

Borrego Water District Board of Directors
Regular Meeting
May 24, 2017 @ 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
**Lyle Brecht will call in*
- D. Approval of Agenda
- E. Approval of Minutes
 - 1. April 18, 2017 Special Board Meeting Minutes (3-6)
 - 2. April 26, 2017 Regular Board Meeting Minutes (7-10)
- F. Comments from the Public and Requests for Future Agenda Items (limited to 3 minutes)
- G. Comments from Directors

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

- A. Adoption of Ordinance Authorizing the Levy of Special Taxes within Community Facilities District No. 2017-1. (11-14)
- B. Selection of Municipal Advisor and Authorize Agreement for Services – H. Ehrlich (15-35)
- C. Borrego Basin Groundwater Sustainability Plan Update (36-86)
- D. School District Student Focus Group for Water and Power Conservation in te Design of the new Library, Park, and Sheriff Station (87)
- E. ACWA/JPIA Conference Summary (88-90)
- F. Approval of FY 2017-18 Budget and Resolution Adopting New Water & Sewer Rates and Charges to be Effective July 1, 2017. – K Pitman (91-117)

III. AD-HOC BOARD COMMITTEES (118)

- A. Executive – Hart & Brecht
- B. Finance – Brecht & Tatusko
- C. Operations and Infrastructure – Delahay & Tatusko
- D. Personnel – Hart & Ehrlich
- E. Public Outreach – Delahay & Ehrlich
- F. Bond – Brecht & Ehrlich
- G. Risk Management – Tatusko & Ehrlich
- H. BWD Groundwater Sustainability Plan Advisory Committee Nomination – Ehrlich & Tatusko

IV. STAFF REPORTS

- A. Financial Reports – April 2017 (119-131)
- B. Water and Wastewater Operations Report – April 2017 (132-133)
- C. Water Production/Use Records – April 2017 (134-134)
- D. General Manager (136)

V. ATTORNEY’S REPORT

- A. None

VI. CLOSED SESSION – Personnel

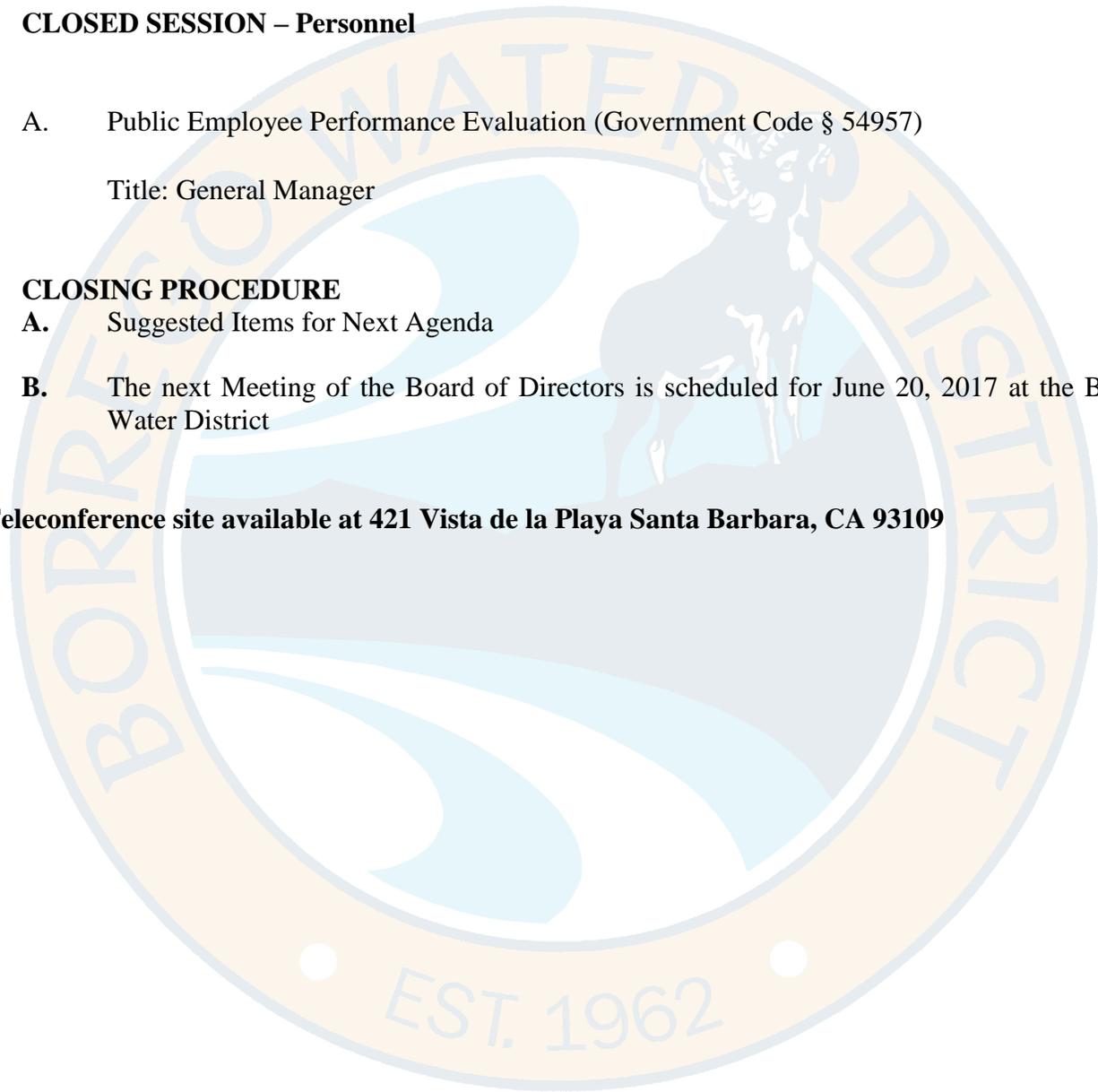
- A. Public Employee Performance Evaluation (Government Code § 54957)

Title: General Manager

VII. CLOSING PROCEDURE

- A. Suggested Items for Next Agenda
- B. The next Meeting of the Board of Directors is scheduled for June 20, 2017 at the Borrego Water District

***Teleconference site available at 421 Vista de la Playa Santa Barbara, CA 93109**



**Borrego Water District
MINUTES
Special Meeting of the Board of Directors
Tuesday, April 18, 2017
9:00 AM
806 Palm Canyon Drive
Borrego Springs, CA 92004**

I. OPENING PROCEDURES

- A. Call to Order: Acting President Ehrlich 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 Hart (via teleconference), Vice-President Brecht, Secretary/Treasurer Tatusko, Delahay, Acting President Ehrlich

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

 Public: Deb Riley, T2 Borrego Becky Holeman, T2 Borrego
 Warren Diven, Best, Best Trey Driscoll, Dudek
 and Krieger Rebecca Falk, Sponsor Group
 Dick Borsat

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

E. Comments from the Public and Requests for Future Agenda Items: Ray Schindler asked Director Tatusko whether he supported the Borrego Water Coalition report signed by President Hart and Director Brecht. Director Tatusko reported that President Hart and Director Brecht used to be members of the BWC, he was supportive of what they accomplished and agreed with what they signed. Acting President Ehrlich said he also agreed. Director Delahay stated he had not read the report, as the BWC is a private coalition with no bearing on the District. Warren Diven pointed out that the public may comment to the Board, but the Board cannot comment, according to the Brown Act. Acting President Ehrlich suggested that Mr. Schindler request that the item be included in the next agenda. Mr. Schindler pointed out that Director Brecht had said he misrepresented the Board's position on the BWC recommendation, although two other Board members just expressed agreement. Director Brecht emphasized that it was a BWC recommendation, not a plan.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Consolidated Public Hearings Pertaining to the Establishment of the Borrego Water District Community Facilities District No. 2017-1 and the Determination of the Necessity for such Community Facilities District to Incur a Bonded Indebtedness: Warren Diven, BWD Bond Counsel (Best, Best and Krieger LLP), explained that the District, for itself and on behalf of Community Facilities District No. 2007-1 (Montesoro), had entered into an agreement with T2 Borrego LLC, T2 Holding LLC, and Considine Family Foundation for the purpose of restructuring the outstanding CFD 2007-1 Special Tax Bonds and settling litigation related to the delinquency in the payment of special taxes levied within the CFD. The agreement provides that the District will take necessary action to establish CFD 2017-1 for the purposes of discharging a portion of the principal amount of the outstanding CFD 2007-1 bonds.

The Board is now required to hold consolidated public hearings pertaining to the establishment of CFD 2017-1 and the determination of the necessity for CFD 2017-1 to incur bonded indebtedness.

Following testimony, the Board will be asked to consider two resolutions, one declaring its intention to establish CFD 2017-1, and one declaring the necessity to incur bonded indebtedness not to exceed \$10.5 million for CFD 2017-1, to be secured by special taxes levied thereon for the purpose of discharging the CFD 2007-1 bonds. Upon adoption of these resolutions, ballots by T2 Borrego and First American Title, representing some of the property owners, will be opened, voting on the levy of taxes, authorization for bonded indebtedness and establishment of appropriation limit. The Board would be asked to adopt a resolution declaring the election results and consider a motion to waive the first reading of an ordinance authorizing the levy of special taxes within CFD 2017-1.

Director Tatusko announced that today's special hearing had been duly noticed. Acting President Ehrlich opened the public hearing at 9:15 a.m., and hearing no testimony, closed it. Director Tatusko reported that no written or verbal protests had been received. ***MSC: Brecht/Delahay adopting Resolution No. 2017-04-08, Resolution Forming and Establishing Borrego Water District Community Facilities District No. 2017-1 and Authorizing Submittal of the Levy of Special Taxes Within such Community Facilities District to the Qualified Electors of such Community Facilities District. The motion passed by roll call vote, with Director Tatusko abstaining and all others voting aye. MSC: Brecht/Delahay adopting Resolution No. 2017-04-09, Resolution of the Board of Directors of the Borrego Water District Determining Necessity to Incur a Bonded Indebtedness for Borrego Water District Community Facilities District No. 2017-1, Submitting to the Qualified Electors of such Community Facilities District Propositions to Authorize the Levy of a Special Tax Therein, to Authorize such Community Facilities District to incur a Bonded Indebtedness Secured by the Levy of such Special Tax Therein to Finance the Payment and Discharge of the Obligation to Pay a Portion of the Principal of and Certain Accrued and Unpaid Interest on Bonds of Community Facilities District No. 2007-1 (Montesoro) of the Borrego Water District and to Establish an Appropriations Limit for the Community Facilities District No. 2017-1, and giving Notice Thereon. The motion passed by roll call vote, with Director Tatusko abstaining and all others voting aye.***

Director Tatusko opened the two ballots and announced that all votes were in favor. ***MSC: Brecht/Delahay adopting Resolution No. 2017-04-10, Resolution of the Board of Directors of the Borrego Water District Acting in its Capacity as the Legislative Body of Borrego Water District Community Facilities District No. 2017-1 Declaring the Results of a Special Election in such Community Facilities District. The motion passed by roll call vote, with Director Tatusko abstaining and all others voting aye.***

MSC: Brecht/Delahay introducing Ordinance 17-01, Authorizing the Levy of a Special Tax in the Borrego Water District Community Facilities District No. 2017-01 and waiving the first reading. The motion passed by roll call vote, with Director Tatusko abstaining and all others voting aye.

Mr. Diven announced that at the April 26 meeting, two resolutions would be considered, one authorizing the issuance of refunding bonds of CFD 2007-1 and one authorizing the issuance of bonds of CFD 2017-1.

B. Presentation and Discussion of Draft FY 2017-18 Budget: Kim Pitman announced that the total budget package would be delayed until the May workshop, followed by Board consideration for adoption at the regular May meeting. She proceeded to summarize the draft budget, proposing a six percent increase in water revenue (both base rate and commodity rate), the maximum allowed under the current Proposition 218 authorization. Sewer rates would increase by four percent. The total income is estimated to increase by \$165,841. Acting President Ehrlich inquired about the projected 170 percent

increase in collection of water penalties and interest. Ms. Pitman explained that it was based on red tag fees, turn-on and turn-off fees, and higher late payment penalties.

As for expenses, rehabilitation and maintenance is approximately the same, telemetry is down, and trash removal and vehicle expense are the same. Fuel and oil are up. Ms. Pitman noted that professional services may need to be increased, depending on how much Jerry Rolwing's services are used. After discussion, it was agreed to put Mr. Rolwing's services under tax accounting with Taussig and increase it to \$5,000. Audit fees have increased a little, and the first annual maintenance payment on the computer billing system will be due in July. Director Brecht asked that \$25,000 be included for a municipal advisory consultant.

Discussion followed over possible lead testing in schools. Greg Holloway explained that the school needs to request the testing in writing. He and Geoff Poole will meet with School District staff to discuss it. President Hart, who was attending today's meeting via teleconference, reported that the audio was intermittent. Mr. Poole agreed to work with her to resolve the problem.

Ms. Pitman went on to report that regulatory permit fees will decrease, as will JPIA and workers' compensation insurance. Board meeting expenses are increasing due to the ACWA conference. Salaries will decrease slightly due to staff turnover, with new members joining at lower salaries. Medical insurance costs will increase as of January 1, and PERS has increased slightly. Ms. Pitman pointed out that cell phone expenses have been moved from the utilities category to the telephone line item.

Ms. Pitman continued with the cash flow (non O & M) draft. She recommended a groundwater management category under expenses. Mr. Poole, Director Brecht and Acting President Ehrlich agreed to work with her on this. Director Brecht requested that the title be changed from "non O & M expenses" to "CIP costs."

Discussion followed regarding the District's Master Plan, and Director Tatusko predicted it would be ready by the second meeting in May. Mr. Poole explained that the Master Plan would not actually be updated, because it would require too much time and expense. Components that make the most sense will be selected for update, per David Dale's recommendation. Director Tatusko suggested including future well sites, pipelines and storage. It was agreed to refer to this effort as the Optimization Plan.

C. Proposal for Municipal Advisory Services: Director Brecht explained that in the past the District had always used the services of an investment banker. Since recent changes in the law, many investment bankers are no longer willing to provide advisory services, and many larger water districts have been using municipal advisory services. Director Brecht recommended that BWD consider these services in the future. He had contacted a number of banks and municipal advisors and suggested consideration of two proposals on recommendation of bond counsel.

III. INFORMATIONAL ITEMS

A. Borrego Valley Groundwater Sustainability Plan Update:

i. Summary of April 10th GSP Advisory Committee Meeting

Mr. Poole reported that the AC continued discussion of its Bylaws, and Jim Bennett presented an update on the GSP and its components. There was a lot of public participation.

ii. Next AC Meeting Date: May 15, 2017.

iii. Update on Formation of BWD GSP Ratepayer Council

Mr. Poole explained that Richard Dodd, the ratepayer representative on the AC, needs a "Nominating Organization" with which to meet and consult and then report back to the AC. Mr. Poole and Mr. Dodd have been working to form such an organization, which they are terming a "Ratepayers' Council" so as not to confuse it with Mr. Schindler's Ratepayer Committee. The plan is for the Council to include representatives of San Diego Gas & Electric, the Borrego Springs Fire Department, trash

removal, perhaps the cable company, John Peterson, Rick Alexander and Mr. Rolwing. A meeting is planned prior to the next AC meeting.

B. 2017 Town Hall Summary: Mr. Poole reported that attendance at this year's Town Hall Meeting was lower than usual, but the meeting met the goals of sharing information with the public and giving them an opportunity to speak.

C. Directors and Managers Sexual Harassment Prevention Webinar: Mr. Poole announced that for those that haven't completed the mandatory sexual harassment prevention training, a webinar will be offered at the District on May 2 from 1:00 to 3:00. This is the last chance to take advantage of the ACWA-sponsored training.

D. BWD Event/Planning Calendar: Mr. Poole reported that he had added the AC meetings to the calendar. President Hart pointed out that expiration of the Club Circle Golf Course contract was still listed as June 2017. Mr. Poole will move it to two years in the future, as it has been renewed.

IV. CLOSED SESSION

None

V. CLOSING PROCEDURE

A. Suggested Items for Next/Future Agenda: Items for the next agenda will include discussion of the Dudek water quality study, discussion of the Dudek assessment of flood control facilities at Rams Hill, SGMA reduction, land use planning issues, cyber security and Santiago Estates.

B. The next Meeting of the Board of Directors is scheduled for April 26, 2017 at the Borrego Water District: There being no further business, the Board adjourned at 10:45 a.m.

F. Comments from the Public and Requests for Future Agenda Items: Ray Schindler quoted from the Brown Act (Govt. Code sec. 54954.2), “No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3.” Section 54954.2 further provided that, “Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item,” and Section 54954.3 provided that, “The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.” Mr. Schindler stated that Lucy Larson had written to President Hart expressing concern regarding the Board’s response to Mr. Schindler at its last meeting.

II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION

A. Approve the Legislative Committee (Directors Brecht & Ehrlich) to retain a Municipal Advisor for the purpose of developing “Interim Debt Management Policies” for BWD under Government Code Section 8855(i)(1) for a report to the California Debt Investment and Advisory Commission (CDIAC) required for the District to issue CFD 2017-1 bonds: Director Brecht explained that things had changed since the Legislative Committee put this item on the Agenda. It is anticipated that debt management policies will be presented to the Board in May, and those policies have to be approved before the CFD debt can be approved. Director Brecht proposed that the Committee be given the authority to review the two proposals received from municipal advisors, select one and begin working with them on a time and materials basis, to be ratified subsequently by the Board. The Board concurred.

B. Discussion of Groundwater Management Expenses for 2017-2018: Director Brecht requested an item in the FY 2017-18 budget, \$264,000 for GSP support services (legal and land use expenses associated with groundwater management). He explained that under SGMA, the District will either have to buy more water or reduce demand, and suggested investigating vacant land which might be suitable for a “land trust” such as Galleta Meadows that would not be developed. He distributed relevant handouts which will be included in the next Board package.

C. Award project to the lowest responsive bidder and authorize Staff and O and I Committee to develop Contract documents with Legal Counsel: David Dale reported that he sent RFPs to six potential bidders for the 900 Tank replacement project and received one bid. He predicted a rebidding would yield the same result. Mr. Dale was familiar with the bidder, Superior Tank Co. Inc., and felt they did good work, including the Country Club Tank in 1999 which is still in good condition. The bid was \$500,000, and the engineer’s estimate is \$574,950, including soft costs and contingencies. ***MSC: Ehrlich/Brecht awarding the project to Superior Tank Co. Inc. and authorizing the expenditure as outlined by Mr. Dale.***

D. Sustainable Groundwater Management Act Reduction Period: Director Brecht addressed potential changes in water quality standards which could affect SGMA. The State Water Resources Control Board is working on this issue. Director Brecht had discussed it with the SWRCB, the EPA, and several other countries, investigating research on water quality, human health, and technology. He urged the Board to consider the basis for the reduction period under SGMA, and whether it is appropriate for the Borrego Basin. Director Delahay pointed out that even if water quality stays the same, regulatory standards may change.

III. AD-HOC BOARD COMMITTEES

A. Executive: President Hart reported that the Committee had been working on protocol. She asked Trey Driscoll to give periodic updates on SGMA and the Advisory Committee, working with the Core Group. Mr. Driscoll reported that he and Mr. Holloway had met with the Department of Water Resources, visited wells and documented groundwater levels. They are coordinating their data with USGS's. Mr. Driscoll was also working on an audit of fallowed land and will be making some policy recommendations. Director Brecht asked him to recommend enforcement procedures. Mr. Driscoll will soon be working on the water credit program and budget items.

B. Finance: Director Brecht requested that reserve targets be included in the new budget.

C. Operations and Infrastructure: Director Delahay reported that the Committee met this morning and discussed the Dudek odor control assessment at La Casa Del Zorro, as well as the 900 Tank project. Mr. Poole reported that solar construction at the District office and warehouse had begun, and Mr. Holloway predicted it would be done by mid-May. The solar contractor suggested using solar at some of the District's well sites, and will be reviewing electric bills to determine feasibility. President Hart asked the Committee to look into a method to reduce TDS in swimming pools without draining them, and possible purchase of a used trailer for this purpose for \$60,000.

D. Personnel: No report.

E. Public Outreach: Director Delahay reported that this Friday will be the last farmers' market.

F. Legislative: Director Brecht reported that the Committee had discussed retention of a municipal advisor. At one of the May meetings, the Board needs to approve the issuance of bonds for the CFD. It looks like the term will be 25 years, and the interest rate will be validated by the municipal advisor depending on the market.

G. Risk Management: Director Tatusko invited the Board's attention to articles regarding cyber security in the Board package. Mr. Holloway distributed a handout describing an investigation by Travis Parker, BWD information technology consultant. Mr. Parker suggested automated vulnerability scanning, and Mr. Holloway noted that Mr. Parker could select a third party to do this. Mr. Holloway further pointed out that the District's computer system has several firewalls and four backup systems that are used daily. Discussion followed regarding whether the District has cyber security insurance and whether it is available from JPIA. Mr. Holloway will look into it.

IV. STAFF REPORTS

A. Financial Reports – March 2017: Ms. Pitman summarized the Financial Reports. Director Brecht will provide figures for the updated reserve policy. He requested that the CIP narratives be revised to be used as a marketing tool for future debt, addressing priorities and return on investment, and included in the budget.

Ms. Pitman reported that Troy Depriest had submitted his resignation to accept another position. Mr. Holloway plans to hire a Grade 3 Operator and an entry-level employee to work in the field.

B. Water and Wastewater Operations Report – March 2017: Mr. Holloway reported that the meter exchange program was continuing and several more have been earmarked for replacement.

C. Water Production/Use Records – March 2017: The Water Production/Use Records were included in the Board package.

D. General Manager:

1. BWD Website Update: Mr. Poole reported that he and Mr. Holloway would be meeting with Martha Deichler tomorrow to discuss the website and also lead testing at the schools. Mr. Holloway requested that lead testing be included in the second May Agenda.

2. CFD 2017 Update: The CFD items were deferred to the next meeting due to ongoing negotiations.

V. ATTORNEY'S REPORT

None

VI. CLOSING PROCEDURE

A. Suggested Items for Next Agenda: These were covered during previous discussions.

B. The next Meeting of the Board of Directors is scheduled for May 16, 2017 at the Borrego Water District. Director Brecht announced that he would be out of town for the month of May. He will call in when the CFD bonds are on the Agenda but will otherwise miss the Board and AC meetings.

There being no further business, the Board adjourned at 11:10 a.m.

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 16, 2017
AGENDA BILL II.A

May 10, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Adoption of Ordinance Authorizing the Levy of Special Taxes within Community Facilities District No. 2017-1.

RECOMMENDED ACTION: Adoption of Ordinance Authorizing the Levy of Special Taxes within Community Facilities District No. 2017-1.

ITEM EXPLANATION

At the April 18, 2017 Board meeting the Board of Directors, acting as the legislative body of Community Facilities District No. 2017-1, approved a motion to introduce and waive the first reading of the ordinance authorizing the levy of special taxes within Community Facilities District No. 2017-1. In order to complete the process to enact the ordinance, the Board of Directors, acting as the legislative body of Community Facilities District No. 2017-1, must adopt a resolution waiving the second reading of the ordinance and adopting the ordinance.

ATTACHMENTS

Ordinance 17-01

ORDINANCE NO. 17-01

ORDINANCE OF THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2017-1, AUTHORIZING THE LEVY OF A SPECIAL TAX IN SUCH COMMUNITY FACILITIES DISTRICT

WHEREAS, the Board of Directors (the "Board") of the Borrego Water District, (the "District"), has initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors authorizing the levy of special taxes in a community facilities district, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1. Division 2, Title 5 of the Government Code of the State of California (the "Act"). This community facilities district shall hereinafter be referred to as Borrego Water District Community Facilities District No. 2017-1 ("CFD No. 2017-1").

THE BOARD OF DIRECTORS OF THE BORREGO WATER DISTRICT, ACTING AS THE LEGISLATIVE BODY OF BORREGO WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2017-1, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. This Board does, by the passage of this ordinance, authorize the levy of special taxes on taxable properties located in CFD No. 2017-1 pursuant to the Rate and Method of Apportionment of Special Taxes as set forth in Exhibit "A" attached hereto and incorporated herein by this reference (each, a "Rate and Method").

SECTION 2. This Board, acting as the legislative body of CFD No. 2017-1, is hereby further authorized, by Resolution, to annually determine the special tax to be levied within CFD No. 2017-1 for the then current tax year or future tax years; provided, however, the special tax to be levied shall not exceed the maximum special tax authorized to be levied pursuant to the Rate and Method.

SECTION 3. The special taxes herein authorized to be levied, to the extent possible, shall be collected shall be collected through a direct billing procedure by the General Manager of the District, acting for and on behalf of CFD No. 2017-1 so long as the taxable property within CFD No. 2017-1 shall be owned by T2 Borrego LLC, a Colorado limited liability company ("Borrego"), T2 Holding LLC, a Colorado limited liability company, or a related entity, including but not limited to, First American Trust, FSD, as Trustee of Trust No. 1082-0270-00, also known as or referred to as First American Trust Tr Trust No 1082-0270-00. If ownership of any taxable property within CFD No. 2017-1 is transferred to a third party, the special taxes shall, except as provided in the sentence below, thereafter be collected in the same manner as ad valorem property taxes or in such other manner at this Board shall determine, including without limitation, direct billing of the affected property owners, and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes. Any special taxes that may not be collected on the County tax roll shall be collected through a direct billing procedure by the General Manager of the District, acting for and on behalf of CFD No. 2017-1.

SECTION 4. The special taxes authorized to be levied shall be secured by the lien imposed pursuant to Sections 3114.5 and 3115.5 of the Streets and Highways Code of the State of California, which lien shall be a continuing lien and shall secure each levy of the special taxes. The lien of the special taxes shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied and canceled in accordance with Section 53344 of the Government Code of the State of California or until the special tax ceases to be levied by the City Council in the manner provided in Section 53330.5 of said Government Code.

SECTION 5. This Ordinance shall be effective upon its adoption.

Enacted at a regular meeting of the Board of Directors of the Borrego Water District, California, held on the _____ day of _____, 2017.

President of the Board of Directors of
Borrego Water District

ATTEST:

Secretary of the Board of Directors of
Borrego Water District

EXHIBIT A

**RATE AND METHOD OF APPORTIONMENT FOR
BORREGO WATER DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2017-1**

[attach a copy of the Rate and Method for CFD No. 2017-1]

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 24, 2017
AGENDA ITEM IIB

May 17, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Selection of Municipal Advisor and Authorize Agreement for Services: Evaluating Conditions and Financial Parameters for Potential Debt Funding

RECOMMENDED ACTION:

Authorize agreement with Fieldman, Rolapp and Associates

ITEM EXPLANATION

All indications are that BWD will need to issue debt in the future for SGMA/GSP compliance and other projects. The interest rate and other significant factors are all dependent upon the risk associated with the issuer of the bonds, BWD. Prior to issuance of the bonds, it is prudent for BWD to begin to prepare itself for this event, and outside assistance is needed.

Directors Brecht and Ehrlich have been working on the scope of work for Municipal Investor services over the past few weeks including interviews with potential consulting firms. Following this process, a recommendation for the selection of Fieldman, Rolapp and Associates is being forwarded to the Board from the Committee. A memorandum from Directors Brecht and Ehrlich is attached to provide the detailed information.

FISCAL IMPACT

Up to \$35,000

ATTACHMENTS

Memorandum from Director Ehrlich
Fieldman, Rolapp and Associates Proposal

May 24, 2017

To: Board of Directors, Borrego Water District
From: Bond Debt Sub-committee – Brecht and Ehrlich
RE: Selection of Financial Advisor Firm and Authorize Agreement for Services for
Evaluating Conditions and Financial Parameters for Potential Debt Financing

Background: Over the past several months the Board has been discussing future capital project needs for water and wastewater as well as impacts of the ongoing Groundwater Sustainability Agency planning. During the most recent Cost of Service Study process (Raftelis in 2016) the capital needs were identified in concept for the next five plus years and an estimated range of \$8 – 10 million was identified as possibly needed in the next few years. The District has been proactively working to improve its financial status over the past five years and has begun to fund needed reserves for capital projects and operations.

Issue: The District is in need of obtaining professional financial services analyses and plan development. This is needed to prepare for potential debt financing and to be in the optimal position to seek debt issuance at the best financing structures and rates. The bond and banking markets have been in continual transition over the past ten years and expertise in dealing with financial institutions is desirable to maximize the issuance of debt instruments when needed. Time and effort spent up front is expected to yield benefits going through the debt issuance process.

Actions Taken: After discussing the need at the April 26, 2017 Board Meeting, the Board authorized Directors Brecht and Ehrlich to seek qualified Financial Advisor/Municipal Advisor firms for obtaining proposals for Financial Advisor services. The Sub-committee contacted over six firms and received responses from four. The type of financial services being considered are professional analyses and evaluation services traditionally provided on an hourly basis leading up to financial reports reflecting project costs, timing of expenditures and estimated costs of debt issuance combined with agency capability to fund projects and debt service over time.

Two firms were selected for interview by telephone and upon determining that each was interested in the proposed program, provided proposals to the Sub-committee outlining their services, understanding of the District's situation and needs and anticipated approach to providing the services including hourly costs and debt issuance expenses upon sale of a debt package in the range of \$ 8 – 10 million. The two firms were Fieldman, Rolapp & Associates (Irvine, CA) and Prager & Company LLC (San Francisco, CA). Both firms exhibited an excellent grasp of the financial needs and

challenges of the District. Each has broad experience in providing similar services to local government agencies including special districts in water, wastewater and related sectors.

Based upon the follow up responses from the firms and the described approach to be utilized by each, as well as experience with similar type agencies and projects, the Sub-committee determined that the firm and personnel of Fieldman, Rolapp & Associates (FRA) would be the best fit for our situation. FRA also proposed an approach to provide the initial Financial Advisor services in advance of determining that debt would be issued on an hourly rate estimated to not exceed \$26,000; and if a bond transaction were to be structured, a fixed advisory fee to be included in the bond issue at an estimated \$42,500 (generally included in the bond financing). FRA would meet with District staff, review budgets and plans, assess capital needs and estimated costs, evaluate potential timing of projects and expenses and prepare a financial plan and strategy for the District Board of Directors. The Prager & Company proposal was also based upon an hourly rate but included a fixed fee for bond issuance of \$95,000.

Recommendation:

The Bond Sub-committee recommends to the Board to select the financial advisor firm of Fieldmann, Rolapp & Associates to provide Financial Advisor services; to authorize negotiation of an agreement of services incorporating the received proposal and fees estimated to be \$26,000, and for the General Manager to execute the agreement subject to approval of District's Legal Counsel.

Attachments

Fieldmann, Rolapp & Associates Proposal dated May 10, 2017



STATEMENT OF QUALIFICATIONS

FIELDMAN, ROLAPP & ASSOCIATES
INDEPENDENT MUNICIPAL ADVISOR

May 10, 2017

Harry Ehrlich, SDA, Boardmember
Borrego Water District
PO Box 2247
Borrego Springs, CA 92004

Dear Mr. Ehrlich:

Fieldman, Rolapp & Associates (“FRA”, or the “Firm”) is pleased to submit this statement of qualifications to serve as Financial Advisor for the Borrego Water District (“District”). The enclosed materials highlight our strong abilities to create financial models, evaluate and develop prudent financing structures, as well as our industry-leading transactional experience serving as financial advisor for California water agencies.

Our proposed team is comprised of three senior advisors who specialize in California water finance. **Robert Porr, J.D.**, a Senior Vice President and the head of our Utility Practice will serve as the Engagement Manager and will be primarily responsible for all aspects of our engagement. He will be supported by **Paul Pender, MPP**, Vice President. **Lora Carpenter**, a Senior Associate with the Firm, will provide technical and quantitative analytic support. All three have extensive experience with designing complex financial models and evaluating financial alternatives.

FRA is the right advisor for the District based on the following credentials:

- **Water revenue bond experience.** We have advised on 86 water or wastewater financings over the last 5 years, **making FRA California’s most-active advisor for such financings.**
- Professionals experienced with California water finance and advanced analytics. We have proposed an experienced team, utilizing our **most-experienced senior advisors in California water finance**, debt structuring and financial modeling.

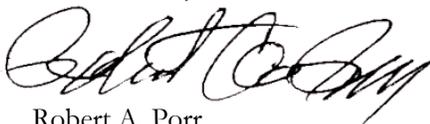
Our service to the District will focus on implementing the following approach:

- **Providing rigorous quantitative analysis** of the District’s financial situation, financing options, and financial strategies, and advising the District in its decision-making process.
- **Using our expertise as a market leader** to enable the District to issue any debt with the **highest possible credit ratings and optimal structure** to achieve the lowest cost of funds and minimize debt service costs or maximize refinancing savings, whichever the case may be.
- **Efficiently implementing** the District’s financing needs. We will work with staff to **understand the District’s objectives and then manage** the transaction so that the process of issuing any financing does not become burdensome to the District’s staff.

FRA is enthusiastic to have the opportunity to represent the District. Mr. Robert Porr, Senior Vice President is the primary contact for the District. Mr. Porr is the head of the firm’s water and utility sector practice, and with more than 30 years of relevant experience, he has completed more than \$7.1 billion in water revenue financings in his career.

Sincerely,

FIELDMAN, ROLAPP & ASSOCIATES



Robert A. Porr
Senior Vice President

Standard Proposal Regulatory Disclaimers & Disclosures

FRA is a SEC-registered Municipal Advisor. When formally engaged by public agency clients, we undertake a fiduciary duty with respect to advice provided on financial matters.

PROPOSAL DOES NOT CONSTITUTE “ADVICE” OR MUNICIPAL ADVISORY RELATIONSHIP

These materials are delivered to you for the purpose of obtaining an engagement as your municipal advisor, and we wish to clarify the nature of our relationship. We are providing the information contained in these materials for informational purposes only. The information provided in these materials does not create or imply any fiduciary relationship, and is being provided solely for the purpose of marketing our services to you as a prospective client of FRA. The information provided to you is not to be construed as “advice” within the meaning of Section 15B of the Securities and Exchange Act of 1934, or relied upon by you as advice in determining a course of action in connection with any current or prospective undertakings relative to any municipal securities issuance or municipal financial product. Any information contained in these materials has been prepared without taking into account your circumstances, financial or otherwise, and is not intended to replace or supplement any advice you may have already received internally or externally from any other professional.

Potential for Limitation of Advisory Scope Disclosure

At the explicit direction of the District, our scope of services may be limited to the implementation a pre-determined financial transaction or strategy. In such instances, a complete review of all feasible and suitable financial alternatives will not be undertaken as part of our engagement. We would otherwise operate under a fiduciary duty to consider all feasible and suitable alternatives to accomplish a given objective.

Potential Conflict of Interest Disclosure

Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for the proposed engagement is contingent on successful completion of any transactions, a potential conflict of interest exists as we would have a potential incentive to recommend the completion of a transaction that might not be optimal for the District. However, as noted earlier, FRA undertakes a fiduciary duty in advising public agencies regardless of compensation structure.

GENERAL FIRM INFORMATION

FRA is a California headquartered, full service, independent, financial advisor focused on the municipal sector in California. Our sole location is at 19900 MacArthur Boulevard, Suite 1100, in Irvine, California. FRA is a registered Municipal Advisor with the Municipal Securities Rulemaking Board (MSRB Registration #K0276) and the U.S. Securities and Exchange Commission (SEC Registration #867-00175). As an independent advisor, FRA neither underwrites debt nor has a relationship, direct or otherwise, with any municipal bond underwriter, broker/dealer or financial institution. We represent only public sector agencies and non-profit organizations.

FRA is a California corporation. The Firm was established in 1966, and incorporated in California on November 21, 1974. The shareholders of the corporation are: Adam Bauer, James Fabian, Tom Johnson, Lawrence Rolapp, Anna Sarabian and Dan Wiles. Additional shares are also held through the company's Employee Stock Ownership Program (ESOP). Each of the consultants assigned to the FRA team to serve DISTRICT is either a direct shareholder or owns shares of the Firm through the ESOP. As beneficial owners of the Firm, all firm employees have the opportunity to participate in the financial success of the firm, creating an incentive to ensure responsive service on every assignment.

FRA has 22 employees all located at 19900 MacArthur Boulevard in Irvine, California. According to the *Fall 2016 Red Book* publication, we ranked 13th nationally for long-term issuances during 2015.

According to Thomson Reuters, we ranked first in California in the number of water/wastewater financings completed over the past 5 years.

Client Commitment

What we feel separates us from our competitors is our complete dedication to our client's best interest and the ability to recognize that traditional solutions are not always the best. This perspective when added to our extraordinary ability to provide advance analytics produces uncommon advice.

For example, in 2015 we advised Orange County Water District ("OCWD") to prepay approximately \$25 million of outstanding debt from its cash reserves rather than with refunding bonds. The prepayment had no impact to the Aa1/AAA/AAA credit ratings of OCWD. Previously during our long tenured engagement we advised OCWD to pursue \$150 million of funding from the SWRCB rather than a public offering of bonds to fund the expansion of its Groundwater Replenishment System.

California Utility Transactional Experience

Over the last 5 year period of 2012-2016, FRA completed **81 water and wastewater bond financings** with a par amount of nearly \$2.1 billion for our California utility clients. Please refer to **Appendix B** for a complete list of the transactions we have completed over the last five years. The number of transactions we have completed, and the diversity of our clients, has provided our consultants with a unique understanding of the business side of the municipal water industry.

The Utility Practice at FRA concentrates its consulting activities in the following areas:

- Creating financial plans, whether short or long term, that allow our clients to successfully and economically fund capital needs.
- Preparing financial models that use alternative funding sources and clearly present financial outcomes to allow clients to make fully informed decisions.

TOP 10 FINANCIAL ADVISORS IN CALIFORNIA Water & Wastewater Financings, 2012 - 2016		
FINANCIAL ADVISOR	# of Issues	Par Amount (US\$ mil)
1 Fieldman Rolapp & Associates	81	\$2,015.155
2 Public Resource Advisory Group	49	\$6,626.725
3 Public Financial Mgmt Inc	46	\$3,525.820
4 Montague DeRose & Associates	41	\$6,746.840
5 Urban Futures Inc	23	\$369.990
6 KNN Public Finance	15	\$1,298.399
7 NHA Advisors	14	\$225.155
8 C M de Crinis & Co Inc	10	\$113.050
9 Bartle Wells Associates	9	\$330.065
10 FirstSouthwest	8	\$394.300
	296	\$21,645.499

*Source: Thomson Reuters on Demand as of December 31, 2016

- Tailoring client-specific debt management and reserve policies necessary to form a strong financial foundation.
- Establishing credit rating objectives and then developing strategies to ensure capital market access at the lowest cost possible.
- Timely execution of financing plans by aggressively managing the capital funding process.
- Advising on using (or terminating) interest rate swaps and other hedging mechanisms to address specific financial risks.

Specialized Services we Provide California Water Agencies

Financial modeling to determine optimal debt structures. FRA is familiar with each of the traditional public funding structures – private placements, direct loans and bonds, etc. We recognize that the cost of the Project over may result in cost increases to the District’s customer base.

FRA has extensive experience with designing a financial model capable of using alternative funding sources to meet certain criteria. We work with our clients to determine which outputs of a model are most important to a client, for example key credit metrics and overall cost. We then design the model to have outputs that show overall debt service costs from competing funding sources, as well as debt service coverage and other key credit rating metrics. We then are able to advise the client based upon key credit metrics what the potential overall funding costs could be, based upon certain market assumptions, and costs associated with the funding mechanism, or combinations thereof will produce the lowest possible cost.

Board Presentations. We typically provide at least one public presentation on our engagements to the Board or Finance Committee. Our objective in such presentations is to concisely present our analysis and recommendations regarding any proposed financial transactions or strategies. We seek to engage in questions and discussion so the Board members are comfortable with all options presented.

Models in Support of Long Range Financial Plans. These models are very specific and are developed to compare the costs of different funding options to fund our clients’ capital improvement programs. Each model is designed and constructed from scratch to tailor the model specifically for each client’s needs. In 2015, we developed a complex financing model for Silicon Valley Clean Water (“SVCW”) that establishes the foundation of funding alternatives for its \$600 million (approximately) capital improvement plan. Further, the model allows us to pair different proportions of various funding alternatives to optimize debt issuance. For example, we can compare the financial results of 50% SRF Funding, 30% variable rate revenue bond funding and 20% fixed rate revenue bond funding versus 65% SRF Funding, 15% variable rate revenue bonds and 20% fixed rate revenue bonds. Our model supported the development of a long-range financial plan for SVCW. We are currently assisting with the execution of the financial plan analyzing the funding opportunity presented by the Water Infrastructure and Innovation Act, (“WIFIA”).

Credit Metric Analysis and Advice. This model is set up to summarize and analyze clients’ key rating agency credit metrics and compare to benchmark and category medians published by all three rating agencies. This information allows us to advise clients in connection with rate structures, reserve levels and overall credit rating strategy. Within the past five years this approach has been used for Cucamonga Valley Water District, El Dorado Irrigation District, Merced Irrigation District, Mesa Water District, Olivenhain Municipal Water District, Orange County Water District, Rancho California Water District and South Coast Water District. Our analysis and advice aided **seven clients on receiving credit rating upgrades (two to “AAA”) during 2016** despite supply, market and financial challenges.

Reserve Policy Models. We create financial models to specifically assess various reserve policy funding options and levels. We have utilized these models for engagements with Castaic Lake Water Agency, Cucamonga Valley Water District, Mesa Water District, Merced Irrigation District, Orange County Water District and Santa Ana Watershed Project Authority, among others.

Solar Power Facilities Model. We have developed customized models to analyze the potential savings from energy efficient improvements. This includes assessments of leasing versus purchasing solar panel improvements, and includes the potential to issue bonds to fund the purchase. Customized models have recently been created for engagements with the City of Phoenix, Rancho California Water District, Western Municipal Water District and Castaic Lake Water Agency.

Technical Resources

Bond Sizing Software and Customized Refunding Analysis. We run DBC Finance software for bond sizing and to analyze refunding opportunities for outstanding bonds. Within the software framework, we generate customized reports for the needs of our clients. In particular, we have developed a framework for analysis of refunding opportunities which includes detailed reports on interest rate sensitivity and differing scenarios.

Market Data and Related Models

We maintain access to several data gathering sources, including a Bloomberg Professional terminal, Thomson Reuters' TM3 website, and The Bond Buyer newspaper. This provides us access to all the recent market transactions as well as current and historic market data. These sources are ideal for research and have been utilized in several customized models.

Historic Data Analysis. We have numerous charts and databases which track various key interest rates over time, including municipal bond specific rates such as the Revenue Bond Index and the floating rate SIFMA index. We provide our clients customized information out of this data to assist in decision-making.

PROPOSED COST OF SERVICES

Hourly Fees

For these hourly services, we propose to enter into an agreement with the District to limit our hourly fees to \$26,000 based on the expected timeline of eight to nine months of time involved in developing the financial model and analysis. We propose to be reimbursed for our expenses as described below in addition to our hourly fees.

Personnel	Hourly Rate
Principal	\$315
Senior Vice President	\$295
Vice President	\$245
Assistant Vice President	\$210
Senior Associate	\$165
Associate	\$140
Analyst	\$95
Administrative Assistant	\$75
Clerical	\$45

Transactional Fees

If and once a financial structure has been determined, we propose a fixed advisory fee which, at the District's election, may be paid from and contingent upon the closing of the potential bond issue:

Private Placement: \$35,000

Public Sale (competitive or negotiated sale): \$42,500

Expenses

For any transactional or hourly engagement, we propose to be reimbursed at cost for itemized expenses which are directly incurred and related to engagements. Such expenses, for example, include conference call charges, IRS allowed mileage expense, travel and lodging costs including airfares, meals, and other miscellaneous items.

Method of Billing

For any transactional services, we typically bill at the end of the transaction, subject to the preferences of our clients. Transactional services are typically done on a fixed-fee basis. For cost of services in hourly assignments we typically bill monthly, in arrears, based on actual hours incurred, plus expenses.

REFERENCES



Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

Randy Fick, Chief Financial Officer
714-378-3271 rfick@ocwd.com

FRA has actively advised Orange County Water District (OCWD) on several matters since the financial crisis. Prior to 2009, OCWD had not used a financial advisor. Our initial challenge with OCWD was proving that a financial advisor could add value to the district's financial goals. OCWD is highly risk adverse and rightfully views its credit ratings (Aa1/AAA/AAA) as valuable assets. Therefore, each assignment requires a thorough and thoughtful review of the impacts to the ratings prior to any decision being finalized. Our assignments include a variety of bond and non-transactional services as part of an ongoing relationship. Mr. Porr, Mr. Pender and Ms. Carpenter are the advisory team to OCWD.



Silicon Valley Clean Water
1400 Radio Road
Redwood City, CA 94065

Matt Anderson, Chief Financial Officer
650-832-6261, manderson@svcw.org

In 2014, FRA was retained to advise Silicon Valley Clean Water (SVCW), the regional wastewater authority serving Redwood City, San Carlos, Belmont, and Menlo Park communities, on financing strategies for its nearly \$600 million capital improvement plan. FRA first developed a customized financial model to analyze the benefits and disadvantages of using interim financing, which assisted SVCW in its decision-making for the first phase of financing. In 2015, FRA was tasked with developing a comprehensive Long Range Financial Plan (LRFP), based on analysis of multiple potential alternatives. For the LRFP, we developed an integrated financial model capable of analyzing numerous scenarios to assess the optimal financial strategy for SVCW. The model was customized to SVCW's capital timing needs, amounts, and took into consideration existing debt costs. The model was capable of running scenarios which included more than 20 separate loan or bond financing instruments, including subsidized State Revolving Loans, publicly issued revenue bonds, as well as cash funding options.

In late 2016, FRA advised SVCW in the update on the LRFP, based on new project phasing information and other financial assumptions. Using the model, we developed three new baseline financing alternatives, again customized to SVCW's financial goals. As part of the LRFP update, scenarios were designed which included low-cost Federal loans, under the newly introduced WIFIA Loan program offered through the Environmental Protection Agency. As a result of these scenarios and the updated LRFP, FRA is currently assisting SVCW with its submission of a Letter of Interest for WIFIA financing, the first step in procuring a WIFIA loan through the EPA. FRA is drafting the financial section of the LOI, including development of all financial *pro formas* and exhibits as required by the LOI. It is anticipated the FRA will continue to advise SVCW as they pursue a formal application for WIFIA Loan financing, as well as advise on other anticipated CIP financing transactions contemplated by the most recent LRFP.



Castaic Lake Water Agency
27234 Bouquet Canyon Rd.
Saugus, CA 91350

Valerie Pryor, Admin. Services Manager
661-513-1257, vpryor@clwa.org

FRA was retained in 2008 by Castaic Lake Water Agency for advice related to its distressed auction rate securities. Since then, FRA's role has grown to include the full range of financial advisory services and the completion of several successful transactions, including most recently in 2014, 2015, and 2016. Mr. Porr has been the senior advisor to CLWA and provides advice on credit and policy matters, due diligence, negotiations with banks and derivative products. Mr. Pender has provided quantitative analysis advice financing options and derivative products, Ms. Carpenter was added to the FRA team in March 2014 and has participated in the most recent two refunding transactions and credit updates.



**Rancho California
Water District**
42135 Winchester Road
Temecula, CA 92590

Jeff Armstrong, General Manager
951-296-6928, armstrongj@ranchowater.com

Richard Aragon, Director of Finance/Treasurer
951-296-6935, aragonr@ranchowater.com

We have served as the financial advisor to Rancho California Water District ("RCWD") since the late 1970's. Since 1993, we have served as financial advisor on the issuance of twenty-seven (27) transactions that brought \$925,755,000 in par amount of bonds to market.

In addition to our transaction management, we advised RCWD on:

- Critical features of its comprehensive debt, swap and reserve policies;
- Credit ratings strategies resulting in upgrades to Aa2/AAA/AA+;
- Structuring financial models to support decision-making;
- Providing financial modeling and guidance on three solar energy projects that at the time of initiation were projected to save a total of nearly \$7.2 million;
- Balance sheet hedging strategy that resulted in significant savings to the District while mitigating risk; and
- Using interest rate swaps to reduce its exposure to fluctuations in short-term interest rates.



**Cucamonga Valley
Water District**
10440 Ashford Street
Rancho Cucamonga, CA 91730

Carrie Corder, Chief Financial Officer
909-483-7435, carriec@cvwdwater.com

Mr. Porr has been involved as senior consultant on all our assignments for Cucamonga and has overseen all aspects of our engagement. This includes providing detailed presentations to the District's Finance Committee and Board. Mr. Pender and Ms. Carpenter have participated in the most recent refunding transaction and are primarily responsible for financial modeling and credit presentation due diligence and production.

FRA was retained by the District in 2011, after previously limited use of financial advisory services. In that year we advised the District on \$109.5 million of revenue refunding bonds. The District had historically used only one underwriter; we recommended obtaining proposals from a number of firms and utilizing a co-manager. The competition lowered the underwriting spread by approximately 66% in comparison to historical spreads and the use of a co-manager.

In 2016, we completed a \$19.9 million refunding for CVWD that received a credit upgrade from S&P. Annually we work with the District's Board and Staff to create and deliver credit updates to all three rating agencies. We also completed a funding strategy for the District's pension and OPEB liabilities.

APPENDIX A

Proposal Team Resumes

Engagement Manager



ROBERT A. PORR
CIPMA

949.660.7323 direct
949.751.8445 cell
rporr@fieldman.com

Mr. Robert A. Porr, Senior Vice President, returned to the firm in May 2005 after spending eight years as a public finance investment banker. Since re-joining the firm, he has focused on serving the firm's utility clients. He has been advisor to Nevada Irrigation District, Eastern Municipal Water District, Rancho California Water District, Orange County Water District, Western Municipal Water District, Mesa Consolidated Water District, Castaic Lake Water Agency, Azusa Light & Water, Westlands Water District, and Olivenhain Municipal Water District. Mr. Porr leads the swap advisory practice at the Firm and has served as swap advisor to Riverside County Transportation Commission, Eastern Municipal Water District, Castaic Lake Water Agency, the County of Riverside, Hemet Unified School District, and Western Municipal Water District.

Mr. Porr has completed more than \$7.0 billion in water revenue financings during his career; approximately \$1 billion has been in connection with variable-rate bonds. He has structured commercial paper programs for Castaic Lake Water Agency and assisted the finance team for Riverside County Transportation Commission with that CP Program; he also structured a credit facility for Merced Irrigation District and is currently working on a structured note program that offers the flexibility of CP, but with greater flexibility at a lower cost. Mr. Porr has aided Mr. Porr structured and completed approximately \$400 million of GO Bonds for water district clients in his career.

His experience as an investment banker includes working with numerous local agencies in connection with the issuance of more than \$1.2 billion in debt. Mr. Porr has assisted issuers with the structure and sale of many forms of debt including general obligation, special tax, assessment, revenue and lease backed debt. He structured nearly \$100 million of complex tax-backed refunding debt for the County of Riverside and developed a novel lease revenue bond structure for the Alaska Industrial Development and Export Authority.

Mr. Porr worked as a finance/marketing representative for Lockheed Martin Finance Corporation. During his time with LMFC, Mr. Porr worked on developing financing structures to support turnkey delivery programs for communication satellites, aircraft and proprietary technology products. Mr. Porr was involved in projects for the People's Republic of China, valued at approximately \$1 billion, and for a consortium of Asian telephony entities valued at nearly \$500 million.

Mr. Porr earned his undergraduate degree in Psychology from Pace University in New York, NY and his Juris Doctorate from New York Law School in New York, NY.

Mr. Porr holds the Series 50 License CIPMA designation as a Certified Independent Professional and is admitted to practice law in the State of New York.

There is no substitute for experience.

Project Manager



PAUL D. PENDER
CIPMA

949.660.7319 direct
949.274.2135 cell
ppender@fieldman.com

Mr. Paul D. Pender, CIPMA, Vice President, joined the firm in January 2005. Since joining the firm, Mr. Pender has completed over 140 financing engagements.

Mr. Pender specializes in California water finance, with on-going clients including Orange County Water District, Castaic Lake Water Agency, Sacramento Suburban Water District, Mesa Water District, Elsinore Valley Municipal Water District, Cucamonga Valley Water District, Merced Irrigation District, and Westlands Water District.

For these clients, Mr. Pender specializes in analyzing the economics bond structuring alternatives, including variable-rate bonds. He also manages the creation of credit materials and interactions with credit rating agencies. In the case of competitive bond sales, Mr. Pender manages the technical aspects of the process, including drafting the terms of the sale, setting up the electronic bidding platform, and soliciting bids from potential underwriters.

Other notable client engagements completed by Mr. Pender include the County of Orange, the County of Ventura, the City of San Diego, the City of Irvine, and the City of Newport Beach.

Mr. Pender also provides clients with a wide range of non-transactional financial advisory services, including: long-term capital improvement finance plans, refinancing of existing debt analyses, special district formation, and debt policy development.

Mr. Pender has a Masters of Public Policy degree from the University of Southern California and a Bachelor's degree in History from Grinnell College (Iowa). He also maintains a CIPMA designation as a Certified Independent Professional Municipal Advisor from the National Association of Municipal Advisors.

Technical Consultant



LORA CARPENTER

949.660.7312 direct
949.892.8617 cell
lcarpenter@fieldman.com

Ms. Lora Carpenter, Senior Associate, joined the firm in March of 2014. Since joining the firm, Ms. Carpenter has been active with the firm's utility clients. Lora has worked with Nevada Irrigation District, Merced Irrigation District, Cucamonga Valley Water District, Indio Water Authority, Mojave Water Agency, Castaic Lake Water Agency, and its retail division Santa Clarita Water District, South Coast Water District and Lake Arrowhead Community Services District. Lora is currently working with Silicon Valley Clean Water, Rancho California Water District, Orange County Water District, Merced Irrigation District, Yorba Linda Water District, Marina Coast Water District, and Cucamonga Valley Water District.

For these clients, Ms. Carpenter conducts credit analysis and prepares credit presentations; researches relevant market conditions and events; and prepares quantitative analyses to support Firm recommendations, transaction structures and financial modeling.

Prior to joining the firm, Ms. Carpenter served as an Office Clerk for a Surgeon of St. Joseph's Hospital in Orange and a Teacher's Assistant for the Geology Department at Bucknell University.

Lora received her Bachelor of Science degree in Mathematics from Bucknell University.

APPENDIX B

List of FRA Water Financing Advisory Transactions

Last 5 Years

Fieldman, Rolapp & Associates

All Water & Wastewater Financings

January 1, 2012 to Present

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Orange County Water District	Revenue Refunding Bonds, Series 2017A	\$89,735,000	01/11/2017	Revenue Bonds RB
Orange County Water District	Revenue Refunding Bonds, Series 2017B (Taxable)	\$25,265,000	01/11/2017	Revenue Bonds RB
City of Arvin	2016 Wastewater Revenue Refunding Note	\$4,472,712	11/16/2016	Revenue Bonds RB
Westlands Water District	Refunding Revenue Bonds, Series 2016A	\$51,280,000	11/03/2016	Revenue Bonds RB
Amador Water Agency	Water Revenue Refunding Bonds, Series 2016A	\$28,475,000	11/03/2016	Revenue Bonds RB
City of South Pasadena	2016 Water Revenue Refunding Bonds	\$37,845,000	10/27/2016	Revenue Bonds RB
Central Basin Municipal Water District	Refunding Revenue Bonds, Series 2016A	\$7,240,000	10/13/2016	Revenue Bonds RB
Olivenhain Municipal Water District	Water System Refunding Revenue Bonds, Series 2016A	\$15,990,000	09/28/2016	Revenue Bonds RB
South Coast Water District	Refunding Revenue Bonds, Series 2016A	\$13,325,000	09/27/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Taxable Fixed Rate, Refunding Revenue Bonds, Series 2016C	\$35,905,000	09/26/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate, Revenue Bonds, Series 2016A	\$30,635,000	09/26/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate, Refunding Revenue Bonds, Series 2016B	\$37,970,000	09/26/2016	Revenue Bonds RB
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2016C	\$85,195,000	09/20/2016	Revenue Bonds RB
City of Tustin	2016 Water Refunding Revenue Bonds	\$21,515,000	09/08/2016	Revenue Bonds RB
Lake Arrowhead Community Services District	Water and Wastewater Refunding Revenue Bonds, Series 2016	\$20,390,000	08/31/2016	Revenue Bonds RB
Mojave Water Agency	Improvement District M, General Obligation Bonds (Morongo Basin Pipeline Project) Election 1990, Refunding Series 2016	\$15,025,000	08/24/2016	General Obligation GO

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Eastern Municipal Water District	Community Facilities District No. 2004-35 (Mountain Gate) Improvement Area A, 2016 Special Tax Bonds	\$1,825,000	07/28/2016	Community Facilities District CFD
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2016A	\$17,405,000	07/12/2016	Revenue Bonds RB
El Dorado Irrigation District	Revenue Certificates of Participation, Series 2016B	\$38,600,000	07/12/2016	Certificates of Participation COP
Sweetwater Authority	Water Revenue Bonds, Series 2016A	\$16,755,000	07/07/2016	Revenue Bonds RB
Eastern Municipal Water District	2016 Limited Obligation Refunding Bonds, Assessment District No. 19-A, (Rancho Glenoaks Water System)	\$3,642,402	07/07/2016	1915 Act AD
Central Coast Water Authority	Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2016A	\$45,470,000	06/28/2016	Revenue Bonds RB
Chino Basin Desalter Authority	Desalter Revenue Refunding Bonds, Series 2016A	\$67,105,000	06/22/2016	Revenue Bonds RB
Western Riverside Water and Wastewater Financing Authority (Eastern Municipal Water District)	Local Agency Revenue Refunding Bonds, 2016 Series A	\$39,435,000	05/26/2016	Community Facilities District CFD
Carpinteria Valley Water District	Refunding Revenue Bonds, Series 2016A	\$8,765,000	04/13/2016	Revenue Bonds RB
Upper Santa Clara Valley Joint Powers Authority (Castaic Lake Water Agency)	Revenue Bonds, Series 2016A	\$56,395,000	04/12/2016	Revenue Bonds RB
Nevada Irrigation District Joint Powers Authority	(Nevada and Placer Counties, California) Revenue Bonds, Series 2016A	\$20,210,000	04/05/2016	Revenue Bonds RB
Elsinore Valley Municipal Water District Financing Authority	Refunding Water Revenue Bonds, Series 2016A	\$71,660,000	03/15/2016	Revenue Bonds RB
Cucamonga Valley Water District Financing Authority	Water Revenue Refunding Bonds, Series 2016	\$19,940,000	01/28/2016	Revenue Bonds RB
Olivenhain Municipal Water District	Water System Refunding Revenue Bonds, Series 2015A	\$23,455,000	08/04/2015	Revenue Bonds RB
Rancho California Water District Financing Authority	2015 Special Tax Revenue Refunding Bonds	\$8,145,000	07/30/2015	Community Facilities District CFD
Eastern Municipal Water District	Assessment District No. 20, Limited Obligation Refunding Bonds	\$4,995,000	07/29/2015	1984 Act AD
City of Azusa	Water System Refunding Revenue Bonds, Series 2015	\$47,740,000	07/23/2015	Revenue Bonds RB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
City of Bakersfield	Wastewater Revenue Refunding Bonds, Series 2015A	\$145,500,000	07/08/2015	Revenue Bonds RB
Marina Coast Water District	2015 Senior Lien Enterprise Revenue Refunding Bonds, Federally Taxable Series B	\$1,115,000	06/30/2015	Revenue Bonds RB
Marina Coast Water District	2015 Senior Lien Enterprise Revenue Refunding Bonds, Tax-Exempt Series A	\$29,840,000	06/30/2015	Revenue Bonds RB
Riverside County Flood Control and Water Conservation District	Zone 4 2015 Negotiable Promissory Notes	\$21,000,000	06/11/2015	Other
Vallecitos Water District	Water and Wastewater Enterprise 2015 Refunding Revenue Bonds	\$45,315,000	06/11/2015	Revenue Bonds RB
Indio Water Authority	Water Revenue Refunding Bonds, Series 2015B (Taxable)	\$9,150,000	05/20/2015	Revenue Bonds RB
Indio Water Authority	Water Revenue Refunding Bonds, Series 2015A	\$51,065,000	05/20/2015	Revenue Bonds RB
Merced Irrigation District	Electric System Refunding Revenue Bonds, Series 2015A	\$59,010,000	05/06/2015	Revenue Bonds RB
Upper Santa Clara Valley Joint Powers Authority (Castaic Lake Water Agency)	Revenue Bonds, Series 2015A	\$64,000,000	04/15/2015	Revenue Bonds RB
City of Los Angeles	Solid Waste Resources Refunding Revenue Bonds, Series 2015-A	\$76,670,000	03/24/2015	Revenue Bonds RB
Western Riverside Water and Wastewater Financing Authority (Eastern Municipal Water District)	Local Agency Revenue Refunding Bonds, 2015 Series A	\$19,976,000	02/13/2015	Marks Roos
Eastern Municipal Water District	CFD No. 2001-01 (French Valley) Improvement Area A 2015 Special Tax Refunding Bonds	\$11,320,000	02/03/2015	Community Facilities District CFD
Adelanto Public Utility Authority	Fixed Rate Revenue Bonds, 2014 Series A (Utility System Project)	\$14,130,000	12/17/2014	Revenue Bonds RB
Fountain Valley Public Financing Authority	Revenue Bonds, Series 2014A	\$13,695,000	12/03/2014	Revenue Bonds RB
City of San Juan Capistrano	Water Revenue Refunding Bonds, Series 2014A (Private Placement Refunding of 2002 and 2004 Water Revenue Certificates of Participation)	\$19,922,771	11/07/2014	Revenue Bonds RB
San Juan Basin Authority	Lease Revenue Bonds (Groundwater Recovery Project) Issue of 2014	\$20,361,090	11/06/2014	Lease Revenue Bonds LRB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
San Dieguito Water District	Water Revenue Refunding Bonds, Series 2014 (Bank Qualified)	\$5,870,000	09/18/2014	Revenue Bonds RB
Merced Irrigation District	Water and Hydroelectric System Refunding Bonds, Series 2014B (Taxable)	\$725,000	08/13/2014	Revenue Bonds RB
Merced Irrigation District	Water and Hydroelectric System Refunding Bonds, Series 2014A	\$30,685,000	08/13/2014	Revenue Bonds RB
Brea Community Benefit Financing Authority	2014 Water Revenue Bonds	\$18,555,000	08/12/2014	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2005-47 (The Lakes) Improvement Area A 2014 Special Tax Bonds	\$4,595,000	08/06/2014	Community Facilities District CFD
Eastern Municipal Water District	Community Facilities District No. 2002-06 (Morgan Hill), Improvement Area C 2014 Special Tax Bonds	\$5,920,000	06/04/2014	Community Facilities District CFD
Castaic Lake Water Agency	Refunding Revenue Bonds, Series 2014A	\$16,750,000	06/04/2014	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2002-06 (Morgan Hill) Improvement Area B 2014 Special Tax Refunding Bonds	\$9,009,000	05/29/2014	Community Facilities District CFD
Mojave Water Agency	Refunding Revenue Bonds, Series 2014A	\$13,155,000	05/21/2014	Revenue Bonds RB
Ramona Municipal Water District	San Vicente Road Pipeline Relocation Project	\$4,808,000	05/08/2014	Other
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2014A	\$121,190,000	02/13/2014	Revenue Bonds RB
Goleta Water District	Refunding Revenue Certificates of Participation, Series 2014A	\$19,050,000	01/14/2014	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2010-60 (Paseo Del Sol), 2013 Special Tax Bonds	\$3,105,000	12/04/2013	Community Facilities District CFD
Eastern Municipal Water District	Community Facilities District No. 2005-43 (Kona Road/Holiday), 2013 Special Tax Bonds	\$5,180,000	12/04/2013	Community Facilities District CFD
City of Tustin	Water Revenue Bonds, Series 2013	\$14,045,000	10/08/2013	Revenue Bonds RB
City of San Luis Obispo	2013 Private Placement Financing (Water Reclamation Facility)	\$7,479,000	09/26/2013	Other
West Stanislaus Irrigation District	Revenue Certificates of Participation, Series 2013A	\$12,755,000	08/07/2013	Certificates of Participation COP
City of San Bruno	2013 Wastewater Revenue Refunding Bonds	\$6,955,000	08/01/2013	Revenue Bonds RB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Orange County Water District	Revenue Refunding Bonds, Series 2013A	\$53,000,000	05/07/2013	Revenue Bonds RB
Padre Dam Municipal Water District	Revenue Refunding Bonds, Series 2013A	\$7,225,000	04/09/2013	Revenue Bonds RB
Puente Basin Water Agency	Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project)	\$17,300,000	03/21/2013	Revenue Bonds RB
Vallecitos Water District	2012 Loan	\$7,100,000	12/21/2012	Revenue Bonds RB
Coastal Districts Financing Authority (Carpinteria Sanitary District)	2012 Wastewater Revenue Bonds	\$13,630,000	11/21/2012	Revenue Bonds RB
Redlands Financing Authority	Wastewater Revenue Refunding Bonds, Series A	\$4,655,000	10/03/2012	Revenue Bonds RB
Redlands Financing Authority	Water Revenue Refunding Bonds, Series A	\$3,480,000	10/03/2012	Revenue Bonds RB
City of Concord	2012 Wastewater Revenue Refunding Bonds	\$10,080,000	09/18/2012	Revenue Bonds RB
Yorba Linda Water District	Refunding Revenue Bonds, Series 2012A	\$8,330,000	09/06/2012	Revenue Bonds RB
Merced Irrigation District	2012 Electric System Refunding Revenue Bond	\$10,235,000	07/31/2012	Revenue Bonds RB
Carpinteria Sanitary District	Limited Obligation Refunding Improvement Bonds, Assessment District No. 2007-1 (Reassessment and Refunding of 2012), Series A	\$5,535,000	07/25/2012	1915 Act AD
Western Municipal Water District Facilities Authority	Adjustable Rate Revenue Refunding Bonds, Series of 2012A	\$43,775,000	06/27/2012	Revenue Bonds RB
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2012B (Taxable)	\$1,750,000	06/27/2012	Revenue Bonds RB
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2012A	\$48,935,000	06/27/2012	Revenue Bonds RB
Jurupa Community Services District	Community Facilities District No. 23 (Eastvale Area), Special Tax Bonds, 2012 Series A	\$4,920,000	06/13/2012	Community Facilities District CFD
San Juan Water District	Refunding Revenue Bonds (San Juan and Citrus Heights Project) Series 2012A	\$15,195,000	04/25/2012	Revenue Bonds RB
San Juan Water District	Refunding Revenue Bonds (San Juan and Citrus Heights Project) Series 2012B (Taxable)	\$705,000	04/25/2012	Revenue Bonds RB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Tustin Public Financing Authority	2012 Refunding Water Revenue Bonds	\$8,910,000	03/27/2012	Revenue Bonds RB
City of San Luis Obispo	2012 Water Revenue Refunding Bonds	\$4,960,000	01/18/2012	Revenue Bonds RB
TOTAL TRANSACTIONS:		86		
TOTAL PAR:		\$2,183,425,975		

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 24, 2017
AGENDA ITEM IIC

May 17, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Borrego Basin Groundwater Sustainability Plan Update

RECOMMENDED ACTION:

Receive Report on GSP activity

ITEM EXPLANATION

Each month at the Regular Board Meeting, the BWD Core Team and Trey are planning to provide the BWD Board and meeting attendees an update on GSP activities. In summary, a few Organization and Communication related items were discussed in the morning and Trey provided an presentation on the Plan and its major components. Attached is a copy of the GSP AC Agenda Packet from the meeting as well as Trey's Presentation.

Trey and the BWD Core Team (Hart, Brecht, Poole) will provide their verbal input at the meeting.

FISCAL IMPACT

N/A

ATTACHMENTS

GSP AC Agenda Packet
Trey's Presentation

AGENDA
Borrego SGMA Advisory Committee
Meeting #3

Monday, May 15, 2017
10:00 AM – 3:00 PM

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

Conference Line: Listen to the Committee Meeting by calling: 218-339-7816. Access Code: 591-7105

NOTE: Public comment periods will be accommodated at the end of each agenda item (excluding items 1 and 9). The duration of each comment period will be at the discretion of the meeting Facilitator.

Meeting Objectives:

- Discuss and possibly approve the Draft A/C By-Laws
- Discuss AC’s procedures for engaging their Constituent Groups
- Receive updates from AC members
- Receive information regarding content, timing, and deliverables related to Groundwater Sustainability Plan (GSP) development from Prime Consultant – Dudek inc (Trey Driscoll)

#	TIME	ITEM	PRESENTER
1	10:00 am	Welcome, Introductions and Opening Remarks Review Agenda and Meeting Objectives Approval of April 10, 2017 A/C Meeting Minutes	Beth Hart – Borrego WD (BWD) Meagan Wylie – Facilitator: Center for Collaborative Policy (CCP)
2	10:15 am	Review, Discussion and Possible Adoption of A/C By-Laws	Meagan
3	10:45 am	Review and Discussion of Draft AC Agenda Development Schedule and Interaction with Constituent Group (CG)	Beth All
4	11:15 am	Borrego Valley Stewardship Council (BVSC): Overview of Organizational Mission and Discussion of GSP Letter to the County of SD	Suzanne Lawrence, BVSC
5	11:30 am	Receive Updates from AC Members on CG Engagement New Farm in Borrego	All Rebecca Falk, BSCSG
	12:00 pm	<i>Lunch</i>	
6	12:30 pm	Presentation on the Borrego Basin Groundwater Sustainability Plan: Content, Schedule and Deliverables	Trey Driscoll, Dudek Inc.
7	2:30 pm	General Comment from A/C Members and Public	All
8	2:50 pm	Next Steps, AC Meeting Date(s) and Closing Remarks	Meagan/All
	3:00 pm	<i>Adjourn</i>	

Please be advised that times associated with agenda are approximations only.

Borrego SGMA Website: <http://www.sandiegocounty.gov/content/sdc/pds/SGMA/borrego-valley.html>

AGENDA ITEM #1 – April 10, 2017 Draft Minutes

DRAFT MINUTES

Borrego SGMA Advisory Committee

Meeting #2

Monday, April 10, 2017

10:00 AM – 3:00 PM

Location: Borrego High School (Meeting Room next to Gymnasium)
2281 Diegueno Rd., Borrego Springs, CA 92004

Attendance: **Committee members:** Present: Jim Seley, Richard Dopp, Jim Wilson,
Suzanne Lawrence, Rebecca Falk,
Jack McGrory, Bill Berkley
Absent: Ryan Hall, Kathy Dice
Core Team members: Beth Hart, BWD Lyle Brecht, BWD
Geoff Poole, BWD Leanne Crow, County of San Diego
Jim Bennett, County of San Diego
Staff: Meagan Wylie, Center Wendy Quinn, BWD
for Collaborative Policy
Public: Ray Schindler
Michael Sadler, *Borrego Sun* Tom Beltran
James Sward Diane Johnson
Anne Bogardt Sara Lockett, OWSVRA
Jan Krasowski Dennis Jensen

Item #1: Welcome, Introductions and Opening Remarks

A. Review Agenda and Meeting Objectives: Meagan Wylie welcomed the attendees and announced that a quorum was present. The Sustainable Groundwater Management Act (SGMA) Advisory Committee (A/C) members, Core Team members and staff introduced themselves. Ms. Wylie reviewed the meeting ground rules and agenda and invited those wishing to be included on the A/C distribution list to sign up on the County of San Diego (County) website.

B. Approval of March 6, 2017 A/C Meeting Minutes: Upon motion by Member Seley, seconded by Member McGrory and carried, the Minutes of the March 6, 2017 A/C Meeting were approved.

Item #2: Support for A/C Members

A. Borrego Water District (BWD) Staff Support with Nominating Organizations: Geoff Poole pointed out that issues will be presented to the A/C, then each member will meet with his/her nominating organization for discussion, followed by a report back to the A/C. He volunteered to attend and facilitate nominating committee meetings upon request.

BWD Board President Beth Hart invited the A/C's attention to a handout entitled "Organizational Questions to be Considered by Advisory Committee Members," outlining things for members to think about when working with their nominating organizations. Organizational rules may not be necessary, especially in small groups, but for some the guidelines may be helpful. Member McGrory, representing the Borrego Water Coalition (BWC) and independent pumpers, inquired about how to contact his constituents. Mr. Poole volunteered to provide an Email list. Member Lawrence asked whether her nominating organization was responsible for solving problems or just informing the A/C of them. President Hart recommended that if the nominating organization fails to reach a consensus, the discussion should nevertheless be reported to the A/C. Member Wilson requested that a

further discussion of this issue be placed on a future agenda. Member Lawrence announced that she wanted to present an update from her nominating organization, and Ms. Wylie suggested making such reports a standing item on each agenda.

B. Optional Email Addresses for A/C Members: Mr. Poole explained that a recent court ruling provides that personal Emails and cell phone messages relating to the Groundwater Sustainability Plan (GSP) are subject to the Public Records Act. BWD has provided BWD Email addresses to its Board members so they can keep their business communications separate. He agreed to do the same for the A/C upon request. Member Dodd requested an A/C Email address, and Mr. Poole agreed to work with him. Member Lawrence asked how A/C or nominating organization requests for research should be handled, and Mr. Poole asked that they be initially submitted to him.

Item #3: Review, Discussion and Possible Adoption of A/C By-Laws

Ms. Wylie invited the A/C's attention to the draft GSP A/C By-Laws in the agenda package and on the screen. Member Dodd questioned the use of the term "Party's" in Article 1, Section D ("... each Party's responsibilities for Plan implementation...") The A/C agreed to amend the sentence to read in part, "... each GSA Party's responsibilities...". Member Lawrence expressed concern that the section addressed enforcement, but not compliance. Leanne Crow explained that the phrase, "The GSP shall include, but not be limited to,..." preceding the reference to enforcement implies that compliance may be included in the GSP. Member Wilson requested a definition of "PDS" in Article 2, Section B. The By-Laws will be amended to read, "Planning and Development Services (PDS)." Member Dodd inquired as to the necessity of Section 2, Articles A and B, regarding the qualifications for A/C members. Ms. Wylie explained that it was for reference in case of a vacancy on the A/C. Member Wilson asked why the GSP's effects on the community were not addressed, and Ms. Crow replied that this was addressed in the consultant's scope of work. Article 2, Section D(4) provided that, "A vacancy shall be recognized for any AC Member who... regularly fails to abide by the discussion covenants of the AC..." After discussion, it was agreed to add a provision that a member's retention would be discussion by the A/C followed by a recommendation to the Core Team. The A/C agreed that Article 4, Section A would be amended to provide that meetings would be chaired by the facilitator, and if she cannot serve, the A/C will decide on another chair. After discussion, the A/C agreed that in Article 5, Section C, paragraphs (5) ("I do not agree with the decision and feel the need to **block** the decision being accepted as consensus") and (6) ("I feel that we have no clear sense of unity in the group. We need to **do more work** before consensus can be achieved") should be in reverse order, and in old paragraph (6)/new paragraph (5), the first sentence should be deleted.

A member of the audience suggested that at the beginning of each meeting, staff could review the attachments in the agenda package. His was not complete. Mr. Poole agreed to distribute the entire package 72 hours in advance of the meetings. Member Wilson suggested a reference to the County website on the agenda. President Hart suggested including these items in the By-Laws, and Ms. Wylie volunteered to prepare an outline of meeting protocol.

The Committee broke for lunch at 11:30 a.m. and reconvened at 12:15 p.m.

Item #4:

GSP Update, Overview and Informational Presentation

A. Group discussion of Goals for GSP: Jim Bennett, County Groundwater Geologist, stated that SGMA provides a means to bring basins throughout the State into sustainability. He explained that the prime GSP consultant is Dudek, Inc., working with subconsultants GeoSyntec, Environmental Navigation, Wiedlin & Associates, Raftelis Financial, Hidden Valley Pump, O'Day and Babcock. The total contract is \$1.2 million. A Dudek representative will attend the May A/C meeting. Member Wilson asked whether technical questions from the A/C should go to the County, and Mr. Poole asked that they

be directed to him initially. Director Brecht reported that BWD had contributed \$3 million to the GSP effort (\$1 million from ratepayers and \$2 from State and federal sources). Mr. Bennett explained that the GSP preparation is estimated to be a two-year process. The California Environmental Quality Act (CEQA) is not applicable to GSP preparation and adoption, but is applicable to any project that would implement actions pursuant to the GSP. Member Falk asked for examples of projects which might require an Environmental Impact Report (EIR). Mr. Bennett cited water conservation and efficiency projects, changes to the County General Plan or zoning, or agricultural fallowing. He went on to report that part of the GSP will be to evaluate the General Plan and zoning. Borrego Springs has a community plan which sets forth a vision for the community, and the A/C will play a key role in how the community will look in 2040 when sustainability is achieved.

Mr. Bennett presented a map of the Borrego Valley Basin, explaining that last year it was divided by the California Department of Water Resources into two areas, the Borrego Springs Subbasin and the Ocotillo Wells Subbasin. The overdraft is in the Borrego Springs Subbasin, and that will be the focus of the GSP. Member Berkley inquired about the location of the boundary between the two subbasins, and was told it was at the San Felipe Wash, or Texas Dip. Mr. Bennett next discussed an outline of the GSP, including existing data compilation, existing data assessment; evaluation/development of a monitoring program; development of a data management system; water level and water quality collection; a water budget; development of projects, management actions and best management practices; support projects and management actions; and the preparing the GSP itself. He pointed out that development of projects, management actions and best management practices would be a big part of today's brainstorming session. All items in the GSP outline are part of Dudek's consulting contract.

Member Lawrence expressed concern regarding potential budget shortfalls. Ms. Crow assured her that projects would be discussed by the A/C and Core Team before being presented to the consultant. A member of the audience asked who would have access to the data management system, and Ms. Crow replied that once completed it would be on the County SGMA website. Diane Johnson asked whether other County agencies were participating in the GSP, and Mr. Bennett replied that they were (Environmental Health; Public Works; Agriculture, Weights and Measures; Parks and Recreation; General Services; and Air Pollution Control District).

Mr. Bennett went on to present graphs depicting baseline groundwater production (as of January 1, 2015) and estimated sustainable yield. Member Seley expressed concern because he had begun reducing water use in his agricultural business before 2015 and did not want to be penalized. Mr. Bennett was aware of the issue, shared the concern and said this was something that would have to be considered when developing the baseline groundwater production. Mr. Bennett further explained that there are three areas necessary in estimating sustainable yield/water budget: storage, recharge and demand. Director Brecht pointed out that potential water quality issues will impact water rates, and Mr. Bennett agreed that water quality would be taken into consideration as part of the GSP. The discussion then turned to projects and management actions; which ones would be viable and mutually beneficial for all sectors (municipal, recreation and agriculture). Examples presented included water conservation/efficiency, land use/planning, and water credits/entitlements. Mr. Bennett suggested questions to be asked in reviewing each example. Member Falk pointed out that Borrego Springs has a community plan but no enforcement. Mr. Bennett noted that there are two issues here, who has enforcement authority and how should it be enforced.

Member Lawrence pointed out the importance of how the Borrego community is defined. For example, tourism should be included.

Member McGrory asked how agricultural water use was quantified. Mr. Bennett explained that it was based on the amount of land and type of crop. President Hart asked when there would be authority under SGMA to meter and monitor wells, and Ms. Crow replied that the authority exists now. This is a good issue for the A/C. An audience member asked about restrictions on monitoring, and Mr. Bennett noted there is flexibility, depending on the GSA, which needs to work with the A/C. Another question dealt with where the flush from the park goes, and Mr. Poole explained that it depends on the location of the flushing. It either goes to the sewer or a septic tank.

Member Berkley pointed out there are systems to reuse gray water for irrigation. President Hart suggested incentives for golf courses to upgrade their irrigation systems. Member Lawrence reported that De Anza Golf Course had applied for a grant to reduce water use but it was denied. She suggested looking into how this could be approached differently. Member McGrory suggested a cost-benefit analysis. Member Berkley reported that Rams Hill Golf Course was designed so that nearly every hole is a receptive basin. The runoff goes into a lake or into a valley and then to the aquifer. This could be considered in future development. Ms. Wylie noted that the State is currently modifying its landscape ordinance and considering storm water runoff and retention.

Mr. Bennett noted that agricultural fallowing and efficiency has been a topic for several years, and will be a key concern in the GSP. Incentives for fallowing need to be addressed. Ray Schindler asked whether fallowing would occur naturally because farmers would not receive enough water to continue. Mr. Bennett replied that planning needs to include incremental changes over time, taking the economy into consideration. The main goal of the GSA is to see a viable Borrego Valley. Member Berkley introduced a concept used extensively in China using hydroponics in enclosed buildings with solar energy. Rams Hill is already using some of these techniques, and Borrego Springs is a good place for it. Member Wilson inquired about funding for fallowing. Member Berkley pointed out that the technique is profitable, and proponents would likely approach farmers with a proposal.

Mr. Bennett presented the question, how do you envision land use for Borrego Springs in the year 2040? The County General Plan did not anticipate SGMA, and the projected build-out is unviable given the future reduction in available groundwater. This is an important component of the GSP, requiring input from the community. Ms. Wylie recommended that the A/C members review the Borrego Springs Community Plan prior to the next meeting. Member Falk reported that the Borrego Springs Community Sponsor Group received a lot of public input on the proposed "Rudyville" development, which if approved would increase density in Borrego Springs. The citizens asked how additional homes can be approved when the community is experiencing a water crisis.

Member Berkley inquired about the feasibility of sewer reclamation and how many homes in Borrego Springs are connected to sewer. Mr. Poole replied that there are approximately 800 homes connected, not enough for practical reclamation. In addition, many of the connected homes are vacant half the year or more. However, BWD is currently studying tertiary treatment.

Member Lawrence stated for the record that in 2040, from the perspective of the Stewardship Council, their vision is for a thriving village which serves as a hospitality hub for a world-class nature destination, and a comprehensive plan will be developed by the GSP process.

Mr. Bennett explained that the County began using the concept of fallowing actively irrigated land in 2004 to mitigate water use by new development. BWD currently has a 4 to 1 mitigation ratio. The County has not changed its current 1 to 1 mitigation ratio, and is looking to develop changes as part of the GSP process with input from the community. A concept discussed was that by 2040 there will be durable water entitlements for water uses in Borrego Springs. Dudek has commenced an audit of the

County's and BWD's water credit program. Ms. Wylie reviewed her notes from Mr. Bennett's presentation and will work with Wendy Quinn to incorporate them into the Minutes. They are attached and incorporated by this reference.

Item #5:

General Comment from A/C Members

Referring to a presentation proposed by Member Lawrence, President Hart announced that any written material presented by A/C members must be distributed with the agenda package. Director Brecht requested that the item be included in the next agenda. Member Dodd pointed out that as the ratepayer representative, he does not have a formal nominating organization but has been working with Mr. Poole and welcomed interested parties to meet with him following today's A/C meeting. Mr. Schindler suggested using his ratepayer group, and Mr. Poole welcomed his participation.

Item #6:

General Public Comment

Tom Beltran referred to Member Berkley's comments about capturing recharge and cited issues relative to the Salton Sea Reclamation Act and the Clean Water Act and flows through the San Felipe wash into the basin. He felt SGMA could be preempted by federal law, and court action relative to the Salton Sea was possible, which would delay the GSP. Ms. Wylie asked Mr. Poole to serve as a point of contact for members of the public wishing to submit written comments. Dennis Jensen asked whether there would be a place for agriculture in the Borrego Valley at buildout, other than to supply water credits.

Item #7:

Next Steps and Closing Remarks

Ms. Wylie will work with Mr. Poole to schedule a date for the next A/C meeting. The agenda will include By-Laws, organizational questions, Member Lawrence's presentation regarding the Stewardship Council, a presentation by Dudek, and more conversations on the GSP. Ms. Wylie agreed to prepare something regarding meeting protocol. There being no further business, the meeting was adjourned at 2:55 p.m.

AGENDA ITEM #2 = GSP AC By-Laws

**BORREGO VALLEY
GROUNDWATER SUSTAINABILITY PLAN**



ADVISORY COMMITTEE
BY-LAWS
Draft 04-10-17 AC Meeting Edits

Adopted and approved at the _____, 2017 Borrego Valley GSP Advisory Committee Meeting:

Article 1 PURPOSE AND FORMATION of the ADVISORY COMMITTEE

Section A – On September 20, 2016, the Board of Directors of the Borrego Water District (District) approved a Memorandum of Understanding (MOU) between the County of San Diego (County) and the District, which memorialized each agency’s role and responsibilities for developing a Groundwater Sustainability Plan (GSP) for the Borrego Valley Groundwater Basin (Borrego Basin). On October 19, 2016, the Board of Supervisors of the County also approved the MOU, thereby establishing a multiple-agency Groundwater Sustainability Agency (GSA) responsible for developing and implementing a GSP for the Borrego Basin. The MOU establishes a Core Team comprised of County and District staff tasked with coordinating the activities of the Borrego Basin GSP Advisory Committee (AC).

Section B – In consideration of the interests of all beneficial uses and users of groundwater in the basin, stakeholder engagement and education of both stakeholders and the general public will be conducted in part via the deliberations of the AC pursuant to California Water Code Section 10723.2. The purpose of the AC is to provide input to aid in the development of the planning and policy recommendations contained in the GSP. As information supporting the GSP is prepared by the GSA, these items will be brought before the AC for discussion, analysis, and recommendations.

Section C – The AC is a non-partisan, non-sectarian, non-profit advisory organization. The AC is not empowered by ordinance, establishing authority, or policy to render a binding decision of any kind.

Section D – The AC is advisory to the Core Team. The Core Team will develop a GSP that meets the requirements of SGMA and is acceptable to the District and to the County. The GSP shall include, but not be limited to, groundwater use enforcement measures, a detailed breakdown of

each GSA Party's responsibilities for Plan implementation, anticipated costs of implementing the Plan, and cost recovery mechanisms, if necessary.

Article 2 MEMBERSHIP AND TERM OF OFFICE

Section A – The AC shall consist of individuals with backgrounds in developing, deliberating, planning, and/or advocating for sustainable use of groundwater in the Borrego Basin, under the requirements of SGMA.

Section B – The AC is limited to nine (9) members as established in the MOU. Potential representatives shall be nominated by the following six (6) Stakeholder Organizations and shall be apportioned as follows:

- (1) Four members nominated by the Borrego Water Coalition and filling the following representative roles- 1 agricultural member; 1 recreation member; 1 independent pumper; 1 at large member,
- (2) One member nominated by the Borrego Springs Community Sponsor Group,
- (3) One member nominated by the Borrego Valley Stewardship Council,
- (4) One member nominated by the Borrego Water District Board of Directors who is not an employee or elected official –to represent ratepayers/property owners,
- (5) One member nominated by the County of San Diego who is not an employee or elected official –to represent the Farm Bureau, and
- (6) One member nominated by the California State Parks, Colorado Desert Region – to represent the Anza-Borrego Desert State Park.

Each person nominated to the AC by the above Stakeholder Organizations must be endorsed by the Board of Directors of the District and the Director of Planning & Development Services (PDS) of the County before serving on the AC. Substitution of an alternate for an endorsed AC Member is not permitted. Only endorsed Members may serve on the AC.

Section C – Each AC Member shall serve a term, which shall run concurrently with the development and completion of the GSP.

Section D - A vacancy shall be recognized for any AC Member who: (1) dies; (2) resigns; (3) has unexcused absences from more than three of the scheduled AC meetings within a single calendar year; (4) misses three meetings in a row; (5) regularly fails to abide by the discussion covenants of the AC; (6) violates the Ralph M. Brown Act; or (7) fails to exercise the purpose and authority of the AC as described in Article 1 above. The AC shall notify the Core Team if a position is deemed vacant [pursuant to items 1-4 above, or if the AC recommends the removal of a member as related to items 5-7 above](#). If a vacancy occurs, the Stakeholder Organization may nominate another AC member appointee for that position that must then be endorsed by the District Board and County Director of PDS. The new appointee member shall serve through the development and completion of the GSP.

Article 3 DUTIES

The AC shall have the following duties and responsibilities:

- (1) Serve as a resource to the Core Team on GSP development issues for the Borrego Basin;
- (2) Advise in the formation of the planning and policy recommendations to be included in the GSP. This may include reviewing technical materials and providing comment, data, and relevant local information to the GSA related to Plan development; assisting in communicating concepts and requirements to the stakeholder constituents that they represent; providing comments on materials and reports prepared; assisting the Core Team to anticipate short- and long-term future events that may impact groundwater sustainability, trends and conditions that will impact groundwater management;
- (3) Participate in AC and Core Team public decision-making meetings, expected to occur on an approximately quarterly basis or as needed during GSP development.

Article 4 STRUCTURE

Section A – [AC meetings will be chaired by a facilitator from the California State University, Sacramento, Center for Collaborative Policy \(“CCP”\) or other such facilitator acceptable to the Core](#)

~~Team. If the Facilitator cannot for any reason act as chair at a particular meeting, At the start of each AC meeting,~~ members shall determine who among the Committee will chair that particular meeting, or have an opportunity to request District or County staff to run the meeting.

Section B – The designated ~~Chairperson convener~~ shall provide general ~~supervisory~~ guidance to the AC, certify the presence of a quorum, and preside over each meeting.

Section C– ~~AC meetings may be led by a Facilitator from the California State University, Sacramento, Center for Collaborative Policy (“CCP”) or other such facilitator acceptable to the Core Team.~~

Section ~~DC~~– If utilized, the Facilitator shall provide general guidance to the AC and facilitate its meetings. The Facilitator, in consultation with the AC, shall assign coordinating duties and/or specific tasks to subcommittees of the AC as necessary.

Section ~~ED~~– The District shall assign staff to record the minutes of all AC meetings, maintain a list of all active representatives, handle committee correspondence, and keep records of actions as they occur at each meeting. It is the responsibility of the Core Team staff assigned to the AC to assure that posting of meeting notices in a publicly accessible place for 72 hours prior to an AC meeting, to keep a record of such posting, and to reproduce and distribute the AC notices and minutes of all meetings.

Article 5 ORGANIZATIONAL PROCEDURES

Section A – Robert’s Rules of Order govern the operation of the AC in all cases not covered by these by-laws, the AC may formulate specific procedural rules of order to govern the conduct of its meetings.

Section B – Any voting is on the basis of one vote per AC member. No proxy or absentee voting is permitted.

Section C – All AC recommendations regarding the GSP shall be made by consensus. Consensus is achieved when AC participants indicate that they are at Levels 1-4 (not Levels 5 or 6) as described below. If after multiple attempts, the AC deems consensus improbable among the AC

members on a particular matter, the issue will be returned to the Core Team without a recommendation.

Levels of consensus are as follows:

1. I can say an **unqualified 'yes'** to the decision. I am satisfied that the decision is an expression of the wisdom of the group.
2. I find the decision **acceptable**. It is the best of the real options we have available to us.
3. I can **live with** the decision. However, I'm not enthusiastic about it.
4. I do not fully agree with the decision and need to register my view about it. However, I do not choose to block the decision and will **stand aside**. I am willing to support the decision because I trust the wisdom of the group.

~~I do not agree with the decision and feel the need to **block** the decision being accepted as consensus.~~

5. ~~I feel that we have no clear sense of unity in the group. We We -need to **do more work** before consensus can be achieved.~~

6. I do not agree with the decision and feel the need to **block** the decision being accepted as consensus.

Section D – AC meetings shall be held under the following discussion covenants:

- ~~What is past is past —~~ Focus on the future as much as possible.
- All perspectives are valued. You are not required to defend your perspective, but you are asked to share it and to provide supporting rationale.
- All ideas have value. If you believe another approach is better, offer it as a constructive alternative.
- Everyone will have an equal opportunity to participate.

- Everyone will be encouraged to talk.
- One person speaks at a time.
- No side conversations.
- View disagreements as problems to be solved rather than battles to be won.
- Avoid ascribing motives to or judging the actions of others. Please speak about your experiences, concerns, and suggestions. Treat each other with respect.
- Avoid right-wrong paradigms.
- When communicating outside of the AC, Members are asked to speak only for themselves when asked about AC progress unless there has been adoption of concepts or recommendations by the full body.

Section E – A majority of the AC members currently appointed shall constitute a quorum. A quorum is required for an Official Meeting to occur. No consensus vote of the AC shall be considered as reflecting an official recommendation by the AC unless a vote was taken at an Official Meeting.

Section F – All meetings of the AC and its subcommittees are open to the public to the extent required by the Ralph M. Brown Act. Meetings are to be held in accessible, public places in Borrego Springs, California. Notice of all AC meetings shall be posted in a publicly accessible place for a period of 72 hours prior to the meeting. A majority of the AC members shall not use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any AC-related business outside of a public meeting in violation of the Ralph M. Brown Act.

Section G –All members of the AC must abide by these by-laws. The County and District reserve the right to remove members that do not abide by the by-laws.

Article 6 COMPENSATION

Members of the AC shall serve without compensation.

AGENDA ITEM #3 – Review and Discussion of Draft AC Agenda Development Schedule and Interaction with Constituent Group (CG)

ORGANIZATIONAL QUESTIONS TO BE CONSIDERED BY ADVISORY COMMITTEE MEMBERS

BORREGO BASIN ADVISORY COMMITTEE MEETING

DRAFT - APRIL 10, 2017

Organizational process for Constituent meetings

Develop an email list of interested parties

Decide where and when to conduct meetings

Determine meeting format – public or private

Develop a simple explanation of the Brown Act

Decide who group recommendations will be created: Consensus, voting or majority recommendations

Decide whether minutes of discussions are appropriate

Create a written format for bringing recommendations to AC

Decide on a process for AC to review recommendations that weren't followed

Organizational process for AC member providing information to Constituent group (CG)

AC provides opportunity for questions from constituents at each AC meeting

Not all constituents can attend. How is information provided and by whom?

AC provides a written overview of the issues discussed at the meeting through in timely AC meeting minutes. Is that sufficient?

Decide how to communicate with CG

AC meeting minutes - specific enough?

Informative emails - who drafts?

Decide how an AC members can get clarification on issues

AC sends to the Core or Consultant or Mediator?

Answered by email or conference calls between Core, Consultant or Mediator

Decide how CG members can get clarification on issues

Attend AC meeting

AC provides clarification after contacting Core, Consultant or Mediator?

Draft - AC organization of CG

AGENDA ITEM #3 – Review and Discussion of Draft AC Agenda Development Schedule and Interaction with Constituent Group (CG)

Basic Principles of Operation for AC Engagement with Core Team and Constituent Groups

05-04-17 Draft

- Points of Contact for AC:
 - *Primary:* Geoff Poole, BWD, Core Team (CT): Geoff@borregowd.org
 - *Secondary:* Meagan Wylie, Facilitator: mwylie@ccp.csus.edu

PROCEDURE FOR AC MEETING PREPARATIONS:

- CT, along with Facilitator, will prepare draft agenda.
- If an AC member has materials to share at an upcoming AC meeting, or an item to be agendized for discussion, contact Mr. Poole and the Facilitator with the request at minimum **10 business days** in advance of the meeting.
- Draft agenda will be posted to both the BWD and County Websites, and physically outside of the meeting venue, no later than 72 hours before the scheduled meeting.
 - <http://www.sandiegocounty.gov/content/sdc/pds/SGMA/borrego-valley.html>
 - <http://borregowd.org/Sustainability.php>
- CT will make every attempt to also finalize and post associated meeting materials 72 hours in advance of the scheduled meeting. Any materials that are not posted as part of the current meeting agenda packet may be shared at the meeting as “informational items,” and will be included as part of the subsequent meeting’s agenda packet.

Sample Timeline:

- 8-15 Business Day Out:
 - CT/CCP/consultants prepare AC Meeting Materials and finalization of draft AC Meeting Minutes
 - CT/CCP prepare draft meeting agenda
- 4-8 Business Days Out:
 - CT Finalizes Agenda/ Agenda Package
 - Agenda sent to County for Posting to Website*
- 72 hours Out:
 - Agenda must be posted to website
 - Agenda posted at physical location of meeting

MON	TUES	WED	THUR	FRI	SAT	SUN	
AC sends any Agenda Topics or Materials to CT/CCP		CT/CCP edits agenda and materials	CT/CCP edits agenda and materials	Final Agenda to County by AM for post			
MON	TUES	WED	THUR	FRI	SAT	SUN	MON
		<u>Preferred:</u> Agenda Posted by 10:00 am		<u>Required:</u> Agenda Posted by 10:00 am			AC Meeting at 10:00 am

- *The process for posting to the County website can take several business days. Please be advised that the County does not conduct business over the weekend.
- Once materials are available, the AC will receive email notification from either Mr. Poole or the Facilitator.

GETTING QUESTIONS ANSWERED & CORRESPONDING WITH YOUR CONSTITUENT GROUPS

- Geoff Poole is your first line of communication. If you have a question related to the AC and/or the AC's responsibilities, please ask Mr. Poole directly. Mr. Poole can assist with items related to the following:
 - Process questions
 - IT-related questions
 - Contact Lists
 - Getting clarification on certain SGMA-related issues
 - Providing direction on where to find information, materials, etc.
 - Finding the right subject matter expert to enquire with, if he cannot answer your question directly
- Mr. Poole has also offered to attend meetings of your constituent groups as a resource for information sharing.

Borrego Valley Stewardship Council

TO: Borrego Water District Board of Directors
County of San Diego SGMA Project Team c/o Jim Bennett

Date: September 15, 2016 DELIVERY VIA EMAIL

THE BORREGO VALLEY STEWARDSHIP COUNCIL CALLS FOR EMBRACING SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) REQUIREMENTS BY CONSIDERING THE FOLLOWING:

Subsequent to the submittal of the Borrego Water District's (District's) and San Diego County's (County's) notice to become Groundwater Sustainability Agencies (GSA's), the Borrego Valley Stewardship Council (Stewardship Council), has engaged with representatives of San Diego County's Department of Planning and Development Services (P&DS), and expressed the following concerns and recommendations:

Anza-Borrego Desert State Park (ABDSP) and the town of Borrego Springs together serve as a regional economic engine for world-class tourism that has not yet been fully recognized.

There is an historic divide between ABDSP and the town of Borrego Springs that dates back to the vision of Borrego Valley founders such as James Copley and Alfonse A. Burnand who saw the Valley as a "donut hole" in the middle of the Park—a donut hole distinct from the Park and ripe for developing a San Diego version of Palm Springs. At the core of the 1950's-style donut hole vision is a water intensive economy dependent on agriculture, real estate development, speculation, and land sales.

The creation of the Stewardship Council and its adoption of a Geotourism Charter were spurred by the current water crisis in the Borrego Valley. The Council's intention is to bridge the divide between the State Park and Community by taking a fresh look at a sustainable economy in the context of the realities of water availability, clean air, habitat preservation and human health.

From a series of community workshops sponsored by the Stewardship Council it has become clear that tourism and its related development, not land speculation and residential subdivisions, must become the central economic driver for Borrego Springs, not simply to comply with SGMA, but to survive as a community.

There is a growing desire to embrace and foster Borrego Spring as "The Heart of the Park" as opposed to a "donut hole for development."

Working with representatives from the National Geographic's Geotourism program the Stewardship Council has begun to facilitate a community dialogue to define how best to develop a "Heart of the Park" campaign. Central to the campaign are developing Geotourism as the primary source of economic growth and strategically positioning Borrego Springs as a village of hamlets with a commercial core that serves as the hospitality hub for a world-class natural

science destination.

Strengthening partnership affiliations with the National Geographic Society, the California State Parks, the UNESCO World Heritage program, and the San Diego Tourism Authority are central to cultivating a new Geotourism economy.

The Groundwater Sustainability Plan (GSP) that will be created by the GSA's must address and move beyond the 1950's-inspired land use assumptions that are enshrined in the current Borrego Valley Community Plan.

The GSP must also clearly reflect the need to evolve the current business promotional practices from a traditional Chamber-of-Commerce-style marketing plan to a Geotourism inspired Destination Management Organization (DMO) – joining the Anza-Borrego region to a network of world-class, UNESCO-recognized, sustainable destinations.

The District has pointed out that the implementation of SGMA in the Borrego Valley will impact more than hydrology and land use; and that in fact, the implementation of SGMA will have broad economic, cultural, and social implications for the Anza-Borrego region. Simply stated, there are many possible pathways to arrive at a SGMA-mandated, “no undesirable results” reduction in water usage in the Borrego Valley, some of which would be economically deleterious, some of which could result in a vibrant economic engine for the entire region.

Understanding that both the County and the District have limited resources to address all the complex and interdependent issues involved in creating a GSP for Borrego Springs in a holistic fashion, the Stewardship Council has not only volunteered to be one of the members of the GSP Advisory Group, but also has offered to serve as a neutral convener to help facilitate a fresh look at land use for a sustainable economy for the Borrego Valley.

Sincerely,

Suzanne Lawrence, David Garmon, Dick Troy, and Travis Huxman
Co-Conveners, Borrego Valley Stewardship Council



DRAFT WORKPRODUCT



Borrego Valley Groundwater Basin Borrego Springs Subbasin Groundwater Overview

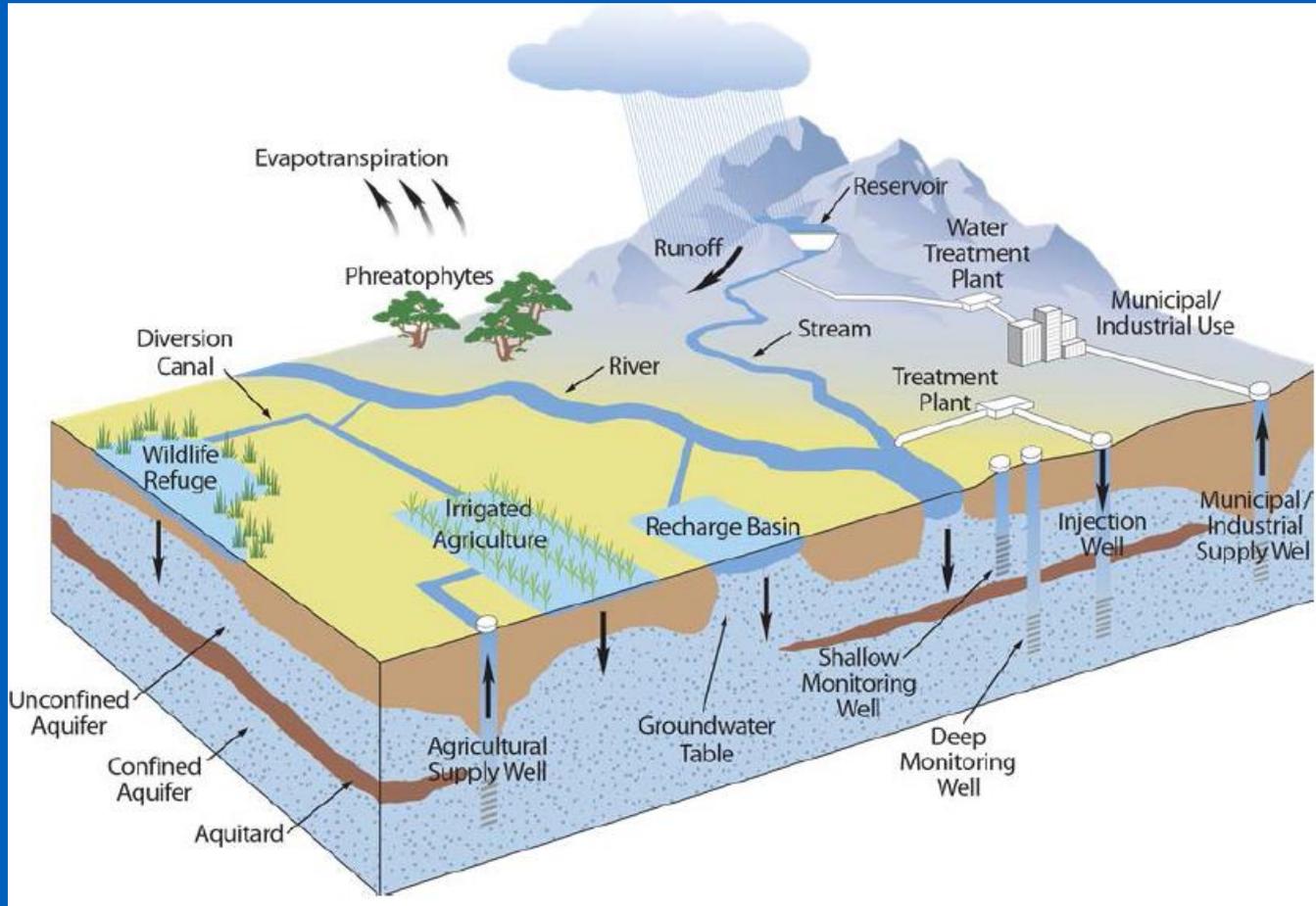
Borrego Valley Groundwater Basin Sustainability Plan Advisory Committee Meeting

May 15, 2017

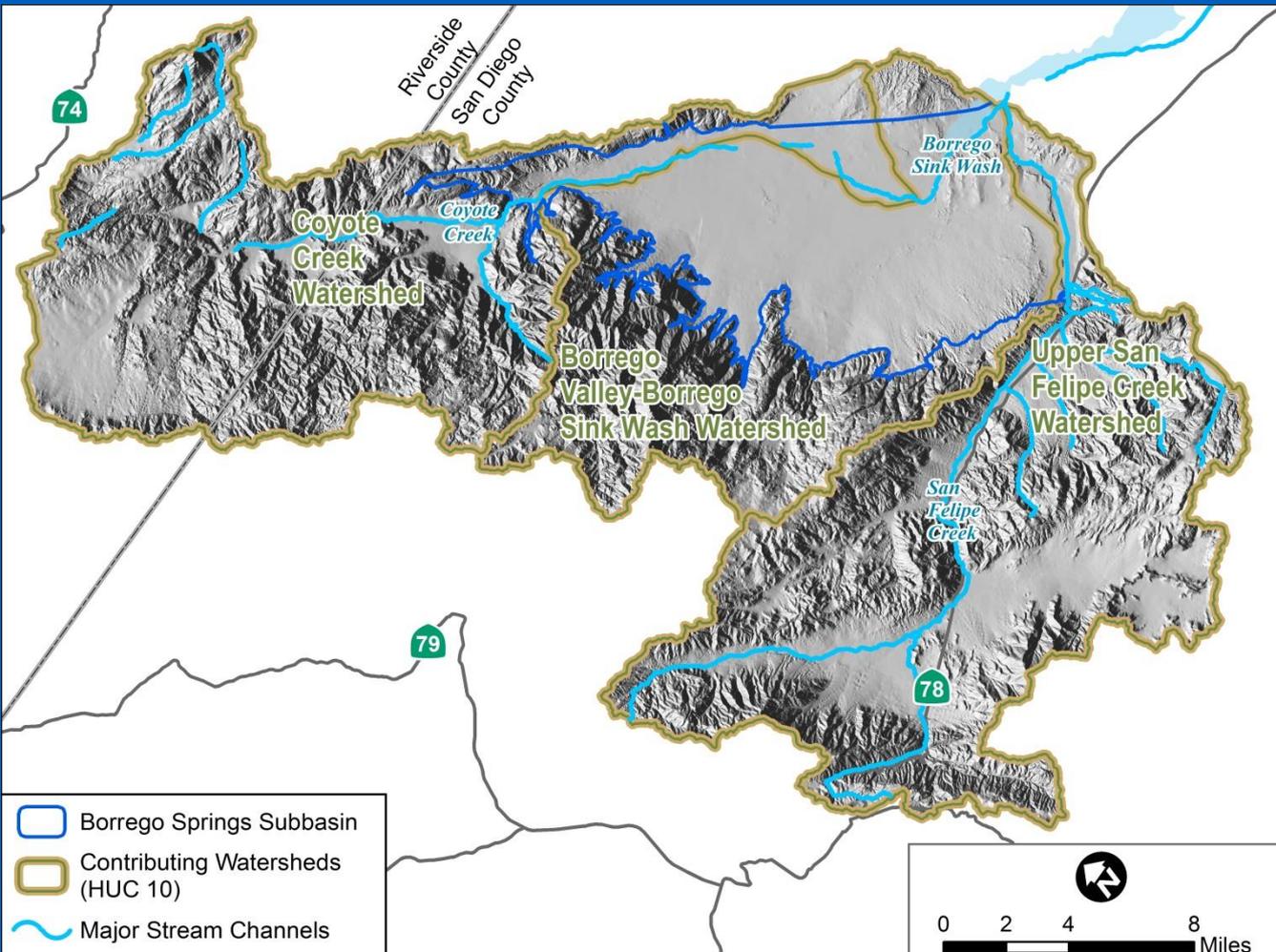
Presentation Topics

- 1. Water Budget**
- 2. Water Credits**
- 3. Water Quality**
- 4. Projects and Management Actions**

Water Budget Fundamentals



Water Budget – Watershed Approach



INFLOW

Precipitation
Streamflow
Subsurface Inflow
Return Flow

OUTFLOW

Evapotranspiration
Streamflow
Pumping
Subsurface Outflow

INFLOW – OUTFLOW

=

**CHANGE IN
GROUNDWATER
STORAGE**

Water Budget – Watershed Analysis

- **What is the Water Budget and how does it relate to sustainable yield?**

It is traditional to equate the sustainable yield, or safe yield, to long-term average recharge to the basin.

“Over the 66-year study period, on average, the natural recharge that reaches to the saturated groundwater system is approximately 5,700 acre-feet per year, but natural recharge fluctuates in the arid climate from less than 1,000 to more than 25,000 acre-feet per year” (Faunt 2015).

For initial planning purposes, **5,700 acre-feet per year** is considered the long-term average recharge or “sustainable yield” of the basin until additional analysis is performed.

Water Budget - Model

- **Why not just use the already prepared USGS estimate?** The USGS estimate focuses on the historical period from 1945–2010. SGMA requires the water budget to include **historical, current and projected** water budget conditions (§354.18(a)).
- **Does the USGS estimate include return flows from irrigation?** Yes, “Recharge from irrigation return flows was estimated to be about 20–30% of agricultural and recreational pumpages” (Faunt 2015).
- **Will the updated water budget estimate be substantially different from the already prepared USGS estimate (i.e. will substantially more or less water be available to water users in the Borrego Springs Subbasin)?**

Water Budget Model (Qualitative Check)

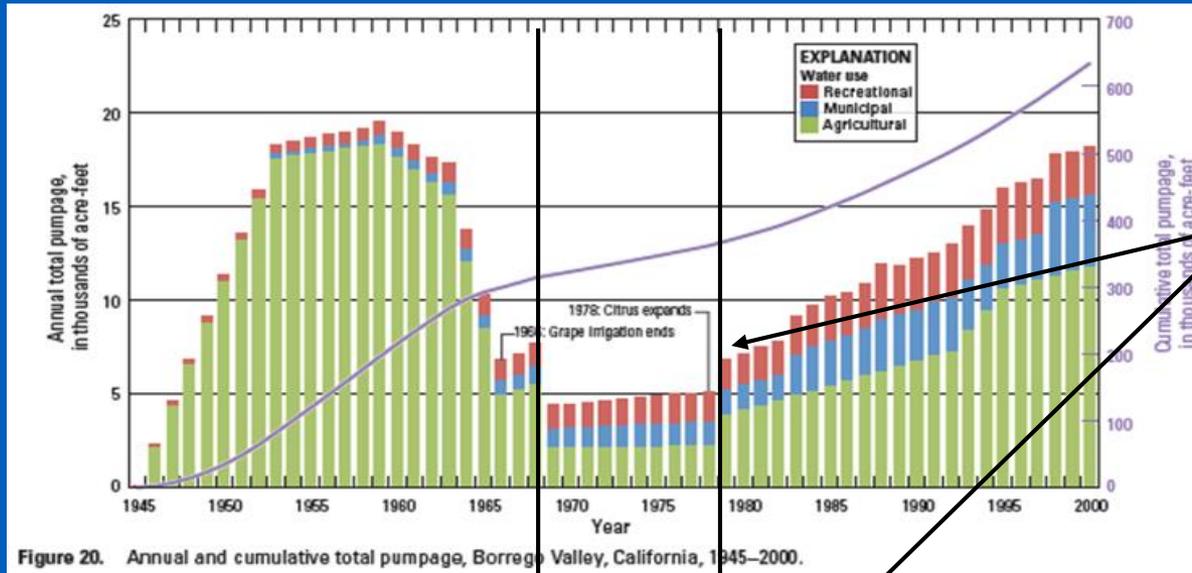
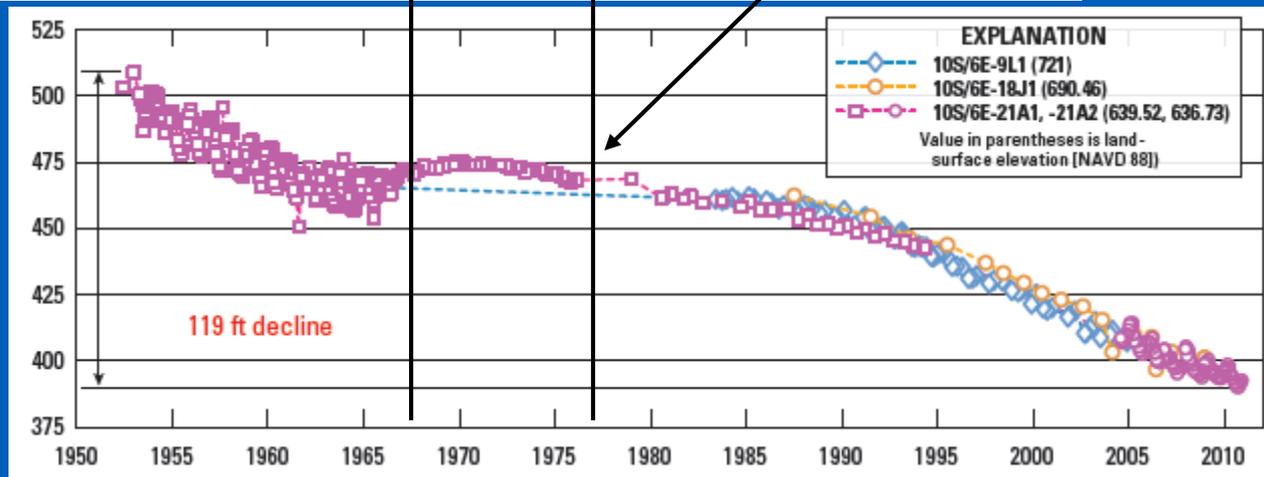


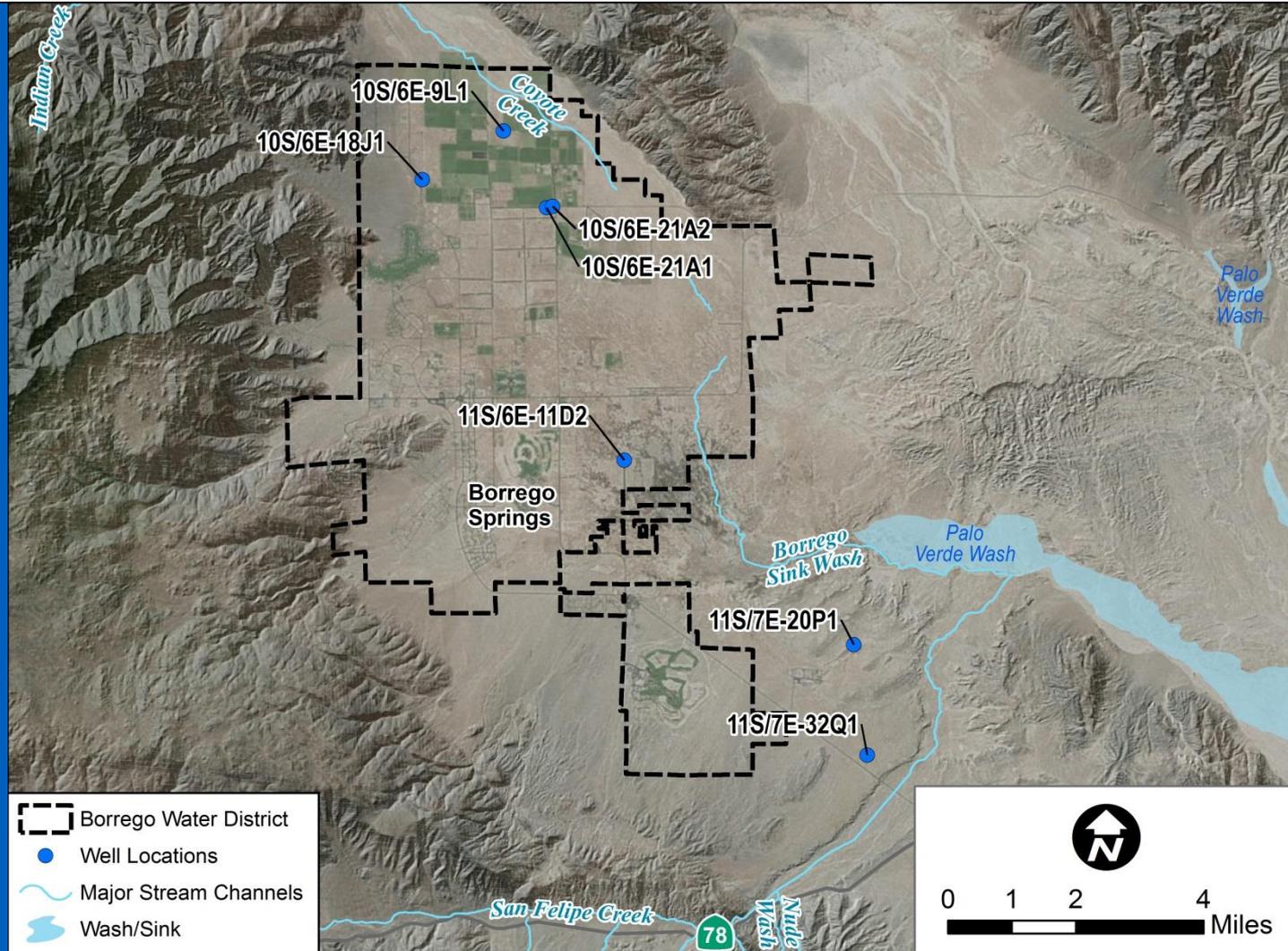
Figure 20. Annual and cumulative total pumpage, Borrego Valley, California, 1945-2000.

Groundwater levels stabilized over the ten year period from about 1968 to 1978 at a groundwater production rate of about 5,000 AFY.



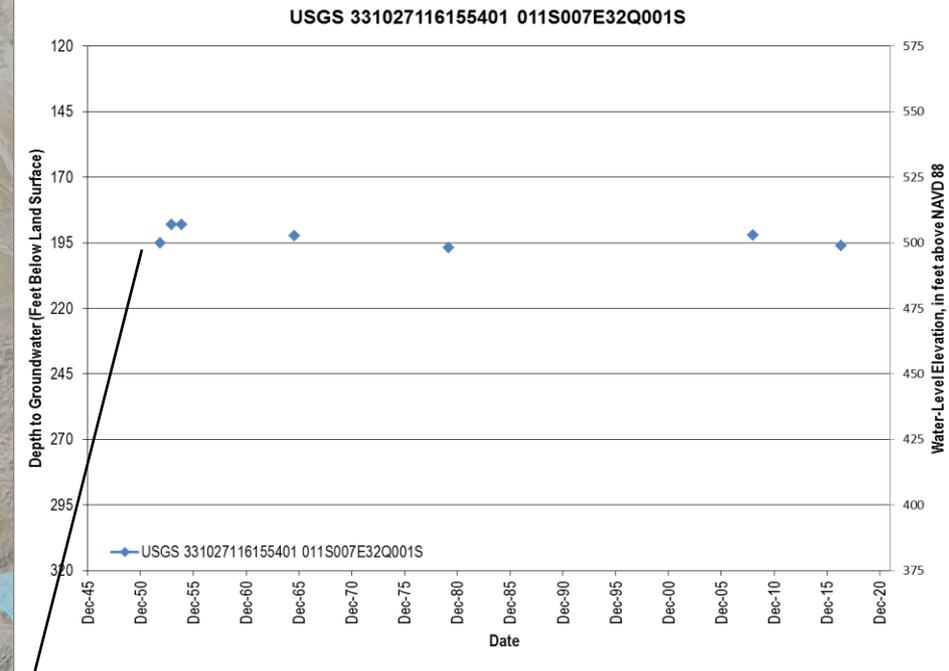
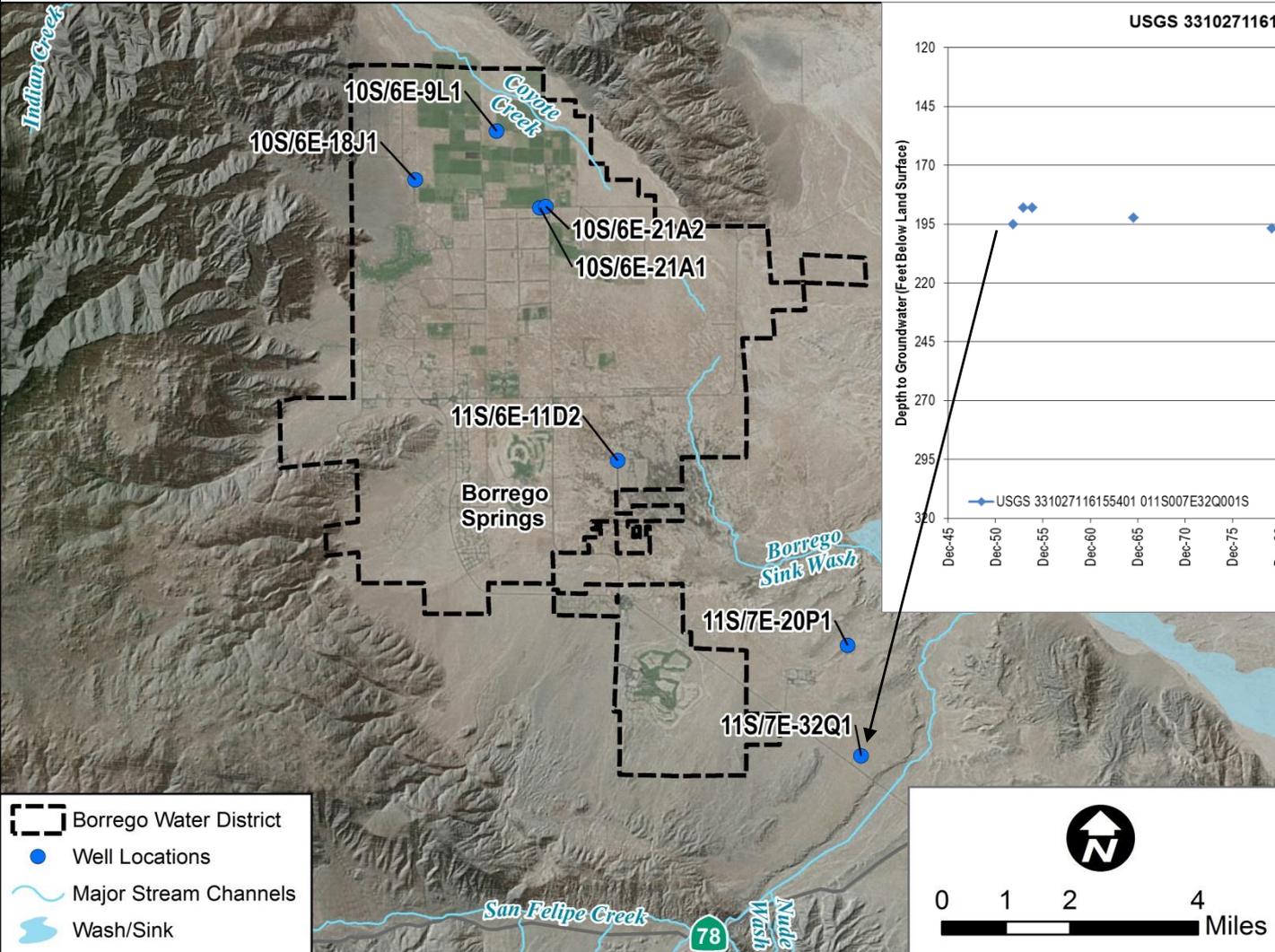
The USGS estimate of 5,700 AFY is reasonable and defensible initial estimate of sustainable yield.

Locations of Wells with Long-term Groundwater Level Records



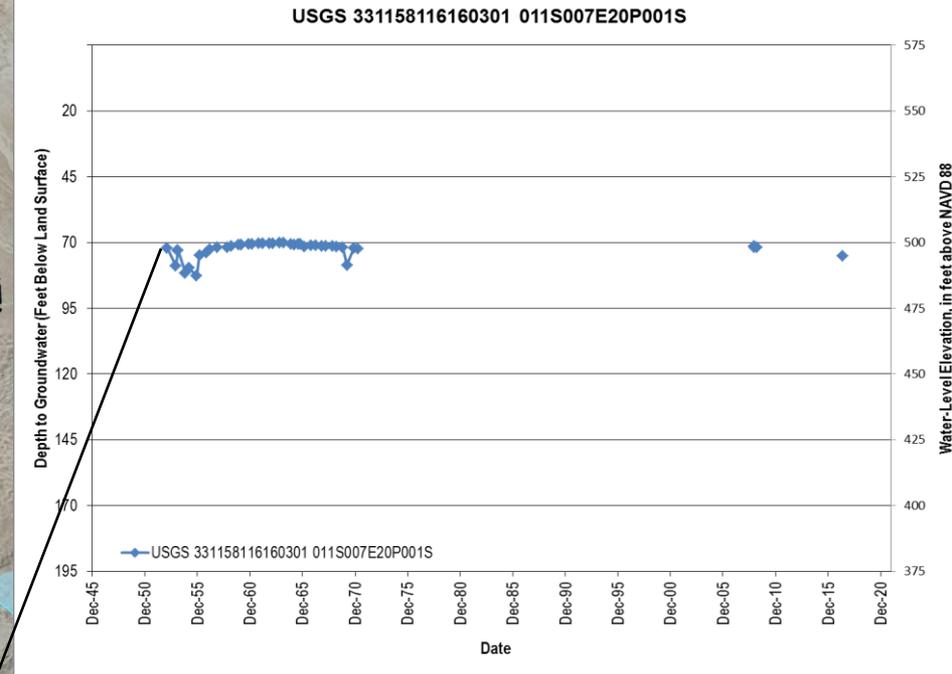
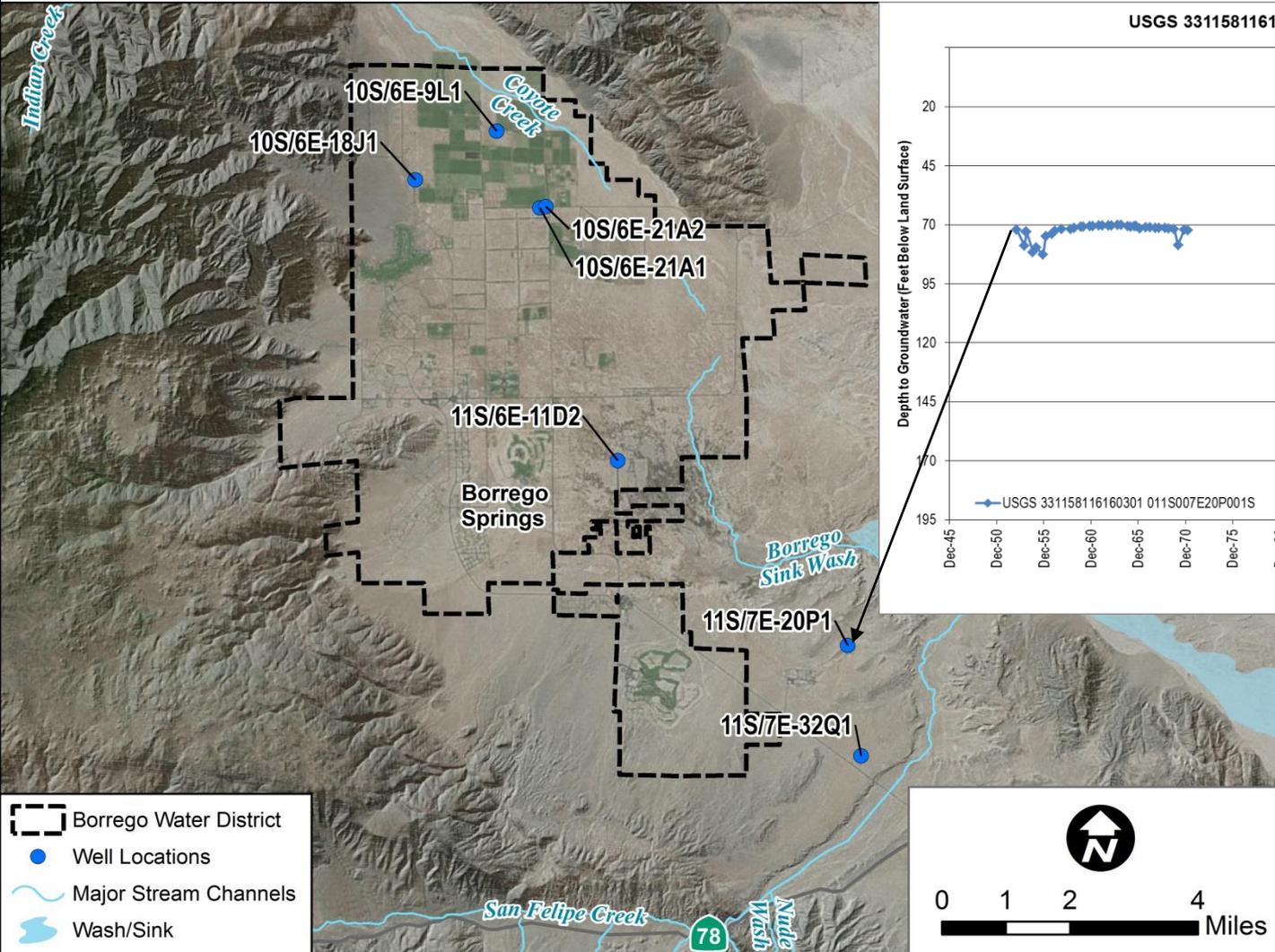
Source: Dudek 2017

Locations of Wells with Long-term Groundwater Level Records



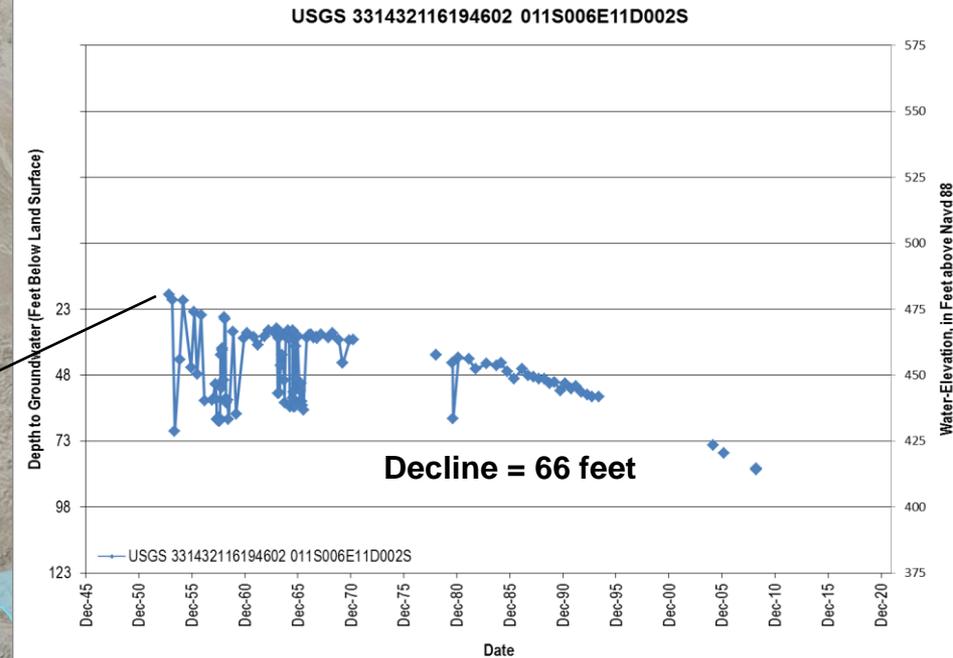
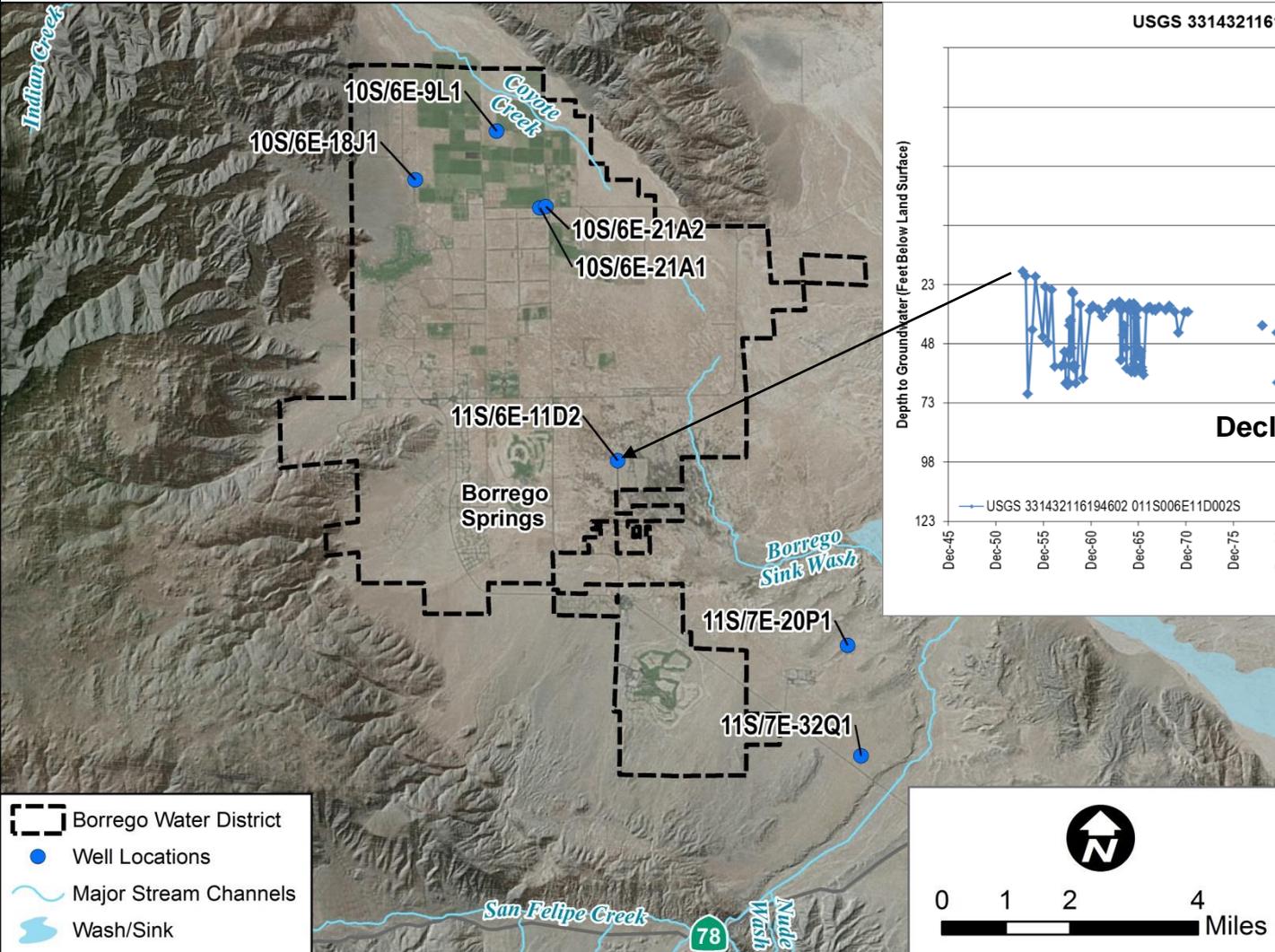
Source: USGS 2017, Dudek 2017

Locations of Wells with Long-term Groundwater Level Records



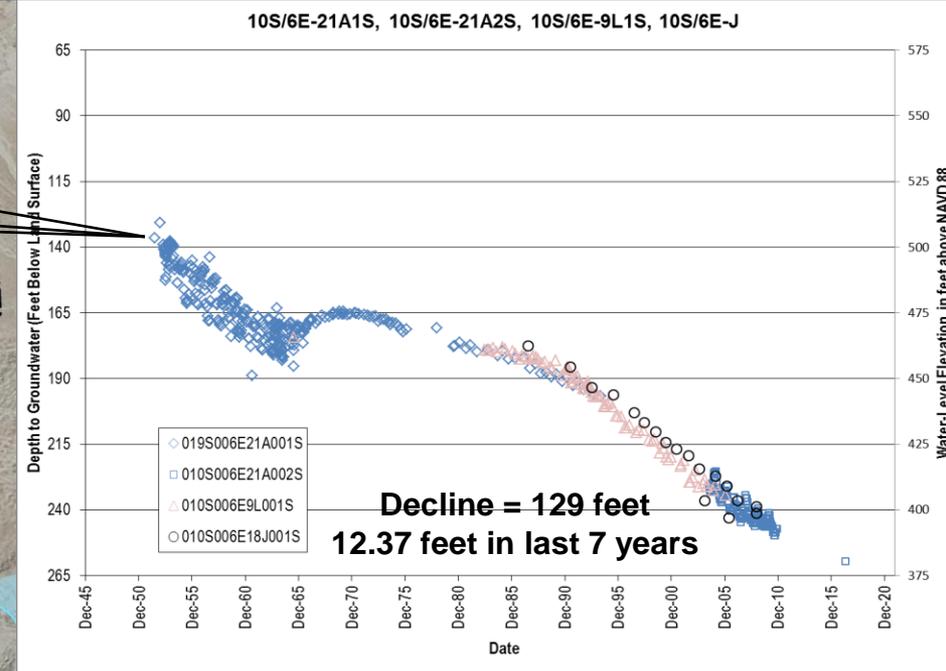
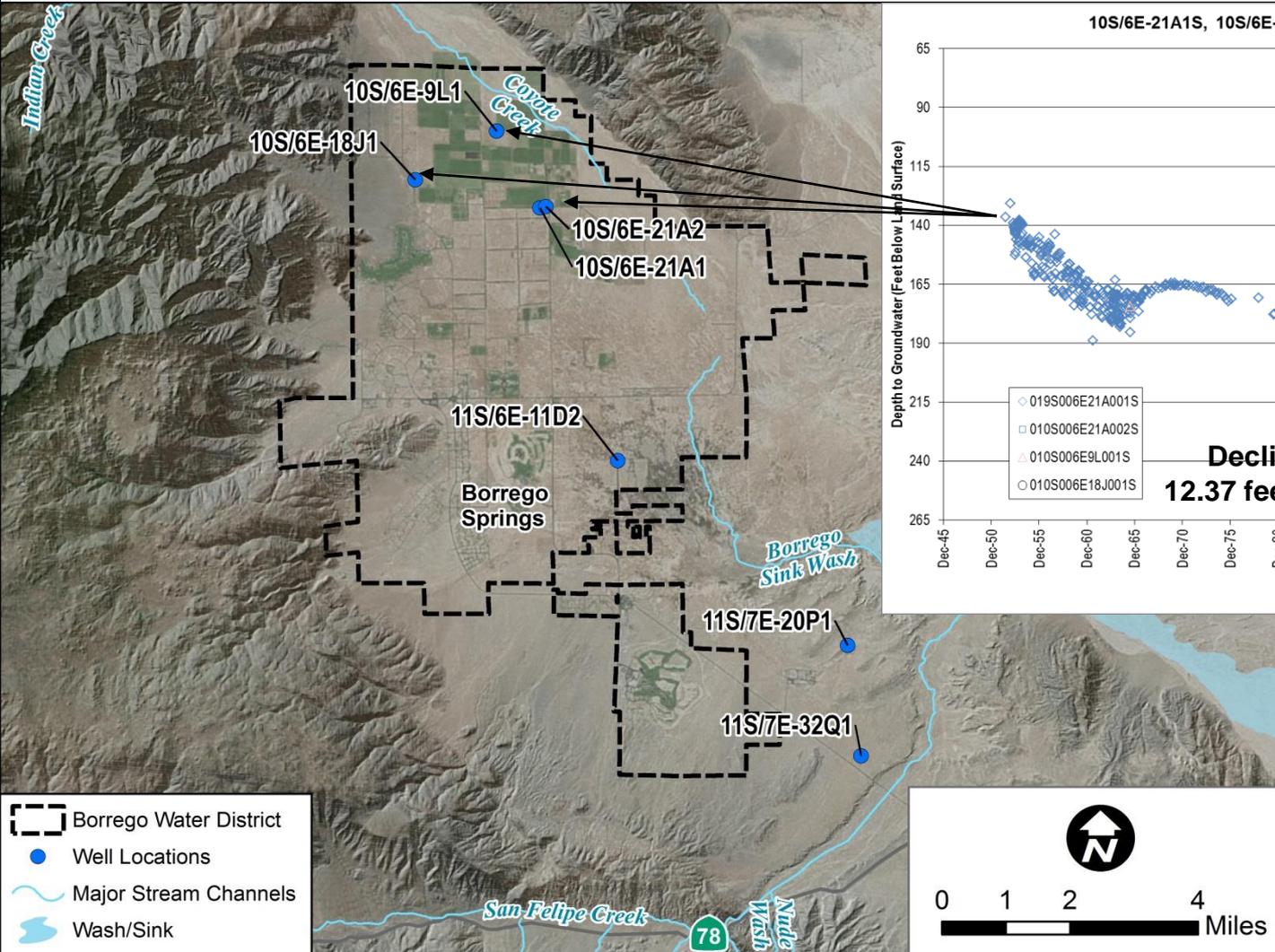
Source: USGS 2017, Dudek 2017

Locations of Wells with Long-term Groundwater Level Records



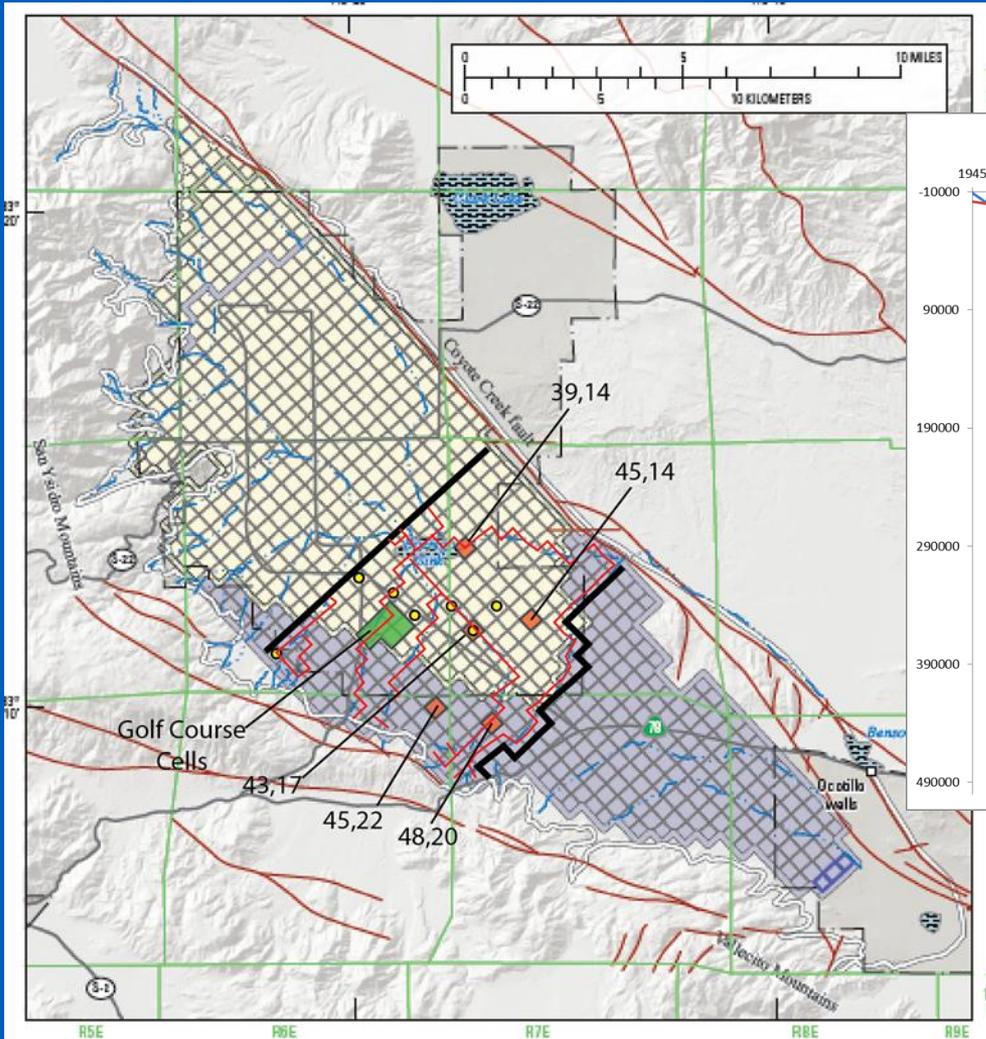
Source: USGS 2017, Dudek 2017

Locations of Wells with Long-term Groundwater Level Records

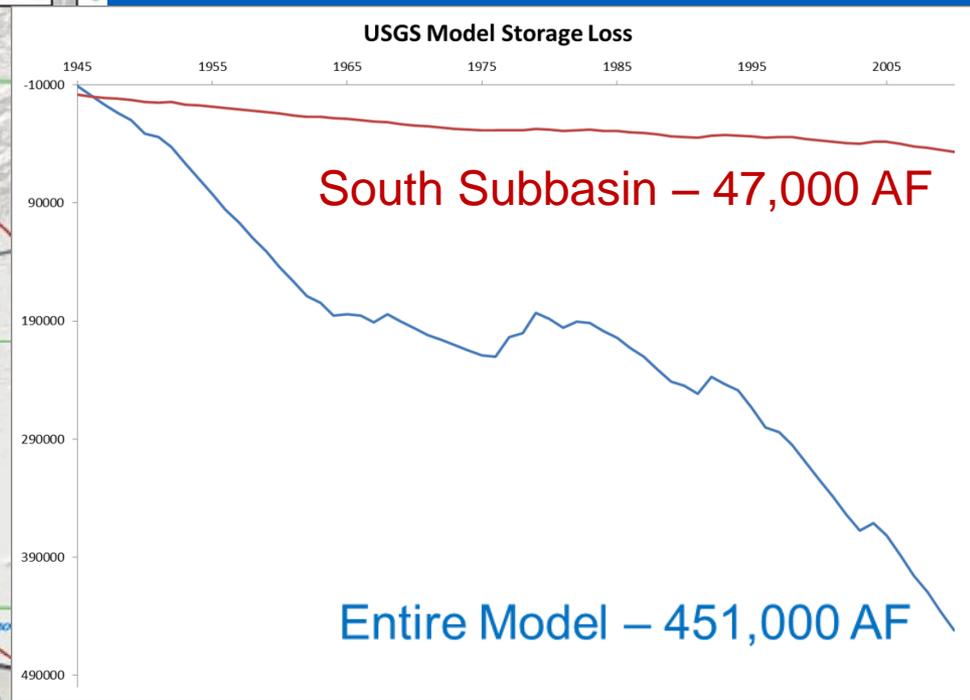


Source: USGS 2017, Dudek 2017

Groundwater Levels/Groundwater Storage



1945 to 2010



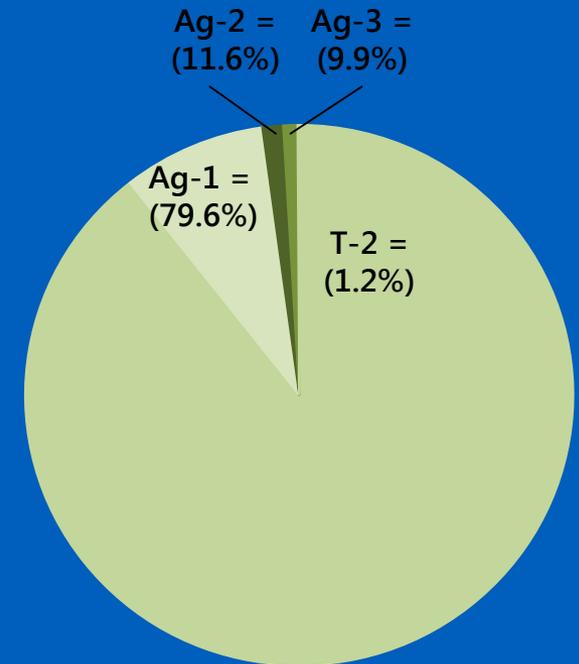
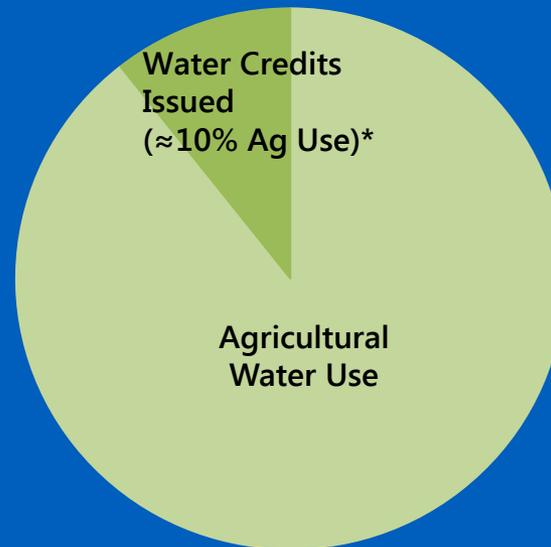
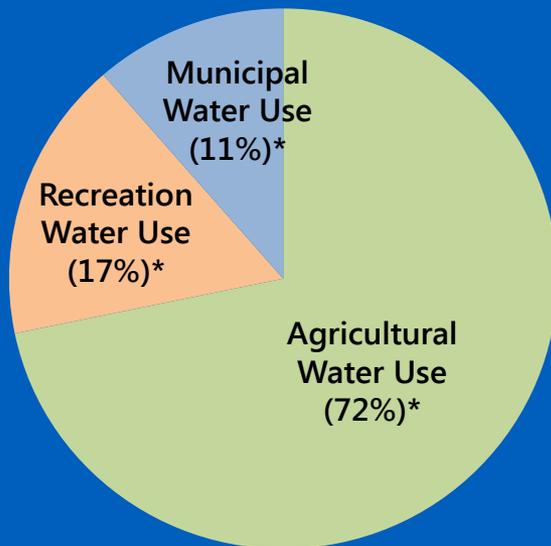
Working Draft – For Discussion Purposes Only

Water Credits Program

Approximately 1,423 water credits have been issued to date for fallowed agriculture and turf replacement



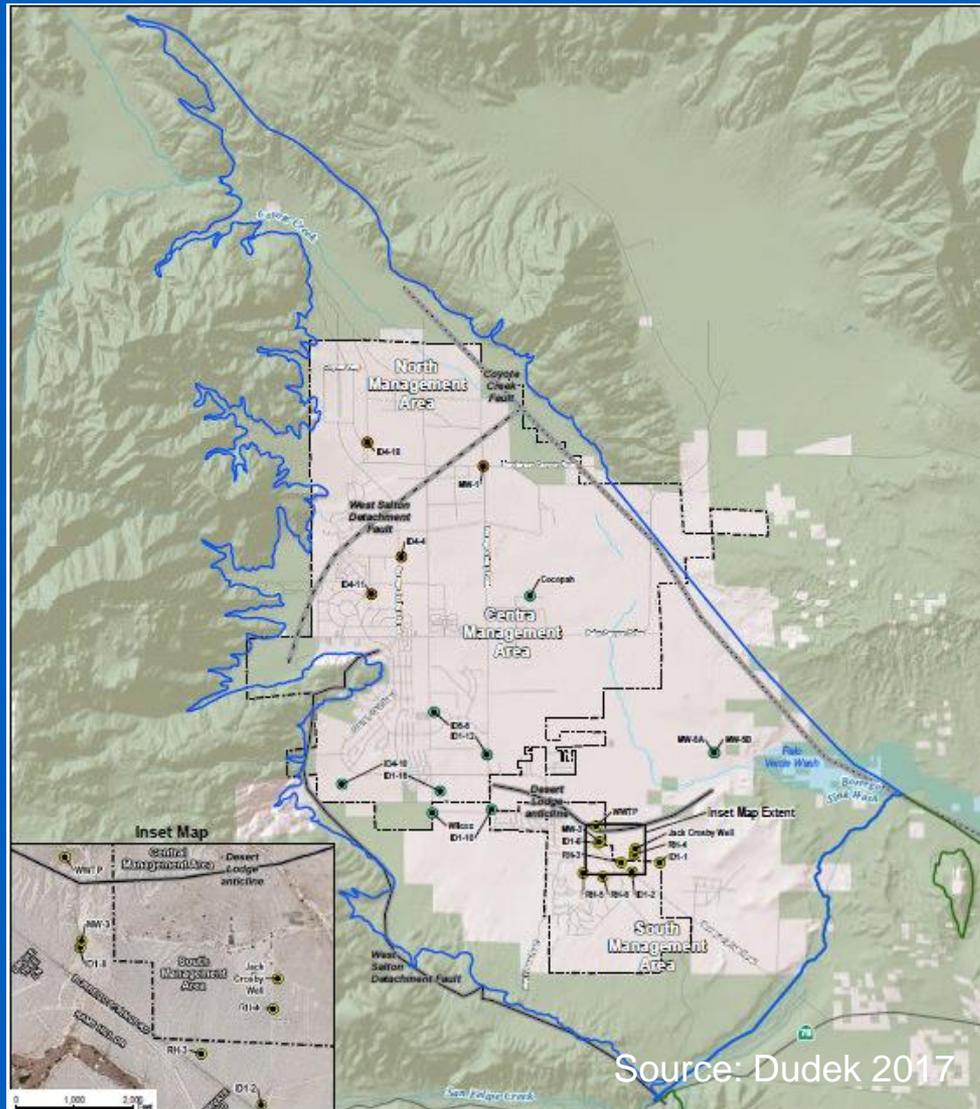
Water Credits



Working Draft – For Discussion Purposes Only

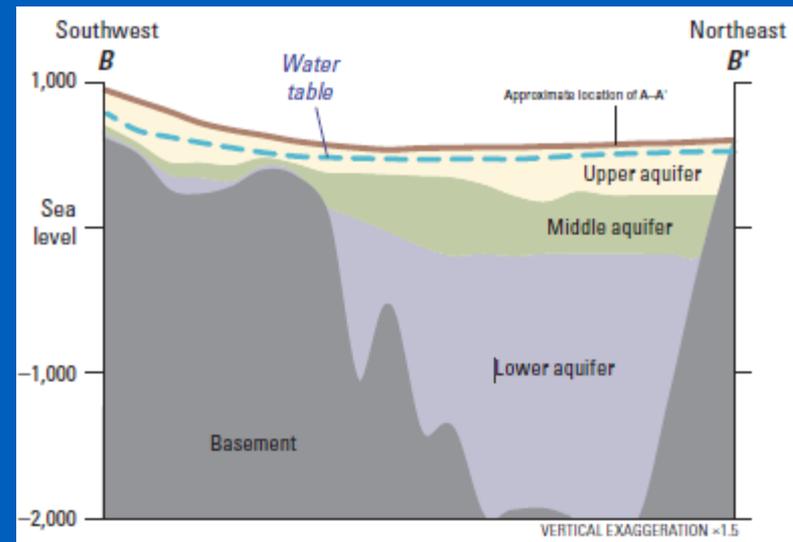
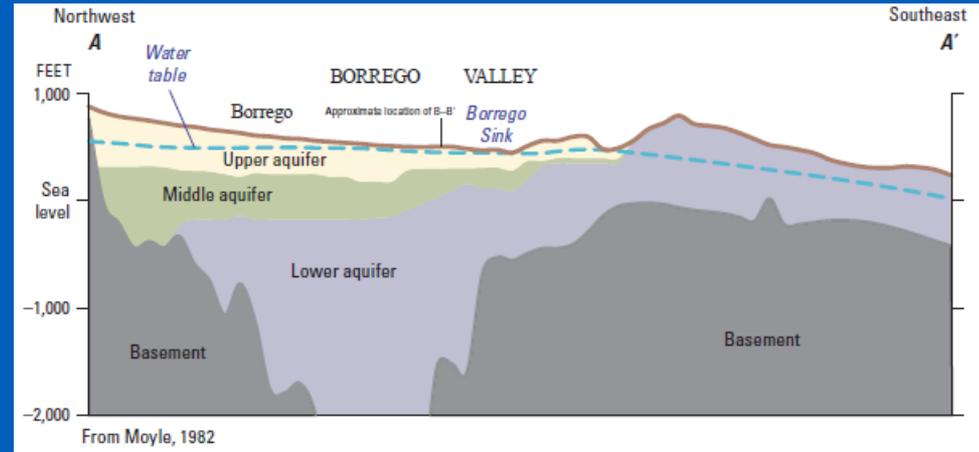
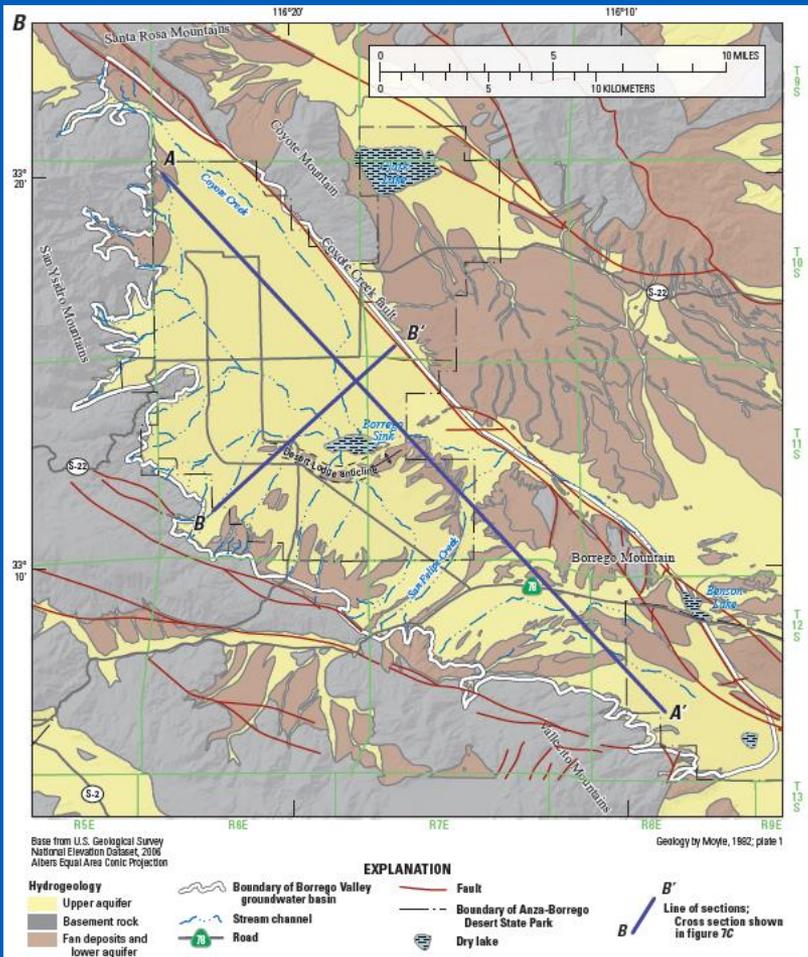
* = water demand estimates are approximate

Borrego Springs Subbasin

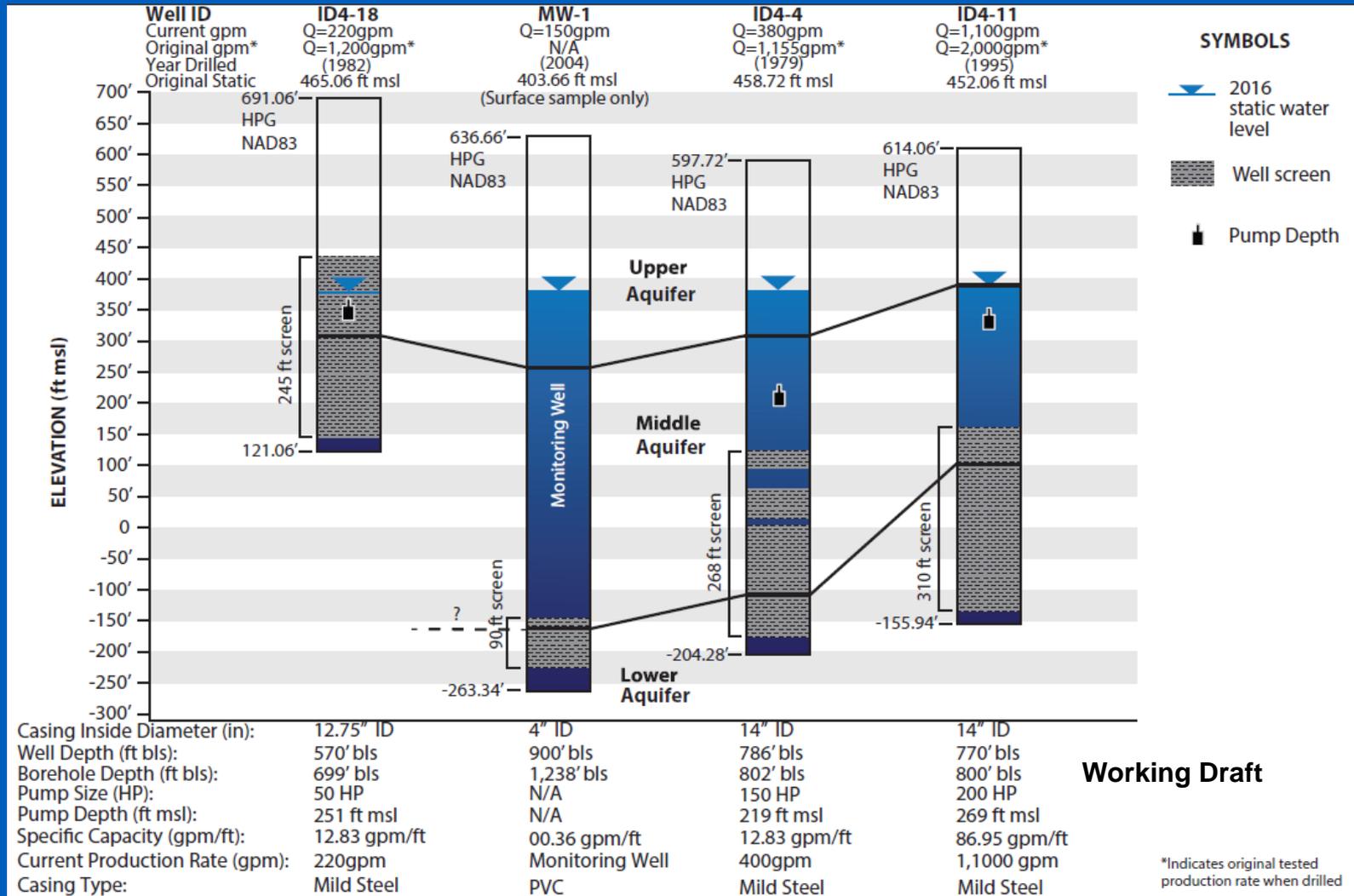


- Management Areas based on conceptual model of subbasin structure and upper, middle and lower aquifer units.
- BWD Indicator Wells
 - North Management Area
 - Central Management Area
 - South Management Area

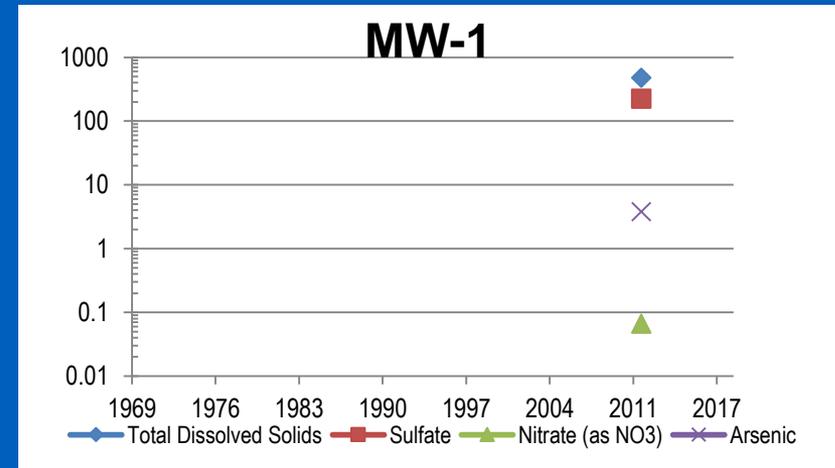
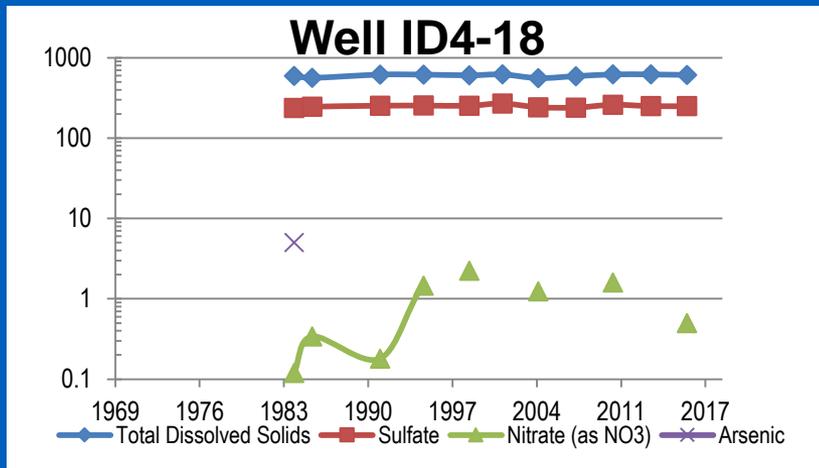
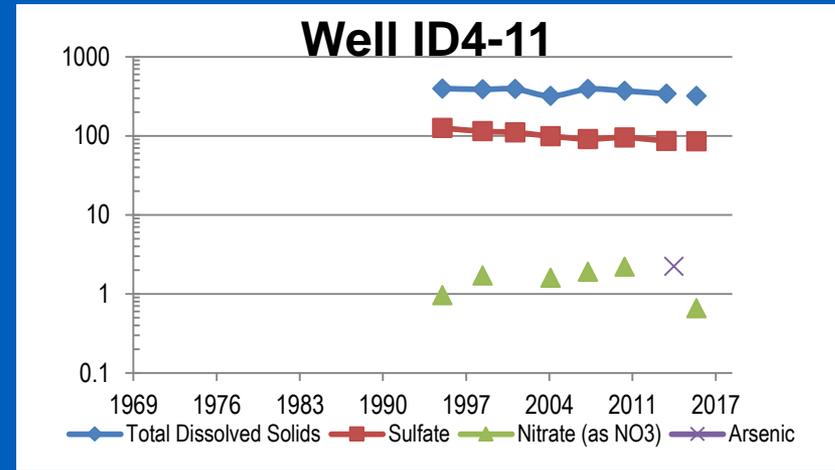
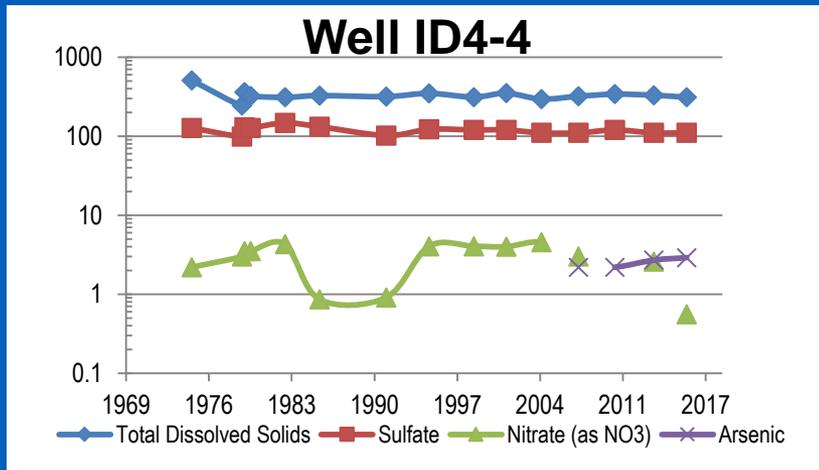
Basin Geometry



North Management Area

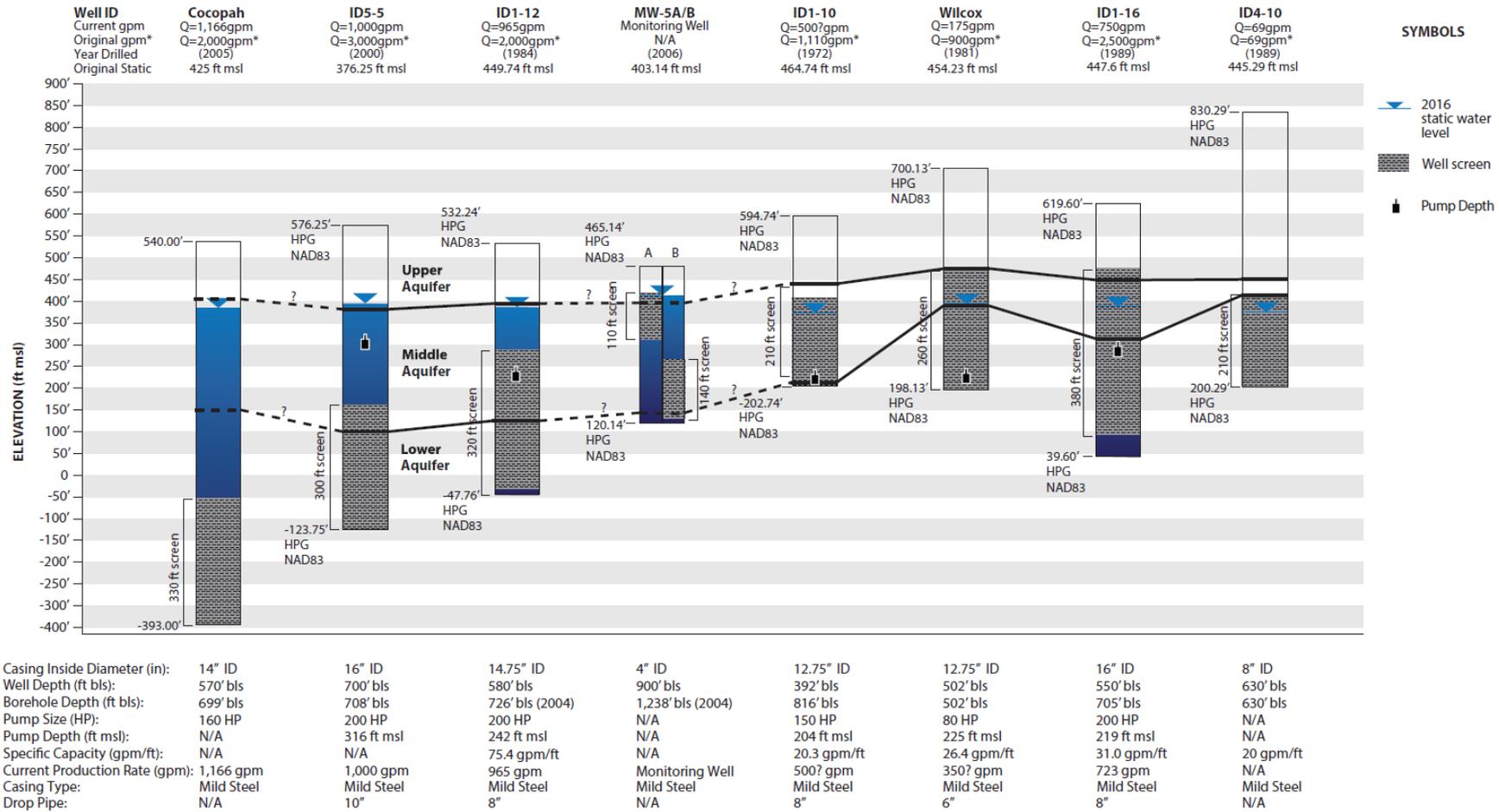


North Management Area - Water Quality



Source: Dudek 2017 (compiled from BWD data)

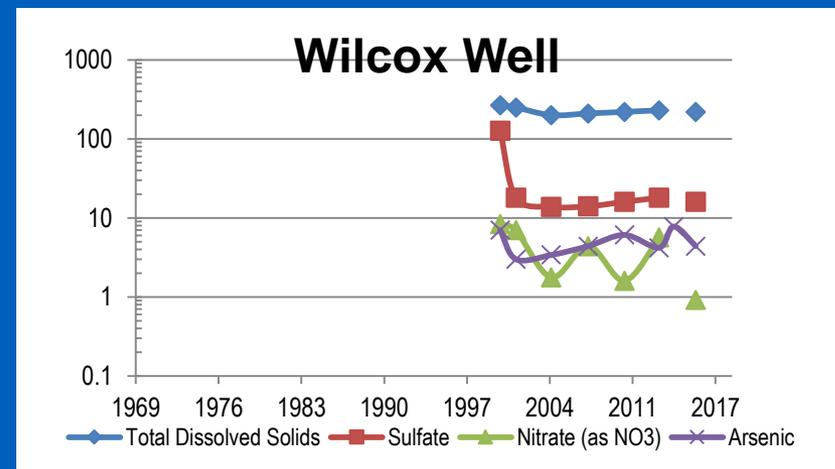
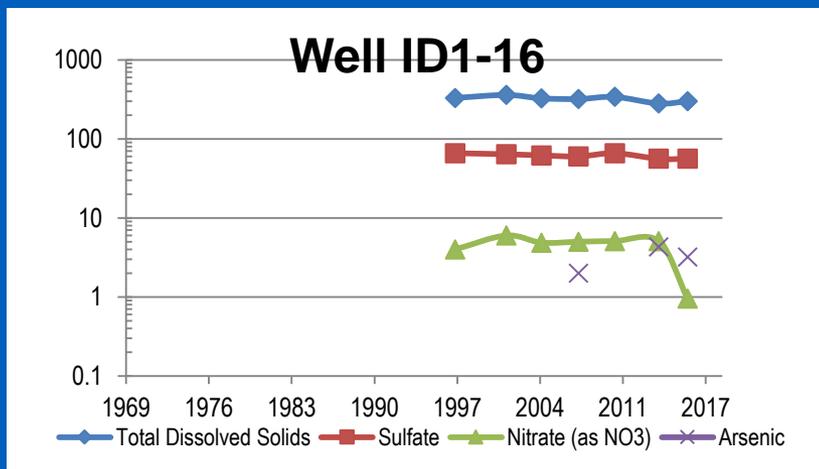
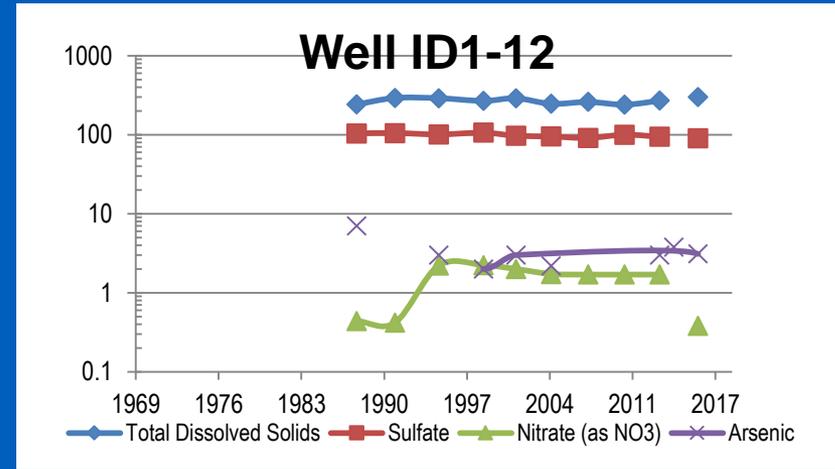
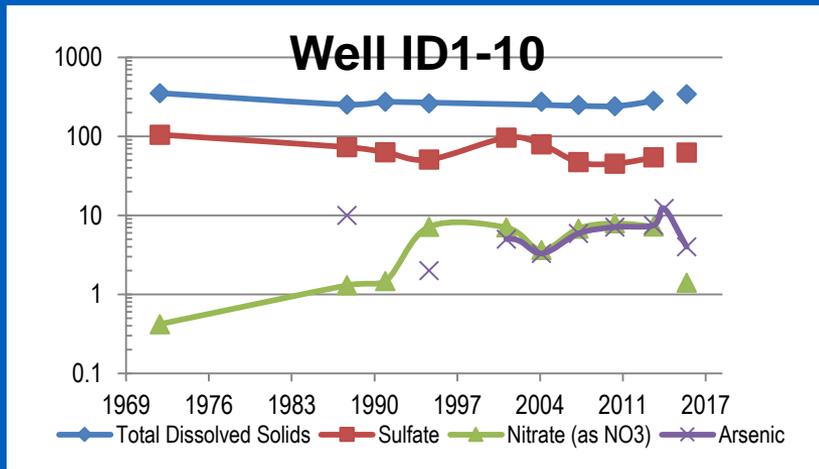
Central Management Area



*Indicates original tested production rate when drilled.

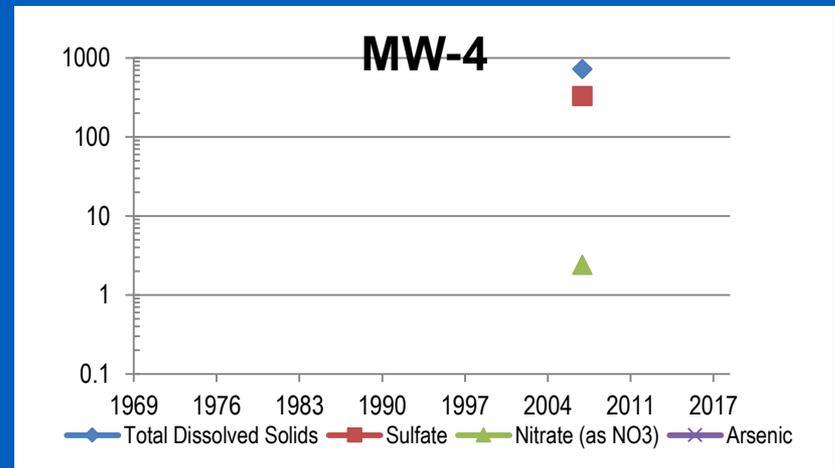
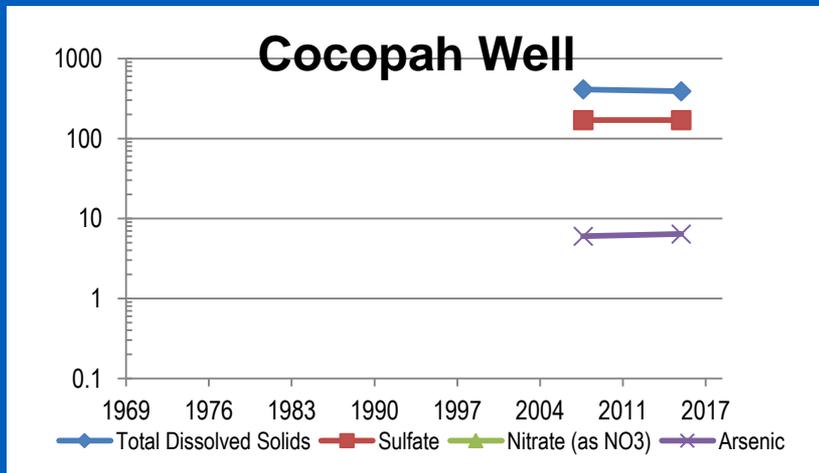
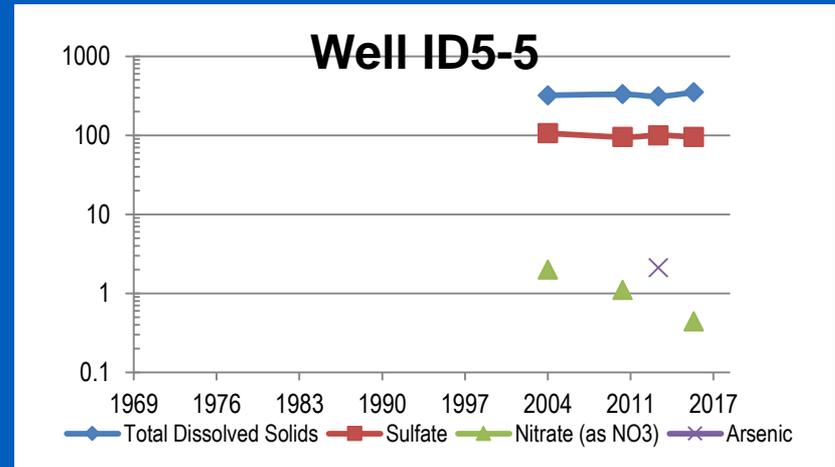
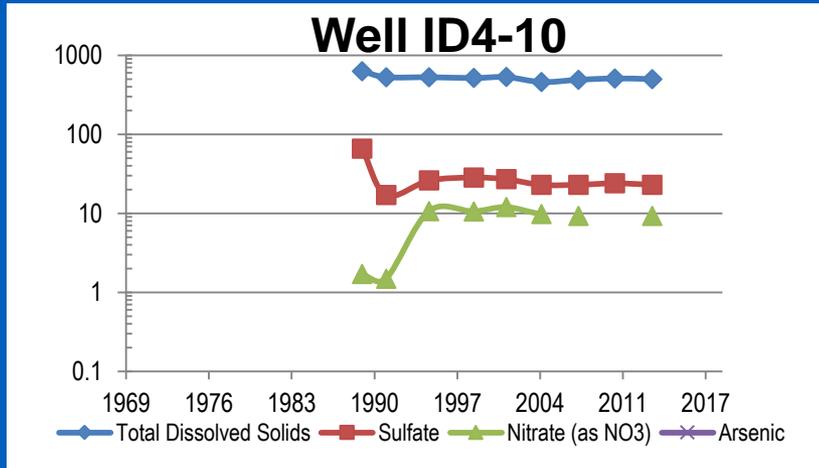
Working Draft

Central Management Area Water Quality

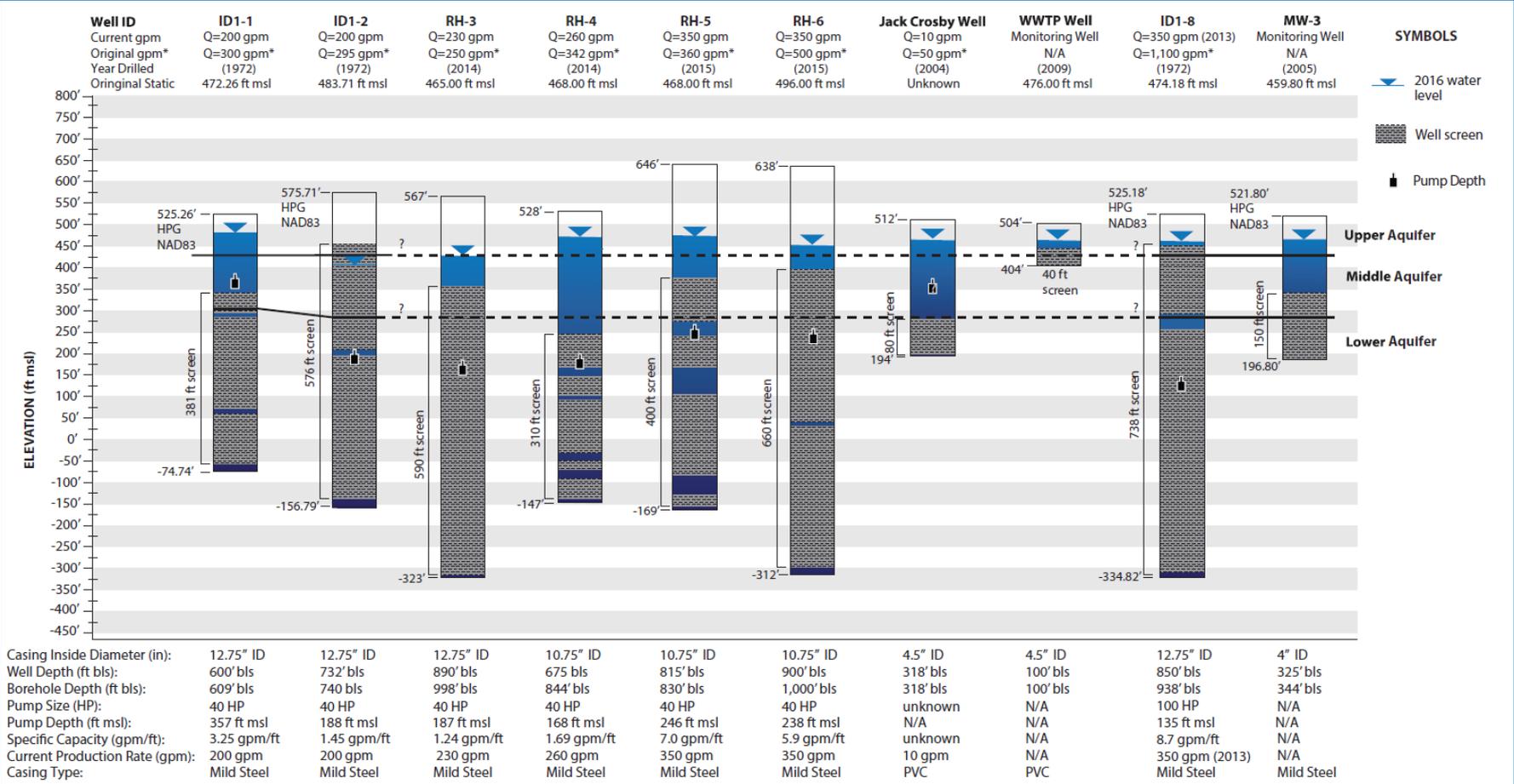


Source: Dudek 2017 (compiled from BWD data)

Central Management Area Water Quality



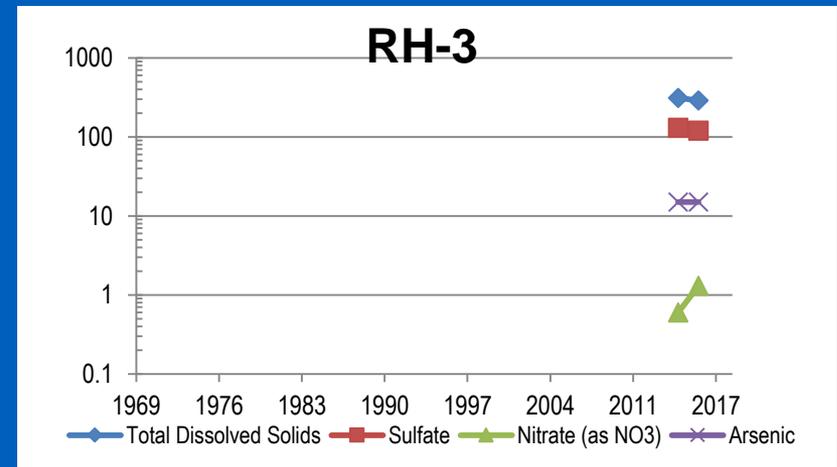
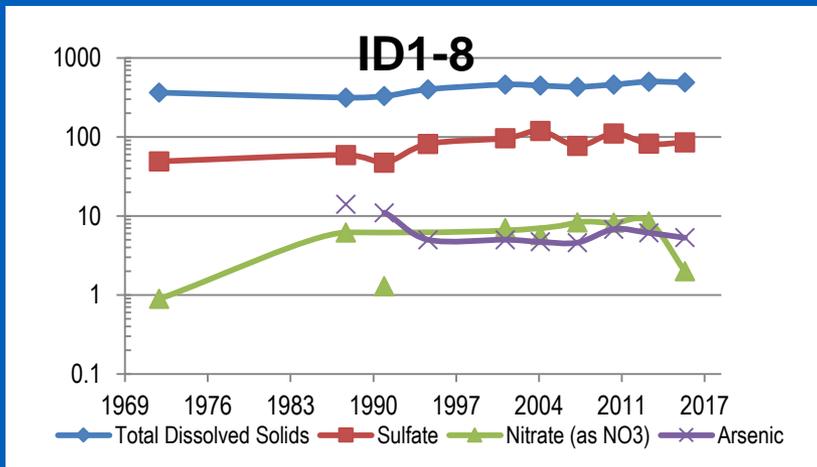
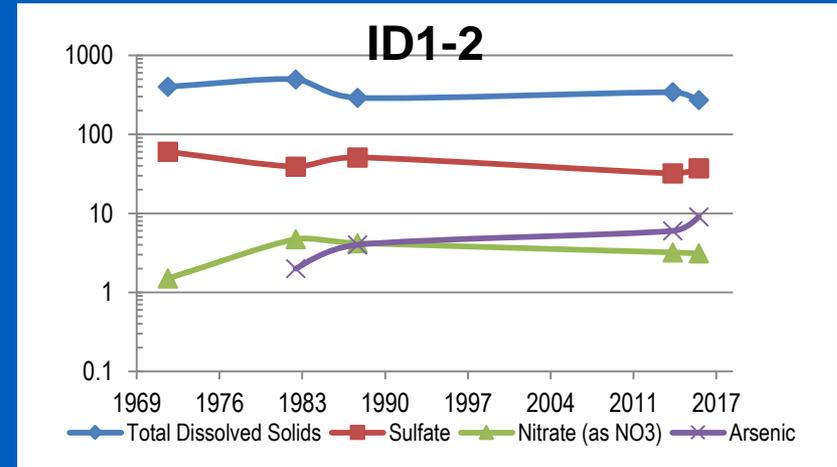
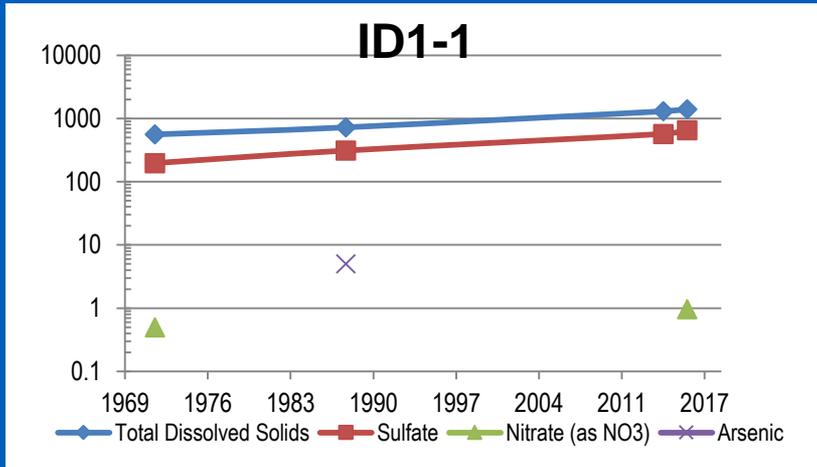
South Management Area



* Indicates original tested production rate when drilled

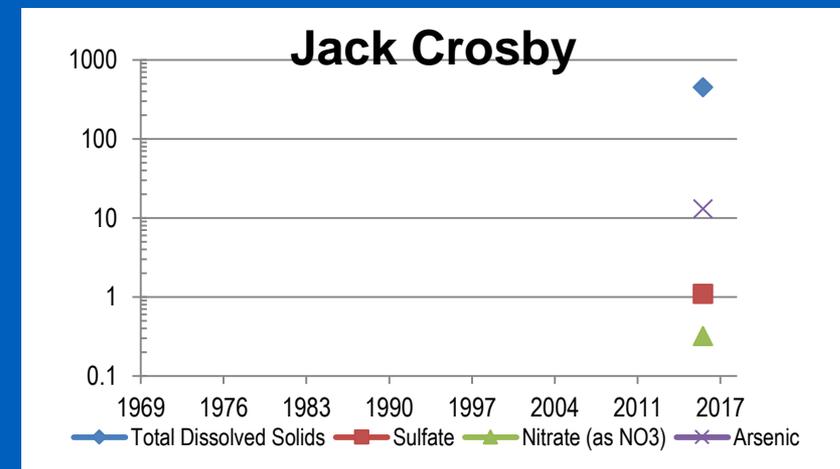
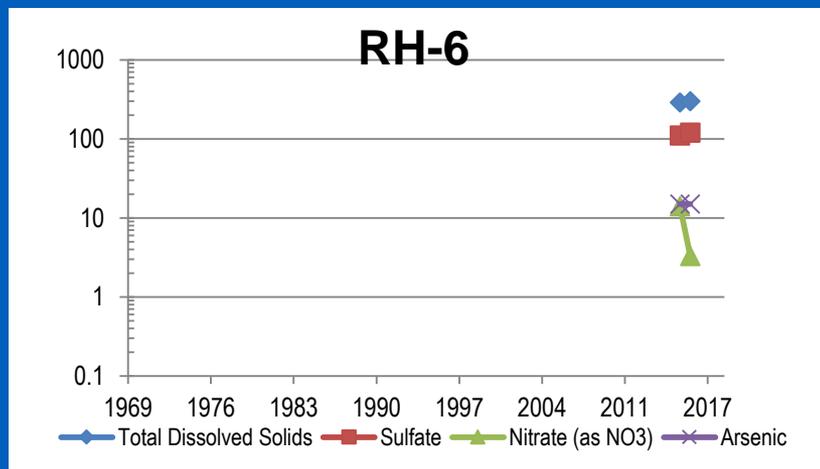
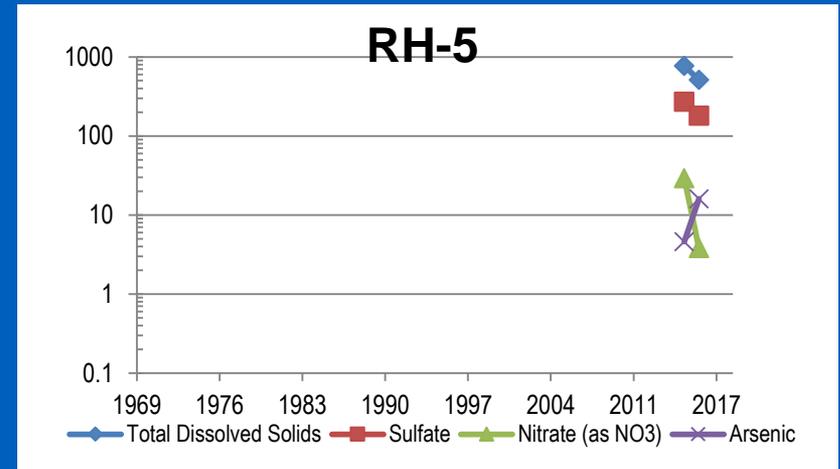
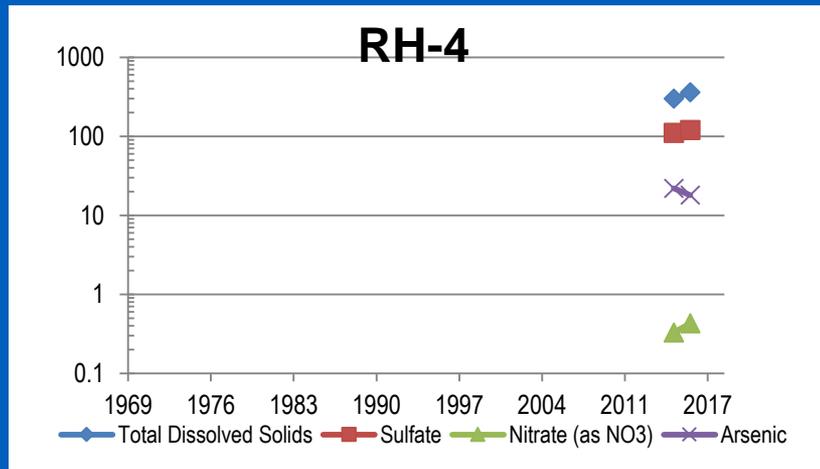
Working Draft

South Management Area Water Quality



Source: Dudek 2017 (compiled from BWD data)

South Management Area Water Quality



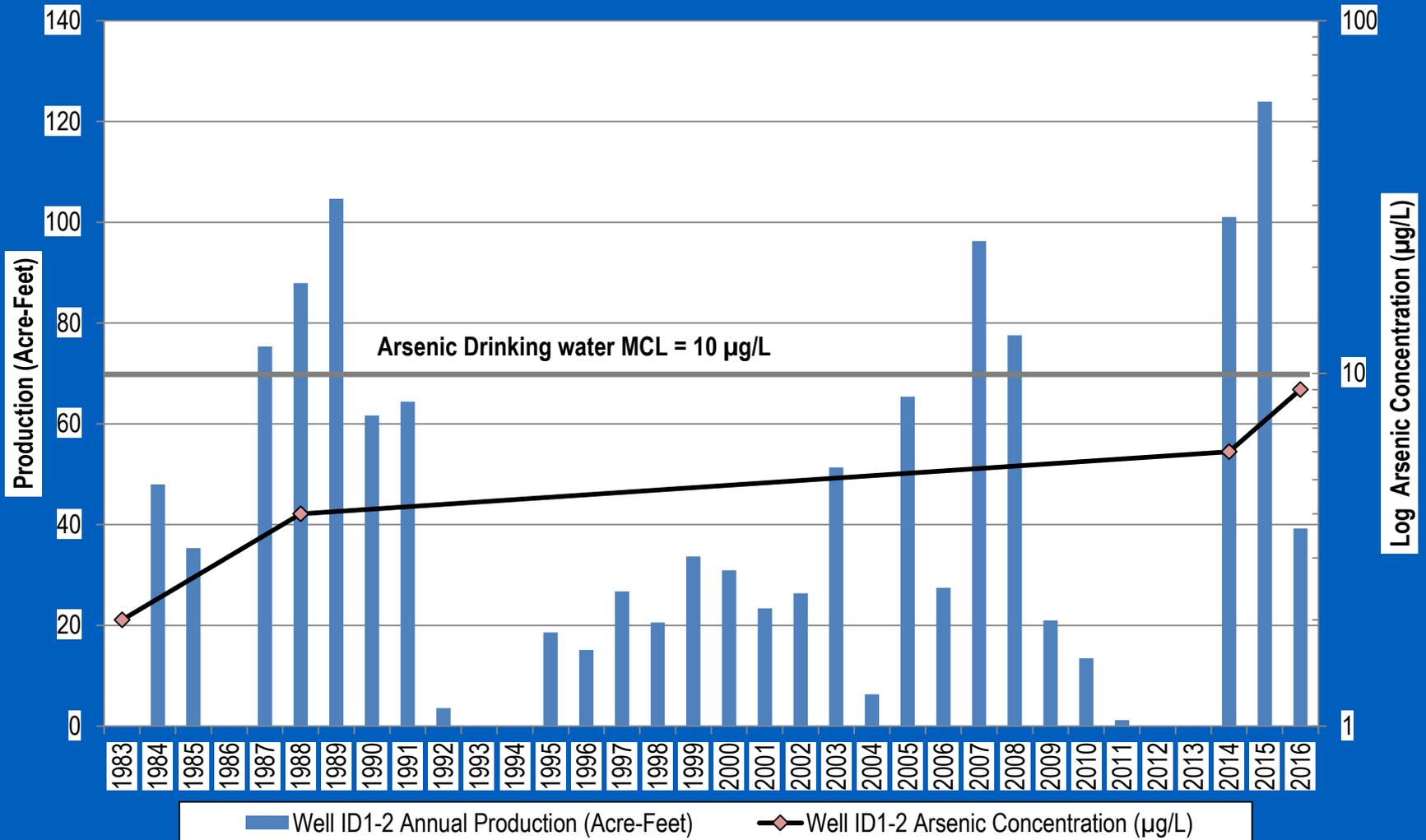
Mann Kendal Trend Analysis

Mann-Kendall Trend Analysis Results					
Well ID	TDS	Sulfate	Arsenic	Nitrate	pH
North Management Area Wells					
ID4-4	No trend	Decreasing	No trend	No trend	No trend
ID4-11	No trend	Decreasing	Insufficient data	No trend	No trend
ID4-18	No trend	No trend	Insufficient data	No trend	No trend
MW-1	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
Central Management Area Wells					
ID4-10	Decreasing	No trend	Insufficient data	No trend	No trend
Wilcox	No trend	No trend	No trend	Decreasing	No trend
ID1-10	No trend	No trend	No trend	No trend	No trend
ID1-12	No trend	Decreasing	No trend	No trend	No trend
ID1-16	No trend	Decreasing	Insufficient data	No trend	No trend
ID5-5	No trend	No trend	Insufficient data	Insufficient data	No trend
Cocopah	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
MW-4	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
South Management Area Wells					
ID1-1	Increasing	Increasing	Insufficient Data	Insufficient Data	Decreasing
ID1-2	No trend	No trend	Increasing	No trend	No trend
ID1-8	Increasing	Increasing	No trend	No trend ¹	No trend
RH-3	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
RH-4	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
RH-5	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
RH-6	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
Jack Crosby	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data
WWTP-1	Insufficient data	Insufficient data	Insufficient data	Insufficient data	Insufficient data

Notes: A minimum of 4 data points are required to calculate trend (non-detects were not used as data points in this analysis to calculate trend).

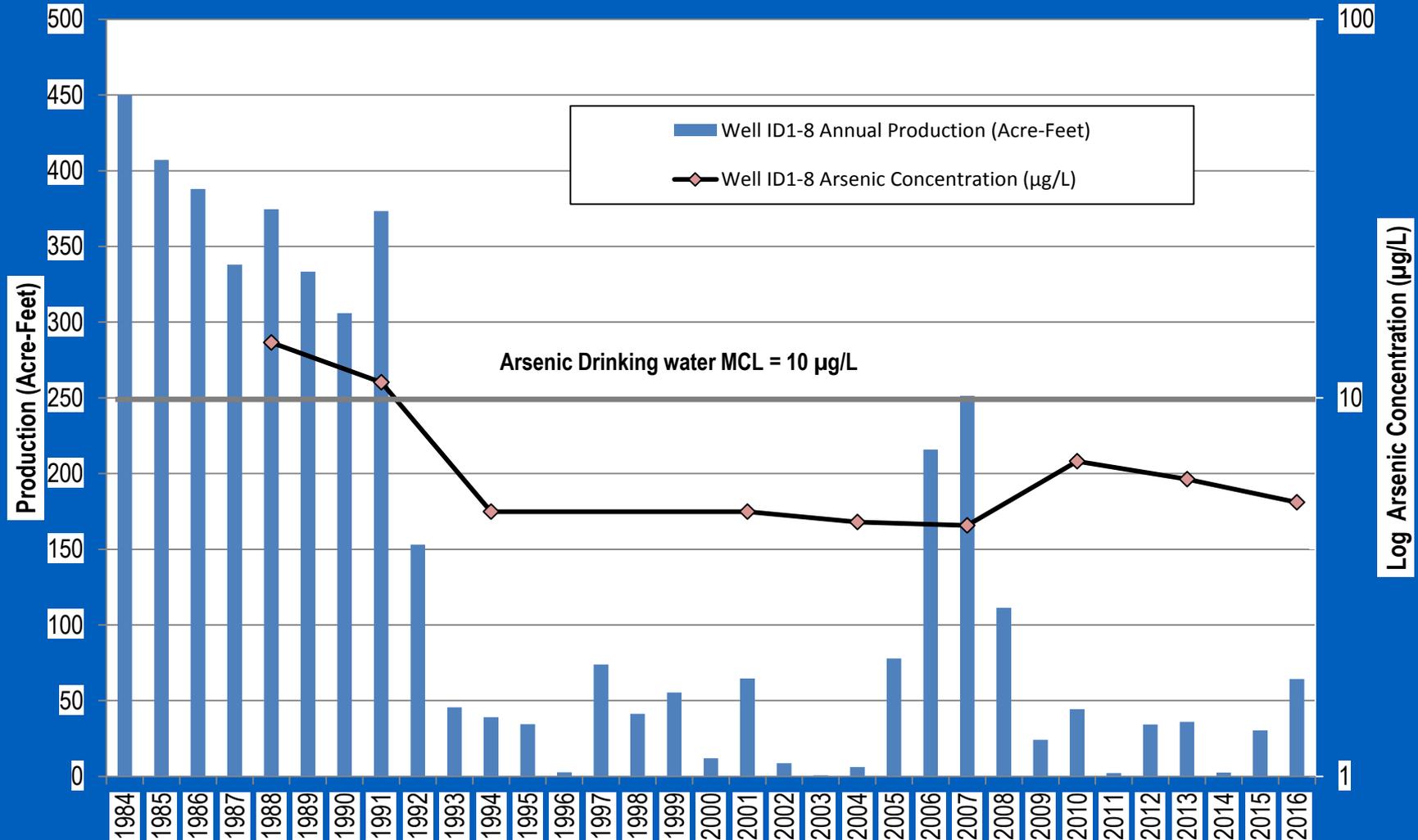
¹ An increasing nitrate trend is observed in Well ID1-8 if the 2016 water quality result is ignored.

Water Quality/Pumping Correlation ID1-2



Source: Dudek 2017 (compiled from BWD data)

Water Quality/Pumping Correlation ID1-8



Source: Dudek 2017 (compiled from BWD data)

Projects and Management Actions

Cost Rank	Action Description	Net AFY Overdraft Reduction	Million \$ cost	\$/AF (20 years)	\$/AFY
1	Manage tamarisk	350	\$0.56	\$116.26	\$1,600.00
2	Retire old citrus, 50% of citrus acres, \$10k per acre	5,183	\$13.13	\$184.07	\$2,533.28
3	Replace 85 acres golf irrigated turf with native landscaping	478	\$1.53	\$232.58	\$3,200.84
4	Retire mid-aged citrus, 25 % of citrus acres, \$14k per acre	2,591	\$8.91	\$249.87	\$3,438.83
5	Retire 70% of all citrus acres (GSP)	7,670	\$27.61	\$261.58	\$3,600.00
6	Replace 90 acres golf irrigated non-turf area with native landscaping	386	\$1.62	\$304.95	\$4,196.89
7	Retire 75% of palm acreage, \$15k per acre	2,147	\$10.36	\$350.61	\$4,825.34
8	Reduce municipal irrigated landscape area	317	\$2.70	\$618.88	\$8,517.35
9	Reduce HOA landscaping	66	\$0.56	\$616.51	\$8,484.85
10	Maximize citrus irrigation efficiency	264	\$2.52	\$693.58	\$9,545.45
11	Stop golf winter over-seeding on 300 acres	154	\$1.54	\$726.61	\$10,000.00

Projects and Management Actions

Cost Rank	Action Description	Net AFY Overdraft Reduction	Million \$ cost	\$/AF (20 years)	\$/AFY
12	Percolation ponds and wastewater recovery wells below sewer evaporation ponds	50	\$0.60	\$871.93	\$12,000.00
13	Golf irrigation system management (physical and operational)	41	\$0.51	\$903.83	\$12,439.02
14	Irrigation efficiency on remaining palm, potato and nursery	101	\$1.40	\$1,007.18	\$13,861.39
15	De Anza Country Club storm water project, 24 acres	154	\$2.21	\$1,042.73	\$14,350.65
16	Rehabilitate golf irrigation systems on remaining acres	304	\$5.76	\$1,376.73	\$18,947.37
17	Retire 75% of potato acreage, \$15k per acre	512	\$10.54	\$1,495.79	\$20,585.94
18	Improve HOA irrigation efficiency	26	\$0.78	\$2,179.82	\$30,000.00
19	Municipal landscape audits	127	\$3.80	\$2,174.10	\$29,921.26
20	Viking Ranch storm water project, 150 acres	300	\$10.32	\$2,499.53	\$34,400.00

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 24, 2017
AGENDA ITEM IID

May 17, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: School District Student Focus Group for Water and Power Conservation in the Design of the New Library, Park and Sheriff Station. – J Tatusko

RECOMMENDED ACTION:

Discuss project and direct staff accordingly

ITEM EXPLANATION

At the most recent BWD Board Meeting, Director Tatusko mentioned an idea about providing an opportunity for Borrego High School students to get informed and possibly involved in the design and planning of the new Park, Library and Sheriffs Station. This specific project would include a Field Trip to the site, meeting with contractors/designers, transportation, meals and supervision.

FISCAL IMPACT

Not to exceed \$3,000.

ATTACHMENTS

None

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 24, 2017
AGENDA ITEM IIE

May 17, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: ACWA/JPIA Conference Summary – H. Ehrlich

RECOMMENDED ACTION:

Receive report

ITEM EXPLANATION

Director Ehrlich recently attended the ACWA/JPIA Conference and he prepared the attached summary.

FISCAL IMPACT

N/A

ATTACHMENTS

Summary from Director Ehrlich

May 24, 2017

TO: Board of Directors, Borrego Water District

From: Harry Ehrlich, Director

RE: Summary Report of Activities at ACWA/JPIA Conferences in Monterey

Dear Members of the Board & General Manager:

As the appointed representative of the District to the ACWA JPIA, I attended the Annual Conference and Business Meeting in Monterey on May 8 – 12, 2017. The first day and one-half were for the JPIA and the rest was participating in ACWA various training and informational sessions on water related topics.

A summary of sessions attended are detailed below:

JPIA Executive Committee Meeting – Information on JPIA programs and trends in insurance coverages and projected costs. Change in coverage includes new coverage for GSA agencies that are or become members. There have been two medium size claim losses in the past year totaling approximately \$2.5 million. One involved aerial spraying of pesticides and that coverage for agencies has been discontinued.

The election of four members of the Board was held; three incumbents were reelected: Tom Cuquet, David Drake, Melody Henriques-McDonald, and one new member, Kathleen J. Tiegs, was elected.

The Risk Management Committee met and heard reports on the Liability, Property and Workers' Compensation Programs. All programs have been operating with acceptable revenues and payouts and approximately \$4.5 million in refunds have been issued to 151 members with low experience of claims (including Borrego WD).

Updates on activities including expanded training programs and a Leadership Essentials for the Water Industry were provided. Twenty five representatives from member agencies are participating in the two-year program.

Overall the JPIA is in positive funded position and now has 259 members, the most in its history.

ACWA Conference Highlights:

I attended the Groundwater Committee Meeting which highlighted presentations from SWRCB and DWR staff on GSA implementation and proposition 1 funding forecasts. First announcements are expected in the September 2017 timeframe as over 100 submittals have been received and the award of funds is expected to be made in 3-4 cycles to allow for distribution of funds based upon need and readiness of projects.

Finance Committee Program on Designing the Appropriate Affordability Program for Rates that Meets Prop218 and Community Needs: Presentations on issues of addressing low income conditions and also accessibility to customers. City of Long Beach recently completed a rate analysis and program implementation for its 32,000 customers and of the expected 6,000 low income customers, only about 1,600 have signed up for the reduced rates credits based upon income qualification. The City is using a model similar to SCE to make qualification less difficult.

Water Trends Program – Is Water Service Affordable in California; SWRCB development of a Plan for Low-income Water Rate Assistance. Max Gomberg of the SWRCB staff and Greg Pierce, Adjunct Professor at UCLA presented the first portion of the research being conducted to develop a program framework to address the need for improved safe water in low-income communities. Possible options are a flat percentage rebate; a discount based upon sliding scale of below poverty income levels or a possible offset of income tax by rebate similar to Renter Rebate Credits on State Income Tax. The audience was heavily weighted as water agency managers and board members. Concerns centered on how to determine need, to qualify, and the offsetting loss of revenue that would have to be made up on other customers. An input driven process underway and a report to the Legislature is due by February 1, 2018 on possible strategies and policy issues.

Federal issues Program breakfast focused on the new administration and what might be expected in the coming year and FY Budget. Deputy Interior Secretary Scott Cameron was keynote panelist who gave perspective of Interior and Bureau of Reclamation policy issues and direction to expect. He emphasized that the direction is to work collaboratively with state and local agencies, cut bureaucratic process and reduce environmental delays where possible. Other speakers were John Freshman of Best, Best and Krieger, LLC and Ian Lyle of the National Water Resources Association. They also reinforced the need for closer cooperation with the Federal and state agencies.

I have copies of some programs if you are interested or they are to be made available on the ACWA website at www.acwa.com.

Sincerely yours,

Harry Ehrlich, SDA

Member, Board of Directors

Borrego Water District

BORREGO WATER DISTRICT
BOARD OF DIRECTORS MEETING – MAY 16, 2017
AGENDA BILL II.F

May 10, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Approval of the FY 2017-18 Budget – K Pittman

RECOMMENDED ACTION:

Approve Budget and CIP for FY 2017-18

ITEM EXPLANATION

Kim will present the Proposed Budget for FY 2017-18

ATTACHMENTS

FY 2017-18 Budget

BORREGO WATER DISTRICT

FISCAL YEAR 2017-2018

ANNUAL BUDGET

ADOPTED

May 24, 2017

SUBMITTED BY:

**GEOFF POOLE
GENERAL MANAGER**

TO:

BOARD OF DIRECTORS

**BETH HART
PRESIDENT**

**LYLE BRECHT
VICE-PRESIDENT**

**JOE TATUSKO
SECRETARY/TREASURER**

**RAYMOND DELAHAY
DIRECTOR**

**HARRY EHRLICH
DIRECTOR**

**FISCAL YEAR 2017-2018
ANNUAL BUDGET
ADOPTED
MAY 24, 2017**

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BORREGO WATER DISTRICT

May 24, 2017

Board of Directors:

This Fiscal Year 2017-2018 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 2018 consolidated budget package represent management's best assessment of a budget to successfully accomplish the District's goals and priorities for FY 2018. 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.

The budget shows total revenues for FY 2018 projected to be approximately \$4,114,047. This represents a slight decrease from FY 2017 projected revenues.

The FY 2018 projected revenues assumes that monthly base service rates will increase approximately 6% (all meter sizes); residential water rates for Tier 1 (< 7 units/mo) will increase from \$3.16 to \$3.35/unit in FY 2018; Tier 2 (> 7 units/mo) = \$3.69/unit in FY 2018; Non-Residential water rates will increase from \$3.35 to \$3.55/unit in FY 2018; and revenue from sewer rates will increase 4,4,4,4% between FY 2018-FY 2021.

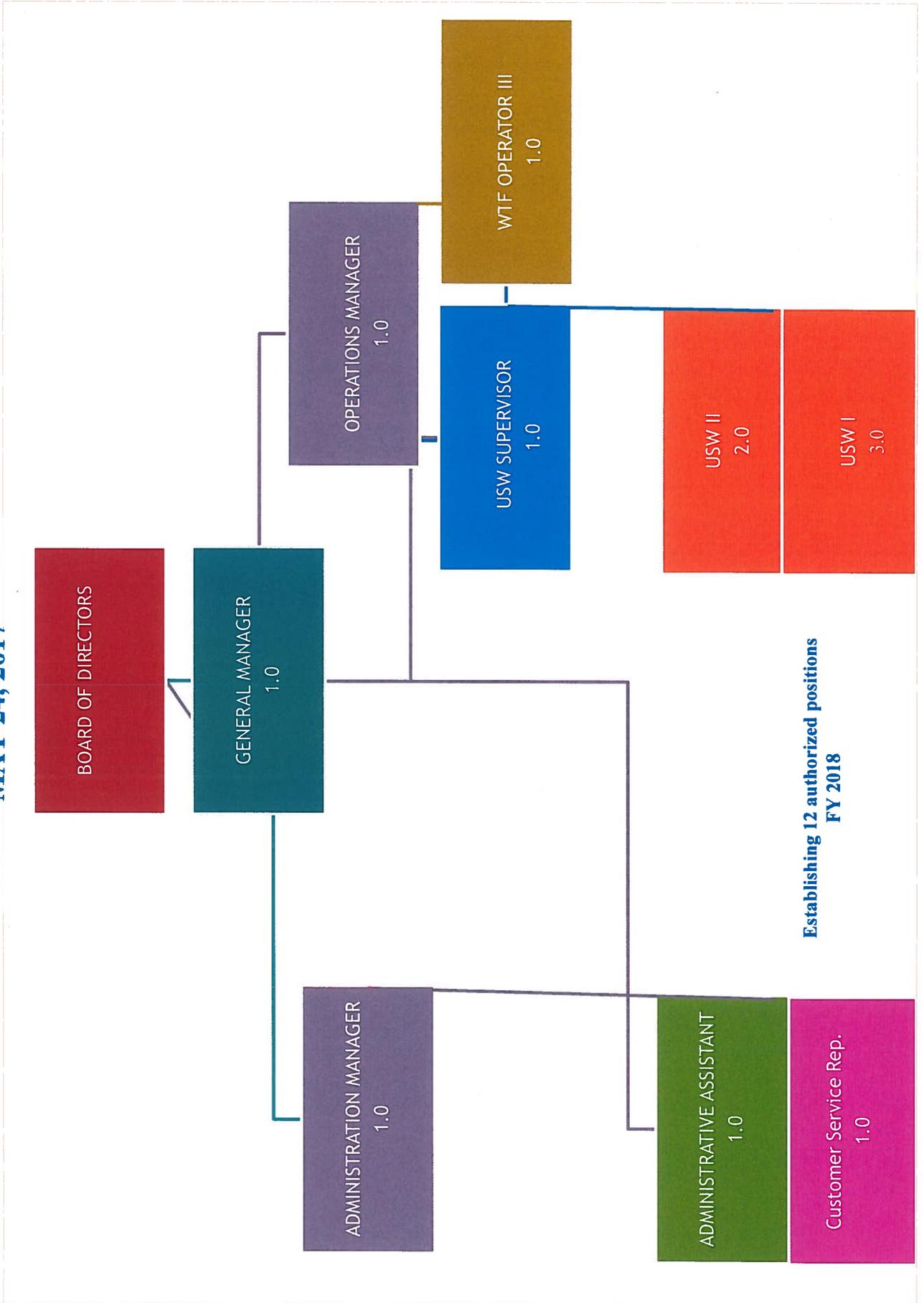
Included in this budget package is the proposed Board Resolution to adopt and approve the FY 2018 budget; an Organizational Chart establishing 12 authorized positions for FY 2017-2018; a detailed revenue and operations and maintenance expenses budget; CIP budget with associated justification from the District's consulting engineer, non-CIP budget items; an updated District's Reserves Policy; a proposed Board Resolution Establishing Water & Sewer Rates for FY 2017-2018 and a projected cash flow analysis for the next eight fiscal years which includes the proposed rate increases.

Thank you for your consideration.

Sincerely,

Geoff Poole
General Manager

**BORREGO WATER DISTRICT
ORGANIZATIONAL CHART
MAY 24, 2017**



	C	CG	CK	CQ	CS	CT
1	BWD	06/09/16				
2	PROPOSED BUDGET	ADOPTED	Actual YTD	Rate Adjustment	PROJECTED BUDGET	PROJECTED
3	2017-2018	BUDGET	and Projected	FY 2018	W/rate increase	BUDGET
4		2016-2017	2016-2017		2017-2018	2017-2018
5	REVENUE					
6	WATER REVENUE			(6% increase 4% revenue)		
7	Residential Water Sales	1,149,431	923,206	33,485	949,885	916,400
8	Commercial Water Sales	160,956	291,570	11,285	302,856	291,570
9	Irrigation Water Sales	176,219	203,021	7,576	210,597	203,021
10	GWM Surcharge	145,959	154,503	5,771	160,274	154,503
11	Water Sales Power Portion	463,059	441,575	16,312	457,206	440,894
12	TOTAL WATER COMMODITY REVENUE:	2,095,624	2,013,876	74,429	2,080,818	2,006,389
13				(6% increase)		
14	Readiness Water Charge	997,818	1,054,146	56,808	1,110,954	1,054,146
17	Meter Install/Reconnect Fees	2,380	1,020		1,360	1,360
18	Backflow Testing/installation	6,500	6,500		7,000	7,000
19	Bulk Water Sales	0	566		600	600
20	Penalty & Interest Water Collection	10,000	27,232		19,000	19,000
21	TOTAL WATER REVENUE:	3,112,323	3,103,340	131,237	3,223,018	3,091,781
22						
23	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES					
24	641500 1% Property Assessments	65,000	65,100		62,303	62,303
25	641502 Property Assess wtr/swr/fld	106,212	104,814		106,212	106,212
27	641501 Water avail Standby	82,467	79,309		82,445	82,445
29	641504 ID 3 Water Standby (La Casa)	33,722	33,304		33,722	33,722
30	641503 Pest standby	17,885	17,378		17,882	17,882
31	TOTAL PROPERTY ASSES/AVAIL CHARGES:	305,286	299,906		302,563	302,563
32						
33	SEWER SERVICE CHARGES			(4% increase)		
34	Town Center Sewer Holder fees	393,398	214,521	8,007	226,391	218,384
35	Town Center Sewer User Fees	103,158	86,325	3,007	85,015	82,008
36	Sewer user Fees	256,294	260,455	9,460	267,460	258,000
38	Penalty Interest-Sewer		2,985		3,000	3,000
40	TOTAL SEWER SERVICE CHARGES:	752,850	564,286	20,474	581,866	561,392
41						
42	OTHER INCOME					
47	Water Credits income/Gain on Asset Sold		1,000		0	0
51	Interest Income	49	64		6,600	6,600
52	TOTAL OTHER INCOME:	49	6,448		6,600	6,600
53						
54	TOTAL INCOME:	4,170,507	3,973,980	151,712	4,114,047	3,962,336
64						

	C	CG	CK	CQ	CS	CT
1	BWD	06/09/16				
2	PROPOSED BUDGET	ADOPTED	Actual YTD	Rate Adjustment	PROJECTED BUDGET	PROJECTED
3	2017-2018	BUDGET	and Projected	FY 2018	W/rate increase	BUDGET
4		2016-2017	2016-2017		2017-2018	2017-2018
65	EXPENSES					
66						
67	MAINTENANCE EXPENSE					
68	R & M Buildings & Equipment	185,000	147,934			185,000
69	R & M - WWTP	150,000	71,366			185,000
70	Telemetry	10,000	10,928			8,000
71	Trash Removal	4,000	4,239			4,200
72	Vehicle Expense	18,000	17,340			18,000
73	Fuel & Oil	25,000	20,359			23,000
74	TOTAL MAINTENANCE EXPENSE:	392,000	272,167			423,200
75						
76	PROFESSIONAL SERVICES EXPENSE					
77	Tax Accounting (Tausig)	3,000	3,596			3,000
78	Administrative Services (ADP/Bank Fees)	3,500	2,865			3,000
79	Audit Fees (Squarmilner)	14,995	14,439			15,995
80	Computer billing (Accela/Parker)	12,000	14,259			13,500
81	Financial/Technical Consulting (Raftelis) (Municipal Advisor)	1,200	8,650			41,000
82	Engineering (Dale/Dudek)	35,000	56,920			50,000
83	District Legal Services (Downey Brand/McDougal)	30,000	14,667			20,000
84	Testing/lab work (Babcock Lab)	12,000	12,443			8,400
85	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	46,000	36,470			27,160
86	TOTAL PROFESSIONAL SERVICES EXPENSE:	157,695	164,308			182,055
87						
88	INSURANCE EXPENSE					
89	ACWA/JPIA Program Insurance	60,000	55,478			57,000
90	ACWA/JPIA Workers Comp	16,800	15,708			16,000
91	TOTAL INSURANCE EXPENSE:	76,800	71,186			73,000
92						
93	DEBT EXPENSE					
94	Citizens Bank-COP 2008 Debt Payment	253,113	253,113			251,475
95	BBVA-Viking Ranch Debt Payment	143,312	152,710			143,312
96	TOTAL DEBT EXPENSE:	396,425	405,823			394,787
97						
98	PERSONNEL EXPENSE					
99	Board Meeting Expense (board stipend/board secretary)	18,500	17,083			22,000
100	Salaries & Wages (gross)	791,000	807,912			826,000
101	Salaries & Wages offset account (board stipends/staff project salaries)	(18,500)	(14,190)			(55,000)
102	Consulting services/Contract Labor					24,000
103	Taxes on Payroll	21,300	21,325			22,000
104	Medical Insurance Benefits	210,400	205,771			220,100
105	Calpers Retirement Benefits	171,000	155,852			179,200
106	Conference/Conventions/Training/Seminars	7,000	5,377			8,000
107	TOTAL PERSONNEL EXPENSE:	1,200,700	1,199,130			1,246,300
108						
109	OFFICE EXPENSE					
110	Office Supplies	18,000	19,851			18,000
111	Office Equipment/ Rental/Maintenance Agreements	40,000	38,653			35,000
112	Postage & Freight	15,000	12,739			15,000
113	Taxes on Property	2,400	2,331			2,331
114	Telephone/Answering Service/Cell	8,600	15,742			19,000
115	Dues & Subscriptions (ACWA/CSDA)	3,600	3,758			21,526
116	Printing, Publications & Notices	3,000	1,511			3,000
117	Uniforms	5,400	4,799			5,400
118	OSHA Requirements/Emergency preparedness	4,000	2,690			4,000
119	TOTAL OFFICE EXPENSE:	100,000	102,073			123,257
120						
121	UTILITIES EXPENSE					
122	Pumping-Electricity	350,000	301,600			300,000
123	Office/Shop Utilities	25,000	19,966			20,000
125	TOTAL UTILITIES EXPENSE:	382,500	321,566			320,000
126						
127	GROUNDWATER MANAGEMENT EXPENSE					
128	GWM -legal/Misc.-prop 1 grant/USGS					120,000
129	Conservation incentive program					30,000
130	District portion of GSP					120,000
131	TOTAL GWM EXPENSE:					270,000
132						
133	TOTAL EXPENSES:	2,706,119	2,536,254		3,032,600	3,032,600
142						
143	NET CASH FLOW (O&M)	1,464,388	1,437,726		1,081,447	929,736
144						

	C	CG	CK	CQ	CS	CT
1	BWD	06/09/16				
2	PROPOSED BUDGET	ADOPTED	Actual YTD	Rate Adjustment	PROJECTED BUDGET	PROJECTED
3	2017-2018	BUDGET	and Projected	FY 2018	W/rate increase	BUDGET
4		2016-2017	2016-2017		2017-2018	2017-2018
145	CIP PROJECTS					
146	WATER					
147	Pickup (O&M)	35,000	42,607			50,000
151	New 900 Reservoir (O&M)	500,000	1,688			525,000
155	Replace Twin Tanks-(Prop 1 grant)	125,000	-			579,000
156	Replace Wilcox Diesel Motor-(Prop 1 grant)					59,000
157	Replace Indianhead Reservoir-(Prop 1 grant)					294,000
158	Rams Hill#2, 1980 balv. 0.44 MG recoating-(Prop 1 grant)					161,000
159	Emergency water pipeline repairs (O&M)					25,000
160	10" Bypass at ID 1 Booster Station 2 (O&M)					15,000
161	Transmission line to convey Well 5 water to C.C. Reservoir (2) (O&M)					83,000
162	T Anchor Dr., Frying Pan Rd. to Double O Rd. (6) (O&M)					34,000
163	Weatherwane Dr., Frying Pan Road to Double O Road (7) (O&M)	30,000	17,500			34,000
168	ID 5-5, 200 HP (O&M)					80,000
169	Well 12 pump and casing cleaning (O&M)	0				50,000
171	Emergency Generator Mobile Trailer (O&M)					12,000
173						
174	TOTAL WATER CIP:	1,105,000	446,677			2,001,000
175	SEWER					
183	Plant-Grit removal at the headworks-(Prop 1 grant)					100,000
191	WTF-Rehab Clarifier (Prop 1 grant)					118,500
197	TOTAL SEWER CIP:	69,500	64,447			218,500
214	OTHER					
228		10,000				0
229	TOTAL CIP EXPENSES:	1,448,500	634,852		2,219,500	2,219,500
230						
231	CASH RECAP					
232	Cash beginning of period	3,257,872	3,786,790		4,589,663	4,589,663
233	Net Cash Flow (O&M)	1,464,388	1,437,726		1,081,447	929,736
234	Total Non O&M Expenses	(1,448,500)	(634,852)		(2,219,500)	(2,219,500)
235	CASH AT END OF PERIOD	3,273,759	4,589,663		3,451,610	3,299,900
236						
237	RESERVES					
239	Working Capital-Water (4 months)	(600,000)	(600,000)		(1,000,000)	(1,000,000)
243	R & R Reserves				(532,000)	(532,000)
244	Contingency Reserves (8% O&M)	(270,000)	(270,000)		(240,000)	(240,000)
245	Rate Stabilization Reserves	(480,000)	(480,000)		(800,000)	(800,000)
246	Available for Emergency Reserves	928,759	2,244,663		1,411,610	1,259,900
247	Target Emergency Reserves	2,000,000	2,000,000		2,000,000	2,000,000
248	Emergency Reserves Deficit	(1,071,241)	244,663		(588,390)	(740,100)
249						

	B	C	D	E	F
5					
6	BWD				
7	INCOME/EXPENSE				
8	CONDENSED BUDGET				
9	2017-2018				
10					
11					
12					
13					
14		TOTAL			
15		BUDGET	WATER	ID4-WATER	SEWER
16	REVENUE				
17					
18	Water Sales	3,062,744.23	1,225,098	1,837,647	
19	GWM Surcharge	160,274	64,109	96,164	
21	1% Property Assessment	62,303	24,921	37,382	
22	Water Availability Standby	240,260.00	96,104	144,156	
23	Sewer Revenue	581,866			581,866
26	Interest Income	6,600	2,244	3,300	1,056
31	TOTAL PROPOSED INCOME FY 2017:	<u>4,114,047</u>	<u>1,412,476</u>	<u>2,118,649</u>	<u>582,922</u>
33					
34					
35	EXPENSE				
36					
37	Repairs & Maintenance	423,200	93,152	139,728	190,320
38	Professional Services	182,057	62,506	93,755	25,796
39	Insurance	73,000	25,063	37,593	10,343
40	Personnel Expense	839,000	288,054	432,067	118,878
41	Employee Benefits	407,300	139,838	209,751	57,711
42	Office expense	123,257	42,318	63,475	17,464
43	Utilities	320,000	109,866	164,794	45,341
44	Debt Expense-Citizens Bank COP 2008	251,475	-	251,475	-
45	Debt Expense-BBVA Compass Bank	143,312	57,324.90	85,987.36	
46	GWM	270,000	108,000.00	162,000.00	
47	TOTAL PROPOSED EXPENSE FY 2017:	<u>3,032,600</u>	<u>926,121</u>	<u>1,640,626</u>	<u>465,854</u>
48					
49	NET INCOME (EXPENSE):	<u>1,081,447</u>	<u>486,355</u>	<u>478,023</u>	<u>117,069</u>
50					
51	TOTAL NON O & M EXPENSE:	<u>2,219,500</u>	<u>\$ 800,400</u>	<u>\$ 1,200,600</u>	<u>\$ 218,500</u>
52					
53	TOTAL NET CASH FLOW FY 2017:	<u>(1,138,053)</u>	<u>(314,045)</u>	<u>(722,577)</u>	<u>(101,431)</u>
54					
55			Page] 8		



BORREGO WATER DISTRICT

May 18, 2017

TO: Board of Directors, Borrego Water District
FROM: Geoff Poole, General Manager
SUBJECT: Fiscal Year 2017-18 Budget and Capital Improvement Plan

Transmitted herewith is the Proposed Final Fiscal Year 2017-18 Budget and Capital Improvement Plan for the Borrego Water District. The consolidated budget was prepared in compliance with the laws of the State of California and reflects the Board of Directors' (Board) goals/priorities and the District's strategic plans by which to achieve them.

The amount budgeted in each category represents Management's best assumptions to successfully accomplish the District's objectives. A summary of the FY 2017-18 budget is below:

Budget Components for FY 2017-18 - Revenues

Water sales are projected to remain stable (FY 2016-17 = 1,600 afy). The previously approved Prop 218 rate and fee increases of 6% for FY 17-18 has been included and will increase revenues by an estimated \$80,000.

Monthly Meter stand by fees are also proposed to be increased by 6% in compliance with the Boards most recent Prop 218 process. The increase is projected to increase Meter Fee revenues by approximately \$63,000 in FY 17-18.

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 \$22,000.

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 2017-18 – Expenses

1. In FY 2017-18, BWD and the County of San Diego will be working 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 \$280,000 has been included in FY 2017-18 budget for this purpose.
2. All existing programs in BWD Operations, Maintenance and Administration Departments are fully funded through 2017-18. The major programs in the Water Operations Department include system operations and maintenance, water quality monitoring, meter testing/replacement, pipeline replacement, reporting and the inevitable emergency pipeline repairs that happen each year. When possible, BWD staff (including temporary help) will be used to perform all pipeline repairs in FY 2017-18, emergency and planned. Capital projects planned for the year include the aforementioned pipeline repairs as well as construction of a new Reservoir (900 Tank) and the repair and replacement of 3 existing BWD storage tanks. The 900 tank (\$500,000 bid awarded) will be fully funded through BWD reserves and the 3 reservoir repair/replacement projects are part of a State Grant application. During the development of the FY 2017-18 Budget/CIP process, BWD Operations Manager Greg Holloway conducted a comprehensive evaluation of the previous CIP on a project by project basis. Evaluating the overall need, basic design and priority of each project has resulted in a CIP that much more accurately reflects the future needs of BWD compared to last Fiscal Year.
3. In the Sewer Operations Department, 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. BWD currently relies on an outside Consultant to provide the necessary Grade 3 Wastewater Treatment Facility Operator. In the 2017-18 budget, BWD is planning on permanently addressing the need for a Grade 3 Operator at the WTF by re-assigning existing employees and then using the Consultant on as as-needed basis.
4. In the Administration Department, all programs are fully funded. In FY 2016-17 transition to a new Accounting/Billing software package was performed and Staff is now trained and fully functional on the new system. It is anticipated that BWD will have a need to issue debt for GSP and other expenses in the future and the Administration Department will be working with a Board Committee and a Municipal Advisor (Fieldman, Rolapp and Associates) to help prepare the agency for a potential bond issuance. The goal is to take the steps necessary that results in the lowest possible cost/interest rate on a future bond issuance.

Included in this Budget Package are the proposed Board Resolution to adopt and approve the FY 2017-18 Budget, detailed revenue and expenses, Capital Improvement Plan with project explanations/justifications from the District's Consulting Engineer, 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 2017-18.

Sincerely

Geoff Poole

General Manager

5/18/17

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

Mr. Poole:

I have reviewed the proposed Capital Improvement Program for the next ten years and concur that the projects identified in the schedule are the most pressing physical infrastructure needs of the District at this time. The estimated costs (in 2017 dollars) of these improvements are reasonable for planning purposes.

If you have any questions please contact me.

Regards,

A handwritten signature in cursive script that reads "David Dale".

David Dale, PE, PLS
Contract Engineer

A		L	M	N	O	P	Q	R	S	T	U
CAPITAL IMPROVEMENT PROJECTS		FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1											
2											
3											
4	WELLS, BOOSTER STATIONS, RESERVOIRS & ASSOCIATED TRANSMISSION MAINS										
5	Water Treatment Facility (phase 1)						\$ 635,000	\$ 650,000	\$ 250,000	\$ 250,000	
6	Water Treatment Facility (phase 2)										
7	New well assessments (Exploration Phase for 3 sites), and acquire land		\$ 50,000	\$ 500,000		\$ 1,000,000		\$ 1,000,000	\$ 250,000	\$ 1,000,000	
8	3 New wells drilled over 5 years										
9	Country Club Tank Re-coating, 1999 1.0 MG	\$ 525,000							\$ 250,000		
10	New 900 Reservoir		\$ 112,000								
11	Transmission line to convey well 16 water directly to ID1 900 Reservoir (Pipeline 1)			\$ 120,000	\$ 151,000	\$ 120,000	\$ 151,000				
12	Transmission line to convey Well 5 water directly to C.C. Reservoir (Pipeline 2)	\$ 83,000									
13	Transmission line to convey Well 12 water directly to Tilting T-Di Giorgio (Pipeline 3)			\$ 175,700			\$ 688,000				
14	Transmission pipeline Slash M Rd. west to Country Club Tank (Pipeline 4)										
15	Replace Twin Tanks-(Prop 1 grant)	\$ 579,000									
16	Replace Wilcox Diesel Motor-(Prop 1 grant)	\$ 59,000									
17	Replace Indianhead Reservoir-(Prop 1 grant)	\$ 294,000									
18	Rams Hill #2, 1980 galv. 0.44 MG re-coating -(Prop 1 grant)	\$ 161,000									
19											
20	WASTEWATER TREATMENT FACILITIES										
21	Force main replacement at La Casa del Zorro; Cleanouts on existing force main		\$ 150,000	\$ 200,000		\$ 100,000		\$ 100,000			
22	Sewer main replacement Club Circle										
23	Conversion to Tertiary Treatment - Study needed to determine cost										
24	Lift station-Aeration and odor removal system	\$ 100,000									
25	Plant-Grit removal at the headworks-(Prop 1 grant)	\$ 118,500									
26	Clarifier Rehab-Prop 1 Grant										
27											
28											
29	PIPELINE REPLACEMENT /IMPROVEMENT PROGRAM										
30	Emergency water pipeline repairs	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000
31	10" Bypass at ID1 Booster Station 2	\$ 15,000			\$ 205,000						
32	Borrogo Springs Road, Walking H Drive to Country Club Road Phase 1 (Pipeline 5)										
33	Borrogo Springs Road, Walking H Drive to Country Club Road Phase 2 (Pipeline 5)	\$ 34,000				\$ 205,000					
34	T Anchor Drive, Frying Pan Road to Double O Road (Pipeline 6)	\$ 34,000									
35	Weather Vane Drive, Frying Pan Road to Double O Road (Pipeline 7)										
36	Frying Pan Road, north and south from T Anchor Drive (Pipeline 8)		\$ 165,000	\$ 83,000							
37	Double O Road, north and south from T Anchor Drive (Pipeline 9)					\$ 313,600					
38	Borrogo Springs Road, Weather Vane Drive to Barrel Drive (Pipeline 10)					\$ 105,000					
39	Pipeline for Santiago and ID5 (Pipeline 11)		\$ 110,000	\$ 104,000							
40	De Anza Dr. 1600 block west from Yaqui Road (Pipeline 12)			\$ 50,000							
41	Club Circle Pipeline Evaluation										
42											
43											
44	TOTAL - CAPITAL IMPROVEMENTS PROGRAM	\$ 2,027,500	\$ 1,112,000	\$ 1,257,700	\$ 1,051,600	\$ 1,455,000	\$ 1,504,000	\$ 1,680,000	\$ 1,135,000	\$ 1,285,000	\$ 35,000
45	TOTAL - SHORT LIVED ASSETS (FROM SHEET 2)	\$ 192,000	\$ 260,000	\$ 177,000	\$ 189,400	\$ 80,000	\$ 48,000	\$ 35,000	\$ 175,000	\$ 60,000	\$ 40,000
46	TOTAL CIP AND SHORT LIVED ASSETS ANNUAL BUDGET	\$ 2,219,500	\$ 1,372,000	\$ 1,434,700	\$ 1,241,000	\$ 1,535,000	\$ 1,552,000	\$ 1,715,000	\$ 1,310,000	\$ 1,345,000	\$ 75,000
47											
48											
49											
50											
51											
52											

	A	E	F	G	H	I	J	K	L	M	N
	CIP-SHORT LIVED ASSETS	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
2											
3											
4											
5	WELLS										
6	ID1-8, 125 Hp		\$ 40,000	\$ 20,000	\$ 15,000				\$ 50,000		
7	ID1-10, 150 Hp										
8	ID-1 Well 12 pump and casing/cleaning	\$ 50,000			\$ 74,400		\$ 23,000			\$ 40,000	
9	ID-1 16			\$ 80,000							
10	ID4-11, 200 Hp		\$ 20,000		\$ 80,000			\$ 20,000			
11	ID4-18					\$ 40,000					
12	ID5-5, 200 Hp	\$ 80,000			\$ 20,000				\$ 80,000		
13											
14	TANKS										
15	Rams Hill #1-cleaning			\$ 15,000				\$ 15,000			\$ 15,000
16											
17	BOOSTER/PRESSURE REDUCING STATIONS										
18											
19	WASTEWATER TREATMENT FACILITY										
20	Clarifier Rehab										
21											
22	EQUIPMENT										
23	Emergency Generator Mobile Trailer	\$ 12,000		\$ 25,000				\$ 25,000			
24	Backhoe		\$ 200,000								
25	Pickup	\$ 50,000		\$ 37,000		\$ 40,000			\$ 45,000		
26											
27	TOTAL SHORT LIVED ASSETS REPLACEMENT PROGRAM	\$ 192,000	\$ 260,000	\$ 177,000	\$ 189,400	\$ 80,000	\$ 48,000	\$ 35,000	\$ 175,000	\$ 60,000	\$ 40,000
28											
29											
30											

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

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 not necessary. 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 Stabilization Reserves. These reserves are used to stabilize water and sewer and wastewater treatment rates to the extent possible. This reserve, when fully funded, shall be maintained at level of thirty (30%) percent of the revenue generated from the commodity rate for water services and thirty (30%) percent of the total revenues from sewer services. This reserve is to defray any temporary unforeseen and extraordinary increases in the operating costs of the District.

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 undue 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.

	A	H	I	J	K	L	M	N	O
1	BORREGO WATER DISTRICT								
2	EIGHT YEAR NET INCOME/ WORKING CAPITAL PROJECTION	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
3		FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
4	Prop 218 Approved Water/Sewer Revenue Increases	6%	6%	6%	6%	0	0	0	0
5	Projected Water Revenue Increase-commodity	6%	6%	6%	6%	0%	0%	0%	0%
6	Expected Water Revenue Increase-commodity	4%	4%	4%	4%	0%	0%	0%	0%
7	Prop 18 approved Water Revenue Increase-base	6%	6%	6%	6%	0%	0%	0%	0%
8	Expected Water Revenue Increase - base	6%	6%	6%	6%	0%	0%	0%	0%
9	Projected/Expected Sewer Revenue Increase	4%	4%	4%	4%	0%	0%	0%	0%
10	Existing Water Rate Revenue -commodity	\$ 2,006,389	\$ 2,086,645	\$ 2,170,110	\$ 2,256,915	\$ 2,347,191	\$ 2,347,191	\$ 2,347,191	\$ 2,347,191
11	Existing Water Rate Revenue - base	\$ 1,054,146	\$ 1,117,395	\$ 1,184,438	\$ 1,255,505	\$ 1,330,835	\$ 1,330,835	\$ 1,330,835	\$ 1,330,835
12	Additional Water Revenue-commodity	\$ 80,256	\$ 83,466	\$ 86,804	\$ 90,277	\$ -	\$ -	\$ -	\$ -
13	Additional Water Revenue-base	\$ 63,249	\$ 67,044	\$ 71,066	\$ 75,330	\$ -	\$ -	\$ -	\$ -
14	Existing Sewer Rate Revenue	\$ 558,392	\$ 580,728	\$ 603,957	\$ 628,115	\$ 653,240	\$ 653,240	\$ 653,240	\$ 653,240
15	Additional Sewer Revenue	\$ 22,336	\$ 23,229	\$ 24,158	\$ 25,125	\$ -	\$ -	\$ -	\$ -
16	Other non variable Income	\$ 329,280	\$ 329,280	\$ 329,280	\$ 329,280	\$ 329,280	\$ 329,280	\$ 329,280	\$ 329,280
17	Total Revenue (w/ Other Rev.)	\$ 4,114,047	\$ 4,287,786	\$ 4,469,815	\$ 4,660,546	\$ 4,660,546	\$ 4,660,546	\$ 4,660,546	\$ 4,660,546
18									
19	O&M Expenses	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600	\$ 3,032,600
20									
21	Net Revenue	\$ 1,081,447	\$ 1,255,186	\$ 1,437,215	\$ 1,627,946	\$ 1,627,946	\$ 1,627,946	\$ 1,627,946	\$ 1,627,946
22									
27	CIP Financing								
28	Cash CIP	\$ 2,219,500	\$ 1,372,000	\$ 1,434,700	\$ 1,241,000	\$ 1,535,000	\$ 1,552,000	\$ 1,715,000	\$ 1,310,000
29	Debt CIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	GSP Implementation Capital Costs (District Financed Share)	\$ -	\$ -	\$ -	\$ 1,500,000				
31									
32	Existing Debt Service								
33	ID 4 Bonds	\$ 251,475	\$ 254,500	\$ 252,188	\$ 254,538	\$ 251,550	\$ 248,338	\$ 254,675	\$ 254,675
35	Viking Ranch Refinance	\$ 143,312	\$ 143,408	\$ 143,408	\$ 143,408	\$ 143,408	\$ 143,408	\$ 143,408	\$ 143,408
36	New Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37									
38	Total Debt Service	\$ 394,787	\$ 397,908	\$ 395,596	\$ 397,946	\$ 394,958	\$ 391,746	\$ 398,083	\$ 398,083
39									
40	GSP Development Costs (District Cash Share)	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41									
42	Net Annual Cash Flow	\$ (1,438,053)	\$ (416,814)	\$ 2,515	\$ 386,946	\$ 92,946	\$ 75,946	\$ (87,054)	\$ 317,946
43									
44	Beginning Reserves Level	\$ 4,089,663	\$ 2,651,610	\$ 2,234,796	\$ 2,237,310	\$ 2,624,256	\$ 2,717,202	\$ 2,793,148	\$ 2,706,094
45	Ending Reserves Level without any revenue adjustment	\$ 2,651,610	\$ 2,234,796	\$ 2,237,310	\$ 2,624,256	\$ 2,717,202	\$ 2,793,148	\$ 2,706,094	\$ 3,024,040
46									

**BORREGO WATER DISTRICT
PROPOSED RATES FOR
FISCAL YEARS 2018-2021
Adopted May 24, 2017**

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 2017	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Sewer Area 1	\$38.78	\$40.33	\$41.94	\$43.62	\$45.37
Sewer Area 5	\$45.10	\$46.90	\$48.78	\$50.73	\$52.76
TCS User	\$45.10	\$46.90	\$48.78	\$50.73	\$52.76
TCS Holder	\$24.76	\$25.75	\$26.78	\$27.85	\$28.97
BSR	\$24.76	\$25.75	\$26.78	\$27.85	\$28.97
BSR Usage	\$1.82	\$1.89	\$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 both charges increase at the rate of 6% per year for four 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 2017	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
¾ "	\$34.89	\$36.99	\$39.21	\$41.57	\$44.07
1"	\$45.27	\$47.99	\$50.87	\$53.93	\$57.17
1 ½"	\$71.20	\$75.48	\$80.01	\$84.82	\$89.91
2"	\$102.32	\$108.46	\$114.97	\$121.87	\$129.19
3"	\$185.31	\$196.43	\$208.22	\$220.72	\$233.97
4"	\$278.68	\$295.41	\$313.14	\$331.93	\$351.85
6"	\$538.03	\$570.32	\$604.54	\$640.82	\$679.27

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

Residential	Current Rates FY 2017	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Tier 1 1-7	\$3.16	\$3.35	\$3.56	\$3.78	\$4.01
Tier 2 >7	\$3.48	\$3.69	\$3.92	\$4.16	\$4.41

Non-Residential	Current Rates	FY 2018 Projected	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected
Tier1	\$3.35	\$3.55	\$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. 2017-05-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
BORREGO WATER DISTRICT ESTABLISHING WATER AND
SEWER SERVICE RATES FOR FY 2017-2018**

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 XIID 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 2017-2018** on May 16, 2017.

WHEREAS, the Board approved the budget and rate increase at the May 24, 2017 Board Meeting.

WHEREAS, On May 31, 2017, 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, 2017 and beginning with the August 2017 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, 2017 and beginning with the August, 2017 billing.

PASSED, ADOPTED AND APPROVED at a special meeting of the Board of Directors of the Borrego Water District held on 24th day of May, 2017.

President of the Board of Directors
Of Borrego Water District

ATTEST:

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

III

AD-HOC BOARD COMMITTEES

- A. Executive – Hart & Brecht
- B. Finance – Brecht & Tatusko
- C. Operations and Infrastructure – Delahay & Tatusko
- D. Personnel – Hart & Ehrlich
- E. Public Outreach – Delahay & Ehrlich
- F. Legislative – Brecht & Ehrlich
- G. Risk Management – Tatusko & Ehrlich

IVA FINANACIALS REPORT



	C	CG	CH	CI	CJ
1	BWD	06/09/16			
2	PROPOSED BUDGET	ADOPTED	Actual	Projected	Actual
3	2017-2018	BUDGET	April	April	YTD
4		<u>2016-2017</u>	<u>2017</u>	<u>2017</u>	<u>2016-2017</u>
5					
6	REVENUE				
7	WATER REVENUE				
8	Residential Water Sales	1,149,431	62,522	60,000	770,728
9	Commercial Water Sales	160,956	35,102	36,772	223,355
10	Irrigation Water Sales	176,219	15,134	16,557	167,679
11	GWM Surcharge	145,959	12,221	14,139	124,277
12	Water Sales Power Portion	463,059	34,462	43,667	348,046
13	TOTAL WATER COMMODITY REVENUE:	2,095,624	<u>159,442</u>	<u>171,135</u>	<u>1,634,085</u>
14					
15	Readiness Water Charge	997,818	85,178	85,163	883,835
18	Meter Install/Reconnect Fees	2,380	0	0	680
19	Backflow Testing/installation	6,500	0	0	-
20	Bulk Water Sales	0	107	0	673
21	Penalty & Interest Water Collection	10,000	1,402	830	26,145
22	TOTAL WATER REVENUE:	3,112,323	<u>246,129</u>	<u>257,128</u>	<u>2,545,418</u>
23					
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
25	641500 1% Property Assessments	65,000	16,935	15,638	56,576
26	641502 Property Assess wtr/swr/fld	106,212	1,811	1,056	59,007
28	641501 Water avail Standby	82,467	4,386	3,732	63,143
30	641504 ID 3 Water Standby (La Casa)	33,722	490	396	20,381
31	641503 Pest standby	17,885	582	651	11,289
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	305,286	<u>24,205</u>	<u>21,472</u>	<u>210,397</u>
33					
34	SEWER SERVICE CHARGES				
35	Town Center Sewer Holder fees	393,398	18,199	18,199	178,124
36	Town Center Sewer User Fees	103,158	6,834	6,773	72,839
37	Sewer user Fees	256,294	22,099	20,000	222,554
39	Penalty Interest-Sewer		0	0	2,985
41	TOTAL SEWER SERVICE CHARGES:	752,850	<u>47,132</u>	<u>44,972</u>	<u>476,503</u>
42					
43	OTHER INCOME				
48	Water Credits income/Gain on Asset Sold		0	0	1,000
52	Interest Income	49	2,839	16	2,871
53	TOTAL OTHER INCOME:	49	<u>2,839</u>	<u>16</u>	<u>9,255</u>
54					
55	TOTAL INCOME:	4,170,507	<u>320,305</u>	<u>323,588</u>	<u>3,241,572</u>
56					
57	CASH BASIS ADJUSTMENTS				
58	Decrease (Increase) in Accounts Receivable		(52,017)		(52,017)
60	Deposits				-
61	Other Cash Basis Adjustments				-
62	TOTAL CASH BASIS ADJUSTMENTS:		<u>(52,017)</u>		<u>10,114</u>
63					
64	TOTAL INCOME RECEIVED:	4,170,507	<u>268,288</u>	<u>323,588</u>	<u>3,251,686</u>

	C	CK	CL	CM	CN
1	BWD				
2	PROPOSED BUDGET	Actual YTD	PROJECTED	Projected	Projected
3	2017-2018	and Projected	CASH FLOW	May	June
4		2016-2017	2016-2017	2017	2017
5					
6	REVENUE				
7	WATER REVENUE				
8	Residential Water Sales	925,728	155,000	65,000	90,000
9	Commercial Water Sales	289,901	66,546	33,421	33,125
10	Irrigation Water Sales	201,599	33,920	15,174	18,746
11	GWM Surcharge	152,586	28,309	14,155	14,155
12	Water Sales Power Portion	432,370	84,324	41,265	43,058
13	TOTAL WATER COMMODITY REVENUE:	2,002,183	368,098	169,014	199,084
14					
15	Readiness Water Charge	1,054,161	170,326	85,163	85,163
18	Meter Install/Reconnect Fees	1,020	340	340	0
19	Backflow Testing/installation	6,500	6,500	0	6,500
20	Bulk Water Sales	673	0	0	0
21	Penalty & Interest Water Collection	27,805	1,660	830	830
22	TOTAL WATER REVENUE:	3,092,342	546,924	255,347	291,577
23					
24	PROPERTY ASSESSMENTS/AVAILABILITY CHARGES				
25	641500 1% Property Assessments	66,398	9,822	9,622	200
26	641502 Property Assess wtr/swr/fid	105,569	46,562	46,262	300
28	641501 Water avail Standby	79,964	16,821	14,821	2,000
30	641504 ID 3 Water Standby (La Casa)	33,398	13,017	12,527	490
31	641503 Pest standby	17,309	6,020	5,498	523
32	TOTAL PROPERTY ASSES/AVAIL CHARGES:	302,638	92,242	88,729	3,513
33					
34	SEWER SERVICE CHARGES				
35	Town Center Sewer Holder fees	214,521	36,397	18,199	18,199
36	Town Center Sewer User Fees	86,386	13,546	6,773	6,773
37	Sewer user Fees	262,554	40,000	20,000	20,000
39	Penalty Interest-Sewer	2,985	0	0	0
41	TOTAL SEWER SERVICE CHARGES:	566,446	89,944	44,972	44,972
42					
43	OTHER INCOME				
48	Water Credits income/Gain on Asset Sold	1,000	0	0	0
52	Interest Income	2,887	16	0	16
53	TOTAL OTHER INCOME:	9,271	16	0	16
54					
55	TOTAL INCOME:	3,970,697	729,125	389,048	340,077
56					
57	CASH BASIS ADJUSTMENTS				
58	Decrease (Increase) in Accounts Receivable	(52,017)			
60	Deposits	-			
61	Other Cash Basis Adjustments	-			
62	TOTAL CASH BASIS ADJUSTMENTS:	10,114			
63					
64	TOTAL INCOME RECEIVED:	3,980,811	729,125	389,048	340,077

	C	CG	CH	CI	CJ
1	BWD	06/09/16			
2	PROPOSED BUDGET	ADOPTED	Actual	Projected	Actual
3	2017-2018	BUDGET	April	April	YTD
4		2016-2017	2017	2017	2016-2017
65	EXPENSES				
66					
67	MAINTENANCE EXPENSE				
68	R & M Buildings & Equipment	185,000	31,573	15,500	133,007
69	R & M - WWTP	150,000	12,515	12,500	46,381
70	Telemetry	10,000	0	840	8,408
71	Trash Removal	4,000	298	360	3,458
72	Vehicle Expense	18,000	0	1,500	12,840
73	Fuel & Oil	25,000	1,079	2,100	15,138
74	TOTAL MAINTENANCE EXPENSE:	392,000	45,465	32,800	219,232
75					
76	PROFESSIONAL SERVICES EXPENSE				
77	Tax Accounting (Tausig)	3,000	0	0	2,596
78	Administrative Services (ADP/Bank Fees)	3,500	3,372	250	5,487
79	Audit Fees (Squamliner)	14,995	0	0	14,439
80	Computer billing (Accela/Parker)	12,000	0	0	2,259
81	Financial/Technical Consulting (Raftelis) (Municipal Advisor)	1,200	0	100	8,350
82	Engineering (Dale/Dudek)	35,000	1,500	3,000	49,420
83	District Legal Services (Downey Brand/McDougal)	30,000	693	2,500	7,860
84	Testing/lab work (Babcock Lab)	12,000	735	1,000	10,178
85	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	46,000	77	1,000	34,147
86	TOTAL PROFESSIONAL SERVICES EXPENSE:	157,695	6,377	7,850	134,735
87					
88	INSURANCE EXPENSE				
89	ACWA/JPIA Program Insurance	60,000	0	0	55,478
90	ACWA/JPIA Workers Comp	16,800	0	0	11,508
91	TOTAL INSURANCE EXPENSE:	76,800	0	0	66,986
92					
93	DEBT EXPENSE				
94	Citizens Bank-COP 2008 Debt Payment	253,113	0	0	253,113
95	BBVA-Viking Ranch Debt Payment	143,312	0	0	116,882
96	TOTAL DEBT EXPENSE:	396,425	0	0	369,994
97					
98	PERSONNEL EXPENSE				
99	Board Meeting Expense (board stipend/board secretary)	18,500	1,093	1,680	13,136
100	Salaries & Wages (gross)	791,000	70,776	62,618	682,738
101	Salaries & Wages offset account (board stipends/staff project salaries)	(18,500)	(660)	(1,680)	(9,810)
102	Consulting services/Contract Labor				
103	Taxes on Payroll	21,300	1,267	1,800	16,092
104	Medical Insurance Benefits	210,400	18,155	18,000	187,926
105	Calpers Retirement Benefits	171,000	6,200	8,100	137,753
106	Conference/Conventions/Training/Seminars	7,000	13	300	4,364
107	TOTAL PERSONNEL EXPENSE:	1,200,700	96,844	90,818	1,032,198
108					
109	OFFICE EXPENSE				
110	Office Supplies	18,000	1,231	1,500	16,582
111	Office Equipment/ Rental/Maintenance Agreements	40,000	2,141	1,500	33,294
112	Postage & Freight	15,000	119	100	8,757
113	Taxes on Property	2,400	0	0	2,331
114	Telephone/Answering Service/Cell	8,600	1,322	1,342	13,039
115	Dues & Subscriptions (ACWA/CSDA)	3,600	196	2,360	1,400
116	Printing, Publications & Notices	3,000	111	150	1,013
117	Uniforms	5,400	366	450	3,814
118	OSHA Requirements/Emergency preparedness	4,000	0	350	1,690
119	TOTAL OFFICE EXPENSE:	100,000	5,485	7,752	81,918
120					
121	UTILITIES EXPENSE				
122	Pumping-Electricity	350,000	25,253	25,000	246,853
123	Office/Shop Utilities	25,000	795	2,050	14,461
125	TOTAL UTILITIES EXPENSE:	382,500	26,047	27,050	261,314
126					
133	TOTAL EXPENSES:	2,706,119	180,218	166,270	2,166,378
134					
135	CASH BASIS ADJUSTMENTS				
136	Decrease (Increase) in Accounts Payable		(25,436)		(25,436)
137	Increase (Decrease) in Inventory		2,756		2,756
138	Other Cash Basis Adjustments				-
139	TOTAL CASH BASIS ADJUSTMENTS:		(22,680)		
140					
141	TOTAL EXPENSES PAID:	2,706,119	157,538	166,270	2,090,588
142					
143	NET CASH FLOW (O&M)	1,464,388	110,750	157,318	1,161,098

	C	CK	CL	CM	CN
1	BWD				
2	PROPOSED BUDGET	Actual YTD	PROJECTED	Projected	Projected
3	2017-2018	and Projected	CASH FLOW	May	June
4		<u>2016-2017</u>	<u>2016-2017</u>	<u>2017</u>	<u>2017</u>
67	MAINTENANCE EXPENSE				
68	R & M Buildings & Equipment	164,007	31,000	15,500	15,500
69	R & M - WWTP	71,381	25,000	12,500	12,500
70	Telemetry	10,088	1,680	840	840
71	Trash Removal	4,178	720	360	360
72	Vehicle Expense	15,840	3,000	1,500	1,500
73	Fuel & Oil	19,338	4,200	2,100	2,100
74	TOTAL MAINTENANCE EXPENSE:	284,832	65,600	32,800	32,800
75					
76	PROFESSIONAL SERVICES EXPENSE				
77	Tax Accounting (Tausig)	3,596	1,000	0	1,000
78	Administrative Services (ADP/Bank Fees)	5,987	500	250	250
79	Audit Fees (Squamliner)	14,439	0	0	0
80	Computer billing (Accela/Parker)	14,259	12,000	0	12,000
81	Financial/Technical Consulting (Rafelis) (Municipal Advisor)	8,550	200	100	100
82	Engineering (Dale/Dudek)	55,420	6,000	3,000	3,000
83	District Legal Services (Downey Brand/McDougal)	12,860	5,000	2,500	2,500
84	Testing/lab work (Babcock Lab)	12,178	2,000	1,000	1,000
85	Regulatory Permit Fees (SWRB/DEH/Dig alerts/APCD)	35,547	1,400	900	500
86	TOTAL PROFESSIONAL SERVICES EXPENSE:	162,835	28,100	7,750	20,350
87					
88	INSURANCE EXPENSE				
89	ACWA/JPIA Program Insurance	55,478	0	0	0
90	ACWA/JPIA Workers Comp	15,708	4,200	0	4,200
91	TOTAL INSURANCE EXPENSE:	71,186	4,200	0	4,200
92					
93	DEBT EXPENSE				
94	Citizens Bank-COP 2008 Debt Payment	253,113	0	0	0
95	BBVA-Viking Ranch Debt Payment	152,710	35,828	35,828	
96	TOTAL DEBT EXPENSE:	405,823	35,828	35,828	0
97					
98	PERSONNEL EXPENSE				
99	Board Meeting Expense (board stipend/board secretary)	16,496	3,360	1,680	1,680
100	Salaries & Wages (gross)	816,070	133,332	67,476	65,856
101	Salaries & Wages offset account (board stipends/staff project salaries)	(13,170)	(3,360)	(1,680)	(1,680)
102	Consulting services/Contract Labor				
103	Taxes on Payroll	20,792	4,700	2,200	2,500
104	Medical Insurance Benefits	205,926	18,000	18,000	0
105	Calpers Retirement Benefits	153,953	16,200	8,100	8,100
106	Conference/Conventions/Training/Seminars	5,090	726	600	126
107	TOTAL PERSONNEL EXPENSE:	1,205,156	172,958	96,376	76,582
108					
109	OFFICE EXPENSE				
110	Office Supplies	19,582	3,000	1,500	1,500
111	Office Equipment/ Rental/Maintenance Agreements	39,294	6,000	1,500	4,500
112	Postage & Freight	12,757	4,000	2,000	2,000
113	Taxes on Property	2,331	0	0	0
114	Telephone/Answering Service/Cell	15,723	2,684	1,342	1,342
115	Dues & Subscriptions (ACWA/CSDA)	1,595	195	50	145
116	Printing, Publications & Notices	1,472	459	150	309
117	Uniforms	4,714	900	450	450
118	OSHA Requirements/Emergency preparedness	2,340	650	300	350
119	TOTAL OFFICE EXPENSE:	99,806	17,888	7,292	10,596
120					
121	UTILITIES EXPENSE				
122	Pumping-Electricity	301,853	55,000	27,000	28,000
123	Office/Shop Utilities	18,711	4,250	2,200	2,050
125	TOTAL UTILITIES EXPENSE:	320,564	59,250	29,200	30,050
126					
133	TOTAL EXPENSES:	<u>2,550,202</u>	<u>383,824</u>	<u>209,246</u>	<u>174,578</u>
134					
135	CASH BASIS ADJUSTMENTS				
136	Decrease (Increase) in Accounts Payable	(25,436)	0		
137	Increase (Decrease) in Inventory	2,756	0		
138	Other Cash Basis Adjustments	0	0		
139	TOTAL CASH BASIS ADJUSTMENTS:	0	0		
140					
141	TOTAL EXPENSES PAID:	<u>2,474,412</u>	<u>383,824</u>	209,246	174,578
142					
143	NET CASH FLOW (O&M)	<u>1,496,285</u>	<u>345,301</u>	<u>179,802</u>	<u>165,499</u>

	C	CG	CH	CI	CJ
1	BWD	06/09/16			
2	PROPOSED BUDGET	ADOPTED	Actual	Projected	Actual
3	2017-2018	BUDGET	April	April	YTD
4		<u>2016-2017</u>	<u>2017</u>	<u>2017</u>	<u>2016-2017</u>
144	CIP PROJECTS				
145	Water				
146	Pickup	35,000			42,607
148	Pump and Cleaning Well ID4-4-Wells-ID1-12/ID4-4	150,000		30,000	140,447
149	Booster Station 1 Rehab	40,000			-
150	New 900 Reservoir	500,000			1,688
151	Transmission mains for new 900 Reservoir	100,000			-
152	Environmental review for water storage infrastructure	50,000		10,000	-
153	Engineering analysis for water storage infrastructure	75,000	693	10,000	30,128
154	Replace Twin Tanks-(prop 1 grant)	125,000			-
173	TOTAL WATER CIP:	1,105,000	693	50,000	225,765
174	Sewer				
175	WWTP-Skid Steer				-
176	WWTP-Back up Generator/Portable engine driven trash pump	26,000			29,773
177	Transfer Switch	20,000			10,037
178	Return Pump	8,500			15,437
179	Fence at ponds WWTP	15,000			9,200
196	TOTAL SEWER CIP:	69,500	0		64,447
197	NON-CIP				
198	USGS Basin study				-
199	GWM -legal/Misc.-prop 1 grant/USGS	60,000	14,678	6,000	18,880
201	District portion of GSP	204,000		12,000	64,527
212	TOTAL GWM NON O&M	264,000	14,678	18,000	83,407
213	OTHER				
227	Solar-Shop		28,611		28,611
228	Springbrook software purchase-final payment		21,450		21,450
229	Country Club pipeline project		22,417		22,417
230		10,000	72,478		72,478
231	TOTAL CIP EXPENSES:	1,448,500	87,848	68,000	446,096
232					
233	CASH RECAP				
234	Cash beginning of period	3,257,872	3,949,973	3,972,874	3,257,872
235	Net Cash Flow (O&M)	1,464,388	110,750	157,318	1,161,098
236	Total Non O&M Expenses	(1,448,500)	(87,848)	(68,000)	(446,096)
237	CASH AT END OF PERIOD	3,273,759	3,972,874	4,062,192	3,972,874
238					
239	RESERVES				
241	Working Capital-Water (4 months)	(600,000)	(600,000)	(600,000)	(600,000)
245	R & R Reserves				
246	Contingency Reserves (8 % O&M)	(270,000)	(270,000)	(270,000)	(270,000)
247	Rate Stabilization Reserves	(480,000)	(480,000)	(480,000)	(480,000)
248	Available for Emergency Reserves	928,759	2,222,874	1,441,790	2,222,874
249	Target Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000
250	Emergency Reserves Deficit	(1,071,241)	222,874	(558,210)	222,874

	C	CK	CL	CM	CN
1	BWD				
2	PROPOSED BUDGET	Actual YTD	PROJECTED	Projected	Projected
3	2017-2018	and Projected	CASH FLOW	May	June
4		2016-2017	2016-2017	2017	2017
144	CIP PROJECTS				
145	Water				
146	Pickup	42,607	0		
148	Pump and Cleaning Well ID4-4-Wells-ID1-12/ID4-4	170,447	30,000		30,000
149	Booster Station 1 Rehab	-	0		
150	New 900 Reservoir	1,688	0		
151	Transmission mains for new 900 Reservoir	100,000	100,000	50,000	50,000
152	Environmental review for water storage infrastructure	20,000	20,000	10,000	10,000
153	Engineering analysis for water storage infrastructure	45,128	15,000	10,000	5,000
154	Replace Twin Tanks-(prop 1 grant)	-	0		
173	TOTAL WATER CIP:	394,870	169,105	72,500	96,605
174	Sewer				
175	WWTP-Skid Steer	-			
176	WWTP-Back up Generator/Portable engine driven trash pump	29,773	0		
177	Transfer Switch	10,037	0		
178	Return Pump	15,437	0		
179	Fence at ponds WWTP	9,200	0	0	0
196	TOTAL SEWER CIP:	64,447	0	0	0
197	NON-CIP				
198	USGS Basin study		0		
199	GWM -legal/Misc.-prop 1 grant/USGS	30,880	12,000	6,000	6,000
201	District portion of GSP	89,527	25,000	12,000	13,000
212	TOTAL GWM NON O&M	120,407	37,000	18,000	19,000
213	OTHER				
227	Solar-Shop	28,611	0		
228	Springbrook software purchase-final payment	21,450	0		
229	Country Club pipeline project	22,417	0		
230		72,478	0		
231	TOTAL CIP EXPENSES:	652,201	206,105	90,500	115,605
232					
233	CASH RECAP				
234	Cash beginning of period	3,972,874	3,972,874	3,972,874	4,062,176
235	Net Cash Flow (O&M)	1,496,285	345,301	179,802	165,499
236	Total Non O&M Expenses	(652,201)	(206,105)	(90,500)	(115,605)
237	CASH AT END OF PERIOD	4,816,958	4,112,070	4,062,176	4,112,070
238					
239	RESERVES				
241	Working Capital-Water (4 months)	(600,000)	(600,000)	(600,000)	(600,000)
245	R & R Reserves				
246	Contingency Reserves (8.% O&M)	(270,000)	(270,000)	(270,000)	(270,000)
247	Rate Stabilization Reserves	(480,000)	(480,000)	(480,000)	(480,000)
248	Available for Emergency Reserves	2,471,958	1,767,070	1,717,176	1,767,070
249	Target Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000
250	Emergency Reserves Deficit	471,958	(232,930)	(282,824)	(232,930)



BORREGO WATER DISTRICT

ASSETS	BALANCE SHEET April 30, 2017 (unaudited)	BALANCE SHEET March 31, 2017 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,972,874.38	\$ 3,949,972.09	\$ 22,902.29
Accounts receivable from water sales and sewer charges	\$ 368,665.13	\$ 316,648.45	\$ 52,016.68
Inventory	\$ 130,675.41	\$ 127,919.71	\$ 2,755.70
Prepaid expenses	\$ 31,969.89	\$ 31,969.89	\$ -
TOTAL CURRENT ASSETS	\$ 4,504,184.81	\$ 4,427,475.94	\$ 76,708.87
RESTRICTED ASSETS			
Debt Service:			
Deferred amount of COP Refunding	\$ 112,546.17	\$ 112,546.17	\$ -
Deferred Outflow of Resources-calPERS	\$ 244,883.00	\$ 244,883.00	\$ -
Total Debt service	\$ 357,429.17	\$ 357,429.17	\$ -
Trust fund:			
Investments with fiscal agent -CFD 2007-1	\$ 31,523.00	\$ 26,618.50	\$ 4,904.50
Total Trust fund	\$ 31,523.00	\$ 26,618.50	\$ 4,904.50
TOTAL RESTRICTED ASSETS	\$ 388,952.17	\$ 384,047.67	
UTILITY PLANT IN SERVICE			
Land	\$ 2,328,663.65	\$ 2,328,663.65	\$ -
Flood Control Facilities	\$ 4,319,603.58	\$ 4,319,603.58	\$ -
Capital Improvement Projects	\$ 377,221.34	\$ 325,500.64	\$ 51,720.70
Sewer Facilities	\$ 5,907,917.14	\$ 5,907,917.14	\$ -
Water facilities	\$ 10,901,938.65	\$ 10,901,938.65	\$ -
General facilities	\$ 1,006,881.07	\$ 1,006,881.07	\$ -
Equipment and furniture	\$ 454,833.77	\$ 433,383.77	\$ 21,450.00
Vehicles	\$ 582,802.28	\$ 582,802.28	\$ -
Accumulated depreciation	\$ (12,137,990.70)	\$ (12,137,990.70)	\$ -
NET UTILITY PLANT IN SERVICE	\$ 13,741,870.78	\$ 13,668,700.08	\$ 73,170.70
OTHER ASSETS			
Water rights -ID4	\$ 185,000.00	\$ 185,000.00	\$ -
TOTAL OTHER ASSETS	\$ 185,000.00	\$ 185,000.00	
TOTAL ASSETS	\$ 18,820,007.76	\$ 18,665,223.69	\$ 154,784.07

Balance sheet continued

LIABILITIES	BALANCE SHEET April 30, 2017 (unaudited)	BALANCE SHEET March 31, 2017 (unaudited)	MONTHLY CHANGE (unaudited)
CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS			
Accounts Payable	\$ 129,867.31	\$ 104,431.46	\$ 25,435.85
Accrued expenses	\$ 154,788.17	\$ 154,788.17	\$ -
Deposits	\$ 5,000.00	\$ 5,000.00	\$ -
TOTAL CURRENT LIABILITIES PAYABLE FROM CURRENT ASSETS	\$ 289,655.48	\$ 264,219.63	\$ 25,435.85
CURRENT LIABILITIES PAYABLE FOM RESTRICTED ASSETS			
Debt Service:			
Accounts Payable to CFD 2007-1	\$ 31,523.00	\$ 26,618.50	\$ 4,904.50
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 31,523.00	\$ 26,618.50	\$ 4,904.50
LONG TERM LIABILITIES			
2008 Certificates of participation	\$ 2,330,000.00	\$ 2,330,000.00	\$ -
BBVA Compass Bank Loan	\$ 967,025.53	\$ 967,025.53	\$ -
Net Pension Liability-calPERS	\$ 693,352.00	\$ 693,352.00	\$ -
Deferred Inflow of Resources-calPERS	\$ 246,389.00	\$ 246,389.00	\$ -
TOTAL LONG TERM LIABILITIES	\$ 4,236,766.53	\$ 4,236,766.53	\$ -
TOTAL LIABILITIES	\$ 4,557,945.01	\$ 4,527,604.66	\$ 30,340.35
FUND EQUITY			
Contributed equity	\$ 9,611,814.35	\$ 9,611,814.35	\$ -
Retained Earnings:			
Unrestricted Reserves/Retained Earnings	\$ 4,650,248.40	\$ 4,525,804.68	\$ 124,443.72
Total retained earnings	\$ 4,650,248.40	\$ 4,525,804.68	\$ 124,443.72
TOTAL FUND EQUITY	\$ 14,262,062.75	\$ 14,137,619.03	\$ 124,443.72
TOTAL LIABILITIES AND FUND EQUITY	\$ 18,820,007.76	\$ 18,665,223.69	\$ 154,784.07



BORREGO WATER DISTRICT

TREASURER'S REPORT April, 2017

Bank Balance	Carrying Value	Fair Value	% of Portfolio			Valuation Source
			Current Actual	Rate of Interest	Maturity	

Cash and Cash Equivalents:

Demand Accounts at UB/LAIF

General Account/Petty Cash	\$ 1,200,257	\$ 1,171,096	\$ 1,171,096	29.48%	0.00%	N/A	UB
Payroll Account	\$ 39,141	\$ 37,119	\$ 37,119	0.93%	0.00%	N/A	UB
MMA-Sweep	\$ 2,743,480	\$ 2,743,480	\$ 2,743,480	69.06%	0.68%	N/A	UB
LAIF	\$ 21,179	\$ 21,179	\$ 21,179	0.53%	0.78%	N/A	LAIF

Total Cash and Cash Equivalents	\$ 4,004,058	\$ 3,972,874	\$ 3,972,874	100.00%			
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Facilities District No. 2007-1

Special Tax Bond- Rams Hill -US BANK	\$ 31,523	\$ 31,523	\$ 31,523				
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Total Cash, Cash Equivalents & Investments	\$ 4,035,581	\$ 4,004,397	\$ 4,004,397				
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Cash and investments conform to the District's Investment Policy statement filed with the Board of Directors on July 19, 2016

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, Administration Manager



BORREGO WATER DISTRICT

To: BWD Board of Directors
From: Kim Pitman
Subject: Consideration of the Disbursements and Claims Paid
Month Ending April, 2017

Vendor disbursements paid during this period: **\$ 227,210.31**

Significant items:

San Diego Gas & Electric	\$ 26,047.44
CalPERS Payments	\$ 9,126.32
Medical Health Benefits	\$ 21,109.80

Capital Projects/Fixed Asset Outlays:

Hidden Valley Pump Systems-Well 12 / R/H Booster Pump	\$ 27,674.56
Integrity Solar	\$ 28,610.75
Joes Paving-Repave after main break	\$ 10,800.00
JWC Environmental-WTF maintenance	\$ 8,174.03

Total Professional Services for this Period:

McDougal, Love, Eckis, Attorneys	Legal-general	\$ 1,419.00
Downey Brand, Attorneys	GWM	\$ 868.89
Dudek Professional Services (reimbursed)	GSP RHGC Prepare Grants	\$ 13,140.22

Payroll for this Period:

Gross Payroll (resignation includes vacation/sick balance pay out)	\$ 70,776.00
Employer Payroll Taxes and ADP Fee	\$ 1,270.00
Total	\$ 72,046.00



Summary by Vendor Number

VENDOR NO.	VENDOR NAME	AMOUNT
1109	ABILITY ANSWERING/PAGING SER	250.59
90	ACCELA, INC. #774375	21,450.00
1266	AFLAC	919.32
1001	AMERICAN LINEN INC.	365.50
49	AT&T	592.94
9529	AT&T-CALNET 3	364.35
9255	BABCOCK LABRATORIES	695.00
1003	BORREGO SPRINGS BOTTLED WATER	74.47
1037	BORREGO SUN	111.00
56	CMS BUSINESS FORMS, INC.	638.37
1222	DEBBIE MORETTI	122.00
96	DISH	85.72
9535	DOWNEY BRAND	868.89
9640	DUDEK	13,140.22
3024	FED EX	118.52
1048	GRAINGER	186.40
9579	GREEN DESERT LANDSCAPE	4,770.00
1012	HIDDEN VALLEY PUMP SYSTEMS INC	27,674.56
1136	HOME DEPOT CREDIT SERVICES	145.16
10865	INTEGRITY SOLAR	28,610.75
1022	JAMES HORMUTH DE ANZA TRUE VALUE	125.31
65	JC LABS & MONITORING SERVICE	1,500.00
54	JOE'S PAVING CO.INC.	10,800.00
67	JWC ENVIRONMENTAL LLC	8,174.03
1067	KENNY STRICKLAND, INC.	1,079.03
1216	McCALLS METERS,INC	5,498.86
9549	McDOUGAL LOVE ECKIS	1,419.00
1000	MEDICAL ACWA-JPIA	21,109.80
93	MRC SMART TECHNOLOGY SOLUTIONS	1,033.73
10852	ONE ELEVEN WATER SERVICES, LLC.	3,169.00
1208	PACIFIC PIPELINE SUPPLY INC	26,926.77
3015	PITNEY BOWES INC	137.49
3011	PUBLIC EMP'S RETIREMENT SYSTEM	9,126.32
1033	QUILL CORPORATION	280.24
9633	RAMONA DISPOSAL SERVICE	3,311.88
1065	SAN DIEGO GAS & ELECTRIC	26,047.44
1059	STAPLES CREDIT PLAN	181.03
9638	STATE OF CALIFORNIA FRANCHISE TAX BOARD	77.00
9385	TYCO INTEGRATED SECURITY LLC	203.30
3000	U.S.BANK CORPORATE PAYMENT SYS	1,085.50
1023	UNDERGROUND SERVICE ALERT	18.00
10847	USA COMMUNICATIONS	90.45
1100	VERIZON WIRELESS	114.25
1623	WENDY QUINN	437.50
94	WILLOW INDUSTRIES, LLC	3,703.62
92	XEROX FINANCIAL SERVICES	377.00

Report Total (51 checks): 227,210.31

**GROUNDWATER MANAGEMENT
ACCOUNTING
FY 2017
Acct #10154800**

Month	McDougal/ Downey Brand	Dudak	Town Hall/ Advertising	One Eleven Water Services	Desert Club	Water Advisory	Monthly Total	FYE 2017 Total
						Committee-Lunches Recording/Minutes		
Jul-16							-	-
Aug-16	190.00	39,583.64					39,773.64	39,773.64
Sep-16							-	-
Oct-16		7,650.00					7,650.00	47,423.64
Nov-16			111.00	4,005.00			4,116.00	51,539.64
Dec-16	1,925.00	10,695.76		285.00			12,905.76	64,445.40
Jan-17			55.50		500.00		555.50	65,000.90
Feb-17	1,945.00						1,945.00	66,945.90
Mar-17	323.50		20.00			498.12	841.62	67,787.52
Apr-17	901.89	13,140.22				635.62	14,677.73	82,465.25
Total	<u>5,285.39</u>	<u>71,069.62</u>	<u>186.50</u>	<u>4,290.00</u>	<u>500.00</u>	<u>1,133.74</u>		<u>82,465.25</u>



IVB
WATER & WASTE
WATER
OPERATIONS
REPORT



BORREGO WATER DISTRICT

April 2017

WATER OPERATIONS REPORT

WELL	TYPE	FLOW RATE	STATUS	COMMENT
ID1-8	Production	350	In Use	
ID1-10	Production	300	In Use	
ID1-12	Production	900	In Use	
ID1-16	Production	750	In Use	
Wilcox	Production	80	In Use	Diesel backup well for ID-4
ID4-4	Production	400	In Use	
ID4-11	Production	900	In Use	Diesel engine drive exercised monthly
ID4-18	Production	150	In Use	
ID5-5	Production	850	In Use	

System Problems: All production wells are in service. All reservoirs are in operating condition.

WASTEWATER OPERATIONS REPORT

Rams Hill Water Reclamation Plant serving ID-1, ID-2 and ID-5 Total Cap. 0.25 MGD (million gallons per day):

Average flow: 135,794 (gallons per day)

Peak flow: 363,847 gpd Sunday April 30, 2017

The logo for the Oregon Water Resources Institute is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The text "OREGON WATER RESOURCES INSTITUTE" is written around the perimeter of the circle, and "EST. 1962" is at the bottom. The logo is light blue and yellow.

IVC WATER PRODUCTION/ USE RECORDS



BORREGO WATER DISTRICT

WATER PRODUCTION SUMMARY

APRIL 2017								
DATE	WATER USE	WATER PROD	WATER %UNACC	ID4 USE	ID4 PROD	ID4 %UNACC	TOTAL USE	TOTAL PROD
Apr-15	37.60	22.72	-65.49	106.38	95.47	-11.43	143.98	118.19
May-15	34.25	41.09	16.65	87.10	85.48	-1.90	121.35	126.57
Jun-15	39.49	36.53	-8.10	99.06	86.06	-15.11	138.55	122.59
Jul-15	37.46	41.46	9.65	94.21	86.54	-8.86	131.67	128.00
Aug-15	33.06	39.98	17.31	96.54	129.76	25.60	129.60	169.74
Sep-15	35.46	36.70	3.38	108.92	104.29	-4.44	144.38	140.99
Oct-15	39.19	38.80	-1.01	117.32	116.67	-0.56	156.51	155.47
Nov-15	31.25	42.11	25.79	94.66	108.89	13.07	125.91	151.00
Dec-15	22.37	24.64	9.23	83.23	99.01	15.94	105.60	123.66
Jan-16	18.80	20.96	10.29	58.73	72.07	18.51	77.53	93.03
Feb-16	19.61	20.00	1.94	74.06	91.40	18.97	93.67	111.40
Mar-16	18.98	20.38	6.86	73.79	86.65	14.84	92.77	107.03
Apr-16	23.53	25.03	5.98	78.79	94.30	16.45	102.32	119.33
May-16	22.54	22.99	1.96	78.02	92.54	15.69	100.56	115.53
Jun-16	30.90	33.34	7.31	96.77	114.10	15.19	127.67	147.44
Jul-16	35.02	35.74	2.01	97.17	115.18	15.63	132.19	150.91
Aug-16	41.77	43.61	4.21	115.77	141.88	18.40	157.54	185.48
Sep-16	43.67	46.58	6.25	119.76	118.50	-1.06	163.43	165.08
Oct-16	34.51	37.64	8.31	102.51	122.73	16.48	137.02	160.37
Nov-16	31.55	31.58	0.10	102.59	112.11	8.50	134.14	143.70
Dec-16	27.15	27.95	2.87	73.25	82.85	11.59	100.40	110.81
Jan-17	17.49	16.18	-8.10	51.59	59.32	13.02	69.08	75.50
Feb-17	11.72	14.64	19.93	63.23	73.40	13.85	74.95	88.04
Mar-17	17.15	18.48	7.17	63.65	68.34	6.86	80.81	86.82
Apr-17	25.02	26.02	3.83	90.17	99.02	8.94	115.18	125.03
12 Mo. TOTAL	338.49	354.73	4.65	1054.49	1199.97	11.92	1392.98	1554.70

Totals reflect Water (ID1 & ID3) and ID4 (ID4 & ID5) . Interties to SA3 are no longer needs to be separated. ID4 and SA5 are combined because all water production is pumped from ID4. All figures are in Acre Feet of water pumped.

WATER LOSS SUMMARY (%)

PROGRAM DID NOT CALCULATE WATER LOSS FOR JANUARY IN TIME FOR THIS REPORT

DATE	WATER	ID-4	ID-5	DISTRICT-WIDE AVERAGE
Apr-17	3.83	8.94	N/A	6.38
12 Mo. Average	4.65	11.92	N/A	8.29



**IVD
GENERAL
MANAGER
REPORT**