3. Risk.

a. Cyber Update. Mr. Poole will come back to the Board at the next meeting with a recommendation. Three proposals were received.

4. Proposition 68 Funding. No report.
5. Association of California Water Agencies/Joint Powers Authority. No report.
6. Organizational Staffing/Prop 218 Preparation: No report.

V. STAFF REPORTS

A. Financial Reports: March 2019: Ms. Pittman offered to answer questions on the Financial Reports.

B. Water and Wastewater Operations Report: March 2019:

C. Water Production/Use Records: March 2019:

The Water and Wastewater Operations Report and the Water Production/Use Records were included in the Board package.

D. General Manager:

1. FY 2019 Debt CIP Build Status. Mr. Poole presented a summary of the bond project status. Southwest Drilling has provided all the necessary documents for Replacement Well Number One and they have been approved by Best Best & Krieger. A preconstruction meeting is scheduled for next week, and drilling should begin within a month. Preliminary site work is underway. Staff is working on site evaluation and acquisition for Replacement Well Number Two.

A and R Construction is working on document submittal and an encroachment permit for the Phase One Pipelines. Construction should be underway in the next week or two. Work on the Wellhead Rehabilitation for Well 12 is complete. Four other wells are scheduled. Some work on the Fire Hydrant Replacements is being done in house, and Mr. Poole will continue to report to the Board. Engineers are working on plans for the Phase Two Pipelines, and work is expected to begin in the fall.

V. CLOSED SESSION

A. Conference with Legal Counsel – Significant exposure to litigation pursuant to Government Code paragraph (3) of subdivision (d) of Section 54956.9 (Two (2) potential cases):

B. Conference for Public Employee Performance Evaluation – Title: General Manager Employee Performance Review – pursuant to subdivision (d) (4) of Government Code Section 54957:

The Board adjourned to closed session at 11:30 a.m., and the open session reconvened at 12:15 p.m. There was no reportable action.

VI. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: Items for the next Agenda were discussed previously.

B. The next Regular Meeting of the Board of Directors is scheduled for Tuesday, May 14th @ 9:00. There being no further business, the Board adjourned at 12:15 p.m.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 28, 2019
Item II.A.1

TO: Board of Directors

FROM: Geoff Poole, General Manager

SUBJECT: Draft 2019-2020 Budget – K Pitman

RECOMMENDED ACTION

Discuss changes to budget as a follow up to the Amy 14th Meeting

ITEM EXPLANATION

Staff and the Budget Committee have been working on the development of the 2019-20 Budget, attached.

FISCAL IMPACT
See Attachment

ATTACHMENTS
1. Draft 2019-2020 Budget

BORREGO WATER DISTRICT

FISCAL YEAR 2019-2020

ANNUAL BUDGET

ADOPTED

May 28, 2019

SUBMITTED BY:

GEOFF POOLE
GENERAL MANAGER

TO:

BOARD OF DIRECTORS

KATHY DICE
PRESIDENT

LYLE BRECHT
VICE-PRESIDENT

DAVE DUNCAN
SECRETARY/TREASURER

RAYMOND DELAHAY
DIRECTOR

HARRY EHRLICH
DIRECTOR

FISCAL YEAR 2019-2020
ANNUAL BUDGET
ADOPTED
May 28, 2019

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BORREGO WATER DISTRICT

July 1, 2019

TO: Ratepayers and Investors of the Borrego Water District

FROM: Geoff Poole, General Manager – BWD

SUBJECT: Strategic Objectives for FY 2019-2020

The Borrego Water District Board of Directors has identified the following Strategic Objectives for the Agency to be pursued during Fiscal Year 2019-2020 and beyond.

- Goal – Operate BWD finances to enhance the Financial Position/Creditworthiness of the Agency to allow for possible future BWD debt issuance: During the last decade the BWD Board/Staff have reversed the financial position of the Agency from one on the brink of possible bankruptcy to one that is now credit worthy. The impacts of this effort was recently realized with the issuance of $5.6 million in a private bond placement with Pacific West National Bank.

  Objective – Maintain water and sewer rates and reserve fund balances at levels that provide the required debt service coverages and other related economic factors. Monitor BWD Operations and Capital Planning to ensure all BWD expenditures are prudent and necessary.

- Goal – Implement the Groundwater Sustainability Plan (GSP) for the Borrego Springs Subbasin (Basin) with the best interest of BWD Ratepayers, the community and environment in mind: Status: The Draft GSP for the Basin has recently concluded the 60 day review process and approval is expected during FY 2019-2020.

  Objective – Numerous sections of the current GSP have impacts upon BWD Ratepayers, the community and the environment. As the Final Draft of the GSP is prepared and presented to the BWD Board for future action, the specific language of these sections will be closely evaluated to minimize the potential adverse impact to BWD ratepayers, the community and environment. Specific sections of the GSP include the Baseline Pumping Allocation which is the starting point from which future reductions are based. A BPA that reflects past water conservation is essential for BWD ratepayers. In addition, past investment made by BWD into farmland fallowing thru the purchase of farmland and issuance of water credits must be added to the BPA for BWD and all water credit holders. In

any future transaction, BWD will pay particular attention to the cost of future farmland pricing. To benefit the environment/Basin, reducing pumping as soon as possible in terms of timing/start date and quantity is an important component of the GSP. Last and definitely not least, consider all legal alternatives and make decisions based on the long term best interest of BWD that reduce the potential for prolonged adversarial adjudication.

BWD will be receiving reimbursement for past GSP expenses and expenditures to date include:

Legal	$ 300,716
Engineering/Finance	$ 147,000
BWD/AC	$ 115,000
AIR	$ 30,000
BOND	$ 28,000

- Goal – Commit the necessary resources to fund replacement of aging water and sewer infrastructure before catarstrophic failure. Status; The Board has provided the financial resources to fund the replacement of infrastructure thru the issuance $5.6 million in BWD bonds. The Projects to be funded include replacement of aging water lines serving residential developments, fire hydrants and well related piping/electrical/pumping.

  Objective – Maintaining BWD's financial position for creditworthiness is also impacted by how the recent Bond financed Projects are constructed, in particular 85% of bond proceeds must be spent within 3 years of issuance, which in BWD's case is July 2021. Current projections for expenditures during the first year is $1.5 to $2.1 million depending upon if construction of the first phase of waterlines are constructed before July or after. In either case, staff is currently confident the bond expenditure requirements will be met.

BORREGO WATER DISTRICT

May 28, 2019

Board of Directors:

This Fiscal Year 2019-2020 consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals and priorities and the District's strategic plans by which to achieve these goals and priorities.

The Operations and Management (O&M) and Capital Improvements Projects (CIP) and non-O&M expenses budgets contained in this FY 2020 consolidated budget package represent management's best assessment of a budget to successfully accomplish the District's goals and priorities for FY 2020. This budget document will be used as a guideline to address the dynamics of the District's operations and the economic challenges of maintaining the District's financial stability and enabling the District to supply dependable potable water and sewer and wastewater treatment to its customers.

During Fiscal Year 2018-19 various material differences Budgeted vs. Actual were realized.

Revenue Budget:

Total Water Sales: Due to weather conditions and conservation efforts, actual water sales came in lower than budgeted.

Bulk water sales: There was an increase in actual to budget due to the construction of the New Library and Sheriff Station.

Interest Income: Bond Proceeds MMA have been accruing interest and the interest rate increased 1% this year.

Expense Budget:

Engineering Services: Half of the District Engineering Services budgeted were applied to Bond/Grant projects.

District Legal Services: Half of the District Legal Services budgeted were applied to Bond/Grant projects.

The budget shows total revenues for FY 2020 projected to be approximately $4,400,000. This revenue budget also includes approved GSP Grant funding of $130,000 and debt funded Capital Improvement Project funding of $3,218,450.

The FY 2020 projected revenues assumes that monthly base service rates will increase approximately 5% (all meter sizes); residential water rates for Tier 1 (< 7 units/mo) will increase from $3.56 to $3.78/unit in FY 2020; Tier 2 (> 7 units/mo) = $4.16/unit in FY 2020; Non-Residential water rates will increase from $3.77 to $4.00/unit in FY 2020; and revenue from sewer rates will increase 4,4% between FY 2020-FY 2021.

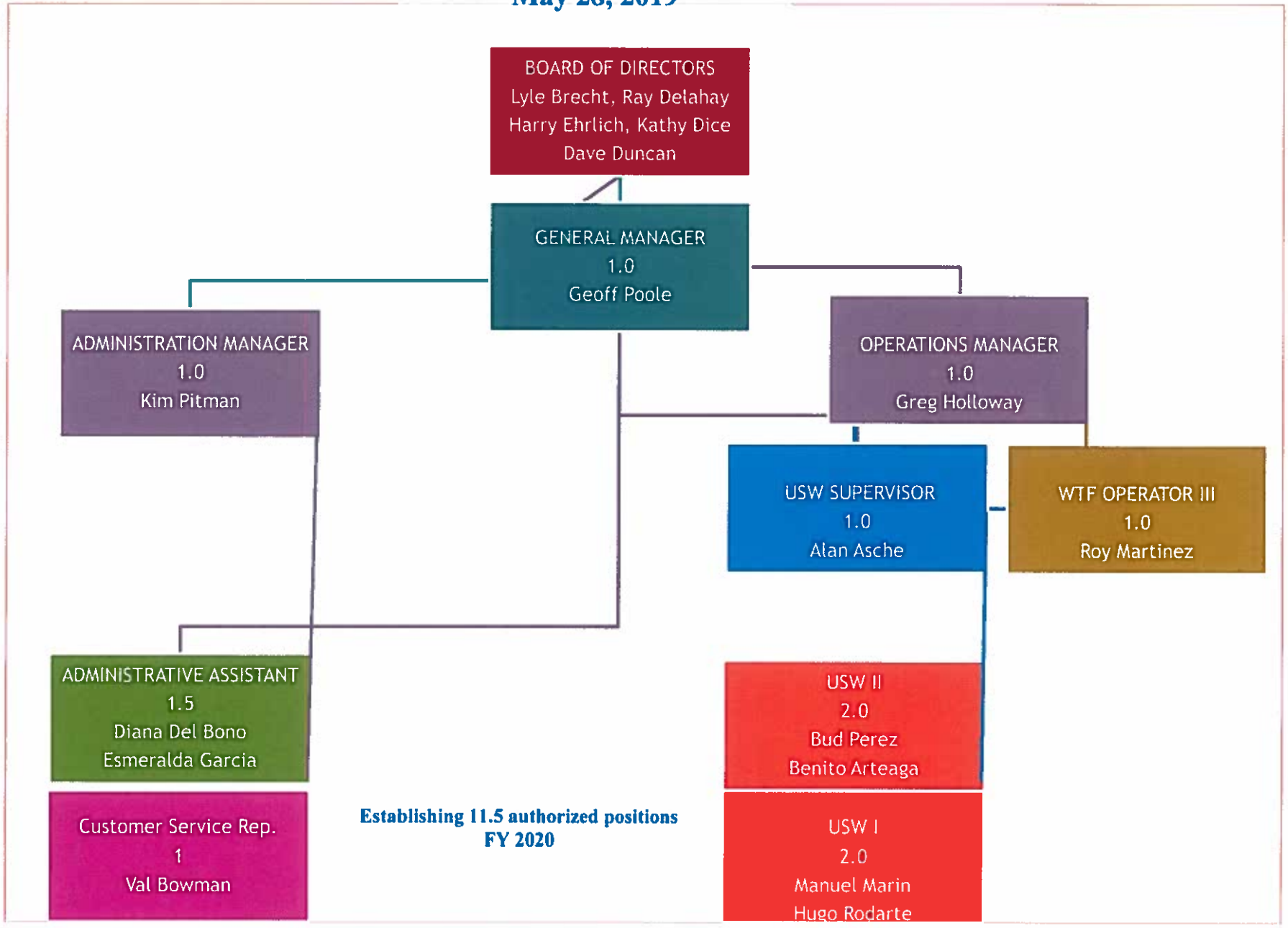
Included in this budget package is the proposed Board Resolution to adopt and approve the FY 2020 budget; an Organizational Chart establishing 11.5 authorized positions for FY 2019-2020; a detailed revenue and operations and maintenance expenses budget; CIP budget with associated justification from the District's consulting engineer, non-CIP budget items; GSP expenditures for future reimbursement; an updated District's Reserves Policy; approved Board Resolution Establishing Water & Sewer Rates for FY 2019-2020 and a projected cash flow analysis for the next eight fiscal years which includes Proposition 218 approved rate increases through FY 2021.

Thank you for your consideration.

Sincerely,

Geoff Poole
General Manager

BORREGO WATER DISTRICT
ORGANIZATIONAL CHART
May 28, 2019



	C	AI	AM	AN	AW
1					5/28/2019
2	**BWD**	6/19/2018			DRAFT
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Actual YTD	PROPOSED
4	**2018-2019**	BUDGET	YTD	and Projected	BUDGET
5		2018-2019	2018-2019	2018-2019	2019-2020
6					
7	**REVENUE**				>3%
8	WATER REVENUE				
9	Residential Water Sales	950,994	712,994	860,994	866,046
10	Commercial Water Sales	417,885	385,541	438,541	445,971
11	Irrigation Water Sales	237,061	163,159	197,799	203,208
12	GWM Surcharge	181,749	140,296	170,916	173,899
13	Water Sales Power Portion	514,706	371,640	455,253	465,418
14	**TOTAL WATER COMMODITY REVENUE:**	2,302,395	1,773,630	2,123,504	2,148,930
15					>5%
16	Readiness Water Charge	1,154,976	962,444	1,155,566	1,210,230
17	Meter Install/Connect/Reconnect Fees	20,680	715	715	1,725
18	Backflow Testing/installation	5,100	300	5,400	5,100
19	Bulk Water Sales	1,200	12,398	12,598	2,440
20	Penalty & Interest Water Collection	40,000	41,030	49,030	48,000
21	**TOTAL WATER REVENUE:**	3,524,351	2,790,517	3,346,813	3,416,424
22					
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
24	641500 1% Property Assessments	62,300	53,477	61,553	62,300
25	641502 Property Assess wtr/swr/fld	106,212	59,861	105,647	106,212
27	641501 Water avail Standby	82,376	65,978	80,030	82,330
29	641504 ID 3 Water Standby (La Casa)	33,647	20,951	33,568	33,647
30	641503 Pest standby	17,870	12,849	17,182	17,865
31	**TOTAL PROPERTY ASSES/AVAIL CHARGES:**	302,404	213,117	297,979	302,353
32					
33	SEWER SERVICE CHARGES				>4%
34	Town Center Sewer Holder fees	234,593	194,126	233,456	246,640
35	Town Center Sewer User Fees	88,695	74,737	90,049	97,194
36	Sewer user Fees	278,304	234,453	280,453	288,288
40	**TOTAL SEWER SERVICE CHARGES:**	602,840	524,557	625,407	632,122
41					
42	OTHER INCOME				
49	Interest Income	6,000	68,486	84,486	96,000
50	**TOTAL OTHER INCOME:**	278,000	430,729	446,729	96,000
51					
59	**TOTAL OPERATING INCOME RECEIVED:**	4,707,595	3,974,923	4,720,560	4,446,899
60					

	C	AI	AM	AN	AW
2	**BWD**	6/19/2018			DRAFT
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Actual YTD	PROPOSED
4	**2018-2019**	BUDGET	YTD	and Projected	BUDGET
5		2018-2019	2018-2019	2018-2019	2019-2020
61	EXPENSES				
62					
63	MAINTENANCE EXPENSE				
64	R & M Buildings & Equipment	180,000	182,543	205,273	180,000
65	R & M - WTF	180,000	91,929	105,557	180,000
66	Telemetry	10,000	6,949	9,691	10,000
67	Trash Removal	4,200	4,617	5,457	5,220
68	Vehicle Expense	18,000	16,711	18,641	18,000
69	Fuel & Oil	30,000	21,974	27,474	30,000
70	**TOTAL MAINTENANCE EXPENSE:**	422,200	324,724	372,094	423,220
71					
72	PROFESSIONAL SERVICES EXPENSE				
73	Tax Accounting (Taussig)	3,000	2,251	2,338	3,000
74	Administrative Services (ADP)	3,000	2,413	2,893	3,000
75	Audit Fees (Leaf & Cole)	16,995	16,994	16,994	17,000
76	Computer billing (Accela/Parker)/Cyber Security	25,000	19,470	21,890	31,000
77	Financial/Technical Consulting (Raftelis rate study $52,000)	80,000	79,847	80,847	80,000
78	Engineering (Dynamic/Dudek)	60,000	9,283	21,283	24,000
79	District Legal Services (Downey Brand/BBK)	100,000	26,627	46,627	60,000
80	Grant Acquisitions (TRAC)				48,000
81	Testing/lab work (Babcock Lab/Water Quality Monitoring)	12,000	22,250	24,050	24,000
82	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	25,000	34,197	34,897	28,000
83	**TOTAL PROFESSIONAL SERVICES EXPENSE:**	374,994	213,332	251,819	318,000
84					
85	INSURANCE EXPENSE				
86	ACWA/JPIA Program Insurance	57,000	29,479	29,479	60,000
87	ACWA/JPIA Workers Comp	17,600	12,761	17,161	18,000
88	**TOTAL INSURANCE EXPENSE:**	74,600	42,240	46,640	78,000
89					
90	DEBT EXPENSE				
91	Compass Bank Note 2018A	254,500	250,657	250,657	248,184
92	Compass Bank Note 2018B	143,000	140,946	140,946	140,755
93	Pacific Western Bank 2018 IPA	500,000	501,662	501,662	499,406
94	**TOTAL DEBT EXPENSE:**	897,500	893,265	893,265	888,345
95					
96	PERSONNEL EXPENSE				
97	Board Meeting Expense (board stipend/board secretary)	25,000	13,929	21,199	28,500
98	Salaries & Wages (gross)	890,000	748,185	894,373	930,000
99	Salaries & Wages offset account (board stipends/staff project salaries)	-60,000	(72,565)	(82,565)	(80,000)
100	Consulting services/Contract Labor	15,000	20,331	22,831	10,000
101	Taxes on Payroll	22,300	19,274	22,424	23,700
102	Medical Insurance Benefits	229,000	194,282	212,776	212,700
103	Calpers Retirement Benefits	170,170	160,674	174,274	200,000
104	Conference/Conventions/Training/Seminars	17,000	10,679	13,179	18,000
105	**TOTAL PERSONNEL EXPENSE:**	1,308,470	1,094,789	1,278,491	1,342,899
106					
107	OFFICE EXPENSE				
108	Office Supplies	20,000	23,446	25,149	24,000
109	Office Equipment/ Rental/Maintenance Agreements	35,000	37,233	39,351	35,000
110	Postage & Freight	15,000	11,132	15,132	15,000
111	Taxes on Property	2,334	2,383	2,383	2,383
112	Telephone/Answering Service/Cell	24,000	16,513	19,713	20,000
113	Dues & Subscriptions (ACWA/CSDA)	21,000	21,949	22,441	23,000
114	Printing, Publications & Notices	2,500	721	1,721	2,500
115	Uniforms	6,500	5,511	6,666	6,500
116	OSHA Requirements/Emergency preparedness	4,000	4,659	5,531	4,000
117	**TOTAL OFFICE EXPENSE:**	130,333	123,544	138,082	132,383
118					
119	UTILITIES EXPENSE				
120	Pumping-Electricity	308,000	258,399	306,120	306,000
121	Office/Shop Utilities	1,200	3,363	3,563	1,500
123	**TOTAL UTILITIES EXPENSE:**	309,200	261,763	309,684	307,500
124					
125	GROUNDWATER MANAGEMENT EXPENSE				
126	Net SGMA GSP & Stipulation Costs	308,000	255,344	275,344	130,000
128					
129	**TOTAL GWM EXPENSE:**	368,000	654,086	684,086	130,000
130					
138	**TOTAL OPERATING EXPENSES PAID:**	3,885,297	3,642,692	4,009,112	3,620,347
139					
140	**NET OPERATING INCOME:**	822,298	332,231	711,448	826,553

	C	AI	AM	AN	AW
2	**BWD**	6/19/2018			DRAFT
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Actual YTD	PROPOSED
4	**2018-2019**	BUDGET	YTD	and Projected	BUDGET
5		2018-2019	2018-2019	2018-2019	2019-2020
142	**CIP PROJECTS**				
143					
144	**WATER-Operating Cash Funded**				
146					
147	Emergency System Repairs	170,000	82,641	82,641	60,000
148	Emergency Generator Mobile trailer-Air Conditioning Lugo Building	12,000	11,790	11,790	25,000
149	Reservoir cleaning				15,000
152					
153	**TOTAL WATER CASH CIP EXPENSES:**	342,000	94,431	94,431	100,000
160					
161	**TOTAL CASH CIP EXPENSES:**	492,000	94,431	94,431	100,000
162					
163	**CASH RECAP**				
164	Cash beginning of period	4,570,637	4,682,827	4,682,827	5,312,216
165	Operating Income	822,296	332,231	711,448	826,553
166	Total Non O&M Cash Funded Expenses	-342,000	(94,431)	(94,431)	(100,000)
167	**CASH RESERVES AT END OF PERIOD**	5,050,933	4,920,627	5,299,845	6,038,769
168	**FY Reserves Target**	5,380,000	5,380,000	5,380,000	5,610,000
169	**Reserves Surplus/(Shortfall)**	-329,067	(459,374)	(80,155)	428,769
170					
171					
172	**DEBT & GRANT ACCOUNTING**				
173					
174	**WATER-Bond Funded CIP Expenses**				
175					
176	Phase 1 Pipeline Project - 17120	165,000	78,388	178,388	415,000
177	Production Well #1 ID4-Well #9-17110	107,500	58,424	263,424	1,500,000
178	Production Well #2-17130	107,500	24,980	24,980	584,700
180	Replace 30 fire hydrants		-	-	168,750
181	Management Consulting water (Bond CIP)		-	-	30,000
183					
184	**TOTAL WATER BOND FUNDED CIP:**	602,000	655,326	980,326	2,698,450
185					
186	**SEWER-Bond Funded CIP Expenses**				
187					
188	Clean & Video Sewer Lines-Club Circle, Foursome and Backnine				350,000
189	Sewer Forcemain Replacement & American Legion Lateral	150,000	-	-	150,000
190	Management Consulting Sewer (Bond CIP)		-	-	20,000
191					
192	**TOTAL SEWER BOND FUNDED CIP:**	150,000	-	-	520,000
197					
198	**TOTAL DEBT FUNDED CIP EXPENSES:**	752,000	655,326	980,326	3,218,450
199					
200	**UNEXPENDED DEBT PROCEEDS:**	4,698,000	5,031,532	4,706,532	1,488,082
201	**TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS**	8,583,297		8,715,644	5,108,429
202					
203	**GRANT PROCEEDS**				
204	Grant sewer proceeds				414,000
205	Prop 1 CIP Grant (SDAC reimbursement 2020)	500,000	-	222,065	278,000
206	**TOTAL GRANT PROCEEDS:**				692,000
207					
210	**SEWER-Grant Funded CIP Expenses**				
211	Plant-Grit removal at the headworks				214,000
212	Clarifyer Rehab				200,000
213	**TOTAL WATER GRANT FUNDED CIP EXPENSES:**	500,000	-	-	414,000
214					
215	**TOTAL INCOME, GRANT & DEBT PROCEEDS BALANCE**	10,707,595		9,427,092	2[illegible]138,899
216					

	C	D	E	F	G
6	**BWD**				
7	**INCOME/EXPENSE**				
8	**CONDENSED BUDGET**				
9	**2019-2020**				
10	**Adopted 5/28/2019**				
11					
12					
13					
14		**TOTAL**			
15		**BUDGET**	**WATER**	**ID4-WATER**	**SEWER**
16	**REVENUE**				
17					
18	Water Sales	3,242,526	1,102,459	2,140,067	-
19	GWM Surcharge	173,899	59,125	114,773	-
21	1% Property Assessment	62,300	21,182	41,118	-
22	Water Availability Standby	240,053	69,718.02	135,334.98	35,000
23	Sewer Revenue	632,122	-	-	632,122
26	Water Credit Revenue	-	-	-	-
27	Other Income	-		-	
28	Interest Income	96,000	32,640	48,000	15,360
33	**TOTAL BUDGETED INCOME FY 2020:**	4,446,899	1,285,124	2,479,293	682,482
34					
43	**EXPENSE**				
44					
45	Repairs & Maintenance	423,220	79,769.96	153,950.17	189,500
46	Professional Services	318,000	91,900	177,296	48,805
47	Insurance	78,000	22,541	43,488	11,971
48	Personnel Expense	930,200	268,821	518,617	142,761
49	Employee Benefits	412,700	119,267	230,094	63,339
50	Office expense	132,383	38,258	73,808	20,317
51	Utilities	307,500	88,865	171,441	47,193
52	Compass Bank Note 2018A	248,184	-	248,184	-
53	Compass Bank Note 2018B	140,755	140,755		-
54	Pacific Western Bank 2018 IPA	499,406	158,473.90	305,974	34,958
55	GWM	130,000	44,200	85,800	-
56	**TOTAL BUDGETED EXPENSE FY 2020:**	3,620,347	1,052,853	2,008,652	558,844
57					
58	**UNEXPENDED DEBT PROCEEDS:**	1,488,082	505,948	982,134	
59	**TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS:**	5,108,429	1,558,801	2,990,786	
60					
61	**NET BUDGETED INCOME (EXPENSE):**	826,553	232,272	470,641	123,638
62					
63	**TOTAL CIP CASH EXPENSE:**	100,000	34,000	66,000	
64	**TOTAL BOND FUNDED CIP EXPENSE:**	3,218,450	-	-	-
65					
66	**TOTAL BUDGETED ANNUAL NET CASH FLOW FY 2020:**	726,553	198,272	404,641	123,638
67					

BORREGO WATER DISTRICT

May 28, 2019

TO: Board of Directors, Borrego Water District

FROM: Geoff Poole, General Manager

SUBJECT: Fiscal Year 2019-20 Budget and Capital Improvement Plan

Transmitted herewith is the Proposed Final Fiscal Year 2019-20 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.

2018-19 was a milestone year in which BWD has re-established its financial position to allow for Bond financing with the planned issuance of $5.6 million in debt for Capital Improvement Plan construction, as well as additional funding to refinance existing debt. Construction of various Bond Financed Projects is underway.

2019-20 will be the year in which the Groundwater Sustainability Plan for the Borrego Spring sub basin is planned to be approved and the initial stages of implementation.

The amount budgeted in each category represents Management's best assumptions to successfully accomplish the District's objectives. A summary of the FY 2019-20 budget is below:

Budget Components for FY 2019-20 - Revenues

Water sales are projected to remain stable (FY 2019-20 = 1,600 afy). The previously approved FY 2016-2021 Prop 218 approved rates and fee increases of 6% for FY 19-20 has been included and will increase revenues by an estimated $62,500.

Monthly Meter stand by fees are also proposed to be increased by 5% in compliance with the Board's FY 2016-2021 Prop 218 approved rates. The increase is projected to increase Meter Fee revenues by approximately $57,600 in FY 19-20.

The past Prop 218 process undertaken by BWD also included rate increases for sewer customers in an amount of a maximum of 4% which will increase annual sewer revenues by $24,000.

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

Non-budgeted revenue: BWD is also aggressively pursuing a number of State grants and although the revenue is technically not included in the Budget, once received, the additional revenue will have a positive effect on the Districts financial positon and reserve fund levels.

Budget Components for FY 2019-20 – Expenses

- In FY 2019-20, BWD and the County of San Diego will continue to work on the development of the Borrego Basin Groundwater Sustainability Plan (GSP). The GSP is being conducted to comply with the 2014 Sustainable Groundwater Management Act. In March of 2017, the County of San Diego entered into a contract with Dudek as the Prime Consultant for completion of the Plan. Certain BWD expenses are planned to be incurred that are outside the scope of the GSP, so an estimated $130,000 has been included in FY 2019-20 budget for this purpose. BWD has compiled a list of GSP related expenses since 2015 and that is now included in the Budget documents.

- All existing programs in BWD Operations, Maintenance and Administration areas are fully funded through 2019-20. The major programs in the Water Operations Enterprise include system operations and maintenance, water quality monitoring, meter testing/replacement, pipeline replacement, reporting and the inevitable emergency pipeline repairs that happen each year. When possible, BWD staff (including temporary help) will be used to perform all pipeline repairs in FY 2019-20, emergency and planned. Capital projects planned for the year include the aforementioned pipeline repairs as repair/replacement of 3 existing BWD storage tanks that are part of a State Grant application.

- In the Sewer Operations Enterprise, BWD is planning to construct a series of improvements at the Wastewater Treatment Facility to replace equipment/components that has passed its useful life. These projects are planned to be funded by State Grants. Engineering assessments are underway to evaluate the feasibility of enhancing wastewater treatment levels to tertiary which would allow for use on local irrigation demands. Other planned improvements include adding infrastructure to improve the ability to adequately maintain portions of the sewer collection system.

- 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 2019-20 Budget, detailed revenue and expenses, Capital Improvement Plan with project explanations and justifications from the District's Contract Engineer (Carlos Beltran – Dynamic Engineering), Non CIP expenses, updated Reserve Policy 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 2019-20.

Sincerely

Geoff Poole
General Manager

CAPITAL IMPROVEMENT PROJECTS	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
BOND CIP PROJECTS										
Water Projects										
Production Well 1 construction	$ 1,500,000									
Production Well 2 investigation and construction	$ 584,700	$ 1,000,000								
Phase 1 Pipeline Projects	$ 415,000									
Phase 2 Pipeline Projects		$ 450,587								
Replace 45-60 year old fire hydrants	$ 168,750	$ 100,000								
Replace 4-5 Well Discharge Manifolds and Electric Panel Upgrades		$ 150,000								
Mangement Consulting-Water	$ 30,000									
Pipeline projects (deleted from original bond fund request)						$ 222,000	$ 295,700	$ 255,000	$ 205,000	$ 205,000
Wells, Booster Stations, Reservoirs & Associated Transmission Mains										
Water Treatment Facility (phase 1)						$ 635,000	$ 250,000			
Water Treatment Facility (phase 2)								$ 650,000	$ 250,000	
Country Club Tank Recoating, 1999 1.0 MG								$ 250,000		
Sewer Projects										
Clean & Video Sewer Lines-Club Circle, Foursome and Backnine	$ 350,000									
Sewer Main replacement crossing Borrego Springs Road at La Casa	$ 150,000									
Management Consulting-Sewer	$ 20,000									
Solar Project							$ 500,000			
TOTAL WATER/SEWER BOND CIP PROJECTS:	$ 3,218,450	$ 1,700,587	$ -	$ -	$ -	$ 857,000	$ 1,045,700	$ 1,155,000	$ 455,000	$ 205,000
GRANT CIP PROJECTS										
Water Projects										
Replace Twin Tanks-(Prop 1 grant)		$ 579,000								
Replace Wilcox Diesel Motor-(Prop 1 grant)		$ 59,000								
Replace Indianhead Reservoir-(Prop 1 grant)		$ 600,000								
Rams Hill #2, 1980 galv. 0.44 MG recoating -(Prop 1 grant)		$ 600,000								
Sewer Projects										
Plant-Grit removal at the headworks- (11,500 from balance line 25)-(Prop 1 grant)	$ 214,000									
Clarifyer Rehab- (118,500 budget placeholder)-(Prop 1 Grant)	$ 200,000									
TOTAL WATER/SEWER GRANT CIP PROJECTS:	$ 414,000	$ 1,838,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CIP CASH RESERVES PROJECTS										
PIPELINE REPLACEMENT/IMPROVEMENT PROGRAM										
Emergency System repairs	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
FACILITIES MAINTENANCE										
Stucco Building										
Carpet/Paint Office										
TOTAL - CASH RESERVES CAPITAL IMPROVEMENTS PROGRAM	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
TOTAL -CASH RESERVES SHORT LIVED ASSETS (FROM SHEET 2)	$ 40,000	$ 200,000	$ 40,000	$ 200,000	$ 140,000	$ 135,000	$ 100,000	$ 150,000	$ 140,000	$ 100,000
TOTAL CASH RESERVES CIP AND SHORT LIVED ASSETS ANNUAL BUDGET	$ 100,000	$ 260,000	$ 100,000	$ 260,000	$ 200,000	$ 195,000	$ 160,000	$ 210,000	$ 200,000	$ 160,000

	A	F	G	H	I	J	K	L	M	N	O
9	**CIP-SHORT LIVED ASSETS**	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
12	**WELLS**										
13	ID1-8, 125 Hp (moved from FY 2019)			$ 60,000			$ 50,000				
14	ID-1 Well 12 pump and casing/cleaning				$ 100,000			$ 40,000			
15	ID-1 16					$ 100,000				$ 100,000	
16	ID4-11, 200 Hp		$ 100,000						$ 100,000		
17	ID4-18			$ 40,000				$ 20,000			
18	Well Rehabilitation						$ 100,000				$ 100,000
20	**TANKS**										
21	Reservoir cleaning	$ 15,000			$ 10,000			$ 10,000			$ 10,000
23	**BOOSTER/PRESSURE REDUCING STATIONS**										
25	**WASTEWATER TREATMENT FACILITY**										
26	Clarifyer Maintenance				$ 25,000			$ 25,000			$ 25,000
28	**EQUIPMENT**										
29	Emergency Generator Mobile Trailer	$ 25,000									
30	Mini Excavator		$ 100,000								
31	Pickup			$ 40,000				$ 45,000			$ 75,000
33	**TOTAL SHORT LIVED ASSETS REPLACEMENT PROGRAM**	$ 40,000	$ 200,000	$ 140,000	$ 135,000	$ 100,000	$ 150,000	$ 140,000	$ 100,000	$ 100,000	$ 210,000

Dynamic CONSULTING ENGINEERS

May 8, 2019

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

Attn: Geoff Poole, General Manager

Subject: Borrego Water District Capital Improvements Program

Mr. Poole,

I have reviewed the updated Capital Improvements Program (CIP) prepared for the next ten years and I concur with the projects identified in the schedule as the most essential projects for the district at the present time. The estimated construction costs identified in the CIP for these improvement projects are adequate for planning purposes.

If you have any questions please feel free to contact me at (760) 545-0162.

Sincerely,

Carlos Beltran, P.E.
Principal Engineer.

MEMORANDUM

DATE: 5/28/19

TO: Board of Directors BWD

FROM: Carlos Beltran, BWD District Engineer & Geoff Poole, General Manager

RE: Borrego Water District – Capital Improvement Plan Project Summary and Narratives

The following table shows the summary of the 2020-2029 projects. The CIP projects are described in detail on the following pages.

CAPITAL IMPROVEMENT PROJECTS FISCAL YEARS 2020-2029 SUMMARY

CIP ITEM #1 and #2
Production Well #1 ID4-9 and
Production Well #2 Investigation and Construction

A. Project Description/Justification Budget: $4,500,000

BWD has identified three wells that will need to be replaced within the next eight to ten years. Wells ID1-8, ID4-4 and ID1-10 cannot be rehabilitated again will need to be replaced due to age. As an alternative to replacing three wells, two high yield wells may be the most economical solution and is under consideration.

Basin water quality is a serious factor to consider when evaluating potential well sites. Consulting Engineer Dudek prepared a report "Draft Working Technical Memorandum" dated June 16, 2017 that describes three separate Subbasin within the BWD service area boundary. The report identifies that the Central Management Area (CMA) of the Basin has the highest likelihood to provide water that meets the requirements of California Code of Regulations (CCR) Title 17 and Title 22 into the future.

Replacement Well #1: BWD continued with an analysis of potential sites in the CMA and has determined replacement of well ID 4-4 on a BWD owned site located adjacent to the existing well was the logical first choice. Plans and specifications were developed in late 2018 and the project bid in early 2019, now known as Well 4-9. Southwest Drilling was the responsive low bidder and was awarded the contract in April 2019. Construction of the well has begun and the drilling is expected to conclude in mid 2019 with the well put into service in late 2019. A well of up to 1,000 feet deep with a possible flow rate of up to 900 gpm is possible once the drilling concludes. This project will be funded the 2018 BWD bond issuance with the estimated cost at $1,500,000.

Replacement Well #2: Evaluation of potential sites for Replacement Well continues. Sites have been located and in one case, property negotiations have begun and is currently not being disclosed. The estimated cost for this project is also $1,500,000 and will be funded by BWD Bond proceeds.

Replacement Well #3. As previously mentioned, two high capacity wells in the proper location could potentially offset the need for three replacement wells. Once a better understanding of Well #2 is known, the need and timing of Well #3 can be better defined.

B. Cost Estimate:

The wells are estimated to cost $1,500,000 each to construct.

C. Project Estimated Timeline: Why is the project proposed for FY 2020 and beyond:

Due to the fact that certain BWD wells have reached the end of their useful life, it is imperative to construct the replacement wells before any existing well fails. A Grant received in 2019 will fund a portion of the siting and pilot hole drilling for Replacement Well #2.

Construct Replacement Well #1 ID4-9:	FY 2019-2020
Explore and Construct Replacement Well #2:	FY 2020-2021
Explore and Construct Replacement Well #3:	TBD

D. Impacts of Deferral:

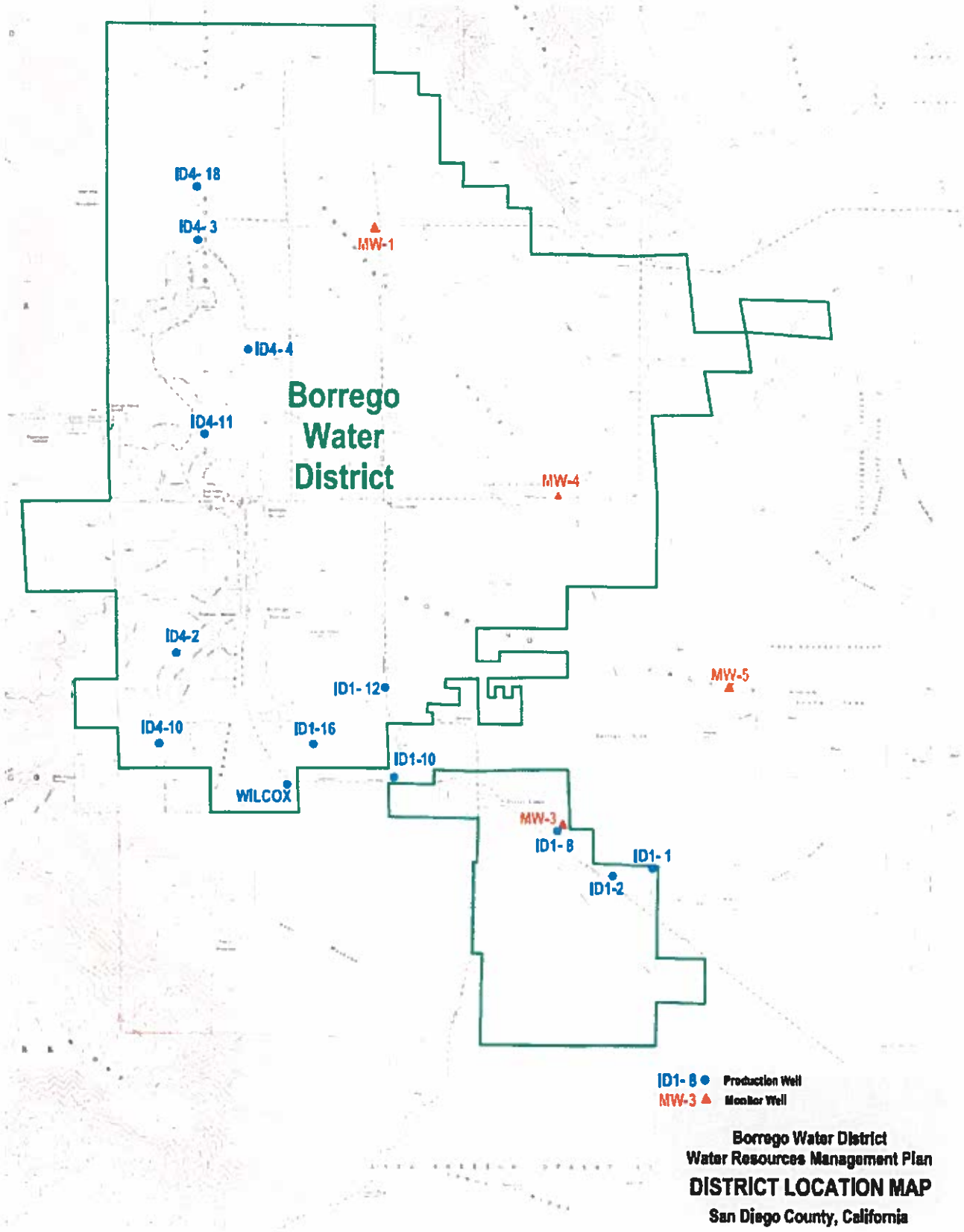
Construction of replacement wells is needed before complete failure to ensure maximum water availability flow, operations flexibility and emergency supplies for BWD Customers. Deferring installation of replacement wells increases the likelihood experiencing these problems in the future.

DUDEK n 0 250 500 Feet

SOURCE: NAIP 2017, SanGIS

FIGURE 1

Proposed Production Well Site Location Map



CIP ITEM # 3 and #4
Pipeline Projects
Phase One and Two

A. Project Description/Justification.

Of equal importance to having adequate supplies from BWD wells, operating and maintaining the distribution system for both Water and Sewer is critical. Water and sewer pipelines are often out of sight and "out of mind" until there are breaks and water leaks. Many parts of the distribution system are approaching the end of its useful life and BWD Staff has identified and prioritized several sections of most importance and included them in the BWD bond financing. The projects of highest priority were grouped and identified as Phase One of BWD awarded the bid to A and R Construction in the amount of $514,300, to complete Phase One of the Pipeline projects, listed below. Construction is expected to conclude in late 2019.

PHASE ONE BWD BOND FINANCED PIPELINE PROJECTS

Pipeline Projects to be completed 2019/2020:

Pipeline 1 CIP Line 3	6" Water main going west to east on T Anchor Drive from Frying Pan Road to Double O Road Total Length 525 Feet
Pipeline 2 CIP Line 3	6" Water main going west to east on Weather Vane Drive from Frying Pan Road to Double O Road Total Length 525 Feet
Pipeline 3 CIP Line 3	6" Water main going north and south on Double O Road from T Anchor Drive Total Length 3,920 Feet
Pipeline 4 CIP Line 3	6" Water main going north and south on Frying Pan Road from T Anchor Drive Total Length 3,110 Feet

PHASE TWO BWD BOND FINANCED PIPELINE PROJECTS

Pipeline Projects to be completed 2019/2020 or 2020/2021:

Pipeline 5 CIP Line 4	6" Water main going east of T Anchor Drive Total Length 350 feet at $100 per foot Estimated cost $35,000
Pipeline 6 CIP Line 4	6" Water main going east on Weather Vane Drive Total Length 350 feet at $100 per foot Estimated cost $35,000

Pipeline 7 CIP Line 4	6" Water main 1600 Block of De Anza Drive Total Length 1,260 feet at $200 per foot Estimated cost $252,000
Pipeline 8 CIP Line 4	4" Water main from Catarina Drive on Fairway Lane to DeAnza Country Club Total Length 650 feet at $200 per foot Estimated cost $130,000
Pipeline 9 CIP Line 4	6" Water main from Montezuma Road to DeAnza on Yaqui Road Total Length 700 feet at $150 per foot Estimated cost $105,00

B. Cost Estimate: The total construction cost estimate for the projects are

Phase One Cost Estimates: These projects were bid for $514,300 to A and R Construction
Phase Two Cost Estimates: Individual project cost estimates are shown above with each Phase Two projects.

C. Project Timelines:

Phase One Projects are anticipated to be concluded in early FY 2019-2020.

Phase Two Projects are anticipated to be constructed in 2019-2020

D. Impacts of Deferral:
Replacement of aging infrastructure is needed to avoid catastrophic or widespread water supply outages.

CIP ITEM # 5
Replace Fire Hydrants

A. Project Description/Justification

Another aging component of the BWD water distribution system are existing fire hydrants. Staff surveyed Fire Hydrants in the District and noticed that there were approximately 45 that were 60+ years old and in need of replacement (example shown below). In many cases isolation valves for the hydrant will also be added/replaced.

CIP Line 5	Replace 60 year old outdated Fire Hydrants 45 at $7,000 each Estimated cost $315,000 Project Begin: FY 2020 Complete: FY 2021

B. Cost Estimate: The total construction cost estimate for hydrant replacement is $315,000.

C. Project Timelines:

Staff and BWD District Engineer are evaluating alternatives for completion of the work which is expected to start in FY 2019-2020.

D. Impacts of Deferral:
Replacement of aging hydrant infrastructure is needed to provide adequate fire flow when needed.

CIP ITEM # 6
Replace 4-5 Well Disharge Manifolds and Electric Panel Upgrades

A. Project Description/Justification

Another aging component of the BWD water distribution system are the manifold piping and electrical connections on existing BWD wells. When BWD wells were initially constructed the design of the manifold piping coming out of the well was not done up to current standards and are suffering from being exposed to the elements in Borrego Springs for years (photo shown below). The current standards require longer pipeline sections before and after the meter for more accurate results. In addition, electrical connectors known as transfer switches were not installed. These switches make connection of wells to emergency power quick and easy in times of emergency.

Replace 4-5 Well Discharge Manifolds and Electrical Panel Upgrades
CIP Line 6 Estimated cost $760,000
Project Begin: FY 2019 complete: FY 2020

B. Cost Estimate:

The total construction cost estimate for hydrant replacement is $760,000.

C. Project Timelines:

Construction of the improvements has begun and is expected to continue into FY 2019-2020.

D. Impacts of Deferral:

Replacement of aging hydrant infrastructure is needed to provide reliable water delivery from BWD wells and accurate metering.

CIP ITEM #8
Clean and Video Lines
Club Circle/Foursome/Back Nine

A. Project Description / Justification

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. The sewer collection system pipelines are composed of a clay material and are at the end of their expected lifetime. The collection system needs to be inspected using video after cleaning of the lines. Once the system is inspected Engineers will recommend the necessary repairs based on what is found.

B. Cost Estimate

A budget of $350,000 was developed for the inspection and cleaning. Actual repair costs will depend on the condition of the system and type of rehabilitation or construction selected.

C. Project Timeline.

Due to the age of the Club Circle system, the materials used and degradation over time needs to be investigated further. Although no serious issues have been experienced yet, investigation of the condition of the system is needed to prevent sewer collection system issues.

The projects are proposed to begin in FY 2019-20.

D. Impact of Deferral:

Further investigative work is needed to determine the condition of the Club Circle sewer system. Deferring this item could contribute to reduced service and possible failures in extreme situations.

CIP ITEM #9

La Casa Del Zorro area sewer system

A. Project Description / Justification

BWD's Wastewater Treatment Facility services approximately 20 percent of the community of Borrego Springs. Specifically, it serves the Rams Hill residential community and the Town Center area, which includes hotels, a motel, and small business along Palm Canyon Drive. The remaining 80 percent of Borrego Springs is serviced by individual septic tank-subsurface disposal systems.

The sewer is collected and flows by gravity to a pump station located along Borrego Valley Road, approximately 0.6 miles north of Tilting T Drive. The pump station was installed within the past 10 years. The raw sewage is pumped via a sewer force main approximately 2.8 miles to a point 150 feet north of Borrego Springs Road at Yaqui Pass Road. The sewer then flows by gravity inside the La Casa Del Zorro Resort property (located at 3845 Yaqui Pass Road in Borrego Springs, CA) via an 18" PVC gravity main owned by the District and then along Borrego Springs Road to the wastewater treatment plant located at 4861 Borrego Springs Road.

There has been a history of high hydrogen sulfide gas levels and odors detected at manholes located downstream of where the sewer force main discharges into the 18-inch gravity pipeline, at or near the La Casa Del Zorro Resort, especially during the high residency season (November through March) and during holidays. A portion of the sewer collection system on near the American Legion lateral is slightly uphill and creates an area where sewer flow can become stagnant and produce excessive odors. This proposed project will remove the gravity portion of the sewermain that goes uphill.

B. Cost Estimate:

It is estimated that each cleanout will cost approximately $5,000, therefore the project cost estimate is $150,000.00.

C. Project Timeline: Why is 2020 Proposed?

Hydrogen sulfide contributes to odors as well as corrosion of infrastructure. Much needed maintenance on the force main is also planned for improved operations and reduced corrosion-related issues.

The projects are scheduled to be started FY 2019-20

D. Impacts of Deferral:
The proposed improvements are needed for odor control in the sewer collection system and deferral of these improvements could lead to continued odors as well as corrosion of infrastructure.

CIP ITEM #11
Replace Twin Tanks

A. Project Description / Justification

The Twin Tanks are located approximately ½ mile southwest of the intersection of Palm Canyon Drive and Montezuma Valley Road (S22). The two tanks have a capacity of 220,000 gallons each and are composed of galvanized 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 past inspection report recommended that the tanks be recoated and minor metal repairs made. The tank inspections were received in February 2017. The tanks are highly corroded. The tanks are scheduled for replacement in the 2020-2021 CIP. BWD is working with the State of California to receive Grant funding for this expenditure.

When the tanks were inspected in 2017, the divers installed a plug in the pipe that interconnects the tank because there is no valve there to allow for one tank to be taken out of service. Staff installed a permanent valve. After the inspection report was delivered, it was determined that the tanks need replacement.

There are two tanks. Twin Tank #1 is the south tank, and Twin Tank #2 is the north tank. The tanks will be replaced with a single 440,000 gallon bolted steel tank. No change in capacity is proposed. The tank will be installed at the same location as the existing tanks. The bolted steel tank will be approximately 55 feet in diameter and 24 feet high. The coating will be fusion or powder coated steel. The estimated life of the tank is approximately 30 years if it is properly maintained.

B. Cost Estimates:

Twin Tanks Replacement					
No.	Qua	Unit	Description	Unit Cost	Total Cost
1	**Construction Cost**				
1.1	2	LS	Mobilization/ Demobilization, Temporary Facilities, Insurance, Payment Bond, Taxes, Permits, Fees and Similar Expenses	$ 25,000.00	$ 50,000
1.2	2	LS	Demolish existing bolted 220,000 gallon steel tank. Remove and dispose of the tank.	$ 13,500.00	$ 27,000
1.3	2	LS	Provide tank submittal, stamped and signed by a Registered Engineer in the State of California. Payment after acceptance.	$ 2,500.00	$ 5,000
1.4	2	LS	Prepare Tank Pad – Install new galvanized steel ring around the perimeter of the tank. Install 1-inch No. 4 Rock eight inches thick. Install ½" Fiber expansion joint material on top of the rock.	$ 14,000.00	$ 28,000

1.5	2	LS	Furnish and Install OSHA exterior locking ladder kit and railing around the roof hatch	$ 7,500.00	$ 15,000
1.6	2	LS	Install fusion powder coated bolted steel tank, nominal dimensions 24' high and 38' diameter. After installation, complete holiday testing of interior coating and repair all holidays to the satisfaction of the engineer.	$ 165,000.00	$ 330,000
1.7	2	LS	Install piping, valves, transition couplings, fittings, Tideflex valve, expansion joints, check valves, pipe supports, ductile iron risers, thrust blocks, anti-vortex hardware, and other appurtenances. Connect to existing piping.	$ 4,200.00	$ 8,400
1.8	1	LS	Hydrostatic Testing, VOC Testing, Wash-down and Cleaning of the interior, Disinfection, and Bacteriological Testing. Water provided by the District at no charge.	$ 3,800.00	$ 3,800
				Project Construction Cost:	$ 467,200
				10% Contingency:	$ 46,720
				Total Construction Cost:	**$ 513,920**
2	**Admin and Engineering**				
2.01	1	LS	Preliminary Engineering, Engineering Plans and Specifications		$ 40,000
2.02	1	LS	Construction Management		$ 25,000
				TOTAL PRELIMINARY PROJECT ESTIMATED COST	**$ 578,920**

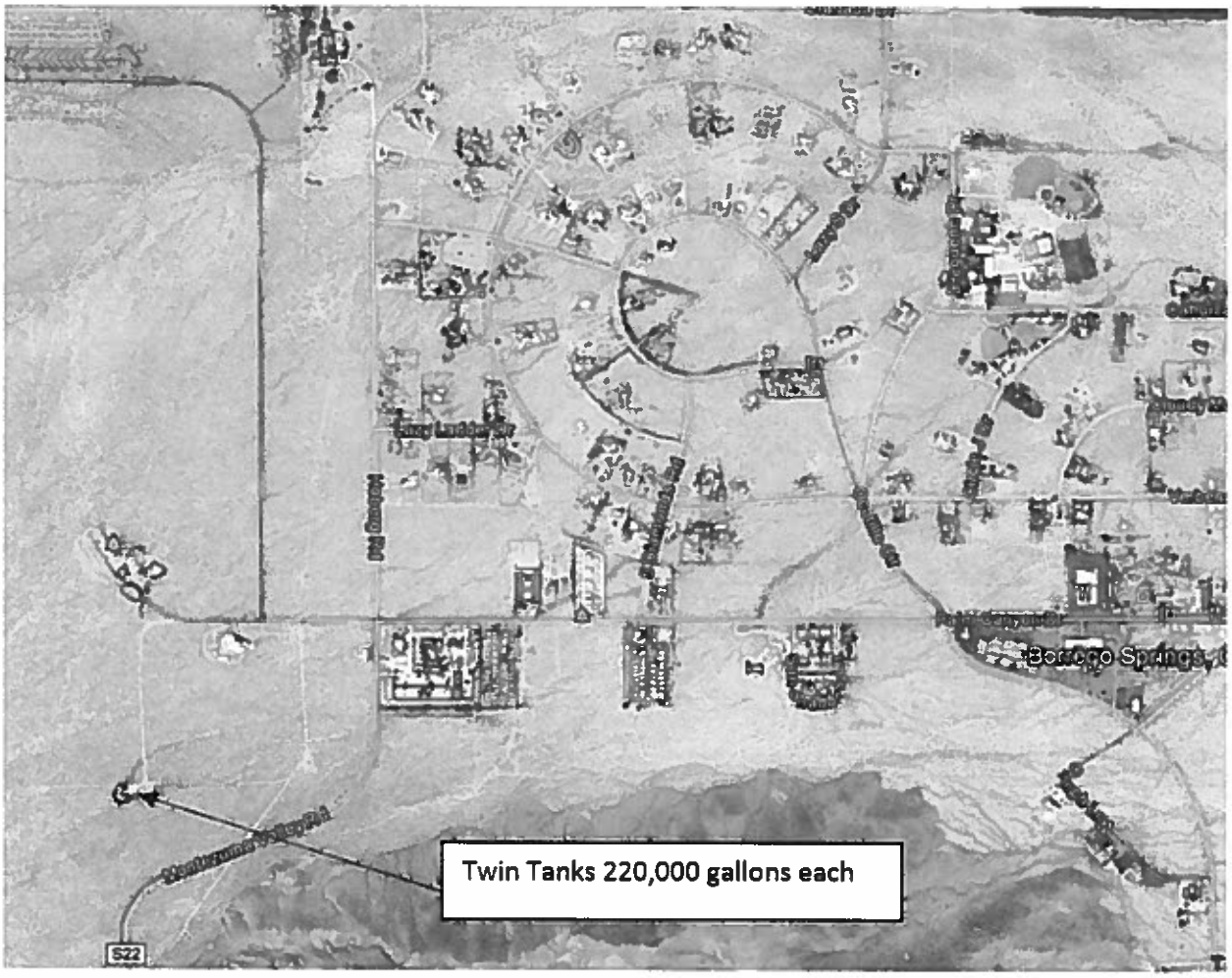
C. Project Estimated Timeline: Why is 2020-21 Proposed?

The extent of the corrosion in the tank requires replacement as soon as possible. The project would have started earlier but construction is delayed due to the time needed to complete the Grant Application, which is scheduled for March of 2018.

Planning Initiated:	2019-2020
Engineering/design completion:	2020-2021
Project Bidding:	2020-2021
Replace Tank:	2020-2021

D. Impacts of Deferral:

Observed corrosion in the Twin Tanks has prompted BWD to recommend replacement instead of repair. Deferral of this Project leads to the potential for further degradation of the tank and possible failures.


Twin Tanks 220,000 gallons each
S22

CIP ITEM #12
Replace Wilcox Diesel Motor

A. Project Description / Justification

Budget $59,000

The District received a Notice of Violation (number 225200) from the APCD on July 7, 2015. In the violation notice, the APCD indicated that the diesel engine must be replaced with an emissions compliant engine, the engine must be refitted with emissions equipment or the engine taken out of service. Due to the age of the engine it is not feasible to install aftermarket controls to meet the new emissions requirement. Therefore, the options include replacement or taking the well out of service (revoking the existing permit to operate). The Wilcox Well is considered an emergency source of water when the electric power is out of service, so it is a critical component of the water distribution system and must be kept online. The alternative to replace the engine is the most cost effective and environmentally friendly option.

The proposed project includes new equipment purchase, necessary construction permits of the APCD, removal of the existing diesel engine and installation of the new compliant engine.

The proposed project includes replacing the existing 80hp diesel engine with a Tier 4 emissions compliant for standby diesel engines. This is considered a green component due to the enhanced energy efficiency of the engine and near-zero emissions. Replacing the existing diesel engine is much more cost effective than to bring electric power to the site and install an electric engine. BWD is working with the State of California to receive Grant funding for this expenditure.

B. Project Design / Process Flow

On May 11, 2004, EPA signed the final rule introducing Tier 4 emission standards, which are phased-in over the period of 2008-2015. The Tier 4 standards require that emissions of PM and NOx be further reduced by about 90%. Such emission reductions can be achieved through the use of control technologies, including advanced exhaust gas after treatment.

The new diesel engine will comply with EPA Tier 4 Final and EU Stage IV emissions standards. It will employ Diesel Oxidation Catalyst (DOC) technology or Diesel Particulate Filters (DPF) to meet the Tier 4 Final/Stage IIIB requirement for near-zero Particulate Matter (PM) emissions. The Tier 4 regulation and later amendments for Engine power between 75hp and 175hp have numeric not-to exceed values for various pollutants and also include a number of provisions:

A. *Smoke Opacity*—Existing Tier 2-3 smoke opacity standards and procedures continue to apply in some engines. Exempted from smoke emission standards are engines certified to PM emission standards at or below 0.07 g/kWh (because an engine of such low PM level has inherently low smoke emission).

B. *Crankcase Ventilation*—The Tier 4 regulation does not require closed crankcase ventilation in nonroad engines. However, in engines with open crankcases, crankcase emissions must be measured and added to exhaust emissions in assessing compliance.

C. *DEF Refill Interval*—For SCR-equipped nonroad diesel engines, a minimum DEF (urea solution) refill interval is defined as at least as long (in engine-hours) as the vehicle's fuel capacity.

D. *Emergency Operation*—In order to facilitate the use of certain nonroad engines in temporary emergency situations, the engines can be equipped with an AECD to override performance inducements related to the emission control system—for example, to allow engine operation without urea in the SCR system during an emergency. This flexibility is intended primarily for engines used in construction equipment and portable equipment used for temporary power generation and flood control.

E. *ABT Program*—Similarly to earlier standards, the Tier 4 regulation includes such provisions as averaging, banking and trading of emission credits and FEL limits for emission averaging.

C. Cost Estimate:

Replace Wilcox Diesel Engine with APCD Compliant Engine						
No.	Qua	Unit	Description	Unit Cost		Total Cost
1	**Construction Cost**					
1.1	1	LS	Replace Wilcox Diesel Engine	$ 50,000.00	$	50,000
				Project Construction Cost:	$	50,000
				10% Contingency:	$	5,000
				Total Construction Cost:	$	**55,000**
2	**Admin and Engineering**					
2.1	1	LS	Preliminary Engineering, Engineering Plans and Specifications		$	2,000
2.2	1	LS	Construction Management		$	2,000
			TOTAL PRELIMINARY PROJECT ESTIMATED COST		$	**59,000**

D. Project Timeline. Why is 2020 Proposed?

APCD is requiring replacement of the motor to meet air quality standards. BWD staff has negotiated an agreement with APCD to defer enforcement until BWD receives State Grant proceeds are received, projected for mid-2020.

Planning Initiated:	2019-2020
Bid Project:	2020-2021
Construction:	2020-2021

E. Impact of Deferral: BWD was informed that APCD requirements mandate replacement of the motor. Deferral of this project creates the potential of further enforcement action by APCD.

CIP ITEM #13
Replace Indian Head Reservoir

A. Project Description / Justification

The District contracted a dive inspection on February 2, 2017 to determine the condition of the interior of the tanks. The last inspection occurred October 14, 2014. Inspections occur approximately every three years. The inspection of the Indian Head Tank identified that the tank may be at the end of its useful life and requires replacement. BWD is working with the State of California to receive Grant funding for this expenditure.

The tank will be replaced with a single 220,000-gallon bolted steel tank. No change in capacity is proposed. The tank will be installed at the same location as the existing tank. The bolted steel tank will be approximately 38 feet in diameter and 24 feet high. The coating will be fusion or powder coated steel.

The estimated life of the tank is approximately 30 years if it is properly maintained.
After completion of the tank, it will be filled with water. The water will be tested for Volatile Organic Compounds (VOC) and bacteria prior to putting the tank into service. No change in capacity is proposed.

Figure 4 - Location of Indianhead tank

B. Cost Estimate:

Indian Head Tank Replacement					
No.	Qua	Unit	Description	Unit Cost	Total Cost
1	**Construction Cost**				
1.1	1	LS	Mobilization/ Demobilization, Temporary Facilities, Insurance, Payment Bond, Taxes, Permits, Fees and Similar Expenses	$ 25,000.00	$ 25,000
1.2	1	LS	Demolish existing bolted 220,000 gallon steel tank. Remove and dispose of the tank.	$ 13,500.00	$ 13,500
1.3	1	LS	Provide tank submittal, stamped and signed by a Registered Engineer in the State of California. Payment after acceptance.	$ 2,500.00	$ 2,500
1.4	1	LS	Prepare Tank Pad – Install new galvanized steel ring around the perimeter of the tank. Install 1-inch No. 4 Rock eight inches thick. Install ½" Fiber expansion joint material on top of the rock.	$ 14,000.00	$ 14,000
1.5	1	LS	Furnish and Install OSHA exterior locking ladder kit and railing around the roof hatch	$ 7,500.00	$ 7,500
1.6	1	LS	Install fusion powder coated bolted steel tank, nominal dimensions 24' high and 38' diameter. After installation, complete holiday testing of interior coating and repair all holidays to the satisfaction of the engineer.	$165,000.00	$ 165,000
1.7	1	LS	Install piping, valves, transition couplings, fittings, Tideflex valve, expansion joints, check valves, pipe supports, ductile iron risers, thrust blocks, anti-vortex hardware, and other appurtenances. Connect to existing piping.	$ 4,200.00	$ 4,200
1.8	1	LS	Hydrostatic Testing, VOC Testing, Wash-down and Cleaning of the interior, Disinfection, and Bacteriological Testing. Water provided by the District at no charge.	$ 3,800.00	$ 3,800
				Project Construction Cost:	$ 235,500
				10% Contingency:	$ 23,550
				Total Construction Cost:	**$ 259,050**
2	**Admin and Engineering**				
2.01	1	LS	Preliminary Engineering, Engineering Plans and Specifications		$ 20,000
2.02	1	LS	Construction Management		$ 15,000
			TOTAL PRELIMINARY PROJECT ESTIMATED COST		**$ 294,050**

C. Project Estimated Timeline: Why is 2019-20 Proposed?

The extent of the corrosion in the tank requires replacement as soon as possible. The project would have started earlier but construction is delayed due to the time needed to complete the Grant Application, which is scheduled for December of 2019.

Planning Initiated:	2019-2020
Bid Project:	2020-2021
Construction:	2020-2021

D. Impact of Deferral

Observed corrosion in the Indian Head Tank has prompted BWD to recommend replacement instead of repair. Deferral of this Project leads to the potential for further degradation of the tank and possible failures.

CIP ITEM #14
Rams Hill #2 Tank Replacement

A. Project Description / Justification

Budget: $190,528

The District contracted a dive inspection on October 19, 2016 to determine the condition of the interior of the tanks. The last inspection occurred in 2012. Inspections occur approximately every three years. The inspection of the Twin Tanks has identified areas inside the tank that require repair. BWD is working with the State of California to receive Grant funding for this expenditure.

The interior of the galvanized steel tank will be sandblasted - including the columns, rafters, appurtenances to SSPC-SP 10. The exterior shell requires recoating; the roof will be sandblasted to SSPC-SP10 along with any areas that have corroded. The remaining exterior will be pressure washed prior to coating. The contractor is to remove and legally dispose of the spent blast material. OSHA and Cal-OSHA require a safety railing on the roof structure that will be installed on the tank. Some metal repairs inside the tank will be required. The inspection report identified corrosion on the shell, floor, center pole, roof structure and interior of the drain and level sensor lines. One rafter is missing, and there appear to be some bolts loose. The loose bolts will be replaced along with the missing rafter. Seventy percent of the bolt runs are estimated to be covered with corrosion. Some attachment hardware will need to be replaced on the shell and floor panels. The full extent of the metal repairs will not be known until after the sandblasting is complete. According to the tank inspection report, if the corrosion is left unaddressed, metal loss could lead to water leakage. The exterior of the tank is in fair condition, only a few small areas will be repainted. The estimated life of the coating is approximately 30 years if it is properly maintained.
After completion of the recoating, the tanks will be filled with water. The water will be tested for Volatile Organic Compounds (VOC) and bacteria prior to putting them back into service. No change in capacity is proposed.

B. Cost Estimate:

Rams Hill #2 Rehabilitation					
No.	Qua	Unit	Description	Unit Cost	Total Cost
1	**Construction Cost**				
1.1	1	LS	Mobilization/ Demobilization, Temporary Facilities, Construction Sign, Insurance, Payment Bond, Taxes, Permits, Fees and Similar Expenses	$ 16,000.00	$ 16,000.00
1.2	1	LS	Test for lead, chromium and arsenic in interior of tank.	$ 700.00	$ 700.00
1.3	11,912	SF	Sandblast Complete Interior Including Columns, Rafters, Appurtenances, Exterior Roof Coatings and Small Localized Areas on the Exterior Shell (to be located in the field), to SSPC-SP 10. Remove and Legally Dispose of Spent Blast Material.	$ 3.50	$ 41,692.00
1.4	1	LS	Metal Repair Estimate	$ 11,500.00	$ 11,500.00

1.5	9,536	SF	Recoat Interior Surfaces.	$	4.50	$	42,912.00
1.6	6,523	SF	Coat Exterior Surfaces	$	3.50	$	22,830.50
1.7	1	LS	Coating Inspection and Testing	$	5,500.00	$	5,500.00
1.8	2	EA	Replace Manway Gaskets	$	500.00	$	1,000.00
1.9	1	LS	Hydrostatic Testing, VOC Testing, Disinfection of Tank, Bacteriological Testing	$	3,800.00	$	3,800.00
					Project Construction Cost:	$	145,935
					10% Contingency:	$	14,593
					Total Construction Cost:	$	**160,528**
2	**Admin and Engineering**						
2.1	1	LS	Preliminary Engineering, Engineering Plans and Specifications			$	15,000
2.2	1	LS	Construction Management			$	15,000
			TOTAL PRELIMINARY PROJECT ESTIMATED COST			$	**190,528**

C. Project Timeline: Why is 2021 Proposed?

Observed corrosion in the tank has prompted BWD to proceed with re-coating as soon as possible. This project is also part of the ongoing State Grant process, which has delayed construction.

Project scheduled to be completed in FY 2020-2021

D. Impact of Deferral

Observed corrosion in RH #2 has prompted BWD to recommend repairs. Deferral of this Project leads to the potential for further degradation of the tank and possible failures.

CIP ITEM #15
Plant Grit Removal at the Headworks

A. Project Description / Reasons for Capital Expense

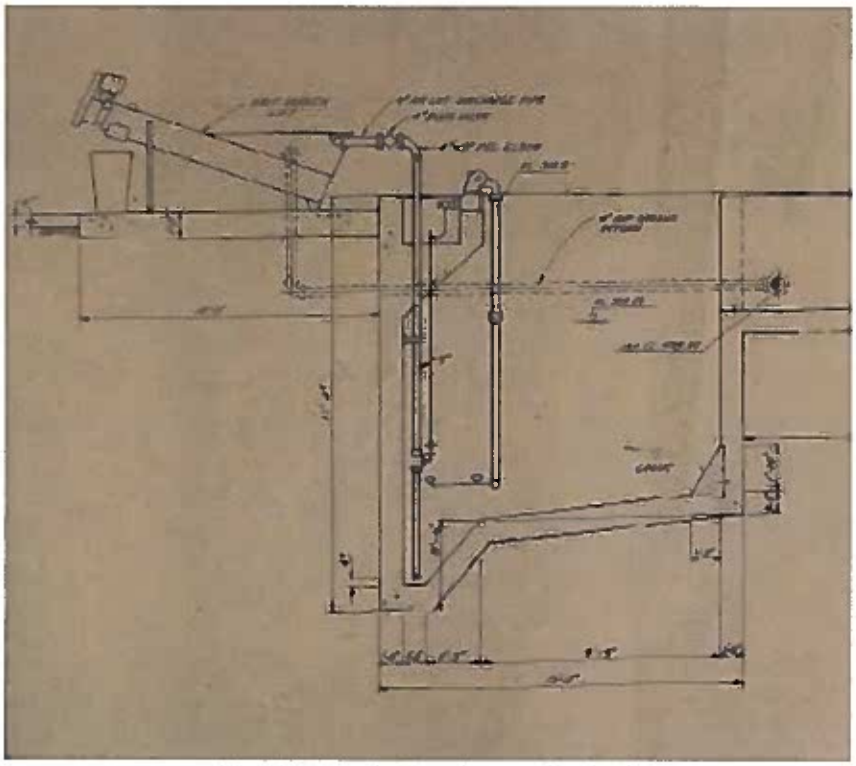
Budget $100,000

The wastewater treatment facility headworks consist of an influent flowmeter (Parshall Flume), a grit settling basin, positive displacement air blower system, and an "auger-style" grit separator. Recent improvements to the headworks include installation of a new ultrasonic flow meter unit, repair of the original bar screen, replacement of comminutor (Muffin Monster) unit, and replacement of the positive-displacement style blower unit that provides aeration to the aerobic sludge digester.

The existing "auger-style" grit separator housing and drive unit are extremely corroded (see photos below), do not adequately process settled grit, and leak raw influent wastewater onto the surface area. Furthermore, according to operations staff, the original air-lift system has not worked properly for quite some time, and should be replaced with a fluid pumping system capable of pumping settled grit and solids from the bottom of the grit chamber to the separator. Without a functional grit removal system, floating solids are transported through the WTF facility. BWD is working with the State of California to receive Grant funding for this expenditure.

B. Project Design/Flow:

The headworks dimensions are 54" tall x 30" wide x 18 ½' Long. The primary channel includes a Muffin Monster Grinder. There is also a by-pass stationary bar screen. The onsite power is 240V 3 phase 60 Hz. The alternatives for this are to replace the existing failed grit separator, or no action. If nothing is done, solids and particulate matter can enter the WTF, causing problems with the treatment process and possible effluent violations.



WTF Headworks Drawing (profile view)

C. Cost Estimate:

ALTERNATIVE 1 - REPLACE GRIT REMOVAL AUGER						
No.	Qua	Unit	Description	Unit Cost		Total Cost
1	**Construction Cost**					
1.00	1	LS	Replace Grit Remover	$ 80,182.00	$	80,182
				Project Construction Cost:	$	80,182
				10% Contingency:	$	8,018
				Total Construction Cost:	$	**88,200**
2	**Admin and Engineering**					
2.01	1	LS	Preliminary Engineering, Engineering Plans and Specifications		$	4,000
2.02	1	LS	Construction Management		$	3,000
			TOTAL PRELIMINARY PROJECT ESTIMATED COST		$	**95,200**

D. Project Timeline. Why is 2020 Proposed?

The grit auger is a critical component at the beginning of the wastewater treatment process. The existing equipment is very close to the end of its useful life.

The project is scheduled to be completed in FY 2019-2020

E. Impact of Deferral:
Replacement of the Grit Removal Auger will improve WTF Plant operations and deferral of this improvement increases the risk of maintenance issues and/or equipment failure.

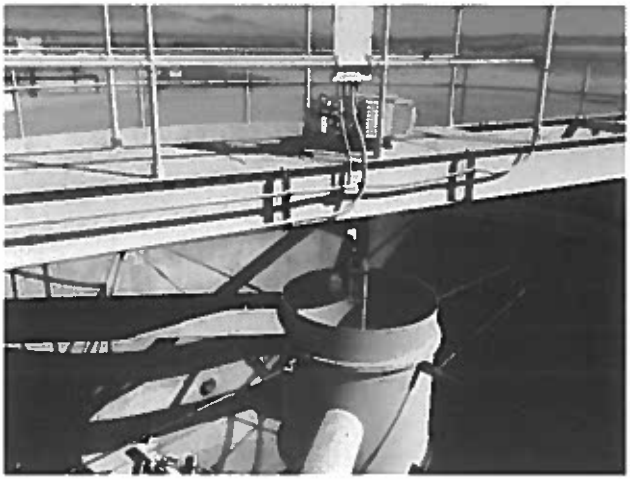
CIP ITEM #16
Clarifier Upgrade at WTF

F. Project Description / Reasons for Capital Expense

Budget $118,500

The wastewater plant is comprised of (2) gravity settling basins (clarifiers) intended to separate and settle stabilized solids (MLSS) from the secondary effluent stream. The clarifiers are equipped with a center-well structure, skimmer/scraper arms, and main drive unit.

Deficiencies noted in this area: The exposed steel components in the clarifiers exhibit notable signs of corrosion and wear. Skimmer/scraper arms should be replaced to ensure efficient collection and removal of settleable and floatable material from the effluent stream. The center-well structure and related piping should be sandblasted and recoated to extend service life, and the main drive units display significant signs of excess wear and should be completely replaced in order to ensure continued operation.



G. Cost Estimate: $118,000

H. Schedule.

The clarifier is a critical component at the beginning of the waste water treatment process. The existing equipment is very close to the end of its useful life.

The project is scheduled to be completed in FY 2019-20

I. Impact of Deferral:
Replacement of the clarifier will improve WTF Plant operations and deferral of this improvement increases the risk of maintenance issues and/or equipment failure.

CIP ITEM #17 & #18
Water Treatment Facility (Phase 1 & Phase 2)

F. Project Description / Justification

Budget: $1,535,000

The following are excerpts from "Draft Working Technical Memorandum" prepared by Dudek, written to the Borrego Water District dated June 16, 2017:

As a public water system, the BWD is regulated by the State Water Resources Control Board's Department of Drinking Water. California regulations related to drinking water are contained within California Code of Regulations (CCR) Title 17 and Title 22. California drinking water MCLs that shall not be exceeded in the water supplied to the public are listed in CCR Title 22 Chapter 15. The BWD samples groundwater quality from water wells at intervals required by the DDW.

While none of the BWD's wells currently exceed California drinking water MCLs, treatment alternatives for COCs are discussed herein to explore options in the event that groundwater quality were to become impaired. Non-treatment and treatment options to meet drinking water standards typically include blending, wellhead treatment, or supplementing the impaired source of supply.

The Borrego Springs Groundwater Subbasin of the Borrego Valley Groundwater Basin (BVGB) has been determined to be in overdraft. There is a potential risk associated with temporal changes in groundwater quality that may result in exceedances of California drinking water maximum contaminant levels (MCLs) in Borrego Water District (BWD) production wells due to the long-standing critical overdraft. Thus, it assesses current and historical groundwater quality data and the inter-relationship between groundwater levels and groundwater quality. The main constituents of concern (COCs) are arsenic, nitrate, sulfate, fluoride, total dissolved solids (TDS), and radionuclides. Of primary concern is the potential for water quality degradation and the relative risk that the groundwater supply will not meet MCLs.

The USGS found that concentrations of TDS and nitrate exceed their respective water quality standard thresholds in portions of the upper aquifer of the Borrego Springs Groundwater Subbasin (for reference with depth the BVGB is comprised of three aquifers: upper, middle, and lower). The highest concentrations of both constituents were generally found in the northern portion of the Borrego Springs Groundwater Subbasin, and the concentration of TDS was found to increase as groundwater levels decline. Sulfate, another COC, was also found to increase in concentration as groundwater levels decline. In addition to nitrate, TDS, and sulfate, other potential COCs in the BVGB include arsenic and gross alpha radiation, though the latter appears to be confined to the Ocotillo Wells Groundwater Subbasin. Since the compilation of available groundwater quality data by the USGS in 2015, additional data have been collected by the BWD for its active production wells in 2016 and for seven private wells located in the South Management Area (SMA) of the Borrego Springs Groundwater Subbasin. This recent data indicates that arsenic concentrations exceed the California drinking water MCL of 10 micrograms per liter (µg/L) in portions of the lower aquifer in the SMA. Additionally, review of historical arsenic data for BWD wells located in the SMA indicates an increasing arsenic trend in well ID1-2, and a linear regression analysis indicates a

good correlation of fit among arsenic concentration, groundwater production, and declining groundwater levels in well ID1-8. Based on the 2-year lag linear regression of groundwater production and arsenic data from well ID1-8, groundwater production in excess of 300 AFY at well ID1-8 is possible and further analysis is needed before conclusions can be reached. Thus, arsenic concentrations in the lower aquifer of the Borrego Springs Groundwater Subbasin are determined to be a primary COC. Because groundwater quality data for the Borrego Springs Groundwater Subbasin are limited, further data collection and evaluation is required to verify the predicted exceedance of the arsenic drinking water standards in well ID1-8 and potential for other wells in the Borrego Springs Groundwater Subbasin to exceed the arsenic drinking water standard or other COC.

G. Project Design / Process Flow:

Once it has been determined if a treatment process is necessary, an engineering report will be prepared indicating the best and most efficient method of treatment. The CIP breaks the treatment into phases. Environmental documents will be prepared and distributed. After approval, the project(s) will be sent out to public bidding and then constructed. The CIP shows these projects starting in FY 2024-25.

H. Cost Estimate:

Project costs are highly speculative at this time due to the fact that current water quality does not require treatment. Due to the falling groundwater table, this may change in the future with depth dependent water quality. The budget is $1,535,000.

I. Project Estimated Timeline: Why is the project proposed for FY 2025 :

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. For planning purposes, it is assumed that treatment will be needed in FY 2025.

J. Impacts of Deferral:
It is risky to wait this long, but once contamination is realized, deferring the improvements is not an option. Fines, public backlash and other interventions from State regulators would occur if drinking water standards are not met.

CIP ITEM #19
Country Club Tank Rehabilitation

A. Project Description / Justification

Budget $ 250,000

The Country Club Tank is located approximately 1-½ mile west of the intersection of Title 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 on a regular schedule in fiscal year 2026-27.

B. Project Design / Process Flow:

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.

C. Cost Estimate:

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.

D. Project Estimated Timeline. Why is Project Proposed for 2027:

Based on experience, it is estimated that a recoating will be needed in 2027. 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 2026
Receive Dive Inspection Report:	March 2026
Engineering/design completion:	March 2026 – April 2026
Project Bidding:	April 2027 – May 2027
Repair Recoat Tank:	June 2027 – July 2027

E. 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
Write a description for your map
Legend
Club Circle
Google Earth
N

CIP ITEM #20
Transmission Pipelines

A. Project Description / Justification

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. There is a need to deliver water in a more efficient manner. The District has identified four main transmission pipelines that should be installed for a more functional system. The transmission lines would have no service laterals connected, and would serve only to deliver water to the tanks or to another part of the distributions system. These projects are not considered pipeline replacement projects; they will enhance the distribution system operation.

B. Project Design / Process Flow:

Pipelines 1, 2 and 4 are projects that can possibly be installed by District staff over time; thus, saving District funds. Pipeline 3 (Well 12 to Tilting T and Di Giorgio) is a more complex project and may require professional design and implementation.

C. Cost Estimate

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

	COST	TIMELINE
Transmission line to convey well 16 water directly to ID1 900 Reservoir	$ 222,000	FY 2025
Transmission line to convey Well 5 water directly to C.C. Reservoir	$ 295,700	FY 2026
Transmission line to convey Well 12 water directly to Tilting T-Di Giorgio	$ 255,000	FY 2027
Transmission line Slash M Rd. west to Country Club Tank	$ 205,000	FY 2028
Transmission line BS Road/Walking H Drive to Country Club	$ 205,000	FY 2029
Total	$1,182,700	

D.Impacts of Deferral:

Pressure fluctuations and chlorine concentrations can vary in the operation of a pipeline coming directly from a well. Therefore, connecting water meters to these lines is not recommended and Transmission Mains from the well to the nearest reservoir is proposed. Deferral of these improvements only delays completion of the optimal configuration of service to BWD customers.

CIP ITEM #22
Emergency Water Pipeline Repairs

A. Project Description / Reasons for Capital Expense

Budget $600,000 (average $65,000 per fiscal year)

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.

B. Project Design/Flow

When a pipeline breaks, the District responds immediately to repair the leak. If the roadway is affected, the County sends an inspector to the project site.

C. Cost Estimate

The cost in the CIP is based on historical trends.

D. Timeline

The schedule for this item is based on whenever the pipelines break and deferral is not an option.

BWD Bond Financing
Use of Funds & Scheduling

Use of Funds:

The Projects identified in this CIP will be prioritized and selected BWD fully expects that substantially all 2018 Bond proceeds dedicated to Capital Improvements and deposited in the Construction Fund created under the Indenture will be expended within three years, as follows.

2018-19

Project # 1:	Production Well #1 ID4-9-Construction	$ 200,000
Project # 2:	Production Well #2-Investigation	$ 35,000
Project # 3:	Phase 1 Pipeline Projects-Legal & Construction	$ 100,000
Project # 6:	Replace Well Discharge Manifolds/Electric Panel Upgrades	$ 496,000
		$ 831,000

2019-20

Project # 1:	Production Well #1 ID4-9 – Construction	$1,500,000
Project # 2:	Production Well #2-Investigation & Construction	$ 334,700
Project # 3:	Phase 1 Pipeline Projects	$ 415,000
Project # 5:	Replace 45-60 year old Fire Hydrants	$ 168,750
Project # 6:	Replace Well Discharge Manifolds/Electirc Panel Upgrades	$ 150,000
Project # 7:	Management Consulting-Water	$ 30,000
Project # 8:	Clean & Video Sewer Lines-Club Circle/Foursome/Backnine	$ 350,000
Project # 9:	Sewer Main replacement-Borrego Springs Road @ La Casa	$ 150,000
Project #10:	Management Consulting-Sewer	$ 20,000
		$3,118,450

2020-21

Project # 2:	Production Well #2-Construction	$1,000,000
Project # 4:	Phase 2 Pipeline Projects	$ 450,587
Project # 5:	Replace 45-60 year old Fire Hydrants	$ 100,000
		$1,550,587
GRAND TOTAL		$5,500,037

CIP GRANTS APPLIES FOR AND/OR RECEIVED 2018-2019

1. In June 2018, Staff submitted all required components of both the Water (Replace Indian Head, Twin and RH#2 Tanks and Wilcox Motor) and Sewer (Grit removal, Clarifyer Rehabilitation (2)) State Grant Applications. Following is the updated Cost Estimates for each Project and the updated cost estimates that are included in the Grant Application:

WATER

Replace Rams Hill #2	$ 604,725
Replace Twin Tanks	$ 623,525
Replace IndianHead	$ 587,575
Replace Wilcox Motor	$ 49,775
TOTAL	$ 1,865,600

SEWER

Upgrade Grit Removal/Equipment	$ 214,000
Rehabilitate Two Clarifiers	$ 200,000
TOTAL	$ 414,000

TOTAL 2018-19 GRANT FUNDING POTENTIAL $ 2,279,600

2. In late 2017 BWD applied for a Proposition One Grant in the amount of $500,000 for Public Outreach, Impacts of the GSP on BWD wells, BWD Replacement Well Siting and Metering in the Basin. The contract was approved and BWD has submitted for over $200,000 in reimbursements that are, at this time, anticipated to arrive early FY 2020.

TOTAL 2018-19 GRANT AWARD = $500,000

$212,000 in Reimbursables estimated to be received in FY 2018-19

BORREGO WATER DISTRICT
POLICY STATEMENT

SUBJECT: CASH RESERVES POLICY

NO: 2011-05-01

ADOPTED: 2011-05-25
AMENDED: 2015-05-27
AMENDED: 2016-05-25
AMENDED: 2017-05-24
AMENDED: 2018-06-19
AMENDED: 2019-05-28

I. BACKGROUND AND INTRODUCTION

Reserves are needed because of risk. Water and sewer operations are inherently risky, given the potential liability associated with repairing and replacing infrastructure necessary for maintaining 24x7 operations for supplying potable water and sewer and wastewater treatment services to the homes and businesses of Borrego Springs. In addition, water operations have risk associated with the volatility of revenue due to weather conditions. Reserves also assist in reducing rate shocks. Without them a water utility is exposed to rate instability. Rate instability increases the cost of borrowing, which drives up rates. In addition, reserves help the District improve its credit rating, which translates into lower interest rates on debt and thus lower rates for the District's customers. Also, sometimes bond or loan covenants require a debt reserve or recommend a rate stabilization reserve.

Many utilities operate in a state of revenue deficiency, which means they either rely on existing reserves, skimp on funding reserves, or defer economically prudent repair and replacement of capital infrastructure to the future where higher costs will be borne by ratepayers to repair or replace infrastructure that has failed catastrophically. Becoming revenue sufficient means that a utility can count on receiving adequate revenues to fully fund utility operations, including debt service obligations, and some portion of capital improvements from rate revenues and reserves. Reserve accounts are a vital part of water and sewer and wastewater treatment system's financial health.

This Board believes that operating with revenue sufficiency is required, not only to remain creditworthy for future capital borrowing, but also to replace depleted reserves necessary to operate most economically. For these reasons, the District will maintain reserve funds so as to provide working capital for operations; funds required by law, ordinance and bond covenants; and necessary cash for the scheduled and unscheduled repair and replacement of capital infrastructure; as well as funds set aside for groundwater management purposes.

Reserves are also necessary for the District to stabilize rates due to normal revenue and cost uncertainties, and to provide a prudent amount of insurance against economic downturns and emergencies. The efficient and discrete management of these cash reserves, when combined with their appropriate replacement as they are drawn down from time-to-time add additional assurance that the current levels of service reliability and quality that the District's ratepayers have grown to expect will continue into the future.

This reserve policy is based upon prudent financial management practices and those amounts required by legal, legislative, and contractual obligations that are critical to the financial health of the District. This policy defines

required fund types for segregation purposes and their funding levels that are based upon this District's unique operating, capital investment and financial plans. Both restricted reserves and Board discretionary reserves for the water enterprise and the sewer and wastewater enterprise will be funded by rates specific to those enterprises so as to meet California Proposition 218 requirements. That is, reserves specific to the needs of the District's water enterprise will be accumulated from water rates. Reserves specific to the needs of the District's sewer and wastewater enterprise will be funded from sewer and wastewater treatment rates.

II. RESTRICTED RESERVES. Restricted Reserves are established and utilized for narrowly defined purposes and are protected by law or covenant. The District's Restricted Reserves for its water and sewer and wastewater treatment enterprises are the following:

Debt Reserves. Reserves equal to the annual principle and interest (P&I) for debt obligations of the District shall be formally transferred and restricted in accordance with all legal requirements.

System Growth Reserves. These reserves generated from development charges for new meters as specified by the District's New Development policy in effect are used to offset capital projects or debt service related to new development in the District so that new development pays for itself rather than requiring a subsidy from existing ratepayers.

III. BOARD DISCRETIONARY RESERVES

Operating or Working Capital Reserves. The purpose of an operating reserve is to have liquid cash on hand for the continued day-to-day operations of the utility. The Operating Reserve may be used for cash flow purposes to fund necessary expenses without the need to wait for billed revenue to come in as well as any unexpected increases in operating expenses. The amount of the Operating Reserve is commonly pegged to a certain percentage of the utility's total operating expenses. The set percentage is usually dictated by the utility's bill frequency; if customers are billed on a monthly basis, then revenue continuously comes in and the need to have a significant amount of funds within the Operating Reserve is reduced. Based on industry standards, The Operating Reserve, in the case of monthly billing, should equal around 90 days of expenses (3 months). As the bill frequency is less frequent, the Operating Minimum Reserve should be increased to account for the time delay of receiving cash on hand. The operating or working capital reserve shall be a minimum reserve of no less than 90 days of Operating and Maintenance annual expenses (O&M), with an ideal operating reserve target of 120-days of annual O&M expenses.

Rate Covenant Stabilization Funds. These reserves include the Sewer Enterprise Rate Stabilization Fund and the Water Enterprise Rate Stabilization Fund. The purpose of these reserves are used to stabilize water and sewer revenues in order to maintain adequate debt coverage ratios required by the District's lenders. These reserve funds shall be maintained at level of thirty (30%) percent of the revenue generated from the commodity revenues for water services and thirty (30%) percent of the total revenues from sewer services.

Contingency Reserves. The purpose of this reserve is to accommodate unexpected operational changes,

legislative impacts or other economic events that may affect the District's enterprise operations, which could not have been reasonably anticipated at the time the budget was prepared. The target level for this reserve is a minimum of five percent (5%) and a maximum of ten percent (10%) of the District's total enterprise-wide operating expenses. Generally, the level will be increased as the level of economic uncertainty increases.

Capital Repair and Replacement Reserve (Capital Reserve). A Capital Repair and Replacement Reserve is used primarily to meet and ensure the timely construction of necessary capital improvements without any delays due to cash flow concerns. Capital expenses can fluctuate quite a bit from year-to-year and the Capital Reserve may be leveraged to smooth out significant changes in expenses and; thereby, avoiding any unduly rate shock to District customers. It may also serve as collateral and reassurance when awarding a construction contract. A sound target for a Capital Reserve is to have an average years' worth of capital expenses based on the District's adopted Capital Improvement Plan (CIP). At a minimum, the Capital Reserve should be funded to at least an amount equivalent to the total annual depreciation value of the system and these funds can be used as a reasonable reinvestment amount into the system. The Capital Reserve target is a reserve equal to the inflated value of a rolling average of the subsequent 5 years of the District's Capital Improvements Plan for water infrastructure repair and replacement (R&R) and sewer and wastewater R&R.

Emergency Reserves. The purpose of the emergency reserve is to protect the District and its customers against the impacts from unanticipated emergencies that would severely impact the District's ability to deliver the water and/or sewer and wastewater treatment services to its customers. This reserve provides funding for emergency repairs or failure of essential equipment that must be immediately replaced and **are** unanticipated by the Capital Improvements Plan (CIP). The emergency reserve target is $2,000,000, that should be sufficient to finance the required cash flow and liquidity until such time that adequate emergency financing can be secured from conventional outside resources.

IV. OTHER RESERVE FUNDS. The District's Board may establish other cash reserve funds for specific needs that are over and above the reserves noted above as may be necessary from time to time.

RESERVES TARGETS FOR FY 2020

DEBT	**$ 900,000**
SYSTEM GROWTH	**Accumulated developer's charges**
WORKING CAPITAL	**$1,000,000**
RATE COVENANT STABILIATION FUNDS	**$ 770,000**
CONTINGENCY	**$ 300,000**
CAPITAL REPAIRS	**$ 640,000**
EMERGENCY	**$2,000,000**
FY RESERVES TARGET	**$5,610,000**

The Reserves Targets will continue to increase each FY based on capital structure changes and CIP spending.

RESERVES TARGETS FOR FY 2020

RESERVE	AMOUNT
System Growth	accumulated developer's charges
Debt	900,000
Working Capital	1,000,000
Rate Covenant Stabilization Funds	770,000
Contingency	300,000
Capital Reserve	640,000
Emergency	2,000,000
FY 2020 RESERVES TARGET	5,610,000

FY	CIP SPEND
2015	466,843
2016	699,260
2017	510,925
2018	799,750
2019	735,000
Capital Reserve Target	642,356

	A	J	K	L	M	N	O	P	Q
1	**BORREGO WATER DISTRICT**	218 Approved	218 Approved	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
2	**EIGHT YEAR NET INCOME/**	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3	**WORKING CAPITAL PROJECTION**	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
4	Prop 218 Approved Water/Sewer Revenue Increases	6%	6%	4%	4%	4%	4%	4%	4%
5	Projected Water Revenue Increase-commodity	6%	6%	4%	4%	4%	4%	4%	4%
6	Expected Water Revenue Increase-commodity	3%	3%	2%	2%	2%	2%	2%	2%
7	Prop 18 approved Water Revenue Increase-base	5%	5%	4%	4%	4%	4%	4%	4%
8	Expected Water Revenue Increase - base	5%	6%	4%	4%	4%	4%	4%	4%
9	Projected/Expected Sewer Revenue Increase	4%	4%	4%	4%	4%	4%	4%	4%
10	Existing Water Rate Revenue -commodity	$ 2,086,339	$ 2,148,929	$ 2,213,397	$ 2,257,665	$ 2,302,818	$ 2,348,875	$ 2,395,852	$ 2,443,769
11	Existing Water Rate Revenue -base	$ 1,152,600	$ 1,210,230	$ 1,270,742	$ 1,321,571	$ 1,374,434	$ 1,429,411	$ 1,486,588	$ 1,546,051
12	Additional Water Revenue-commodity	$ 62,590	$ 64,468	$ 44,268	$ 45,153	$ 46,056	$ 46,977	$ 47,917	$ 48,875
13	Additional Water Revenue-base	$ 57,630	$ 60,512	$ 50,830	$ 52,863	$ 54,977	$ 57,176	$ 59,464	$ 61,842
14	Existing Sewer Rate Revenue	$ 607,820	$ 632,133	$ 657,418	$ 683,715	$ 711,063	$ 739,506	$ 769,086	$ 799,850
15	Additional Sewer Revenue	$ 24,313	$ 25,285	$ 26,297	$ 27,349	$ 28,443	$ 29,580	$ 30,763	$ 31,994
16	Other non variable Income	$ 455,608	$ 455,608	$ 455,608	$ 455,608	$ 455,608	$ 455,608	$ 455,608	$ 455,608
17	**Total Revenue (/w Other Rev.)**	$ 4,446,899	$ 4,597,165	$ 4,718,559	$ 4,843,924	$ 4,973,400	$ 5,107,134	$ 5,245,278	$ 5,387,990
18									
19	Grant/Bond Proceeds								
20	Grant Funding (Prop 1 SDAC reimbursement in FY 2020)	$ 278,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	Grant Funding-sewer	$ 414,000	$ 1,838,000						
22	Bond Funding	$ 3,218,450	$ 1,700,587	$ -	$ -	$ -	$ 857,000	$ 1,045,700	$ 1,155,000
23	**Total Grant/Bond Proceeds**	$ 3,910,450	$ 3,538,587						
24									
25	**Total Revenue and Grant/Bond Proceeds**	$ 8,357,349	$ 8,135,752	$ 4,718,559	$ 4,843,924	$ 4,973,400	$ 5,107,134	$ 5,245,278	$ 5,387,990
26									
27	O&M Expenses = +4% per year	$ 2,732,002	$ 2,841,282	$ 2,954,933	$ 3,073,131	$ 3,196,056	$ 3,323,898	$ 3,456,854	$ 3,595,128
28	Unexpended Debt Proceeds at year end	$ 1,840,835	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	**Total Expenses and Unexpended Debt proceeds:**	$ 4,572,837	$ 2,841,282	$ 2,954,933	$ 3,073,131	$ 3,196,056	$ 3,323,898	$ 3,456,854	$ 3,595,128
30									
31	**Net Operating Income: (Total Revenue - O&M Expenses)**	$ 1,714,897	$ 1,755,883	$ 1,763,626	$ 1,770,793	$ 1,777,344	$ 1,783,236	$ 1,788,424	$ 1,792,861
32									
37	Cash CIP (paid for out of operating cash flow)	$ 100,000	$ 260,000	$ 100,000	$ 260,000	$ 200,000	$ 195,000	$ 160,000	$ 210,000
38	Grant CIP (net grant cash when received)		$ 1,838,000	$ -	$ -	$ -	$ -	$ -	$ -
39	Bond Debt CIP (CIP paid for with debt)	$ 3,218,450	$ 1,700,587	$ -	$ -	$ -	$ 890,000	$ 905,000	$ 1,060,000
40	**Total CIP Expense:**	$ 3,318,450	$ 3,798,587	$ 100,000	$ 260,000	$ 200,000	$ 1,085,000	$ 1,065,000	$ 1,270,000
41									
42	Existing Debt Service								
43	Compass Bank Note 2018A (term expires 10/1/2028)	$ 248,184	$ 250,970	$ 247,555	$ 244,039	$ 250,255	$ 246,204	$ 246,968	$ 242,547
45	Compass Bank Note 2018B (term expires 10/1/2024)	$ 140,755	$ 140,755	$ 140,755	$ 140,755	$ 140,755	$ -	$ -	$ -
46	New Debt as of FY 2025						$ 250,000	$ 250,000	$ 250,000
47	Pacific Western Bank 2018 IPA (term expires 4/1/2034)	$ 499,406	$ 499,510	$ 354,966	$ 354,871	$ 354,508	$ 354,858	$ 354,902	$ 354,640
48	**Total Debt Service**	$ 888,345	$ 891,235	$ 743,276	$ 739,665	$ 745,518	$ 851,062	$ 851,870	$ 847,187
49	Debt Coverage Ratio (Net Operating Income/Debt Service)	1.93	1.97	2.37	2.39	2.38	2.10	2.10	2.12
50									
51	Net SGMA GSP & Stipulation Costs	$ 130,000	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ -
52	Subbasin Pumping Fees	$ -	$ 120,000	$ 114,000	$ 108,300	$ 102,885	$ 97,741	$ 92,854	$ 88,211
53	**Total Subbasin Management Costs:**	$ 130,000	$ 220,000	$ 114,000	$ 108,300	$ 102,885	$ 97,741	$ 92,854	$ 88,211
54									
55	**Net Annual Cash Flow**	$ 726,552	$ 604,648	$ 920,350	$ 771,128	$ 831,826	$ 737,174	$ 776,555	$ 735,674
56									
57	Cash beginning year	$ 5,347,522	$ 6,074,074	$ 6,678,722	$ 7,599,071	$ 8,370,199	$ 9,202,025	$ 9,939,199	$ 10,715,754
58	**Ending Reserves Level without any revenue adjustment**	$ 6,074,074	$ 6,678,722	$ 7,599,071	$ 8,370,199	$ 9,202,025	$ 9,939,199	$ 10,715,754	$ 11,451,428
59									
60	**Reserve Target Level**	$ 5,380,000.00	$ 5,649,000.00	$ 5,931,450.00	$ 6,228,022.50	$ 6,539,423.63	$ 6,866,394.81	$ 7,209,714.55	$ 7,570,200.27

BORREGO WATER DISTRICT
PROPOSED RATES FOR
FISCAL YEARS 2019-2021
Adopted May 28, 2019

Sewer Rates

The District provides sewer service to areas 1, 2 and 5. Changes are being proposed for all Areas. The District's monthly sewer charges are based on one equivalent dwelling unit (EDU) usage of 250 gallons per day, for a typical single family residence. Non-Residential projected EDU requirements are determined on a case-by-case basis. Sewer customers in area 2 (TCS) are charged a fixed monthly holder fee, and a monthly user fee based on number of EDU's

Sewer service charges are proposed to change as shown in the following table:

	Current Rates FY 2019	FY 2020 Projected	FY 2021 Projected
Sewer Area 1	$41.94	$43.62	$45.37
Sewer Area 5	$48.78	$50.73	$52.76
TCS User	$48.78	$50.73	$52.76
TCS Holder	$26.78	$27.85	$28.97
BSR	$26.78	$27.85	$28.97
BSR Usage	$1.97	$2.05	$2.13

Water Rates

The District's water rates have two components: 1) a **Fixed Meter Charge** based on the customer's meter size, to recover a portion of the District's fixed costs of operating, maintaining and delivering water, and 2) a **Commodity Charge**, determined by the amount of water used. It is proposed that the fixed charges, applicable to all customers account for 33% of the District's ongoing expenses, and 67% of such expenses should be funded on a consumption basis. It is further proposed that the Fixed Meter Charge increase at the rate of 5% FY 2020 and the Commodity Charge increase at the rate of 6% per year for the next two years, in order to meet future increases in expenses, provide reserves, and provide sufficient reserves to meet any future debt obligations, and to allow for additional annual increases to pass through inflation. The proposed rates would consider two tiers, calculated to address the costs incurred by the District to deliver water, the difference based on basic domestic (i.e., indoor) water usage, and outdoor irrigation.

Fixed water meter charges are proposed to change as shown in the following table:

Meter size	Current Rates FY 2019	FY 2020 5% Projected	FY 2021 Projected
¾ "	$39.21	$41.17	$44.07
1"	$50.87	$53.41	$57.17
1 ½"	$80.01	$84.01	$89.91
2"	$114.97	$120.72	$129.19
3"	$208.22	$218.63	$233.97
4"	$313.14	$328.80	$351.85
6"	$604.54	$634.77	$679.27

Commodity Rates are proposed to change as shown in the following table:

Residential	Current Rates FY 2019	FY 2020 Projected	FY 2021 Projected
Tier 1 1-7	$3.56	$3.78	$4.01
Tier 2 >7	$3.92	$4.16	$4.41
Non-Residential	Current Rates	FY 2020 Projected	FY 2021 Projected
Tier1	$3.77	$4.00	$4.24

Other Rates and Fees

Any rates or fees associated with water or sewer service that are not addressed in this notice shall remain in full force and effect as previously adopted by the Board of Directors.

Pass Through Costs

Pursuant to AB 3030, the District Board will also authorize the pass-through of future rate and charge increases by San Diego Gas & Electric for electricity rates associated with storing, treating, pumping, and delivering water. This authorization will be in effect for five years, until June 30, 2021. The Board will hold a public hearing to review the proposed increases prior to enacting any such changes.

RESOLUTION NO. 2019-05-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT ESTABLISHING WATER AND SEWER SERVICE RATES FOR FY 2019-2020

WHEREAS, the Borrego Water District is a California Water District established pursuant to Section 34000 et seq. of the California Water Code; and

WHEREAS, the Board has determined that the District is facing increasing costs for the administration, operation, maintenance and improvements of the water and sewer systems and services, the District's water and sewer rates need to be increased in order for the District to pay for its costs of providing service; and

WHEREAS, on June 9, 2016, the Board held a duly noticed public hearing in accordance with the provisions of Article XIIID of the California Constitution (Proposition 218), received oral and written testimony, and having determined that there was no majority protest, approved a schedule of water and sewer rates for a five year period beginning with FY 2017 and ending with FY 2021; and

WHEREAS, the Board held a public meeting to discuss the budget and rate increase **for FY 2019-2020** on May 28, 2019.

WHEREAS, the Board approved the budget and rate increase at the May 28, 2019 Board Meeting.

WHEREAS, On May 31, 2019, a notice regarding the rate increase will be mailed to all of the District's affected ratepayers.

NOW THEREFORE, the Board of Directors of the Borrego Water District does hereby resolve, determine and order as follows:

The Board finds that the adoption of the rates and charges set forth herein is necessary and reasonable to fund the administration, operation, maintenance and improvements of the District water and sewer system. Based on this finding, the Board determines that the adoption of the rates and charges established by this Resolution are exempt from the requirements of the California Environmental Quality Act pursuant to section 21080(b)(8) of the Public Resource Code and section 15273(a) of the State CEQA Guidelines.

The Board hereby adopts the rates and charges for each separate rate classification for each separate service area as set forth in Exhibit A attached to this Resolution. These increases will be effective July 1, 2019 and beginning with the August, 2019 billing.

All resolutions or administrative actions by the Board, or parts thereof, which are inconsistent with any provision of this Resolution, are hereby superseded, to the extent of such inconsistency. Any rates or fees associated with water or sewer service that are not addressed in this Resolution or Exhibit A shall remain in full force and effect as previously adopted by the Board.

In any section, subsection, clause or phrase in this Resolution or the attached Exhibits is for any reason held to be invalid; the validity of the remainder of the Resolution or Exhibits shall not be affected thereby.

The increased rates and charges set forth herein shall become effective July 1, 2019 and beginning with the August, 2019 billing.

PASSED, ADOPTED AND APPROVED at a special meeting of the Board of Directors of the Borrego Water District held on 28th day of May, 2019.

_____
President of the Board of Directors
Of Borrego Water District

ATTEST:

_____
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 board meeting held on the 28th day of May, 2019, 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. 2019-05-02, of said Board, and that the same has not been amended or repealed.

Dated:

_____

Secretary of the Board of Directors of Borrego Water District

RESOLUTION NO. 2019-05-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT APPROVING THE OPERATIONS, MAINTENANCE, CAPITAL IMPROVEMENTS AND GROUNDWATER MANAGEMENT BUDGETS AND BOARD DESIGNATED RESERVES FUND POLICY FOR FISCAL YEAR 2018-2019

WHEREAS, the Board of Directors has reviewed and considered the Budget as presented for Fiscal Year 2019-2020 hereinafter referred to as the "Budget" which is attached hereto as Exhibit A 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 2019-2020.

PASSED, ADOPTED AND APPROVED at a regular meeting of the Board of Directors of the Borrego Water District held on May 28, 2019.

_____
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 28th day of May, 2019 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. 2019-05-01, of said Board, and that the same has not been amended or repealed.

Dated: May 28, 2019

Secretary of the Board of Directors of
Borrego Water District

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 28, 2019
Item II.A.3

TO: Board of Directors

FROM: Geoff Poole, General Manager

SUBJECT: WasteWater Treatment Plant Discharge Permit Studies – G Poole
Draft 2019-2020 Budget – K Pitman

RECOMMENDED ACTION

Receive Operations and Infrastructure Committee recommendation and direct staff as deemed appropriate

ITEM EXPLANATION

At the last Board Meeting, Staff presented a Proposal from Dudek Engineering to provide various technical analyses required as part of the recent WasteWater Treatment Plant Discharge Permit. The Board directed staff to return with additional proposals, attached. The O and I Committee are scheduled to review on the morning of the Board Meeting and make a recommendation.

The specific studies needed pertain to Nitrates, Total Dissolved Solids reduction programs and possible relocation of the groundwater quality monitoring well.

FISCAL IMPACT
See Attachments

ATTACHMENTS
1. Proposals for WasteWater Treatment Plant Studies - Dudek, IEC and Corollo

605 THIRD STREET
ENCINITAS, CALIFORNIA 92024
T 760.942.5147 F 760.632.0164

April 19, 2019

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

Subject: *Proposal to Complete Studies to Satisfy Waste Discharge Requirements for the Rams Hill Waste Water Treatment Facility in Borrego Springs, California*

Dear Mr. Poole:

Dudek is pleased to present this scope of work and fee to the Borrego Water District to conduct a study of the treated effluent from the Rams Hill Waste Water Treatment Facility (WWTF) and evaluate its impact on groundwater. The goal of the study is to determine the fate and transport of nitrogen and total dissolved solids (TDS) originating from the discharge of the water treatment facility to the evaporation/percolation ponds, as per the recent amendment of the Waste Discharge Requirements (WDR) of the California Regional Water Quality Control Board Colorado River Basin Region Plan (R7-2019-0015). Dudek will review and document the current condition and adequacy of the groundwater monitoring network to effectively monitor the impact of the discharge from the evaporation ponds on the groundwater. Dudek will collect and analyze the data available to determine the impact of nitrate and TDS that originate from the discharge to the percolation ponds on the local groundwater body. Dudek will prepare a technical memorandum detailing the complete study, the adequacy of the current groundwater monitoring network, and will include conclusions with possible recommendations to update the groundwater monitoring network and facility plant improvements.

1 Scope of Work

1.1 Groundwater Monitoring Network Technical Report and Work Plan

Special Provision 1 of the RWQCB WDR Order R7-2019-0015 requires that within 6 months the District shall

1. Describe the current condition of the groundwater monitoring network
2. Evaluate whether this network adequately monitors the effects of the discharge from the disposal ponds on groundwater
3. Analyze the groundwater data collected from the existing groundwater monitoring wells. The analysis will include:
    a. Maps showing the direction of flow and identification of up-gradient and down-gradient monitoring wells.

b. An appropriate statistical analysis for constituents of concern (COCs) for the up-gradient and down-gradient wells, based on the groundwater data collected to date. COCs in this case are TDS and major ions: sulfate, chloride, nitrogen (total nitrogen, nitrite and nitrate), and fluoride.

Required tasks to prepare a work plan and schedule for these 3 items is anticipated to include the following:

Document and Data Research

Dudek will obtain available groundwater data from the Borrego Water District's groundwater well south of the evaporation ponds, WWTP-1, as well as the nearest surrounding wells within the South Management Area of the Borrego Springs Groundwater Subbasin.

Data Analysis and Evaluation

Dudek will analyze the data collected with respect with California's Antidegradation Policy (Resolution 68-16). A statistical analysis for the COCs will be performed to determine the effect of nitrate and TDS on the receiving groundwater basin. Part of the evaluations for the study will include an analysis of uptake by plants in areas of recycled water use, potential denitrification of recycled water as it migrates through a soil column, and possible attenuation of concentration via dilution and diffusion. Dudek understands that the beneficial use of groundwater is designated for municipal, industrial, and agricultural supply.

Technical Report and Work Plan

Dudek will prepare a technical memorandum of the study that will include locations of identified up-gradient and down-gradient monitoring wells, review of historical and current nitrogen and total dissolved solids concentrations in nearby monitoring wells, an analysis with the potential impacts of the COCs for the up-gradient and down-gradient monitoring wells. This report will include conclusions and outline the work plan and schedule to complete any tasks that address insufficient data and/or additional work to be required.

Assumptions

- Site visit will include 2 hydrogeologists for 1 day
- This scope and fee does not include work for the well installation task should the technical report conclude that additional down-gradient monitoring well are recommend to be installed.

Deliverables

Groundwater Monitoring Network Technical Report (Draft and Final)

Cost for Task 1.1 ..... $15,700.00

1.2 Nitrogen Control Strategy Technical Report

Special provision 2 of the RWQCB WDR Order R7-2019-0015 requires that within 6 months the District shall

1. Determine if wastewater discharged to the evaporation/percolation ponds is causing nitrogen impairment to groundwater

2. Determine the feasibility of achieving a 10 mg/L total nitrogen effluent limit

3. Ensure that any proposed effluent limit for nitrogen does not cause exceedance of the nitrogen receiving water limitation

Required tasks to prepare a work plan and schedule for these 3 items is anticipated to include the following:

1. Data collection: Dudek will collect available influent and effluent water quality data from the WWTP, including flow, BOD, TSS, TKN (influent) and Total Nitrogen (TN) and Nitrate-N (effluent). If this data is not available or does not exist, Dudek will recommend a sampling program to capture sufficient data to determine current plant performance and nitrogen removal.

2. Process Analysis: Dudek will analyze available data and document the treatment process performance for nitrogen removal and compare to expected performance based on process capacity and typical industry ranges. If there is insufficient data, Dudek will recommend an analysis to document the nitrogen removal performance once sufficient data is available.

3. Identify Process Improvement Alternatives and 10 mg/L TN feasibility: Dudek will identify and recommend alternatives to improve nitrogen removal performance at the WWTP, which may include enhanced process monitoring and control, modifications to aeration system, operational adjustments to promote biological nutrient removal, and/or construction of additional process infrastructure. Dudek will visit the treatment plant and talk to operations staff to discuss alternatives and plant performance. If sufficient data exists, Dudek will determine feasibility of a 10 mg/L total nitrogen effluent limitation. Alternatively, the steps to make the determination will be documented in the work plan. For each improvement alternative, Dudek will prepare a budgetary cost estimate (based on unit costs, cost of major process equipment, and recent similar project cost data) to determine a cost of improvement. Dudek will estimate the implemented nitrogen removal associated with each alternative in order to calculate an approximate dollars per ton of nitrogen removed and approximate cost per EDU to District ratepayers.

4. Calculate Effluent Nitrogen Mass Load to Groundwater Basin and Basin assimilative capacity: Dudek will calculate both the existing nitrogen mass load to the groundwater basin and the mass load assuming a 10 mg/L effluent TN limit to determine the current load to the basin and anticipated future load. In parallel, Dudek will calculate the nitrogen assimilative capacity of the basin and compare this to both the current load and anticipated load with a 10 mg/L TN effluent limitation. This analysis will determine both if the wastewater is impairing groundwater quality and whether or not the discharge is causing an exceedance of the nitrogen receiving water limitation. If insufficient data exists within the 6 month deadline, Dudek will outline the work plan and schedule to make this determination.

5. Prepare Nitrogen Control Strategy Technical Report: Dudek will document the analysis and outline the work plan and schedule to complete tasks with insufficient data and/or additional work to be required.

Assumptions

- Up to 3 process improvement alternatives will be identified and evaluated
- Site Visit will include 2 engineers for 1 day.

- Water quality sampling and laboratory testing will be completed by the BWD and under the existing laboratory contract.
- Wastewater influent data to the Rams Hill WWTF is required to complete this task. No scope is included for influent sampling and laboratory testing which would be performed by BWD staff under the existing laboratory contract.
- Scope and Fee to complete the Nitrogen Control Strategy Draft and Final Technical Report: Fate and Transport Investigation, and Effluent Limit Feasibility Study is not included in this cost proposal. These items will be scoped and fee developed upon completion of tasks 1.1 and 1.2.

Deliverables

Nitrogen Control Strategy *Work Plan*

Cost for Task 1.2 ..... $19,240.00

1.3 TDS Source Control Program Technical Report

Dudek will prepare a technical report that includes a work plan and time schedule to develop and implement a TDS Source Control Program. The technical report must identify the major sources of salinity into the WWTP collection system. To complete this analysis, Dudek will prepare a mass balance that identifies the average mass of TDS of well water served to BWD ratepayers, average mass of TDS in the influent to the Rams Hill WWTP, and calculate the increase in mass of TDS as a result of domestic, commercial and industrial use. Based on comparison of the increase in mass of salts added to the water supply as it makes its way through the water distribution system and ends up at the wastewater treatment plant, it will be determined if water softener regeneration brines substantially contribute to TDS loads to the Rams Hill WWTP. Dudek will also evaluate additional required elements of the TDS Source Control Program as expounded in in WDR R7-2019-0015.

Assumptions

- Wastewater influent data to the Rams Hill WWTF is required to complete this task. No scope is included for influent sampling and laboratory testing which is assumed to be performed by BWD staff under the existing laboratory contract.
- This scope and fee does not include cost to implement the TDS Source Control Work Plan

Deliverables

TDS Source Control Program Work Plan and Technical Report

Cost for Task 1.3 ..... $14,220.00

2 Fee Summary

The fee presented in this proposal will be charged on a time and materials basis in accordance with the fee estimate provided in Table 1. Dudek will complete the tasks described above on a time-and-materials basis, not to exceed **$49,160.00**

The time and materials fee provided in this proposal represents an estimate of the anticipated level of effort required to complete Tasks 1.1—1.3. Should the actual effort required to complete the tasks be less than anticipated, the amount billed will be less than the total fee. Conversely, should the actual effort to complete the proposed tasks be greater than anticipated, additional fee authorizations will be requested. No work in excess of the proposed fee or outside of the proposed scope of work will be performed without written authorization from the BWD.

Total Cost.....$49,160.00

Sincerely,

Trey Driscoll, PG No. 8511, CHG No. 936
Principal Hydrogeologist

Kayvan Ilkhanipour PG No., CHG No.
Senior Hydrogeologist

Att.: Table 1, Fee Estimate
cc: BWD Board of Directors

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Table 1. Fee Estimate

		Dudek Labor Hours and Rates										
	Project Team Role:	PIC - QA/QC	Project Manager	Senior Engineer	Project Engineer	Project Hydrogeologist	Engineer	Publications	TOTAL DUDEK	DUDEK LABOR	OTHER DIRECT	TOTAL FEE
	Team Member:	Driscoll	Ilkhanipour	Guillen	Giori	Rentz	Tucker	Staff	HOURS	COSTS	COSTS	
	Billable Rate :	$240	$225	$205	$185	$185	$125	$105				
Task 1.1	**Groundwater Monitoring Network Technical Report and Work Plan**											
	Document and Data Compilation					6	16		22	$ 3,110		$ 3,110
	Site Investigation and Meeting					8	10		18	$ 2,730	$ 100	$ 2,830
	Data Analysis and Evaluation					10	16		26	$ 3,850		$ 3,850
	Technical Report and Work Plan	1	4			10	20	4	39	$ 5,910		$ 5,910
	Subtotal Task 2.1	**1**	**4**			**34**	**62**	**4**	**105**	**$ 15,600**	**$ 100**	**$ 15,700**
Task 1.2	**Nitrogen Control Strategy Work Plan**											
	Document and Data Compilation			6	12				18	$ 3,450		$ 3,450
	Site Investigation and Meeting			8	10				18	$ 3,490	$ 100	$ 3,590
	Data Analysis and Evaluation			8	16				24	$ 4,600		$ 4,600
	Work Plan	1	2	10	24			4	41	$ 7,600		$ 7,600
	Subtotal Task 2.2	**1**	**2**	**32**	**62**			**4**	**101**	**$ 19,140**	**$ 100**	**$ 19,240**
Task 1.3	**TDS Source Control Technical Report**											
	Document and Data Compilation					8	16		24	$ 3,480		$ 3,480
	Data Analysis and Evaluation					10	20		30	$ 4,350		$ 4,350
	Work Plan and Technical Report	2	2			16	20		40	$ 6,390		$ 6,390
	Subtotal Task 3	**2**	**2**			**34**	**56**		**94**	**$ 14,220**	**$ - **	**$ 14,220**
	Total Non-Optional Hours and Fee	**4**	**8**	**32**	**62**	**68**	**118**	**8**	**300**	**$ 48,960**	**$ 200**	**$ 49,160**
	Percent of Hours:	*1%*	*3%*	*11%*	*21%*	*23%*	*39%*	*3%*	*100%*			

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May 17, 2019

Mr. Geoff Poole
General Manager
Borrego Water District
806 Palm Canyon Drive
Borrego Springs, CA 9200

Reference: Proposal for the Waste Water Treatment Plant Discharge Requirements

Dear Mr. Poole:

IEC is pleased to present this proposal to assist the Borrego Water District in complying with new requirements in their Waste Discharge Requirement (WDR), Order R7-2019-0015, issued by the California Regional Water Quality Control Board (RWQCB), Colorado River Basin Region, on March 7, 2019. The new permit requires the District to conduct a groundwater quality evaluation for the treated effluent from the District's Rams Hill Wastewater Treatment Plant (WWTP).

Section F, Special Provisions of the WDR require the District to prepare a series of technical reports and work plans that cover a range of topics from influent characterization, treatment processes, and wastewater discharges to groundwater. A detailed scope of work and fee is attached.

We sincerely appreciate being invited to submit this proposal and hopefully assist the District with this project. Please contact me at (858) 842-6978 should you have any questions or need further information.

Sincerely,

Robert Weber, PE
President

Scope of Work

The following tasks are required to accomplish the requirements in the District's New Waste Discharge Requirements (WDR), Order R7-2019-0015, Section F, Special Provisions. The tasks describe activities required for the Technical Reports and Work Plans for Groundwater Monitoring, Nitrogen and Total Dissolved Solids (TDS) compliance.

Task 1 – Project Management and Administration

IEC will attend a kickoff meeting with the District. We will provide an agenda, take and distribute meeting minutes. We will coordinate with the hydrogeology subconsultant and manage the project to remain on schedule and under the stated fee.

Task 2 – Data and Background Information Collection and Analysis

IEC will obtain, compile and analyze up to 10 years of groundwater data from the existing groundwater wells. Data shall include groundwater levels, groundwater quality and wastewater discharge to the percolation ponds. Data shall include flow, ph/Conductivity, BOD, TSS, all species of nitrogen and any other parameters for which the wastewater is monitored.

Exemptions:

Data will be provided by BWD in an excel provided by BWD.
Water quality data sampling and laboratory testing for groundwater monitoring well, if needed, will be completed by the BWD.

Water quality data sampling and laboratory testing for the wastewater treatment influent and effluent will be completed by the BWD.

Task 3 – Groundwater Monitoring Network Technical Report and Work Plan

IEC will prepare a technical report that will describe the current condition of the groundwater monitoring networks, evaluate whether the network adequately monitors the effects of the discharge from the disposal ponds on groundwater and analyze groundwater water quality. Maps showing the flow and identification upgradient and downgradient wells will be created. A statistical analysis will be performed on constituents of concern (TDS, sulfate, chloride, nitrogen (total nitrogen, nitrate and nitrite) and fluoride. Draft and final versions of the Technical Report will be delivered electronically to the District. One site visit for two engineers is included in this task.

Exemption:

No work plan is included in this task. If after review, the Regional Board requires BWD to prepare a Work Plan, a scope and fee can be negotiated at that time.

Task 4 – Nitrogen Control Strategy Technical Report and Work Plan

IEC will prepare a technical report that includes a work plan and time schedule that will discuss nitrogen control strategies for the BWD. IEC analyze data to determine whether wastewater discharged from the Rams Hill Waste Water Treatment Plant to the evaporation/percolation ponds is causing nitrogen impairment to the groundwater and whether the treatment plant is capable of achieving a 10 mg/L total nitrogen in its effluent discharge. An analysis will be done to evaluate whether any proposed effluent limit for nitrogen does not cause exceedance of the nitrogen receiving water limitation.

IEC will evaluate and identify nitrogen removal technologies for the treatment plant. The technical report will also include a characterization for total nitrogen and nitrates of the wastewater discharged to the evaporation/percolation ponds and in the receiving groundwater as well as an evaluation of the impact of the wastewater discharged on the groundwater in the vicinity of the percolation ponds with respect to nitrogen concentrations.

The feasibility of the practicality of achieving a 10 mg/L total nitrogen concentration in the waste water treatment plant effluent will be evaluated. The cost of up to three alternatives for waste water treatment upgrades needed to achieve a 10 mg/L total nitrogen effluent concentration will be evaluated. An alternatives analysis will be performed and an alternative selected. A draft and final technical report and work plan will be delivered electronically to the BWD. One site visit for two engineers is included in this scope and fee.

Exemptions:

Analysis of sewer rate increases to pay for waste water treatment plant upgrades is not included in this scope and fee.

Implementation of the Work Plan is not included in this scope and fee.

Task 5 – TDS Source Control Program Technical Report

IEC will prepare a technical report that includes a work plan and time schedule to develop and implement a TDS Source Control Program. The objective of the Source Control Program will be to evaluate source control and methods to reduce TDS concentrations in the discharge from the waste water treatment plant to the evaporation/percolation ponds. The technical report will identify the major sources of salinity into the waste water treatment plant collection system, including contributions from domestic sources, commercial and industrial sources, and water softener regeneration brines. The technical report will also include description of the municipal entity and facilities, including local ordinances, rules and regulations that address the topic of controlling salinity in wastewater. The entities responsible for controlling TDS will be identified and described. An overall TDS mass balance for the influent into the WWTP will be prepared.

The TDS Source Control Program report will also include a description of wastewater treatment strategies available and employed at the facility to remove identified pollutants and a characterization of the concentrations of TDS in the wastewater discharged to the evaporation/percolation ponds as well as the concentration of TDS in the receiving groundwater.

Exemptions

Implementation not included in this scope and fee.

A public outreach program component may be included as part of the work plan

FEE ESTIMATE

BORREGO WATER DISTRICT

Waste Water Treatment Plant Permit Compliance

Task/ Subtask	Task/Subtask Description	*Principal (Rob Weber)*	*Project Manager (Jane Costello)*	*Engineer II/ CAD II Designer (Sheila McAtee)*	Subtask Labor-Hours	Subtask Labor Cost	Direct Cost	Subcontract - Tom Harder & Assoc.	Total Cost
		$245.00	$220.00	$140.00					
TASK 1	**Project Management and Administration**								**$8,280**
	Meetings - Kickoff Meeting	4	4		8	$1,860	$100		$1,960
	Project Management and Administration		2		2	$440		$5,880	$6,320
TASK 2	**Data Collection**								**$9,120**
	Groundwater Data Analysis		2	8	10	$1,560		$7,560	$9,120
TASK 3	**Groundwater Monitoring Network**								**$11,763**
	Technical Report		16		16	$3,520		$8,243	$11,763
TASK 4	**Nitrogen Fate and Transport**								**$39,566**
	Treatment Plant Data Analysis		4	8	12	$2,000			$2,000
	Evaluation of Nitrogen Treatment Technology		4	8	12	$2,000			$2,000
	Impact on Groundwater		2		2	$440			$440
	Practicality of TN=10		4	8	12	$2,000			$2,000
	Cost of TN=10		4	8	12	$2,000			$2,000
	Alternatives Analysis		16	8	24	$4,640			$4,640
	Draft and Final Technical Report/Work Plan		32	4	36	$7,600		$17,346	$24,946
	Site Visit		4	4	8	$1,440	$100		$1,540
TASK 5	**Total Dissolved Solids Source Control Work Plan**								**$25,856**
	Salinity Research		2		2	$440			$440
	Mass Balance		2		2	$440			$440
	WWT Strategies		4	12	16	$2,560			$2,560
	Draft and Final Technical Report/Work Plan	1	24	8	33	$6,645		$15,771	$22,416
		5	126	76	207				
		$1,225	$27,720	$10,640		$39,585	$200	$54,800	**$94,585**

TOTAL NOT-TO-EXCEED FEE: $94,585

SCOPE OF SERVICES

BORREGO WATER DISTRCT

PROPOSAL
DRAFT
RAMS HILL WASTEWATER TREATMENT FACILITY WASTE DISCHARGE REQUIREMENTS

MAY 2019

BACKGROUND

The Borrego Water District (District) owns and operates the Rams Hill Wastewater Treatment Facility (WWTF) in Borrego Springs, California. The WWTF encompasses the wastewater collection, treatment, and disposal systems. The District is subject to the newly adopted waste discharge requirement (WDR) Order R7-2019-0015 that was approved by the Colorado River Basin Regional Water Quality Control Board (Regional Board), on March 7, 2019. The new order reflects changes in the WWTF's operations and enforce the most current laws and regulations applicable to discharge of treated wastewater.

The Rams Hill WWTF design capacity is 0.250 million gallons per day (mgd) and includes the following processes: Parshall flume, flowmeter, bar screen, communitor, grit chamber, oxidation ditch, secondary clarifies, flow equalization basin, evaporation/percolation ponds, a sludge holding tank, and sludge drying bed. The District also maintains and operates a network of eleven groundwater wells, with four groundwater wells upgradient to the WWTF, which provide domestic drinking water to the community.

According to the WDR, constituents in the WWTF's effluent that have potential to degrade groundwater include: nitrogen, coliforms, and total dissolved solids (TDS). Historically, the WWTF's effluent has showed high total nitrogen concentrations that do not comply with the groundwater Primary Maximum Contaminant Level (MCL) for nitrate plus nitrite as nitrogen of 10 mg/L - assuming all nitrogen converts to nitrate/nitrite.

The TDS concentrations within the WWTF's effluent has an average TDS concertation of approximately 593 mg/L, which is below the Regional Board's interim regulatory limit of 700 mg/L. The Rams Hill WWTF's effluent TDS concentration is unlikely to cause groundwater degradation; however, these concentrations will be evaluated for potential future establishment of effluent limitations.

Given the depth of to the groundwater in Borrego Springs, which is approximately 60-feet, coliform densities within the WWTF effluent are not expected to cause degradation of the groundwater. Therefore, coliforms are not of concern, and thus not part of the requirements for the Order.

Purpose

The purpose of this investigation is to assist the District in meeting the following four requirements in Order R7-2019-0015:

1. Groundwater Monitoring Network Technical Report and Work Plan,
2. Nitrogen Control Strategy Technical Report: Fate and Transport Investigation and Effluent Limit Feasibility Study,
3. TDS Source Control Program Technical Report, and
4. Domestic Water Supply Monitoring

SCOPE OF WORK

The following scope of work is arranged to provide an evaluation of the existing groundwater monitoring network at Borrego Springs, determine if the groundwater network is sufficient or needs improvements, develop a nitrogen control strategy, develop a TDS source control strategy, and prepare a monitoring plan for water supply.

Task 1 – Groundwater Monitoring Network Evaluation

Special Provision F.1 of the permit requires an assessment of the adequacy of the groundwater monitoring network. The Carollo team will complete the assessment and prepare a technical report for submittal to the Regional Board by September 7, 2019. The report will describe the analysis completed to establish if the existing groundwater monitoring network is sufficient or if improvements are required. If the technical report indicates repairs or additional monitoring is required, the District will need to submit a Work Plan within four (4) months following the Regional Board's approval of the Technical Report. The District will then have 18 months to implement the improvements.

1.1 Evaluate and Report on the Adequacy of the Existing Groundwater Monitoring Network.

1.1.1 Evaluate the existing groundwater data collected from the groundwater monitoring well.

1.1.2 Complete a well survey to identify other wells within a two-mile radius of the percolation/evaporation ponds to provide data on depth to groundwater and hydrostratigraphic units. The well survey will use the California Statewide Groundwater Elevation Monitoring (CASGEM) Program database to identify wells and available data.

1.1.3 Evaluate the hydrogeological conditions to the adequacy of existing wells to identify groundwater quality impacts from the WWTF discharge. Develop maps (e.g., equipotential maps) based on existing District data and the well survey to show the direction of flow and identify upgradient and downgradient monitoring wells.

1.1.4 Develop a statistical analysis for constituents of concern (COCs) –TDS, sulfate, chloride, total nitrogen, nitrite, nitrate, and fluoride – for the upgradient and downgradient wells to the extent that these data are available.

1.1.5 Review existing groundwater monitoring protocols used by the District to identify competencies.

1.1.6 Prepare and submit the technical report to the Regional Board.

1.2 Develop Groundwater Monitoring Network Work Plan – If Repairs or Additional Monitoring Wells are Necessary.

1.2.1 Develop a monitoring well siting plan to collect data necessary to develop the Groundwater Monitoring Network Work Plan. It is anticipated that three (3) monitoring wells (one upgradient, two downgradient) will be required to adequately monitor the groundwater quality impact of WWTF discharges. The well siting plan will describe the planned steps to establish well locations. It is anticipated that subsurface data will have to be collected as part of this plan. If so, a hydrogeologic investigation will be included.

1.2.2 Complete the Groundwater Monitoring Network Work Plan to implement the changes and/or improvements to the existing groundwater monitoring network, as determined in Task 1.1 and 1.2.1.

Potential areas to be addressed include:

- Monitoring locations,
- Monitoring frequency,
- Sampling protocol,
- Analytical methods,
- Sample management,
- Data reporting, and
- Quality assurance/quality control.

Task 1 Deliverables

- Draft Technical Report (1 electronic in Microsoft Word).
- Final Technical Report (1 electronic PDF).
- Draft Monitoring Well Siting Plan – As Necessary (1 electronic in Microsoft Word).
- Final Monitoring Well Siting Plan – As Necessary (1 electronic PDF).
- Draft Work Plan – As Necessary (1 electronic in Microsoft Word).
- Final Work Plan – As Necessary (1 electronic PDF).
- Attend up to two (2) site visits to assess monitoring protocols and system conditions.

Task 1 Assumptions:

- Task 1.1 will be completed based on existing and available data; no field investigations are anticipated.
- Two (2) months are allowed for sampling hydrogeologic investigation, if deemed necessary, upon the completion of Task 1.2.1.

Task 2 – Nitrogen Control Strategy Evaluation

Special Provision F.2 requires the submission of a Nitrogen Control Strategy and Technical Report to be submitted to the Regional Board within six (6) months of determining that the groundwater network is adequate (Task 1). The Carollo team will prepare the Nitrogen Control Strategy and Technical Report to address the fate and transport of nitrogen from the WWTF effluent, determine the practicality of achieving a 10 mg/L total nitrogen effluent limit, and determine the projected costs of the required improvements. Once the technical report is approved, the District will have 24 months to implement the work plan and submit a completion report after its finalization.

2.1 Investigate the Fate and Transport of Total Nitrogen.

2.1.1 Evaluate existing nitrogen removal technology at the WWTF.

2.1.2 Analyze the total nitrogen and nitrates entering the evaporation ponds and the volume of discharged water that would be expected to reach the receiving groundwater given climatic and vadose zone conditions.

2.1.3 Report the impacts to the groundwater caused by the nitrogen concentration in the WWTF's discharge.

2.2 Perform Effluent Limit Feasibility Study.

2.2.1 Determine the practicability of achieving a 10 mg/L total nitrogen effluent limit for the WWTF.

2.2.2 Evaluate alternative nitrogen removal technologies that would achieve 10 mg/L total nitrogen effluent limit.

- Recommend wastewater treatment processes for possible implementation to the WWTF's processes coupled with hydrologic analysis of groundwater impact for alternative methods.
- Provide costs of alternatives expressed in dollars per ton of nitrogen removed from discharge to identify feasibility.

2.3 Develop a Technical Report including a Work Plan Summarizing the Findings of the Fate and Transport Study and the Effluent Limit Feasibility Study and Submit to the Regional Board.

<u>Task 2 Deliverables</u>

- Draft Technical Report (1 electronic in Microsoft Word).
- Final Technical Report (1 electronic PDF).
- Attend one (1) site visit to assess the WWTF processes.

Task 3 – TDS Source Control Program

Special Provision F.3 requires the District to submit a TDS Source Control Program. The objective of this program is to assess source control and methods to reduce TDS in the discharge to the evaporation/percolation ponds. The Carollo team will develop a TDS Source Control Program Technical Report, which includes a work plan and time schedule, for submittal to the Regional Board by December 7, 2019. Once the technical report is approved, the District will have three (3) years to implement the work plan and submit a completion report after its finalization.

3.1 Identify Major Sources of Salinity to the WWTF Collection System.

3.1.1 Analyze domestic sources, commercial and industrial sources, and water softener regenerations brines.

3.1.2 Identify public relations efforts.

3.2 Develop a Source Control and Methods Technical Report to Reduce TDS Concentrations to the Collection System.

3.3 Prepare a Work Plan and Time Schedule to Implement the TDS Source Control Program. The Work Plan shall include the following aspects:

- A review of municipal entities, facilities, and local ordinances and rules and regulations which address the topic of controlling salinity in wastewater.
- Identification and description of the entities responsible for controlling each source.
- An overall TDS mass balance for the influent into the WWTF.
- Identification of wastewater treatment strategies available and those employed at the WWTF to remove identified pollutions.
- Characterization of the concentrations of TDS in the wastewater discharge to the evaporation/percolation ponds and in the receiving groundwater.

<u>Task 3 Deliverables</u>

- Draft Technical Report (1 electronic in Microsoft Word).
- Final Technical Report (1 electronic PDF).

Task 4 – Water Supply Monitoring

The Monitoring and Reporting Program R7-2019-0015 item 15 requires a monitoring program for the domestic water supply. The Carollo team will develop a monitoring plan to be applied to the water supply production wells. The water supply monitoring plan will specify the following components:

- Monitoring locations,
- Monitoring frequency,

- Sampling protocol,
- Analytical methods,
- Sample management,
- Data reporting, and
- Quality assurance/quality control.

Task 4 Deliverables

- Draft Water Supply Monitoring Plan (1 electronic in Microsoft Word).
- Final Water Supply Monitoring Plan (1 electronic PDF).

Task 4 Assumptions:

- Production well data (construction details, operations, production, water levels, water quality) will be provided by the District.
- Sampling protocol in current use will be provided by the District.
- No additional field work or site visits will be required.

Task 5 – Project Management

Project management includes management and administrative activities relative to scope, schedule, and budget for the overall project including project coordination with BWD staff, Regional Board staff and sub-consultants; deliverables; and quality assurance and quality control.

This task will include time for the following meetings:

- Kick-off Meeting
- Progress Meetings (5).

Task 5 Deliverables:

- Meeting Agenda
- Meeting Minutes
- Progress Status Reports

Task 5 Assumptions:

- Project management activities will run throughout the contract and is assumed to last from NTP to December 27, 2019.
- All meetings to occur with Assessment Team and BWD staff. Travel to Borrego Springs for up to three (3) Assessment Team Members; others to attend via teleconference.

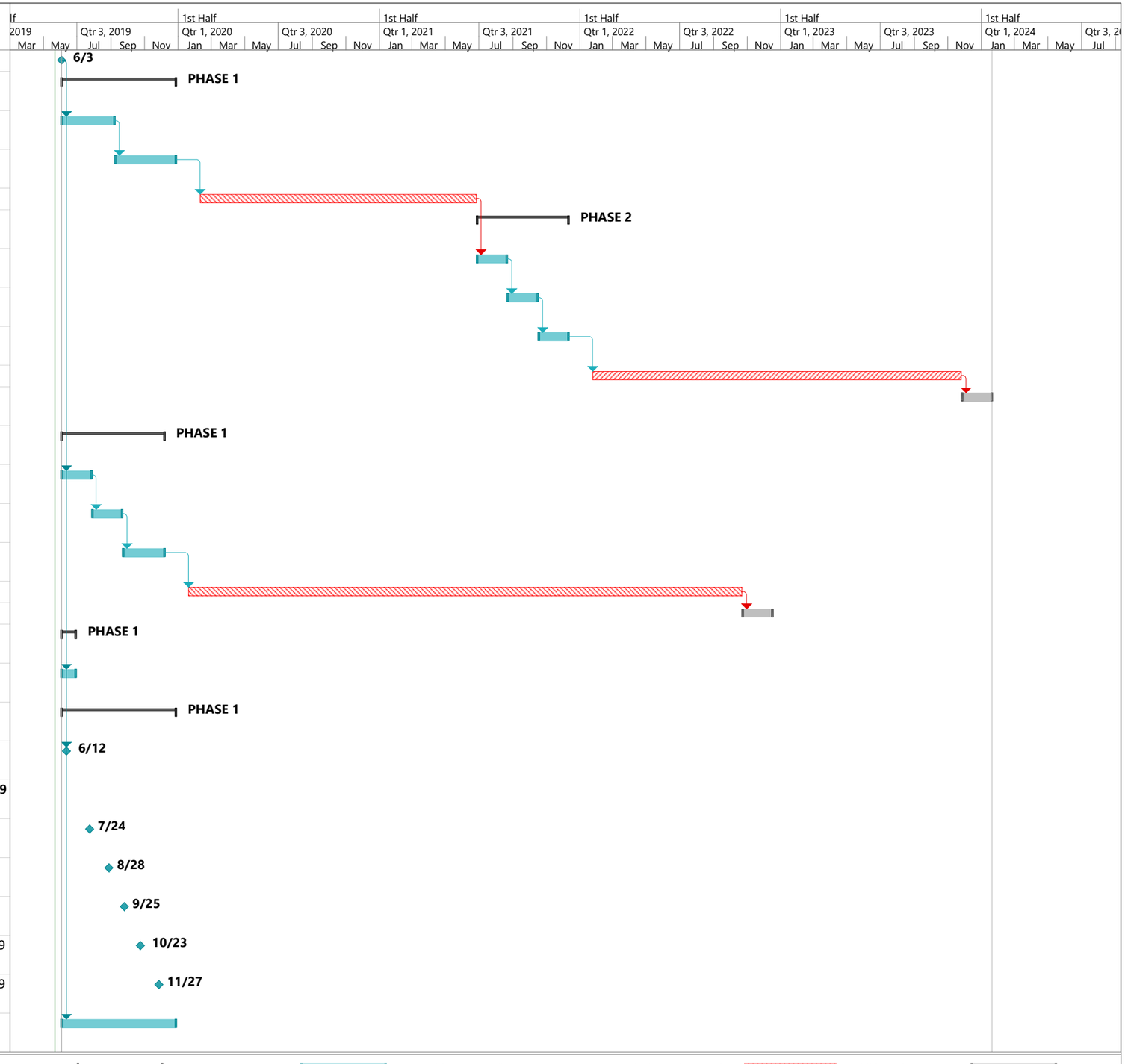
Schedule

The project schedule provided indicates tasks that will be performed by Carollo, as well as those which will be implemented by the District. For planning purposes, the work has been broken into two phases:

- Phase 1 – Task 1, Task 3, Task 4, Task 5.
- Phase 2 – Task 2.

This phasing approach of the project is due to the fact that initiation of Task 2 is contingent upon the approval of Task 1 by the Executive Officer. Thus, it is assumed that Carollo's project management activities will run through the completion of Phase 1 activities and resume once Phase 2 can begin.

ID	Task Name	Duration	Start	Finish
1	**Notice To Proceed**	0 days	Mon 6/3/19	Mon 6/3/19
2	**Task 1 - Groundwater Monitoring Network Evaluation - PHASE 1**	**150 days**	**Mon 6/3/19**	**Fri 12/27/19**
3	Task 1.1 - Evaluate and Report on the Adequacy of the Existing Groundwater Monitoring Network	70 days	Mon 6/3/19	Fri 9/6/19
4	Task 1.2 - Develop Groundwater Monitoring Network Work Plan	4 mons	Mon 9/9/19	Fri 12/27/19
5	District Implementation of Task 1.2	18 mons	Mon 2/10/20	Fri 6/25/21
6	**Task 2 - Nitrogen Control Strategy Evaluation - PHASE 2**	**120 days**	**Mon 6/28/21**	**Fri 12/10/21**
7	Task 2.1 - Fate & Transport of Total Nitrogen	2 mons	Mon 6/28/21	Fri 8/20/21
8	Task 2.2 - Effluent Limit Feasibility Study	2 mons	Mon 8/23/21	Fri 10/15/21
9	Task 2.3 - Technical Report	2 mons	Mon 10/18/21	Fri 12/10/21
10	District Implementation of Task 2.3	24 mons	Mon 1/24/22	Fri 11/24/23
11	Submit Technical Report	2 mons	Mon 11/27/23	Fri 1/19/24
12	**Task 3 - TDS Source Control Program - PHASE 1**	**135 days**	**Mon 6/3/19**	**Fri 12/6/19**
13	Task 3.1 - Identify Major Sources of Salinity	2 mons	Mon 6/3/19	Fri 7/26/19
14	Task 3.2 - Technical Report to Reduce Salinity	2 mons	Mon 7/29/19	Fri 9/20/19
15	Task 3.3 - Work Plan and Schedule to Reduce Salinity	2.75 mons	Mon 9/23/19	Fri 12/6/19
16	District Implementation of Task 3.3	36 mons	Mon 1/20/20	Fri 10/21/22
17	Submit Technical Report	2 mons	Mon 10/24/22	Fri 12/16/22
18	**Task 4 - Water Supply Monitoring - PHASE 1**	**20 days**	**Mon 6/3/19**	**Fri 6/28/19**
19	Task 4.1 - Develop Monitoring and Reporting Program	1 mon	Mon 6/3/19	Fri 6/28/19
20	**Task 5 - Project Management - PHASE 1**	**150 days**	**Mon 6/3/19**	**Fri 12/27/19**
21	Kick off Meeting	0 days	Wed 6/12/19	Wed 6/12/19
22	**Progress Meetings & Status Reports**	**91 days**	**Wed 7/24/19**	**Wed 11/27/19**
23	Progress Meeting No. 1	1 day	Wed 7/24/19	Wed 7/24/19
24	Progress Meeting No. 2	1 day	Wed 8/28/19	Wed 8/28/19
25	Progress Meeting No. 3	1 day	Wed 9/25/19	Wed 9/25/19
26	Progress Meeting No. 4	1 day	Wed 10/23/19	Wed 10/23/19
27	Progress Meeting No. 5	1 day	Wed 11/27/19	Wed 11/27/19
28	Quality Assurance & Quality Control	150 days	Mon 6/3/19	Fri 12/27/19



Project: Borrego Springs Permit
Date: Wed 5/22/19

Task Milestone Phase Task Manual Summary Rollup District Implementation Additional Scope

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 28, 2019
Item II.B.1

TO: Board of Directors

FROM: Geoff Poole, General Manager

SUBJECT: Dr Jay Jones Synopsis of GSP related analyses and impacts upon BWD – Dr Jay Jones

RECOMMENDED ACTION

Receive verbal synopsis by Dr Jones on his work to date.

ITEM EXPLANATION

Dr Jay Jones/ENSI has performed a tremendous amount of work on the potential physical and socioeconomic impacts of GSP implementation on BWD. Staff has requested him to make a presentation to the Board on his work to date.

FISCAL IMPACT
Jones to describe

ATTACHMENTS
1. None

IV.A

FINANCIALS

April 2019

	C	AI	AJ	AK	AL	AM
1						
2	**BWD**	6/19/2018				
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Projected		Actual
4	**2018-2019**	BUDGET	April	April	Difference	YTD
5		2018-2019	2019	2019	Explanations	2018-2019
6						
7	**REVENUE**					
8	WATER REVENUE					
9	Residential Water Sales	950,994	75,745	70,000		712,994
10	Commercial Water Sales	417,885	41,482	35,000		385,541
11	Irrigation Water Sales	237,061	14,798	12,000		163,159
12	GWM Surcharge	181,749	14,702	12,000		140,296
13	Water Sales Power Portion	514,706	40,349	36,124		371,640
14	**TOTAL WATER COMMODITY REVENUE:**	2,302,395	187,076	165,124		1,773,630
15						
16	Readiness Water Charge	1,154,976	96,405	96,561		962,444
17	Meter Install/Connect/Reconnect Fees	20,680	0	340		715
18	Backflow Testing/installation	5,100	0	-		300
19	Bulk Water Sales	1,200	663	100		12,398
20	Penalty & Interest Water Collection	40,000	10,669	4,000		41,030
21	**TOTAL WATER REVENUE:**	3,524,351	294,814	266,125		2,790,517
22						
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
24	641500 1% Property Assessments	62,300	16,403	16,403		53,477
25	641502 Property Assess wtr/swr/fld	106,212	2,211	2,211		59,861
27	641501 Water avail Standby	82,376	5,971	5,971		65,978
29	641504 ID 3 Water Standby (La Casa)	33,647	1,093	1,093		20,951
30	641503 Pest standby	17,870	2,164	2,164		12,849
31	**TOTAL PROPERTY ASSES/AVAIL CHARGES:**	302,404	27,843	27,843		213,117
32						
33	SEWER SERVICE CHARGES					
34	Town Center Sewer Holder fees	234,593	19,496	19,665		194,126
35	Town Center Sewer User Fees	88,695	7,656	7,656		74,737
36	Sewer user Fees	278,304	24,223	23,000		234,453
37	Sewer-liened	0	0	-		-
38	Penalty Interest-Sewer	1,248	0	104		6,782
39	Sewer Capacity Fees	0	0	-		14,460
40	**TOTAL SEWER SERVICE CHARGES:**	602,840	51,375	50,425		524,557
41						
42	OTHER INCOME					
46	Water Credits income	22,000	0	-		-
47	WTF Solar Rebate	50,000	0			43,785
48	R/H Surplus Water Revenue	200,000	0			318,458
49	Interest Income	6,000	8,860	8,000		68,486
50	**TOTAL OTHER INCOME:**	278,000	8,860	8,000		430,729
51						
52	**TOTAL INCOME:**	4,707,595	382,891	352,393		3,958,921
53						
54	CASH BASIS ADJUSTMENTS					
55	Decrease (Increase) in Accounts Receivable		(84,973)			(49,760)
56	Deposits-refund					(14,900)
57	Other Cash Basis Adjustments		32,851			68,292
58	**TOTAL CASH BASIS ADJUSTMENTS:**		(52,122)			3,631
59						
60	**TOTAL OPERATING INCOME RECEIVED:**	4,707,595	330,768	327,393		3,974,923

	C	AN	AO	AP	AQ
2	**BWD**				
3	**BUDGET CASH FLOW**	**Actual YTD**	**Projected**	**Projected**	**Projected**
4	**2018-2019**	**and Projected**		**May**	**June**
5		**2018-2019**	**2018-2019**	**2019**	**2019**
6					
7	**REVENUE**				
8	WATER REVENUE				
9	Residential Water Sales	860,994	148,000	73,000	75,000
10	Commercial Water Sales	438,541	53,000	25,000	28,000
11	Irrigation Water Sales	197,799	34,640	16,640	18,000
12	GWM Surcharge	170,916	30,620	15,310	15,310
13	Water Sales Power Portion	455,253	83,614	40,879	42,735
14	**TOTAL WATER COMMODITY REVENUE:**	2,123,504	349,874	170,829	179,045
15					
16	Readiness Water Charge	1,155,566	193,122	96,561	96,561
17	Meter Install/Connect/Reconnect Fees	715	0		
18	Backflow Testing/installation	5,400	5,100	0	5,100
19	Bulk Water Sales	12,598	200	100	100
20	Penalty & Interest Water Collection	49,030	8,000	4,000	4,000
21	**TOTAL WATER REVENUE:**	3,346,813	556,296	271,490	284,806
22					
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
24	641500 1% Property Assessments	61,553	8,076	7,876	200
25	641502 Property Assess wtr/swr/fld	105,647	45,785	45,485	300
27	641501 Water avail Standby	80,030	14,052	12,052	2,000
29	641504 ID 3 Water Standby (La Casa)	33,568	12,617	12,127	490
30	641503 Pest standby	17,182	4,332	3,810	523
31	**TOTAL PROPERTY ASSES/AVAIL CHARGES:**	297,979	84,862	81,350	3,513
32					
33	SEWER SERVICE CHARGES				
34	Town Center Sewer Holder fees	233,456	39,330	19,665	19,665
35	Town Center Sewer User Fees	90,049	15,312	7,656	7,656
36	Sewer user Fees	280,453	46,000	23,000	23,000
37	Sewer-liened	-	0	0	0
38	Penalty Interest-Sewer	6,990	208	104	104
39	Sewer Capacity Fees	14,460	0	0	0
40	**TOTAL SEWER SERVICE CHARGES:**	625,407	100,850	50,425	50,425
41					
42	OTHER INCOME				
46	Water Credits income	-	0	0	0
47	WTF Solar Rebate	43,785	0		
48	R/H Surplus Water Revenue	318,458	0		
49	Interest Income	84,486	16,000	8,000	8,000
50	**TOTAL OTHER INCOME:**	446,729	16,000	8,000	8,000
51					
52	**TOTAL INCOME:**	4,716,929	758,008	411,265	346,743
53					
54	CASH BASIS ADJUSTMENTS				
55	Decrease (Increase) in Accounts Receivable	(49,760)			
56	Deposits-refund	(14,900)			
57	Other Cash Basis Adjustments	68,292			
58	**TOTAL CASH BASIS ADJUSTMENTS:**	3,631			
59					
60	**TOTAL OPERATING INCOME RECEIVED:**	4,720,560	758,008	411,265	346,743

	C	AI	AJ	AK	AL	AM
2	**BWD**	6/19/2018				
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Projected		Actual
4	**2018-2019**	BUDGET	April	April	Difference	YTD
5		2018-2019	2019	2019	Explanations	2018-2019
61						
62	EXPENSES					
63						
64	MAINTENANCE EXPENSE					
65	R & M Buildings & Equipment	180,000	42,786	12,000	Asphalt District	182,543
66	R & M - WTF	180,000	1,770	7,000		91,929
67	Telemetry	10,000	0	700		6,949
68	Trash Removal	4,200	418	420		4,617
69	Vehicle Expense	18,000	343	1,048		16,711
70	Fuel & Oil	30,000	3,999	2,645		21,974
71	TOTAL MAINTENANCE EXPENSE:	422,200	49,316	23,813		324,724
72						
73	PROFESSIONAL SERVICES EXPENSE					
74	Tax Accounting (Taussig)	3,000	0	662		2,251
75	Administrative Services (ADP)	3,000	243	240		2,413
76	Audit Fees (Leaf & Cole)	16,995	0	-		16,994
77	Computer billing (Accela/Parker)/Cyber Security	25,000	7,782	10,000		19,470
78	Financial/Technical Consulting (Raftelis rate study $52,000)	80,000	1,320	500		79,847
79	Engineering (Dynamic/Dudek)	60,000	0	6,000		9,283
80	District Legal Services (Downey Brand/BBK)	100,000	5,368	10,000		26,627
81	Grant Acquisitions (TRAC)					
82	Testing/lab work (Babcock Lab/Water Quality Monitoring)	12,000	6,344	800		22,250
83	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	25,000	60	500		34,197
84	TOTAL PROFESSIONAL SERVICES EXPENSE:	374,994	21,118	28,702		213,332
85						
86	INSURANCE EXPENSE					
87	ACWA/JPIA Program Insurance	57,000	0	-		29,479
88	ACWA/JPIA Workers Comp	17,600	0	-		12,761
89	TOTAL INSURANCE EXPENSE:	74,600	0	-		42,240
90						
91	DEBT EXPENSE					
92	Compass Bank Note 2018A	254,500	0	-		250,657
93	Compass Bank Note 2018B	143,000	0			140,946
94	Pacific Western Bank 2018 IPA	500,000	0			501,662
95	TOTAL DEBT EXPENSE:	897,500	0	-		893,265
96						
97	PERSONNEL EXPENSE					
98	Board Meeting Expense (board stipend/board secretary)	25,000	2,523	1,970		13,929
99	Salaries & Wages (gross)	890,000	81,017	74,026	Safety bonus JPIA	748,185
100	Salaries & Wages offset account (board stipends/staff project salaries)	-60,000	(16,099)	(5,000)		(72,565)
101	Consulting services/Contract Labor	15,000	4,938	1,250		20,331
102	Taxes on Payroll	22,300	1,845	1,650		19,274
103	Medical Insurance Benefits	229,000	17,093	18,494		194,282
104	Calpers Retirement Benefits	170,170	7,274	6,800		160,674
105	Conference/Conventions/Training/Seminars	17,000	802	1,200		10,679
106	TOTAL PERSONNEL EXPENSE:	1,308,470	99,192	100,390		1,094,789
107						
108	OFFICE EXPENSE					
109	Office Supplies	20,000	908	500		23,446
110	Office Equipment/ Rental/Maintenance Agreements	35,000	5,750	1,837		37,233
111	Postage & Freight	15,000	2,219	2,000		11,132
112	Taxes on Property	2,334	0	-		2,383
113	Telephone/Answering Service/Cell	24,000	2,509	1,600		16,513
114	Dues & Subscriptions (ACWA/CSDA)	21,000	81	500		21,949
115	Printing, Publications & Notices	2,500	0	400		721
116	Uniforms	6,500	882	570		5,511
117	OSHA Requirements/Emergency preparedness	4,000	1,532	436		4,659
118	TOTAL OFFICE EXPENSE:	130,333	13,880	7,843		123,544
119						
120	UTILITIES EXPENSE					
121	Pumping-Electricity	308,000	23,905	23,000		258,399
122	Office/Shop Utilities	1,200	114	100		3,363
124	TOTAL UTILITIES EXPENSE:	309,200	24,019	23,100		261,763
125						
126	GROUNDWATER MANAGEMENT EXPENSE					
127	Net SGMA GSP & Stipulation Costs	308,000	42,097	10,000		255,344
128	Prop 1 Grant Expense/Prop 86	60,000	38,128	5,000		398,743
129						-
130	TOTAL GWM EXPENSE:	368,000	80,225	15,000		654,086
131						
132	TOTAL EXPENSES:	3,885,297	287,751	198,848		3,607,743
133	CASH BASIS ADJUSTMENTS					
134	Decrease (Increase) in Accounts Payable		(211,234)			(101,646)
135	Increase (Decrease) in Inventory		(107)			1,685
136	Other Cash Basis Adjustments-Bob Moore		4,770			102,306
137	TOTAL CASH BASIS ADJUSTMENTS:		(206,572)			34,948.91
138						
139	TOTAL OPERATING EXPENSES PAID:	3,885,297	81,179	198,848		3,642,692
140						
141	NET OPERATING INCOME:	822,298	249,589	128,545		332,231

	C	AN	AO	AP	AQ
2	**BWD**				
3	**BUDGET CASH FLOW**	**Actual YTD**	**Projected**	**Projected**	**Projected**
4	**2018-2019**	**and Projected**		**May**	**June**
5		**2018-2019**	**2018-2019**	**2019**	**2019**
64	MAINTENANCE EXPENSE				
65	R & M Buildings & Equipment	205,273	22,730	10,696	12,034
66	R & M - WTF	105,557	13,628	7,000	6,628
67	Telemetry	9,691	2,742	2,000	742
68	Trash Removal	5,457	840	420	420
69	Vehicle Expense	18,641	1,930	1,000	930
70	Fuel & Oil	27,474	5,500	2,500	3,000
71	**TOTAL MAINTENANCE EXPENSE:**	372,094	47,370	23,616	23,754
72					
73	PROFESSIONAL SERVICES EXPENSE				
74	Tax Accounting (Taussig)	2,338	87	0	87
75	Administrative Services (ADP)	2,893	480	240	240
76	Audit Fees (Leaf & Cole)	16,994	0	0	0
77	Computer billing (Accela/Parker)/Cyber Security	21,890	2,420	2,052	368
78	Financial/Technical Consulting (Raftelis rate study $52,000)	80,847	1,000	500	500
79	Engineering (Dynamic/Dudek)	21,283	12,000	6,000	6,000
80	District Legal Services (Downey Brand/BBK)	46,627	20,000	10,000	10,000
81	Grant Acquisitions (TRAC)				
82	Testing/lab work (Babcock Lab/Water Quality Monitoring)	24,050	1,800	1,000	800
83	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	34,897	700	200	500
84	**TOTAL PROFESSIONAL SERVICES EXPENSE:**	251,819	38,487	19,992	18,495
85					
86	INSURANCE EXPENSE				
87	ACWA/JPIA Program Insurance	29,479	0	0	0
88	ACWA/JPIA Workers Comp	17,161	4,400	0	4,400
89	**TOTAL INSURANCE EXPENSE:**	46,640	4,400	-	4,400
90					
91	DEBT EXPENSE				
92	Compass Bank Note 2018A	250,657	0	0	0
93	Compass Bank Note 2018B	140,946	0		
94	Pacific Western Bank 2018 IPA	501,662	0		
95	**TOTAL DEBT EXPENSE:**	893,265	0	-	-
96					
97	PERSONNEL EXPENSE				
98	Board Meeting Expense (board stipend/board secretary)	21,199	7,270	5,045	2,225
99	Salaries & Wages (gross)	894,373	146,188	75,890	70,297
100	Salaries & Wages offset account (board stipends/staff project salaries)	(82,565)	(10,000)	(5,000)	(5,000)
101	Consulting services/Contract Labor	22,831	2,500	1,250	1,250
102	Taxes on Payroll	22,424	3,150	1,600	1,550
103	Medical Insurance Benefits	212,776	18,494	18,494	
104	Calpers Retirement Benefits	174,274	13,600	6,800	6,800
105	Conference/Conventions/Training/Seminars	13,179	2,500	1,200	1,300
106	**TOTAL PERSONNEL EXPENSE:**	1,278,491	183,702	105,279	78,422
107					
108	OFFICE EXPENSE				
109	Office Supplies	25,149	1,703	750	953
110	Office Equipment/ Rental/Maintenance Agreements	39,351	2,118	1,118	1,000
111	Postage & Freight	15,132	4,000	2,000	2,000
112	Taxes on Property	2,383	0	0	0
113	Telephone/Answering Service/Cell	19,713	3,200	1,600	1,600
114	Dues & Subscriptions (ACWA/CSDA)	22,441	492	347	145
115	Printing, Publications & Notices	1,721	1,000	500	500
116	Uniforms	6,666	1,155	570	585
117	OSHA Requirements/Emergency preparedness	5,531	872	436	436
118	**TOTAL OFFICE EXPENSE:**	138,082	14,538	7,321	7,219
119					
120	UTILITIES EXPENSE				
121	Pumping-Electricity	306,120	47,721	23,721	24,000
122	Office/Shop Utilities	3,563	200	100	100
124	**TOTAL UTILITIES EXPENSE:**	309,684	47,921	23,821	24,100
125					
126	GROUNDWATER MANAGEMENT EXPENSE				
127	Net SGMA GSP & Stipulation Costs	275,344	20,000	10,000	10,000
128	Prop 1 Grant Expense/Prop 86	408,743	10,000	5,000	5,000
129		-	0		
130	**TOTAL GWM EXPENSE:**	684,086	30,000	15,000	15,000
131					
132	**TOTAL EXPENSES:**	3,974,163	366,420	195,029	171,390
133	CASH BASIS ADJUSTMENTS				
134	Decrease (Increase) in Accounts Payable	(101,646)			
135	Increase (Decrease) in Inventory	1,685			
136	Other Cash Basis Adjustments-Bob Moore	102,306			
137	**TOTAL CASH BASIS ADJUSTMENTS:**	34,949			
138					
139	**TOTAL OPERATING EXPENSES PAID:**	4,009,112	366,420	195,029	171,390
140					
141	**NET OPERATING INCOME:**	711,448	381,588	216,235	175,353

	C	AI	AJ	AK	AL	AM
2	**BWD**	6/19/2018				
3	**BUDGET CASH FLOW**	ADOPTED	Actual	Projected		Actual
4	**2018-2019**	BUDGET	April	April	Difference	YTD
5		2018-2019	2019	2019	Explanations	2018-2019
143	**CIP PROJECTS**					
144						
145	**WATER-Operating Cash Funded**					
147						
148	Emergency System Repairs	170,000	0	-		82,641
149	Emergency Generator Mobile trailer-Air Conditioning Lugo Building	12,000	11,790	-		11,790
150	Reservoir cleaning					
153						
154	**TOTAL WATER CASH CIP EXPENSES:**	342,000	11,790	-		94,431
155						
156	**SEWER-Operating Cash Funded**					
157						
158	TSC La Casa Bypass	150,000	0			-
159						
160	**TOTAL SEWER CASH FUNDED CIP:**	150,000	0	-		
161				-		
162	**TOTAL CASH CIP EXPENSES:**	492,000	11,790	0		94,431
163						
164	**CASH RECAP**					
165	Cash beginning of period	4,570,637	4,682,827	4,682,827		4,682,827
166	Operating Income	822,296	249,589	138,545		332,231
167	Total Non O&M Cash Funded Expenses	-342,000	(11,790)	0		(94,431)
168	**CASH RESERVES AT END OF PERIOD**	5,050,933	4,920,626	5,272,256		4,920,627
169	**FY Reserves Target**	5,380,000	5,380,000	5,380,000		5,380,000
170	**Reserves Surplus/(Shortfall)**	-329,067	(459,374)	(107,744)		(459,374)
171						
172						
173	**DEBT & GRANT ACCOUNTING**		4,920,626			
174			0			
175	**WATER-Bond Funded CIP Expenses**					
176						
177	Phase 1 Pipeline Project - 17120	165,000	71,163			78,388
178	Production Well #1 ID4-Well #9-17110	107,500	4,333	0		58,424
179	Production Well #2-17130	107,500	1,928	0		24,980
180	Replace 5 well discharge manifolds and electric panel upgrades-17140	112,000	360,762	260,000		493,535
181	Replace 30 fire hydrants					-
182	Management Consulting water (Bond CIP)		0			-
184						
185	**TOTAL WATER BOND FUNDED CIP:**	602,000	438,185	260,000		655,326
186						
187	**SEWER-Bond Funded CIP Expenses**					
188						
189	Clean & Video Sewer Lines-Club Circle, Foursome and Backnine					
190	Sewer Forcemain Replacement & American Legion Lateral	150,000	0	-		-
191	Management Consulting Sewer (Bond CIP)		0	-		-
192						
193	**TOTAL SEWER BOND FUNDED CIP:**	150,000	0	-		-
198						
199	**TOTAL DEBT FUNDED CIP EXPENSES:**	752,000	438,185	260,000		655,326
200						
201	**UNEXPENDED DEBT PROCEEDS:**	4,698,000	5,031,532	5,183,910		5,031,532
202	**TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS**	8,583,297				
203						
204	**GRANT PROCEEDS**					
205	Grant sewer proceeds					
206	Prop 1 CIP Grant (SDAC reimbursement 2020)	500,000	0	0		-
207	**TOTAL GRANT PROCEEDS:**					
208						
209	**WATER-Grant Funded CIP Expenses**					
210						
211						
212	**SEWER-Grant Funded CIP Expenses**					
213	Plant-Grit removal at the headworks					
214	Clarifyer Rehab					
215	**TOTAL WATER GRANT FUNDED CIP EXPENSES:**	500,000	0	-		-
216						
217	**TOTAL INCOME, GRANT & DEBT PROCEEDS BALANCE**	10,707,595				

	C	AN	AO	AP	AQ
2	**BWD**				
3	**BUDGET CASH FLOW**	**Actual YTD**	**Projected**	**Projected**	**Projected**
4	**2018-2019**	**and Projected**		**May**	**June**
5		**2018-2019**	**2018-2019**	**2019**	**2019**
143	**CIP PROJECTS**				
144					
145	**WATER-Operating Cash Funded**				
147					
148	Emergency System Repairs	82,641	0	0	0
149	Emergency Generator Mobile trailer-Air Conditioning Lugo Building	11,790	0	0	0
150	Reservoir cleaning				
153					
154	**TOTAL WATER CASH CIP EXPENSES:**	94,431	0	-	-
155					
156	**SEWER-Operating Cash Funded**				
157					
158	TSC La Casa Bypass		0		-
159					
160	**TOTAL SEWER CASH FUNDED CIP:**		0	0	0
161				0	0
162	**TOTAL CASH CIP EXPENSES:**	94,431	0	0	0
163					
164	**CASH RECAP**				
165	Cash beginning of period	4,682,827	4,920,627	4,920,627	5,136,862
166	Operating Income	711,448	391,588	216,235	175,353
167	Total Non O&M Cash Funded Expenses	(94,431)	0	0	0
168	**CASH RESERVES AT END OF PERIOD**	5,299,845	5,312,214	5,136,862	5,312,216
169	**FY Reserves Target**	5,380,000	5,380,000	5,380,000	5,380,000
170	**Reserves Surplus/(Shortfall)**	(80,155)	(67,784)	(243,138)	(67,784)
171					
172					
173	**DEBT & GRANT ACCOUNTING**				
174					
175	**WATER-Bond Funded CIP Expenses**				
176					
177	Phase 1 Pipeline Project - 17120	178,388	100,000	0	100,000
178	Production Well #1 ID4-Well #9-17110	263,424	205,000	105,000	100,000
179	Production Well #2-17130	24,980	0	0	0
180	Replace 5 well discharge manifolds and electric panel upgrades-17140	513,535	20,000	10,000	10,000
181	Replace 30 fire hydrants	-			
182	Management Consulting water (Bond CIP)	-			
184					
185	**TOTAL WATER BOND FUNDED CIP:**	980,326	325,000	115,000	210,000
186					
187	**SEWER-Bond Funded CIP Expenses**				
188					
189	Clean & Video Sewer Lines-Club Circle, Foursome and Backnine				
190	Sewer Forcemain Replacement & American Legion Lateral	-	0	0	
191	Management Consulting Sewer (Bond CIP)	-	0	-	-
192					
193	**TOTAL SEWER BOND FUNDED CIP:**	-	0	0	0
198					
199	**TOTAL DEBT FUNDED CIP EXPENSES:**	980,326	325,000	115,000	210,000
200					
201	**UNEXPENDED DEBT PROCEEDS:**	4,706,532	4,706,532	4,916,532	4,706,532
202	**TOTAL EXPENSES AND UNEXPENDED DEBT PROCEEDS**	8,715,644			
203					
204	**GRANT PROCEEDS**				
205	Grant sewer proceeds				
206	Prop 1 CIP Grant (SDAC reimbursement 2020)	222,065	222,065	0	222,065
207	**TOTAL GRANT PROCEEDS:**				
208					
209	**WATER-Grant Funded CIP Expenses**				
210					
211					
212	**SEWER-Grant Funded CIP Expenses**				
213	Plant-Grit removal at the headworks				
214	Clarifyer Rehab				
215	**TOTAL WATER GRANT FUNDED CIP EXPENSES:**	-	0	0	0
216					
217	**TOTAL INCOME, GRANT & DEBT PROCEEDS BALANCE**	9,427,092			

TREASURER'S REPORT
April, 2019

	Bank Balance	Carrying Value	Fair Value	% of Portfolio Current Actual	Rate of Interest	Maturity	Valuation Source
Cash and Cash Equivalents:							
Demand Accounts at CVB/LAIF							
General Account/Petty Cash	$ 4,850,594	$ 4,846,078	$ 4,846,078	48.69%	0.00%	N/A	CVB
Payroll Account	$ 52,632	$ 52,632	$ 52,632	0.53%	0.00%	N/A	CVB
MMA (Bond Funds)	$ 4,508,713	$ 4,508,713	$ 4,508,713	45.30%	2.22%	N/A	CVB
CIP Bond Funds Checking	$ 522,819	$ 522,819	$ 522,819	5.25%	0.00%	N/A	CVB
LAIF	$ 21,916	$ 21,916	$ 21,916	0.22%	2.16%	N/A	LAIF
Total Cash and Cash Equivalents	**$ 9,956,673**	**$ 9,952,158**	**$ 9,952,158**	**100.00%**			
Facilities District No. 2017-1A-B							
Special Tax Bond- Rams Hill -US BANK	$ 290,197	$ 290,197	$ 290,197				
Total Cash,Cash Equivalents & Investments	**$ 10,246,870**	**$ 10,242,355**	**$10,242,355**				

Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 19, 2018

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

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

Kim Pitman

Kim Pitman, Administration Manager

ASSETS

	BALANCE SHEET April 30, 2019 (unaudited)	BALANCE SHEET March 31, 2019 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT ASSETS			
Cash and cash equivalents	$ 4,920,625.65	$ 4,682,470.12	$ 238,155.53
Accounts receivable from water sales and sewer charges	$ 497,541.53	$ 412,945.04	$ 84,596.49
Inventory	$ 116,369.51	$ 116,476.74	$ (107.23)
Prepaid expenses	$ 31,826.98	$ 31,826.98	$ -
TOTAL CURRENT ASSETS	**$ 5,566,363.67**	**$ 5,243,718.88**	$ 322,644.79
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	$ 92,538.01	$ 92,538.01	$ -
Deferred Outflow of Resources-CalPERS	$ 356,748.00	$ 356,748.00	$ -
Total Debt service	$ 449,286.01	$ 449,286.01	$ -
Trust/Bond funds:			
Investments with fiscal agent -CFD 2017-1	$ 290,196.94	$ 72,428.73	$ 217,768.21
2018 Certficates of Participation to fund CIP Projects	$ 5,031,532.21	$ 5,503,288.32	$ (471,756.11)
Total Trust/Bond funds	$ 5,321,729.15	$ 5,575,717.05	$ (253,987.90)
TOTAL RESTRICTED ASSETS	**$ 5,771,015.16**	**$ 6,025,003.06**	
UTILITY PLANT IN SERVICE			
Land	$ 2,251,663.65	$ 2,251,663.65	$ -
Flood Control Facilities	$ 4,287,340.00	$ 4,287,340.00	$ -
Capital Improvement Projects	$ 600,095.09	$ 443,255.81	$ 156,839.28
Bond funded CIP Expenses	$ 453,973.92	$ 120,962.65	$ 333,011.27
Sewer Facilities	$ 6,175,596.99	$ 6,175,596.99	$ -
Water facilities	$ 11,621,513.88	$ 11,621,513.88	$ -
General facilities	$ 1,006,881.07	$ 974,152.43	$ 32,728.64
Equipment and furniture	$ 597,312.57	$ 585,522.57	$ 11,790.00
Vehicles	$ 715,321.23	$ 748,049.87	$ (32,728.64)
Accumulated depreciation	$ (13,250,787.98)	$ (13,250,787.98)	$ -
			$ -
NET UTILITY PLANT IN SERVICE	**$ 14,458,910.42**	**$ 13,957,269.87**	$ 501,640.55
OTHER ASSETS			
Water rights -ID4	$ 185,000.00	$ 185,000.00	$ -
TOTAL OTHER ASSETS	**$ 185,000.00**	**$ 185,000.00**	
TOTAL ASSETS	**$ 25,981,289.25**	**$ 25,410,991.81**	$ 570,297.44

Balance sheet continued

	BALANCE SHEET April 30, 2019 (unaudited)	BALANCE SHEET March 31, 2019 (unaudited)	MONTHLY CHANGE (unaudited)
LIABILITIES			
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	$ 365,902.99	$ 139,052.03	$ 226,850.96
Accrued expenses	$ 147,386.12	$ 147,386.12	$ -
CSD Refund Payable	$ 13,153.53	$ 17,923.53	$ (4,770.00)
Deposits	$ 14,900.00	$ 14,900.00	$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	**$ 541,342.64**	**$ 319,261.68**	$ 222,080.96
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2017-1	$ 290,196.94	$ 72,428.73	$ 217,768.21
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	**$ 290,196.94**	**$ 72,428.73**	$ 217,768.21
LONG TERM LIABILITIES			
2008 Certificates of Participation-ID 4 infrastructure	$ 1,982,000.00	$ 1,982,000.00	$ -
2018 Certficates of Participation to fund CIP Projects	$ 5,235,000.00	$ 5,235,000.00	$ -
BBVA Compass Bank Loan	$ 727,590.17	$ 727,590.17	$ -
Net Pension Liability-CalPERS	$ 819,059.00	$ 819,059.00	$ -
Deferred Inflow of Resources-CalPERS	$ 163,076.00	$ 163,076.00	
TOTAL LONG TERM LIABILITIES	**$ 8,926,725.17**	**$ 8,926,725.17**	$ -
TOTAL LIABILITIES	**$ 9,758,264.75**	**$ 9,318,415.58**	$ 439,849.17
FUND EQUITY			
Contributed equity	$ 9,611,814.35	$ 9,611,814.35	$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	$ 6,611,210.15	$ 6,480,761.88	$ 130,448.27
Total retained earnings	$ 6,611,210.15	$ 6,480,761.88	$ 130,448.27
TOTAL FUND EQUITY	**$ 16,223,024.50**	**$ 16,092,576.23**	$ 130,448.27
TOTAL LIABILITIES AND FUND EQUITY	**$ 25,981,289.25**	**$ 25,410,991.81**	$ 570,297.44

To: BWD Board of Directors

From: Kim Pitman

Subject: Consideration of the Disbursements and Claims Paid
Month Ending April, 2019

Vendor disbursements paid during this period:		**$**	**676,731.32**
Significant items:			
San Diego Gas & Electric		$	23,720.73
Medical Health Benefits		$	18,378.42
CalPERS		$	5,446.25
Accela-Springbrook utility billing training		$	6,479.25
Pacific Pipe-Supplies for well 12 repair-BOND		$	13,973.71
Capital Projects/Fixed Asset Outlays:			
Hidden Valley Pump-Replace well discharge manifolds-BOND		$	339,459.12
Joes Paving-Asphault customer and Staff parking/work areas		$	31,661.77
Locke Air Conditioning-Air conditioning unit for Lugo Building		$	11,790.00
Total Professional Services for this Period:			
Best Best & Krieger	Legal-general	$	5,368.34
	GWM	$	15,785.48
	Bond	$	765.00
Dynamic Consulting	Bond	$	71,010.00
TRAC	Prop 86 Grant	$	2,070.00
LeSar Development Consultants	Prop 1 grant	$	14,600.00
Rocks Biological Consulting	Bond	$	1,980.00
Dudek	Bond	$	5,617.50
	Water Supply R/	$	18,475.88
Brian Brady-March & April	Org Develop	$	4,937.50
	GSP	$	2,187.50
Payroll for this Period:			
Gross Payroll		$	81,016.63
Employer Payroll Taxes and ADP Fee		$	1,845.44
Total		**$**	**82,862.07**

33156	1109	ABILITY ANSWERING/PAGING SER	04/16/2019		0.00	259.71
33183	1109	ABILITY ANSWERING/PAGING SER	05/13/2019		0.00	275.30
33184	90	ACCELA, INC. #774375	05/13/2019		0.00	6,479.25
33164	1266	AFLAC	04/23/2019		0.00	1,768.90
33185	1001	AMERICAN LINEN INC.	05/13/2019		0.00	882.00
33186	61	AT&T MOBILITY	05/13/2019		0.00	1,406.73
33172	9529	AT&T-CALNET 3	05/02/2019		0.00	407.64
33187	9255	BABCOCK LABORATORIES	05/13/2019		0.00	6,304.00
1022	10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	05/20/2019		0.00	765.00
33208	10884	BEST BEST & KRIEGER ATTORNEYS AT LAW	05/20/2019		0.00	21,153.82
33209	1201	BORREGO LANDFILL	05/20/2019		0.00	116.38
33188	1003	BORREGO SPRINGS BOTTLED WATER	05/13/2019		0.00	119.42
33189	1037	BORREGO SUN	05/13/2019		0.00	70.00
33210	1037	BORREGO SUN	05/20/2019		0.00	70.00
33211	10903	BRIAN J. BRADY & ASSOCIATES	05/20/2019		0.00	7,125.00
33212	10893	CALIFORNIA STATE UNIVERSITY SACRAMENTO	05/20/2019		0.00	418.95
33157	1196	CASH	04/16/2019		0.00	300.00
33161	1222	DEBBIE MORETTI	04/16/2019		0.00	122.00
33203	96	DISH	05/14/2019		0.00	80.73
33158	9801	DLT SOLUTIONS, LLC.	04/16/2019		0.00	2,881.20
1012	9640	DUDEK	04/23/2019		0.00	5,617.50
33165	9640	DUDEK	04/23/2019		0.00	18,475.88
33173	11051	DURAG INC.	05/02/2019		0.00	14,985.00
1016	1447	DYNAMIC CONSULTING ENGINEERS	05/13/2019		0.00	71,010.00
33159	1094	EMPIRE SOUTHWEST	04/16/2019		0.00	1,974.53
33213	10907	ENVIRONMENTAL NAVIGATION SERVICES, INC	05/20/2019		0.00	19,477.50
1013	3024	FED EX	04/23/2019		0.00	30.53
33166	3024	FED EX	04/23/2019		0.00	193.54
33167	9544	FIREFORCE INC.	04/23/2019		0.00	1,391.50
33190	9579	GREEN DESERT LANDSCAPE	05/13/2019		0.00	4,770.00
1011	1012	HIDDEN VALLEY PUMP SYSTEMS INC	04/15/2019		0.00	253,731.68
1015	1012	HIDDEN VALLEY PUMP SYSTEMS INC	05/02/2019		0.00	2,503.88
33174	1012	HIDDEN VALLEY PUMP SYSTEMS INC	05/02/2019		0.00	83,223.56
33214	1012	HIDDEN VALLEY PUMP SYSTEMS INC	05/20/2019		0.00	649.40
33204	1136	HOME DEPOT CREDIT SERVICES	05/14/2019		0.00	2,288.84
33175	11021	J & T Tire and Auto	05/02/2019		0.00	342.91
33215	65	JC LABS & MONITORING SERVICE	05/20/2019		0.00	750.00
33176	54	JOE'S PAVING CO.INC.	05/02/2019		0.00	19,307.50
33191	54	JOE'S PAVING CO.INC.	05/13/2019		0.00	12,354.27
33160	9385	JOHNSON CONTROLS SECURITY SOLUTIONS	04/16/2019		0.00	248.50
1017	10889	LESAR DEVELOPMENT CONSULTANTS	05/13/2019	VOID	14,600.00	0.00
33216	10889	LESAR DEVELOPMENT CONSULTANTS	05/20/2019		0.00	14,600.00
33171	11052	LOCKE AIR CONDITIONING & CUSTOM SHEET METAL INC.	04/24/2019		0.00	11,790.00
33197	10899	LOUIS ALEXANDER THE RICK ALEXANDER COMPANY	05/13/2019		0.00	2,070.00
33192	9771	MANUEL MARIN	05/13/2019		0.00	140.06
1020	1066	MANUEL RODRIGUEZ DE ANZA READY MI	05/14/2019		0.00	1,547.09
33182	1000	MEDICAL ACWA-JPIA	05/13/2019		0.00	18,378.42
33193	93	MRC SMART TECHNOLOGY SOLUTIONS	05/13/2019		0.00	1,002.12
33177	10891	NEOFUNDS	05/02/2019		0.00	2,219.31
1014	1208	PACIFIC PIPELINE SUPPLY INC	04/23/2019		0.00	1,337.83
33168	1208	PACIFIC PIPELINE SUPPLY INC	04/23/2019		0.00	4,029.79
1018	1208	PACIFIC PIPELINE SUPPLY INC	05/13/2019		0.00	12,635.88
33217	1208	PACIFIC PIPELINE SUPPLY INC	05/20/2019		0.00	101.04
33169	1031	PHONE SYSTEMS PLUS,INC.	04/23/2019		0.00	548.00
33170	10866	PUMP CHECK	04/23/2019		0.00	2,340.00
33218	9546	RAFTELIS FINANCIAL CONSULTANTS, INC.	05/20/2019		0.00	1,320.00
33178	9633	RAMONA DISPOSAL SERVICE	05/02/2019		0.00	3,604.51
1019	11047	ROCKS BIOLOGICAL CONSULTING, INC.	05/13/2019		0.00	1,980.00
33179	1065	SAN DIEGO GAS & ELECTRIC	05/02/2019		0.00	23,720.73
33195	1065	SAN DIEGO GAS & ELECTRIC	05/13/2019		0.00	298.62
33181	11053	SHRED CONFIDENTIAL	05/06/2019	VOID	400.40	0.00
33196	1059	STAPLES CREDIT PLAN	05/13/2019		0.00	280.14
33205	9046	STATE WATER RESOURCE CONTROL BOARD OPERATOR CERTIFICATION	05/14/2019		0.00	60.00
33162	10885	THE SOCO GROUP, INC.	04/16/2019		0.00	2,656.04
33180	10885	THE SOCO GROUP, INC.	05/02/2019		0.00	1,343.17
33163	9581	TRAVIS PARKER	04/16/2019		0.00	1,131.20
33198	3000	U.S.BANK CORPORATE PAYMENT SYS	05/13/2019		0.00	1,726.76
33199	1023	UNDERGROUND SERVICE ALERT	05/13/2019		0.00	4.95
33206	9439	USABLUEBOOK	05/14/2019		0.00	368.20
33207	1100	VERIZON WIRELESS	05/14/2019		0.00	159.46
33194	1623	WENDY QUINN	05/13/2019		0.00	387.50
33200	92	XEROX FINANCIAL SERVICES	05/13/2019		0.00	377.00
33201	11050	ZITO MEDIA	05/13/2019		0.00	240.95
		Report Total (73 checks):			15,000.40	676,731.32

GROUNDWATER MANAGEMENT ACCOUNTING
FY 2019
Acct #10154800

Month	BBK	DUDEK	Wendy Quinn Minutes	Town Hall/ Advertising/Postage	One Eleven Water Services	Staff Allocation	Conf/Classes Misc.	Water Advisory Committee-Lunches	Brian Brady	Durag Air quality	Babcock	Monthly Total	FYE 2019 Total
Jul-18			250.00			5,000.00		798.36				6,048.36	6,048.36
Aug-18	8,862.29	15,079.83	112.50			7,417.44	632.49	175.00			720.00	32,999.55	39,047.91
Sep-18	19,643.70		112.50	1,741.35		7,343.32		385.57				29,226.44	68,274.35
Oct-18	8,088.20		200.00	140.00	462.00	7,876.27		352.23	5,187.50			22,306.20	90,580.55
Nov-18		8,622.78		210.00		7,613.04		339.31				16,785.13	107,365.68
Dec-18	23,690.43		425.00	140.00	2,995.00	6,562.80		720.61			1,523.00	36,056.84	143,422.52
Jan-19	14,666.30			15.50		6,103.32		58.13	2,812.50			23,655.75	167,078.27
Feb-19	11,336.00		275.00			7,306.72	412.75	50.43	1,812.50		150.00	21,343.40	188,421.67
Mar-19	13,832.00	90.00	299.00	79.99	3,185.00	7,338.71						24,824.70	213,246.37
Apr-19	15,785.48		175.00	333.54		8,016.87		613.95	2,187.50	14,985.00		42,097.34	255,343.71
Total	100,118.92	23,792.61	1,849.00	2,660.38	6,642.00	70,578.49	1,045.24	3,493.59	12,000.00	14,985.00	2,393.00	255,343.71	

PROP 1 GRANT ACCOUNTING
FY 2019
Acct #10117170

Month		North Gardens Management	Dudek	County	LeSar	TRAC	Spindrift Archaeological	Dynamic Engineering	ROCKS	Environmental Navigation Service	Total
09/15/15	Justification Grant Projects	1,552.50									1,552.50
09/30/15	Jane Gray-Grant Application		95.00								95.00
10/31/15	Notice of Exemption			50.00							50.00
12/16/15	Jane Gray-Grant Application		760.00								760.00
12/16/15	Jane Gray-Grant Application		380.00								380.00
12/29/15	Jane Gray-Grant Application		2,438.75								2,438.75
03/01/16	Notice of Exemption			200.00							200.00
03/31/16	Jane Gray-Grant Application		53.75								53.75
04/29/16	William Kubran-WTF funding review		2,980.00								2,980.00
05/27/16	William Kubran-WTF funding review		1,260.00								1,260.00
12/30/16	William Kubran-WTF funding review		1,330.00								1,330.00
06/24/17	William Kubran-WTF funding coordination		385.00								385.00
09/27/17	SDAC Engagement				20,000.00						20,000.00
10/31/17	SDAC Engagement				17,269.80						17,269.80
12/31/17	SDAC Engagement				7,730.20						7,730.20
05/31/18	SDAC Engagement				14,500.00						14,500.00
05/31/18	SDAC Engagement				13,000.00						13,000.00
05/31/18	Prepare TMF					3,575.75					3,575.75
06/30/18	Grant Task 5.1 & 5.2		7,063.75								7,063.75
06/30/18	SDAC engagement				3,250.00						3,250.00
06/30/18	Technical support									13,500.00	13,500.00
06/30/18	Technical support									9,500.00	9,500.00
07/31/18	BWD Diesel Engine & Tank Rehab							41,670.00			41,670.00
07/31/18	Technical support									16,950.00	16,950.00
07/31/18	Review Grant Information					1,487.50					1,487.50
07/31/18	SDAC engagement				6,500.00						6,500.00
09/30/18	Water model updateWwell ranking system		17,267.50								17,267.50
09/30/18	SDAC Engagement				31,650.00						31,650.00
09/30/18	Grant review					4,171.25					4,171.25
10/31/18	Prop 1 Grant Task 2									39,547.50	39,547.50
10/31/18	SDAC Engagement				3,900.00						3,900.00
11/30/18	SDAC Engagement				11,250.00						11,250.00
11/30/18	Prop 1-Extraction Wells		6,385.00								6,385.00
11/30/2018	Prop 1 Grant-Paleontologist						4,718.25				4,718.25
12/31/2018	Coordination with Spindrift/Rocks					2,795.00					2,795.00
1/31/2019	SDAC Engagement				4,250.00						4,250.00
3/31/2019	Prop 1 Grant Task 2									12,112.50	12,112.50
3/31/2019	Prop 1 Grant Task 2 (13,950, 400, 9,562.50)									23,912.50	23,912.50
3/31/2019	Groundwater well ranking system (task 5.1)		540.00								540.00
3/31/2019	WTF Reservoir Replacement-Prop 1						2,060.00				2,060.00
4/30/2019	Project Management (WTF & Reservoir Replacements)								1,980.00		1,980.00
4/30/2019	SDAC Engagement				14,600.00						14,600.00
4/30/2019	Completed Task 3 report									19,477.50	19,477.50
											-
Total	mydocs/boardreport/gwm/prop1	1,552.50	40,938.75	250.00	147,900.00	12,029.50	6,778.25	41,670.00	1,980.00	135,000.00	388,099.00

	A	B	C	D	E	F	G	H	I	J
1										
2		BOND CIP FUNDS								
3		RECONCILIATION-FY 2019				Well 12-17100/	Prod Well	Pipeline Project	Prod Well	
4						4-5 Well upgrades	#1	Phase 1	#2	
5			Bond Proceeeds	Interest paid	Cost of Issuance	10117140	10117110	10117120	10117130	
6										Totals
7										
8	07/10/18	Pacific Western Bank-Loan Proceeds	$ 5,586,000.00							$ 5,586,000.00
9	07/10/18	Cost of Issuance	$ 68,707.13							$ 68,707.13
10	07/17/18	US Bank Interest Fee			$ 1,700.00					$ (1,700.00)
11	07/17/18	Nixon Peabody-Cost of issuance			$ 10,000.00					$ (10,000.00)
12	07/17/18	Kutok Rock-Cost of Issuance			$ 10,000.00					$ (10,000.00)
13	07/20/18	MMA Interest paid		$ 2,282.99						$ 2,282.99
14	07/31/18	MMA Interest paid		$ 693.25						$ 693.25
15	08/01/18	Grant Thornton-Cost of Issuance			$ 1,500.00					$ (1,500.00)
16	08/01/18	Brandis Tallman-Cost of Issuance			$ 17,500.00					$ (17,500.00)
17	08/01/18	Fieldman, Rolapp & Assoc.-Cost of Issuance			$ 50,231.67					$ (50,231.67)
18	08/01/18	Best Best & Krieger-Cost of Issuance			$ 55,000.00					$ (55,000.00)
19	08/31/18	MMA Interest paid		$ 4,683.02						$ 4,683.02
20	09/31/18	MMA Interest paid		$ 4,535.86						$ 4,535.86
21	10/31/18	MMA Interest paid		$ 4,690.98						$ 4,690.98
22	11/30/18	MMA Interest paid		$ 6,498.24						$ 6,498.24
23	12/31/18	MMA Interest paid		$ 8,125.10						$ 8,125.10
24	12/31/18	Fed-x Bond issuance costs			$ 62.02					$ (62.02)
25	01/31/19	Dudek-Construction Mgmnt Prod well #2							$ 8,295.00	$ (8,295.00)
26	01/31/19	BBK-Review Bid documents					$ 855.50	$ 3,635.00		$ (4,490.50)
27	01/31/19	Harland Check order-partial charge					$ 70.12	$ 70.13	$ 70.13	$ (210.38)
28	01/31/16	MMA Interest paid		$ 9,878.83						$ 9,878.83
29	02/28/19	BBK-Review final specs Pipeline #1						$ 306.00		$ (306.00)
30	02/28/19	BBK-Finalize Bid documents					$ 2,657.00	$ 1,976.50	$ 1,453.50	$ (6,087.00)
31	02/28/19	Dudek-Construction Mgmnt Prod well #1					$ 11,535.00		$ 8,422.50	$ (19,957.50)
32	02/28/19	MMA Interest paid		$ 8,529.85						$ 8,529.85
33	03/31/19	Dudek-Construction Mgnmt					$ 5,467.50		$ 7,232.50	$ (12,700.00)
34	03/31/19	Dudek-Construction Mgnmt					$ 7,683.43		$ 2,587.50	$ (10,270.93)
35	03/31/19	BBK-Review Bid documents					$ 1,243.25		$ 1,243.25	$ (2,486.50)
36	03/31/19	MMA Interest paid		$ 9,460.57						$ 9,460.57
37		Reallocate interest to Admin 7122		$ (59,378.69)						$ (59,378.69)
38		Well 12 repairs from O&M to Bond funds-check #32867				$ 13,537.82				$ (13,537.82)
39		Well 12 repairs from O&M to Bond funds-check #32970				$ 82,640.56				$ (82,640.56)
40	04/04/19	Big J Fencing-Fencing for Well ID4 Well 9					$ 16,975.00			$ (16,975.00)
41	04/08/19	BBK				$ 561.00	$ 1,377.00	$ 535.50		$ (2,473.50)
42	04/08/19	Hidden Valley Pump-Well 12/Well 5/Well 16 Transfer switch				$ 36,033.00				$ (36,033.00)
43	04/08/19	Hidden Valley Pump-Well 12/Well 5/Well 16/11 Transfer switch				$ 253,731.68				$ (253,731.68)
44	04/23/19	Dudek-Construction Management					$ 3,690.00		$ 1,927.50	$ (5,617.50)
45	04/23/19	Fed-x -Mailing of NOE to County New Well #1					$ 30.53			$ (30.53)
46	04/23/19	Pacific Pipe-well 12				$ 1,337.83				$ (1,337.83)
47										
48										
49		BOND FUND BALANCE	$ 5,654,707.13	$ -	$ 145,993.69	$ 387,841.89	$ 51,584.33	$ 6,523.13	$ 31,231.88	$ 5,031,532.21

IV.B

WATER & WASTE WATER OPERATIONS REPORT

April 2019

To Be Presented at the June 2019 Board Meeting

IV.C

WATER PRODUCTION/ USE RECORDS

April 2019

To Be Presented at the June 2019 Board Meeting

IV.D

GENERAL MANAGER REPORT

May 24, 2019

TO: Board of Directors

FORM: Geoff Poole

SUBJECT: GM Report – May 2019

1. Well 4-9 Drilling: Southwest Drilling subcontracted for the installation of the Conductor Casing and drilling of the Pilot Hole is scheduled to begin on 5-28. Greg and Jerry will be observing the project 24-7 during the drilling process, so in addition to the Tech Support from Dudek, we are well represented on-site.
2. ENSI work inclusion into GSP Public Comment Period: President Dice and Staff created the attached letter, included the ENSI work and submitted to Jim B before the deadline for GSP comment.
3. AC Ratepayer Meeting on 5-28. President Dice and GM Poole are currently scheduled to meet and discuss potential GSP impacts and answer questions.
4. Grant Opportunities: Rick Alexander will be in attendance at the meeting to provide a verbal update on his recent efforts. Rick's written report was in the last Board Meeting packet.

May 15, 2019

County of San Diego,
Attn Jim Bennett
5510 Overland Avenue, Suite 310
San Diego, CA 92123

Dear Jim

As you already know, Borrego Water District retained the services of Environmental Navigation Services, Inc. (ENSI) to provide a variety of studies related to the implementation of the Groundwater Sustainability Plan (GSP) for the Borrego Springs Subbasin (Basin) of the Borrego Valley Groundwater Basin and its possible impacts upon BWD infrastructure and the Borrego Springs Economy. All of the Reports have now been completed and BWD is submitting them to The County and become part of the public record for the comment period of this Basin's GSP.

Sincerely

Kathy Dice, President
Board of Directors