

**Borrego Water District Board of Directors**  
**Special Meeting**  
**March 9, 2021 @ 9:00 a.m.**  
**806 Palm Canyon Drive**  
**Borrego Springs, CA 92004**

COVID-19 UPDATE: The Borrego Water District Board of Directors meeting as scheduled in an electronic format. BWD will be providing public access to the Meeting thru electronic means only to minimize the spread of the COVID-19 virus, based upon direction from the California Department of Public Health, the California Governor's Office and the County Public Health Office. Anyone who wants to listen to or participate in the meeting is encouraged to observe the GO TO MEETING

BWD March 9, 2021 Special Board Meeting  
Tue, Mar 9, 2021 9:00 AM - 12:00 PM (PST)  
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**I. OPENING PROCEDURES -**

- A. Call to Order:
- B. Pledge of Allegiance
- C. Roll Call:
  - 1. President Dice, Vice President Brecht, Secretary Duncan, Director Johnson & Director Baker
- D. Approval of Agenda
- E. Comments from the Public & Requests for Future Agenda Items (may be limited to 3 min)
- F. Comments from Directors
- G. Correspondence Received from the Public- None

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

- A. Data Base Hosting and Support for Subbasin Monitoring System - Trey Driscoll, Dudek (3-7)
- B. Award of Project to Rove Engineering and Authorize Notice to Proceed Notice for the Bending Elbow, Weather Vane, Rocking Chair, Walking H and Double O Pipeline Project – Capital Improvement Projects Number 1 and 3A (8-50)
- C. Acceptance of Construction & Authorization to File the Notice of Completion for the De Anza Drive, Yaqui Road and Fairway Lane Pipeline Project – G Poole/D Dale (51-75)
- D. County of San Diego Program for Rental and Utility Support – G Poole/D Johnson (76)

AGENDA: March 9, 2021

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

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

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

- E. Interim Borrego Springs Subbasin Watermaster Board – G Poole, D Duncan/K Dice (77)
  - 1. Update on Board Activities

**III. AD HOC COMMITTEE REPORTS – (78-100)**

- A. Risk Management – Brecht/Dice 2 items
- B. Grant Funding – Dice/Johnson 3 items
- C. Prop 218 and BWD Developers’ Policy – Brecht/Johnson 1 item
- D. Public Outreach – Dice/Baker (VERBAL)

**IV. STAFF REPORTS (101-145)**

- A. Water and Sewer Revenue Update – J. Clabaugh - VERBAL
- B. Well 5-X Schedule Update – D Dale
- C. Santiago Estates Outreach – E Garcia/A Asche/D Dale – VERBAL
- D. Publication of Documents from Prior Board Meetings
  - 1. Fieldman Rolapp Financing Plan Presentation
  - 2. Raftelis Cost of Service Study Update Presentation

**V. CLOSED SESSION:**

- A. Conference with Legal Counsel - Significant exposure to litigation pursuant to paragraph (3) of subdivision (d) of Section 54956.9: (Two (2) potential cases)
- B. Conference with Legal Counsel – Existing Litigation (BWD v. All Persons Who Claim a Right to Extract Groundwater, et al. (San Diego Superior Court case no. 37-2020-00005776)
- C. CYBER SECURITY: Government Code, section 54957(a)

**II. ITEMS FOR BOARD CONSIDERATION AND POSSIBLE ACTION – CONTINUED (146-150)**

**F. RESOLUTION NO 2021-03-01 OF THE BOARD OF DIRECTORS OF BORREGO WATER DISTRICT APPROVING FIRST AMENDMENT TO SETTLEMENT AGREEMENT AND AUTHORIZING BOARD PRESIDENT TO EXECUTE FIRST AMENDMENT AND STIPULATION FOR ENTRY OF JUDGMENT**

- VI. CLOSING PROCEDURE:** The next Board Meeting is scheduled for 9:00 AM March 23, 2021 to be available online. See Board Agenda at [BorregoWD.org](http://BorregoWD.org) for details, Agenda information available at least 72 hours before the meeting.

AGENDA: March 9, 2021

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BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.A

March 4, 2021

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Data Base Hosting and Support for Subbasin Monitoring System - Trey Driscoll, Dudek

**RECOMMENDED ACTION:**

Discuss Hosting and Direct Staff as Deemed Appropriate

**ITEM EXPLANATION:**

Attached is a Proposal from Dudek Engineering to host and manage a data base for Borrego Springs Sub Basin. The Data Management System was created as part of the Groundwater Sustainability Planning process by The County of SD/BWD.

**NEXT STEPS:**

A. TBD

**FISCAL IMPACT:**

\$15,175/year

**ATTACHMENTS:**

1. Dudek Proposal: IN EMAIL FROM LYLE ON AD HOC COMMITTEES

March 12, 2020

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

*Subject: Scope and Fee for Hosting, Data Management, and Support Services for the Borrego Valley Groundwater Basin Data Management System*

Dear Mr. Poole:

Under this Scope of Work, Dudek will provide one year of hosting, data management, and support services for the Borrego Valley Groundwater Basin (BVGB) Data Management System (DMS), including:

- Hosting and Maintenance
  - Hosting of the DMS components on Dudek-managed servers
  - Ongoing server and software maintenance/upgrades
- Data Management
  - Semi-annual processing and import of groundwater level monitoring data
  - Semi-annual processing and import of groundwater quality monitoring data
  - Monthly processing and import of water well production data
  - As-needed processing and import of weather station data
- Reactive Support
  - Up to 24 hours of reactive support, which would be billed on a time-and-materials basis and may alternatively be used for technical support and/or functionality enhancements.

# 1 Scope of Services

## 1.1 Task 1: Hosting and Maintenance

During the year term of this scope, we will host the DMS components on Dudek-managed servers, and we will keep the DMS components up-to-date with software and security patches. We will also correct defects (i.e., “bugs”) should they be discovered.

In its current state (version 0.10.3), the DMS includes the following components:

- Two browser-based ArcGIS Web Applications (one read-only, the other editable)
- One offline-capable Collector for ArcGIS map (used for mobile/field data access and collection)
- One ArcGIS Server Geoprocessing Service

- Four ArcGIS Server Map Services
- One ESRI Enterprise Geodatabase (SQL Server 2016)
- Two server-side recurring jobs for data validation/cleanup and Excel summary generation
- Four server-side scripts for importing data:
  - Semi-annual groundwater level monitoring data
  - Semi-annual groundwater quality monitoring data
  - Monthly well production data
  - Monthly weather data
- Two named users:
  - bwduser@dudekpubs.com (Field Worker access)
  - PDS.Groundwater@dudekpubs.com (Viewer access)

### Assumptions

- We anticipate the structure of the DMS will remain stable during this ongoing maintenance phase; requests for functionality enhancements that would require alterations in database structure and/or expansion of applications may require an additional fee (such requests would be considered on a case-by-case basis, and may be feasible to implement using the reactive support hours provided in Task 3).
- Additional “Viewer” users could be added by request at \$120/year each; additional “Field Worker” named users would cost \$470/year each if desired. The annual cost of named users includes access to ESRI ArcGIS applications as well as the Microsoft SharePoint Portal.
- Dudek is currently hosting the BVGB DMS under the “dudek.com” domain; should the Watermaster or Borrego Water District wish to move the two DMS ArcGIS Web Applications to a new domain, we can certainly accommodate this request (there would be an additional fee for the new domain registration and associated SSL certificate).
- The annual cost of hosting may change in subsequent years based on actual hardware and software costs required to host the DMS.

**Cost for Task 1 ..... \$4,630.00**

## 1.2 Task 2: Data Management

The DMS currently holds data for 27 weather stations and 152 wells. Of the wells:

- 45 are in the Groundwater Elevation Monitoring Program
- 35 are in the Groundwater Quality Monitoring Program
- 66 are in the Groundwater Modeling Program

The DMS database allows for historical and current data to be linked to each well feature including groundwater levels, groundwater quality, production volumes, and well metadata such as construction information. The weather stations similarly may data points such as temperature, barometric pressure, and precipitation.

During the year term of this scope, we will process and import incoming monitoring data for both wells and weather stations as-needed.

**Assumptions**

- We expect the number of wells and weather stations to remain relatively constant in the DMS; if many additional wells and/or weather stations are requested for inclusion in the DMS we may need to request an additional fee for data discovery and management of the new features.
- Monitoring data for groundwater levels, groundwater quality, and well production will be provided in an electronic format that facilitates scripted import (such as Microsoft Excel workbook); where applicable, data will conform to existing DMS standards and data dictionaries.
- Semi-annual monitoring data for groundwater levels and groundwater quality will be imported after each survey event; we anticipate receiving water level/quality monitoring data for up to 50 wells.
- Monthly well production data will be imported up to 12 times annually, and we anticipate receiving well production data for up to 80 water wells.

**Cost for Task 2 ..... \$6,105.00**

**1.3 Task 3: Reactive Support**

From our experience, it is important to plan for unexpected support needs during the hosting term. Should technical support or user training be required, or should the project team wish to extend or augment the functionality of the DMS to meet upcoming reporting or analytical needs, this budget will facilitate up to 24 hours of labor to handle such requests without the need for a contract amendment. We find these needs to generally be intermittent

**Assumptions**

- If/when 20 of the 24 reactive support hours are consumed, we will coordinate with the project team to see if more hours would be needed through a contract amendment; if reactive support hours have not been consumed by the end of the hosting term, these may be rolled over into the next annual hosting contract.


**Cost for Task 3 ..... \$4,440.00**

## Cost Summary

Task	Cost
<b>Task 1: Hosting and Maintenance</b> <ul style="list-style-type: none"><li>• Hosting: \$1,820 (includes server hosting of DMS components listed above)</li><li>• Named Users: \$590 (1 Field Worker @ \$470, 1 Viewer @ \$120)</li><li>• Maintenance: \$2,220 (12 hours @ \$185/hr)</li></ul>	\$4,630
<b>Task 2: Data Management</b> <ul style="list-style-type: none"><li>• 33 hours @ \$185/hr</li></ul>	\$6,105
<b>Task 3: Reactive Support</b> <ul style="list-style-type: none"><li>• 24 hours @ \$185/hr</li></ul>	\$4,440
<b>Total</b>	<b>\$15,175</b>

Should you have any questions, please do not hesitate to contact me at 760.415.1425 or tdriscoll@dudek.com.

Sincerely,

  
Trey Driscoll, PG No. 8511, CHG No. 936  
Principal Hydrogeologist/Project Manager

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.B

March 4, 2021

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Award of Project to Rove Engineering and Authorize Notice to Proceed Notice for the Bending Elbow, Weather Vane, Rocking Chair, Walking H and Double O Pipeline Project – Capital Improvement Projects Number 1 and 3A

**RECOMMENDED ACTION:**

Approve and award the project to the lowest responsive bidder for the Bending Elbow, Weather Vane, Rocking Chair, Walking H and Bending Elbow Project. Authorize the General Manager to sign an agreement with ROVE Engineering, Inc. for construction in the amount of \$458,405.00.

**ITEM EXPLANATION:**

The District's water distribution system is aging. Some parts of the distribution system were installed in the 1960's and are starting to reach their life expectancy. The pressure in the system is over 100psi in many areas.

Each year there are costly water pipe breaks that the District repairs. The CIP has included these costs as routine repairs each year.

The District's water distribution system was piecemealed together over time as the District took over smaller Districts in the area. The smaller pipelines were interconnected to the BWD system at the time of the mergers.

This project was identified by Staff as the most pressing water pipeline replacement project because of the lack of proper fire flow and frequent water pipeline breaks in these locations. The project will include six- and eight-inch diameter pipelines, new fire hydrants and service laterals to existing homes. The fire hydrants were strategically located within 500 feet of existing structures.

The project was designed and the contract documents were prepared by BWD Staff. On January 27, 2021, the Board authorized bidding the project. On March 2, 2021 at 2:00 p.m., 10 bids were received and opened for the project.

The following bids were received:

- |                         |              |
|-------------------------|--------------|
| 1. Kay Construction Co. | \$720,710.00 |
| 2. Transstar Pipeline   | \$545,520.00 |
| 3. M-Rae Engineering    | \$649,919.00 |
| 4. Peltzer Plumbing     | \$856,239.00 |



5. Frederick's Services	\$490,901.00
6. TE Roberts	\$594,546.00
7. Genesis Construction	\$540,444.00
8. A&R Construction	\$461,354.00
9. ROVE Engineering, Inc.	\$458,405.00
10. AB Hashmi, Inc.	\$686,345.00

ROVE Engineering, Inc. is the apparent lowest responsive bidder, with a proposed cost at \$458,405.00. The Engineer's Estimate is \$501,195.00.

**NEXT STEPS**

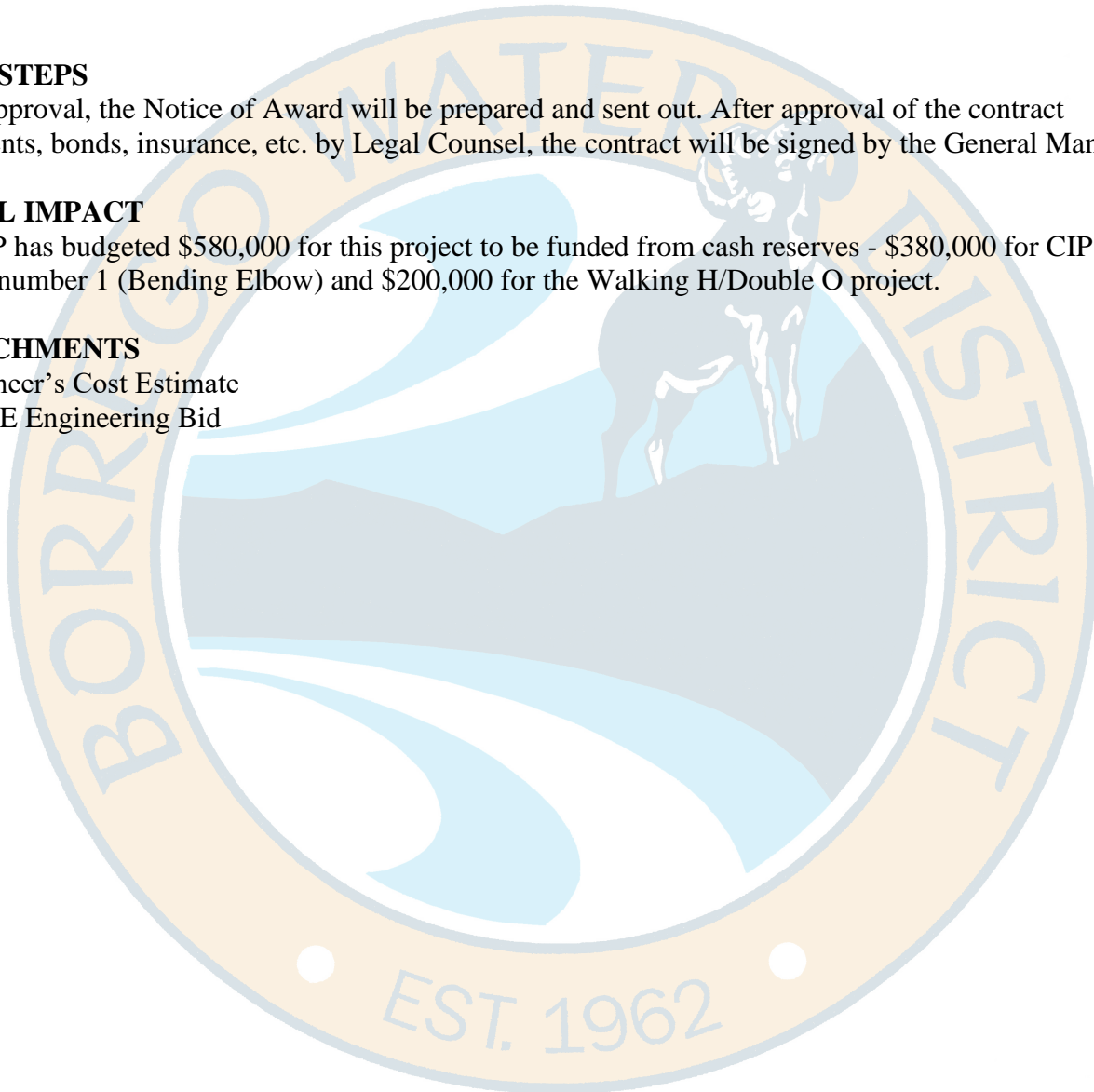
Upon approval, the Notice of Award will be prepared and sent out. After approval of the contract documents, bonds, insurance, etc. by Legal Counsel, the contract will be signed by the General Manager.

**FISCAL IMPACT**

The CIP has budgeted \$580,000 for this project to be funded from cash reserves - \$380,000 for CIP project number 1 (Bending Elbow) and \$200,000 for the Walking H/Double O project.

**ATTACHMENTS**

1. Engineer's Cost Estimate
2. ROVE Engineering Bid



BORREGO WATER DISTRICT  
 Bending Elbow, Rockingchair, Weather Vane, Walking H and Double O Pipeline Project  
 1/18/2021

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
1	1	LS	Mobilization of equipment and material, Performance Bond, Payment Bond, General Liability Insurance, Workman's Compensation Insurance, Construction water, freight, project signs, Air pollution control district requirements and fees, Restroom Facilities, Vehicle Insurance, Taxes, Permits, Business license, and Similar expenses and other costs not specifically addressed within this bid item list.	\$ 45,000.00	\$ 45,000.00
2	1	LS	Preparation and Implementation of Dust Control Plan Per San Diego County Air Pollution Control District	\$ 2,500.00	\$ 2,500.00
3	1	LS	Preparation of Traffic Control Plan, Implementation of Traffic Control and Construction Area Signs	\$ 1,500.00	\$ 1,500.00
4	1	LS	Potholing of the Existing Underground Utilities and Pipelines as indicated on Improvement Plans.	\$ 4,000.00	\$ 4,000.00
5	1,075	LF	Sawcut/grind out Existing AC Pavement	\$ 7.00	\$ 7,525.00
6	1,350	SF	Remove and Dispose of AC Pavement and Underlying Base Material	\$ 3.00	\$ 4,050.00
7	1,440	LF	Furnish and Install New 6-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Backfill and Compaction.	\$ 38.00	\$ 54,720.00
8	3,400	LF	Furnish and Install New 8-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Backfill and Compaction.	\$ 48.00	\$ 163,200.00
9	500	CYS	Furnish and install Import sand material for backfilling the water pipe.	\$ 60.00	\$ 30,000.00
10	13	EA	Install 1 inch Water Lateral including Connection to 8" Water Main, 1 Inch Copper Pipe to Property Line and 1 inch Bronze Angle Meter Stop with Lockwing. (Do not include Water Meter, Meter box and Shut Off Valve).	\$ 1,200.00	\$ 15,600.00
11	11	LS	Install 1 inch Water Lateral (Via Directional Drill under Paved Road) including Connection to 8" Water Main, 1 Inch Copper Pipe to Property Line and 1 inch Bronze Angle Meter Stop with Lockwing. (Do not include Water Meter, Meter box and Shut Off Valve).	\$ 1,800.00	\$ 19,800.00
12	12	EA	Furnish and Install New 8-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 2,700.00	\$ 32,400.00
13	7	EA	Furnish and Install New 6-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 1,900.00	\$ 13,300.00

BORREGO WATER DISTRICT  
 Bending Elbow, Rockingchair, Weather Vane, Walking H and Double O Pipeline Project  
 1/18/2021

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
14	2	EA	Install New 8-Inch x 8-inch x 8-inch x 8-inch Dia. Cross Including Thrust Block.	\$ 2,200.00	\$ 4,400.00
15	2	EA	Furnish and Install New 8 inch x 8 inch x 8-Inch Dia. Epoxy-Coated Ductile Iron Tee and thrust block	\$ 1,900.00	\$ 3,800.00
16	1	EA	Furnish and Install New 8 inch x 8 inch x 6-Inch Dia. Epoxy-Coated Ductile Iron Tee and thrust block	\$ 1,900.00	\$ 1,900.00
17	3	EA	Furnish and Install 6-inch x 4-inch DI Reducer Fitting	\$ 500.00	\$ 1,500.00
18	1	EA	Furnish and Install 2-inch Blow-Off Assembly	\$ 2,000.00	\$ 2,000.00
19	7	EA	Furnish and Install 6-inch MJxMJ 22.5 DI Degree Bend	\$ 750.00	\$ 5,250.00
20	3	EA	Furnish and Install 6-inch MJxMJ 11.25 DI Degree Bend	\$ 750.00	\$ 2,250.00
21	1	EA	Furnish and Install 6x6x6x6 DI Cross	\$ 1,250.00	\$ 1,250.00
22	1	LS	Connect New 6-inch PVC Pipe to Existing 2-inch Service Pipe with a 2-inch Stainless Steel Saddle, Approximately 30 feet of 2-inch Sch. 40 PVC Pipe and fittings.	\$ 1,500.00	\$ 1,500.00
23	2	EA	Furnish and Install 6-inch Blind Flange and Thrust Block	\$ 300.00	\$ 600.00
24	1	EA	Furnish and Install 8-inch Blind Flange and Thrust Block	\$ 400.00	\$ 400.00
25	6	EA	Furnish and Install New Fire Hydrant Assembly Including 6" Lateral, 6" Gate Valve and Valve Can	\$ 8,500.00	\$ 51,000.00
26	5	EA	Furnish and Install New 4-Inch Dia. Epoxy-Coated Ductile Iron Transition Coupling Adapter with Stainless Steel Hardware	\$ 950.00	\$ 4,750.00
27	40	Tons	Install 4 Inches of AC Pavement 3/4" Type III Class B3 (Per San Diego County Standards and Specifications)	\$ 300.00	\$ 12,000.00
28	40	CYS	Install 9 Inches of Class II Base	\$ 100.00	\$ 4,000.00
29	1	LS	Contractor to Complete Hydrostatic Pressure Testing per Specifications.	\$ 3,000.00	\$ 3,000.00
30	1	LS	Contractor to Complete Disinfection of the New Pipeline per Specifications	\$ 3,000.00	\$ 3,000.00
31	1	LS	San Diego County Encroachment Permit Fee Allowance. Contractor to obtain encroachment permit. If permit fees exceed or are less than the allowance fee, a change order or deductive change order based on the actual cost of the permit fees only will be processed to cover the difference.	\$ 5,000.00	\$ 5,000.00

<b>Total Base Bid Items: \$</b>	<b>501,195.00</b>
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**00 41 43 – BID FORMS**

1.1 Bid.

Bids will be received at the Office of the Borrego Water District, located at 806 Palm Canyon Drive, Borrego Springs, California 92004 until **2:00 p.m. on Tuesday, March 2, 2021.**

**NAME OF BIDDER:** Rove Engineering, Inc.

To the General Manager  
of the Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, California 92004

The undersigned hereby declare that we have carefully examined the location of the proposed Work, and have read and examined the Contract Documents, including all plans, specifications, and all addenda, if any for the following Project:

**BENDING ELBOW, WEATHER VANE AND ROCKING CHAIR DRIVE PIPELINES Project**

We hereby propose to furnish all labor, materials, equipment, tools, transportation, and services, and to discharge all duties and obligations necessary and required to perform and complete the Project, as described and in strict conformity with the Drawings, and these Specifications for TOTAL BID PRICE indicated herein.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

Addenda No. 1 (One), 2 (Two), 3 (Three)

1. Attached is the required Bid Guarantee in the amount of not less than 10% of the Total Bid Price.
2. Attached is the completed Designation of Subcontractors form.
3. Attached is the fully executed Noncollusion Declaration form.
4. Attached is the completed Iran Contracting Act Certification form.
5. Attached is the completed Public Works Contractor Registration Certification form.
6. Attached is the completed Contractor's Certificate Regarding Workers' Compensation form.
7. Attached is the completed Bidder Information and Experience form.

**BORREGO WATER DISTRICT**

**Bending Elbow, Weather Vane, Rocking Chair Drive, Walking H and Double O  
Pipelines Project**

**ADDENDUM NO. 03**

**Date:** 2/25/2021  
**To:** Prospective Bidders/Plan Holders  
**From:** David Dale, PE  
BWD District Engineer  
Telephone: 760-767-5806  
Email: ddale@borregowd.org

*This addendum forms a part of the contract documents and modifies the original bidding documents. Addenda shall be noted as received and acknowledged on Bid Proposal form when submitted as outlined in the Bid Package referenced above.*

**Failure to properly acknowledge all Addenda on the Bid Form may be cause for rejection of bid.**

**Total 8 pages**

1. Replace the BID SCHEDULE with the attached BID SCHEDULE dated 2/25/21. The only difference is item 31, "San Diego County Encroachment Permit Fee Allowance" is now \$10,000 for all bidders. If permit fees exceed or are less than the allowance fee, a change order or deductive change order based on the actual cost of the permit fees only will be processed to cover the difference.
2. Revise the Contract:
  - a. **TIME FOR COMPLETION.** Time is of the essence in the performance of the Work. The Work shall be commenced on the date stated in the DISTRICT's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **ONE HUNDRED TWENTY (120) CALENDAR DAYS** from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the time for completion set forth above is adequate and reasonable to complete the Work.
3. Revise the Fire Hydrant requirements. Fire Hydrants shall be James Jones, Clow or approved equal. The fire hydrants shall have three outlets – (1) 4-inch outlet and (2) 2.5-inch outlets. Fire hydrants shall be composed of bronze or stainless steel. Cast iron fire hydrants shall not be accepted.

**Borrego Water District Non-Mandatory Prebid Meeting  
Project 1 – Wastewater Treatment Plant Rehabilitation  
Project 2 – Bending Elbow Pipeline  
February 9, 2021  
4861 Borrego Springs Rd  
Borrego Springs Ca 92004**

**1. Introductions:**

**Staff Present:** David Dale  
Roy Martinez  
Esmeralda L. Garcia

**Potential Bidders:** GSE CONSTRUCTION - Lukas Braun  
ROVE ENGINEERING - Ted Vogel  
ROVE ENGINEERING - James Clark  
A&R CONSTRUCTION - Johnnie Comb  
BROX - Don Hardie  
FREDRICKS SERVICES - Jake Fredricks  
METRO BUILDERS - Richard Quatrocen

**Online GOTO:** PACIFIC HYDROTECH - Jo  
GENESIS – Tia Clark  
Peter Kloger  
TE Roberts

**2. PROJECT FUNDING**

District Engineer David Dale advised potential bidders that funding for the projects were government/grant funded for the Wastewater Rehabilitation this meant that there were special requirements for the bidders and that the District would be extending the bid for two weeks, allowing bidders to advertise for 30 days to meet the DBE requirement for section 00630. The District would be funding the Bending Elbow Project. David Dale advised that documents and addendums were available online and advised potential bidders to register so the Water District was able to notify and forward addendums as they were added for both projects, bidders were recommended to view the website from time to time to ensure they had all updated addendums.

**3. ENGINEERS ESTIMATE**

David Dale did advise that for the wastewater treatment plant project the estimate was written in 2018, he advised district understood it would be higher due to time passed.

The estimate for the Bending Elbow project was current.

**4. PERMITS**

David Dale stated to potential bidders that there would be zero permits needed for the Wastewater project from the county, but there would be one needed for the Bending Elbow project he advised it did take a while to get that permit, and advised that time was taken into account for the bending elbow project.

5. **CONSTRUCTION STAKING**  
Both projects will be covered by the district.
6. **GEOTECHNICAL REPORT/TESTING**  
Both projects will be covered by the district.
7. **LABOR COMPLIANCE**  
District will be hiring company to ensure labor compliance is done correctly, especially for the wastewater treatment plant were due to funding compliance is critical.
8. **DBE ADVERTISEMENT REQUIREMENTS**  
Bidders have to advertise for 30 days, other requirements as well but this is the most important one, bidders advised that bids can be cancelled if not done correctly, extended until March 16, 2021 to accommodate the advertising requirement.
9. **PROJECT DURATION, OVERVIEW AND SEQUENCE OF EVENTS**  
For wastewater treatment plant bidder referred to addendum number 2, specs called for two months District extended it to five months, grant funding has stipulation that project must be completed by December 12, 2021.  
  
For waterline time frame is not as critical, 3 months was listed in the specs (correction – the specifications indicate 60 calendar days).
10. **TECHNICAL ISSUES**  
Bidders advised that hardcopies are available for purchase if needed at \$50 a set.
11. **AMERICAN IRON AND STEEL REQUIREMENT**  
For the Wastewater treatment project there is an American Steel Iron requirement, it is a requirement from the funding source, the water pipeline does not require domestic steel.
12. **CONSTRUCTION WATER**  
The District will provide water at no cost, waterline project may require meter and backflow prevention, but water would be provided at no cost.
13. **LIQUIDATED DAMAGES - \$2,500/DAY**  
Wastewater treatment plant it is critical that it is completed by December 12, 2021 there is a liquidated damage charge of \$2500 per day, for waterline project we can add what is needed no time constraints.
14. **RESTROOM FACILITIES**  
Wastewater treatment plant project would need restrooms the plant restrooms would be available to them for use.

Waterline project may need a portapotty.

**15. REVIEW ADDENDUMS**

Two addendums out already for both project, bidders reminded to register and check website from time to time, advised that the District would send out new addendums to those that have registered.

**16. PROPOSAL FORMS**

Bidders advised that they were available online and that bidder may have already reviewed spec and may have questions, meeting was held at treatment plant so bidders had the opportunity to view what was needed.

**17. CONTRACTOR QUESTIONS:**

1. ***What is the Funding Source?***

Funding source for wastewater treatment plant is funding through State Grant. It has been confirmed that the district will pay invoices immediately and then be reimbursed by the State; therefore the Contractor will not need to wait for the State to receive payment.

2. ***Is there a soils report available?***

No, not for either project, it was not needed, for water pipeline project in the "Double O" in the project the specs state that there may have a need to import sand due to the area being rocky.

3. ***For the clarifier, specs call for removal bottom 2 inches and grout, can it be patched?***

Question was asked earlier, so this will be addressed in addendum number 3.

4. ***Are these 2 sperate jobs/bids?***

Yes, these are two sperate bids. They just happen to be bidding at the same time, bid for water pipeline project will be bidding on March 2, 2021 and wastewater project bid would be on 03/16/2021 per Addendum 3.

Mr. David Dale asked if there were any additional questions and advised that a bidders list would be published, potential bidders present were then invited to walk the property to view areas of the project, and meeting was ended.



## BORREGO WATER DISTRICT

Bending Elbow, Weather Vane, Rocking Chair Drive, Walking H and Double O  
Pipelines Project

### ADDENDUM NO. 02

**Date:** 2/5/2021  
**To:** Prospective Bidders/Plan Holders  
**From:** David Dale, PE  
BWD District Engineer  
Telephone: 760-767-5806  
Email: ddale@borregowd.org

*This addendum forms a part of the contract documents and modifies the original bidding documents. Addenda shall be noted as received and acknowledged on Bid Proposal form when submitted as outlined in the Bid Package referenced above.*

**Failure to properly acknowledge all Addenda on the Bid Form may be cause for rejection of bid.**

**Total 1 page**

1. The prebid meeting will be in person and will also be virtual. Interested parties can attend at the site, or virtually through the gotomeeting site. The meeting will be held concurrently with the WWTP Rehabilitation Project prebid meeting.

Borrego Water District Pre-Bid Meeting  
Tue, Feb 9, 2021 2:30 PM - 3:30 PM (PST)

**Please join my meeting from your computer, tablet or smartphone.**  
<https://global.gotomeeting.com/join/710522165>

**You can also dial in using your phone.**  
United States: [+1 \(872\) 240-3212](tel:+18722403212)

**Access Code:** 710-522-165

2. Note on the proposal form an acknowledgement (by hand) of this Addendum.

**END OF ADDENDUM 2**

**BORREGO WATER DISTRICT**

**Bending Elbow, Weather Vane, Rocking Chair Drive, Walking H and Double O  
Pipelines Project**

**ADDENDUM NO. 01**

**Date:** 2/3/2021  
**To:** Prospective Bidders/Plan Holders  
**From:** David Dale, PE  
BWD District Engineer  
Telephone: 760-767-5806  
Email: ddale@borregowd.org

*This addendum forms a part of the contract documents and modifies the original bidding documents. Addenda shall be noted as received and acknowledged on Bid Proposal form when submitted as outlined in the Bid Package referenced above.*

**Failure to properly acknowledge all Addenda on the Bid Form may be cause for rejection of bid.**

**Total 1 page**

1. Remove the following statement from page 6, first paragraph of the contract documents, "Bids will not be accepted from any bidder who did not attend the mandatory Pre-Bid Conference." The Pre-Bid conference is NON-MANDATORY, and is scheduled for February 9, 2021 at 2:30 p.m. Bids will be accepted from bidders who did not attend the pre-bid conference.
2. Note on the proposal form an acknowledgement (by hand) of this Addendum.

**END OF ADDENDUM 1**

**A. BID SCHEDULE – ADDENDUM 3**

**2/25/21**

ITEM	QUAN	UNIT	ITEM	UNIT COST	AMOUNT
1	1	LS	Mobilization of equipment and material, Performance Bond, Payment Bond, General Liability Insurance, Workman's Compensation Insurance, Construction water, freight, project signs, Air pollution control district requirements and fees, Restroom Facilities, Vehicle Insurance, Taxes, Permits, Business license, and Similar expenses and other costs not specifically addressed within this bid item list.	\$ 38,500.00	\$ 38,500.00
2	1	LS	Preparation and Implementation of Dust Control Plan Per San Diego County Air Pollution Control District	\$ 1000.00	\$ 1000.00
3	1	LS	Preparation of Traffic Control Plan, Implementation of Traffic Control and Construction Area Signs	\$ 5,000.00	\$ 5,000.00
4	1	LS	Potholing of the Existing Underground Utilities and Pipelines as indicated on Improvement Plans.	\$ 10,000.00	\$ 16,000.00
5	1,075	LF	Sawcut/grind out Existing AC Pavement	\$ 5.00	\$ 5,375.00
6	1,350	SF	Remove and Dispose of AC Pavement and Underlying Base Material	\$ 3.00	\$ 4,050.00
7	1,440	LF	Furnish and Install New 6-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Backfill and Compaction.	\$ 27.00	\$ 38,880.00
8	3,400	LF	Furnish and Install New 8-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Backfill and Compaction.	\$ 30.00	\$ 102,000.00
9	500	CYS	Furnish and install Import sand material for backfilling the water pipe.	\$ 47.00	\$ 23,500.00

10	13	EA	Install 1 inch Water Lateral including Connection to 8" Water Main, 1 Inch Copper Pipe to Property Line and 1 inch Bronze Angle Meter Stop with Lockwing. (Do not include Water Meter, Meter box and Shut Off Valve).	\$ 2,200.00	\$ 28,600.00
11	11	LS	Install 1 inch Water Lateral (Via Directional Drill under Paved Road) including Connection to 8" Water Main, 1 Inch Copper Pipe to Property Line and 1 inch Bronze Angle Meter Stop with Lockwing. (Do not include Water Meter, Meter box and Shut Off Valve).	\$ 2,200.00	\$ 24,200.00
12	12	EA	Furnish and Install New 8-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 2,600.00	\$ 31,200.00
13	7	EA	Furnish and Install New 6-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 2,500.00	\$ 17,500.00
14	2	EA	Install New 8-Inch x 8-inch x 8-inch x 8-inch Dia. Cross Including Thrust Block.	\$ 2,200.00	\$ 4,400.00
15	2	EA	Furnish and Install New 8 inch x 8 inch x 8-Inch Dia. Epoxy-Coated Ductile Iron Tee and thrust block	\$ 2,000.00	\$ 4,000.00
16	1	EA	Furnish and Install New 8 inch x 8 inch x 6-Inch Dia. Epoxy-Coated Ductile Iron Tee and thrust block	\$ 2,000.00	\$ 2,000.00
17	3	EA	Furnish and Install 6-inch x 4-inch DI Reducer Fitting	\$ 2,000.00	\$ 6,000.00
18	1	EA	Furnish and Install 2-inch Blow-Off Assembly	\$ 7,000.00	\$ 7,000.00
19	7	EA	Furnish and Install 6-inch MJxMJ 22.5 DI Degree Bend	\$ 1,000.00	\$ 7,000.00
20	3	EA	Furnsh and Install 6-inch MJxMJ 11.25 DI Degree Bend	\$ 1,200.00	\$ 3,600.00

21	1	EA	Furnish and Install 6x6x6x6 DI Cross	\$ 1,900.00	\$ 1,900.00
22	1	LS	Connect New 6-inch PVC Pipe to Existing 2-inch Service Pipe with a 2-inch Stainless Steel Saddle, Approximately 30 feet of 2-inch Sch. 40 PVC Pipe and fittings.	\$ 3,200.00	\$ 3,200.00
23	2	EA	Furnish and Install 6-inch Blind Flange and Thrust Block	\$ 750.00	\$ 1,500.00
24	1	EA	Furnish and Install 8-inch Blind Flange and Thrust Block	\$ 1,200.00	\$ 1,200.00
25	6	EA	Furnish and Install New Fire Hydrant Assembly Including 6" Lateral, 6" Gate Valve and Valve Can	\$ 7,300.00	\$ 43,800.00
26	5	EA	Furnish and Install New 4-Inch Dia. Epoxy-Coated Ductile Iron Transition Coupling Adapter with Stainless Steel Hardware	<del>\$ 4,000.00</del> 500.00	\$ 2,500.00
27	40	Tons	Install 4 Inches of AC Pavement 3/4" Type III Class B3 (Per San Diego County Standards and Specifications)	\$ 475.00	\$ 19,000.00
28	40	CYS	Install 9 Inches of Class II Base	\$ 150.00	\$ 6,000.00
29	1	LS	Contractor to Complete Hydrostatic Pressure Testing per Specifications.	\$ 2,500.00	\$ 2,500.00
30	1	LS	Contractor to Complete Disinfection of the New Pipeline per Specifications	\$ 3,000.00	\$ 3,000.00
31	1	LS	San Diego County Encroachment Permit Fee Allowance. Contractor to obtain encroachment permit. If permit fees exceed or are less than the allowance fee, a change order or deductive change order based on the actual cost of the permit fees only will be processed to cover the difference.	\$ 10,000	\$ 10,000

The costs for any Work shown or required in the Contract Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the Work.

In case of discrepancy between the Unit Price and the Item Cost set forth for a unit basis item, the unit price shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Item Cost" column, then the amount set forth in the "Item Cost" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Price.

For purposes of evaluating Bids, the DISTRICT will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

The estimated quantities for Unit Price items are for purposes of comparing Bids only and the DISTRICT makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the Engineer from measured quantities of work performed based upon the Unit Price.

**B. TOTAL BID PRICE FOR BID SCHEDULE:**

TOTAL BID PRICE BASED ON BID SCHEDULE (BID ITEMS 1 – 31) TOTAL OF UNIT PRICES	
FOR: BENDING ELBOW, WEATHER VANE AND ROCKING CHAIR DRIVE PIPELINES Project	
\$ 458,405.00	_____
	Total Bid Price (Numerical)
\$ Four hundred fifty eight thousand, four hundred five dollars	_____
	Total Bid Price (Written Word) and $\frac{00}{100}$ cents.
In case of discrepancy between the written price and the numerical price, the written price shall prevail.	

The undersigned agrees that this Bid Form constitutes a firm offer to the DISTRICT which cannot be withdrawn for the number of calendar days indicated in the Notice Inviting Bids from and after the Bid opening, or until a Contract for the Work is fully executed by the DISTRICT and a third party, whichever is earlier.

The DISTRICT can choose to include any, all, or none of the Alternate Bid items in the Work. If the DISTRICT selects any of the Alternate Bid items, the corresponding Alternate Bid prices shall be added to Base Bid Price for the Work. The DISTRICT can award/select Alternate Bid items at any time(s).

The successful bidder hereby agrees to sign the contract and furnish the necessary bonds and certificates of insurance within ten (10) working days after the DISTRICT provides the successful bidder with the Notice of Award.

Upon receipt of the signed contract and other required documents, the contract will be executed by the DISTRICT, after which the DISTRICT will prepare a letter giving Contractor Notice to Proceed. The official starting date shall be the date of the Notice to Proceed, unless otherwise specified. The undersigned agrees to begin the Work within ten (10) working days of the date of the Notice to Proceed, unless otherwise specified.

The undersigned has examined the location of the proposed work and is familiar with the Drawings and Specifications and the local conditions at the place where work is to be done.

If awarded the contract, the undersigned agrees that there shall be paid by the undersigned and by all subcontractors to all laborers, workers and mechanics employed in the execution of such contract no less than the prevailing wage rate within San Diego County for each craft, classification, or type of worker needed to complete the Work contemplated by this contract as established by the Director of the Department of Industrial Relations. A copy of the prevailing rate of per diem wages are on file at the DISTRICT's Administration Office and shall be made available to interested parties upon request.

Enclosed find cash, bidder's bond, or cashier's or certified check No. \_\_\_\_\_ from the \_\_\_\_\_ Bank in the amount of 10% of bid amount, which is not less than ten percent (10%) of this bid, payable to Borrego Water District as bid security and which is given as a guarantee that the undersigned will enter into a contract and provide the necessary bonds and certificates of insurance if awarded the Work.

The bidder furthermore agrees that in case of bidder's default in executing said contract and furnishing required bonds and certificates of insurance, the cash, bidder's bond, or cashier's or certified check accompanying this proposal and the money payable thereon shall become and shall remain the property of the Borrego Water District.

Bidder is an individual \_\_\_\_\_, or corporation X, or partnership \_\_\_\_\_, organized under the laws of the State of California.

Bidder confirms license(s) required by California State Contractor's License Law for the performance of the subject project are in full effect and proper order. The following are the Bidder's applicable license number(s), with their expiration date(s) and class of license(s):

1046101 10/31/2022 A



CONTRACTORS  
STATE LICENSE BOARD  
ACTIVE LICENSE



License Number **1046101**

Entity **CORP**

Business Name **ROVE ENGINEERING INC**

Classification **A**

Expiration Date **10/31/2022**

[www.cslb.ca.gov](http://www.cslb.ca.gov)





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If the Bidder is a joint venture, each member of the joint venture must include the required licensing information.

Sureties that will furnish the Faithful Performance Bond and the Labor and Material Payment Bond, in the form specified herein, in an amount equal to one hundred percent (100%) of the contract price within ten (10) working days from the date the DISTRICT provides the successful bidder the Notice of Award. Sureties must meet all of the State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120 and must be authorized by the State of California.

The insurance company or companies to provide the insurance required in the contract documents must have a Financial Strength Rating of not less than "A-" and a Financial Size Category of not less than "Class VII" according to the latest Best Key Rating Guide. At the sole discretion of the DISTRICT, the DISTRICT may waive the Financial Strength Rating and the Financial Size Category classifications for Workers' Compensation insurance.

(signatures continued on next page)

I hereby certify under penalty of perjury under the laws of the State of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

Executed at El Centro, CA, on this 2nd day of March, 2021.

(Bidders Name – Print or Type)

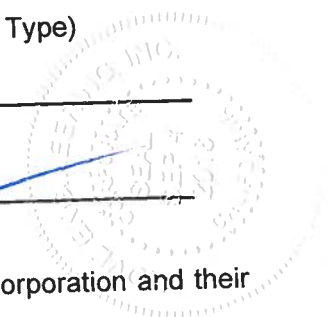
Yessenia Eugenio

Corporate Secretary

(Name and Title)

(Corporate Seal)

(Signature)



Names of individual members of firm or names and titles of all officers of corporation and their addresses are listed below:

Name Steven Eugenio Title President

Complete Address 399 S. Haskel Drive, El Centro, CA 92243

Phone (760) 425-0001 FAX None

Name Yessenia Eugenio Title Corporate Secretary

Complete Address 399 S. Haskel Drive, El Centro, CA 92243

Phone (760) 425-0001 FAX None

Name N/A Title \_\_\_\_\_

Complete Address \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

Name N/A Title \_\_\_\_\_

Complete Address \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

1.2 Bid Bond

[Note: Not required when other form of Bidder's Security, e.g. cash, certified check or cashier's check, accompanies bid.]

The makers of this bond are, Rove Engineering, Inc., as Principal, and Argonaut Insurance Company, as Surety and are held and firmly bound unto the Borrego Water District, hereinafter called the DISTRICT, in the penal sum of TEN PERCENT (10%) OF THE TOTAL BID PRICE of the Principal submitted to DISTRICT for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid dated March 2, 20 21, for Bending Elbow, Weather Vane and Rocking Chair Pipeline Project

If the Principal does not withdraw its Bid within the time specified in the Contract Documents; and if the Principal is awarded the Contract and provides all documents to the DISTRICT as required by the Contract Documents; then this obligation shall be null and void. Otherwise, this bond will remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents shall affect its obligation under this bond, and Surety does hereby waive notice of any such changes.

In the event a lawsuit is brought upon this bond by the DISTRICT and judgment is recovered, the Surety shall pay all litigation expenses incurred by the DISTRICT in such suit, including reasonable attorneys' fees, court costs, expert witness fees and expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this 24th day of February, 20 21, the name and corporate seal of each corporation.

(Corporate Seal)

Rove Engineering, Inc.  
Contractor/ Principal  
By [Signature]  
Title Yessenia Eugenio  
Corporate Secretary  
Argonaut Insurance Company, c/o CMGIA  
20335 Ventura Blvd., Ste 426, Woodland Hills, CA 91364

(Corporate Seal)

Surety  
By [Signature]  
Title Stephanie Hope Shear, Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

## Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

See Attached

STATE OF CALIFORNIA  
 COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory

Name(s) of Signer(s)

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public \_\_\_\_\_

### OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

#### CAPACITY CLAIMED BY SIGNER

#### DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

- \_\_\_\_\_ Title(s)
- Partner(s)       Limited
  - General
  - Attorney-In-Fact
  - Trustee(s)
  - Guardian/Conservator
  - Other:

Signer is representing:  
 Name Of Person(s) Or Entity(ies)

\_\_\_\_\_ Title or Type of Document

\_\_\_\_\_ Number of Pages

\_\_\_\_\_ Date of Document

\_\_\_\_\_ Signer(s) Other Than Named Above

**NOTE:** This acknowledgment is to be completed for Contractor/Principal.

# Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

See Attached

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public \_\_\_\_\_

## OPTIONAL

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### CAPACITY CLAIMED BY SIGNER

### DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

\_\_\_\_\_ Title(s)

\_\_\_\_\_ Title or Type of Document

- Partner(s)  Limited
- General

\_\_\_\_\_ Number of Pages

- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

\_\_\_\_\_ Date of Document

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_

\_\_\_\_\_ Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

END OF BID BOND

Bond No.: CMGB00009853

**Argonaut Insurance Company**  
**Deliveries Only: 225 W. Washington, 24th Floor**  
**Chicago, IL 60606**

**United States Postal Service: P.O. Box 469011, San Antonio, TX 78246**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Gabriella Grady, Shilo Lee Losino, Stephanie Hope Shear, Elizabeth Santos, Stacey Garcia, Matthew Dionisio

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$15,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 8th day of May, 2017.

Argonaut Insurance Company



by: 

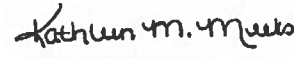
Joshua C. Betz, Senior Vice President

STATE OF TEXAS  
COUNTY OF HARRIS SS:

On this 8th day of May, 2017 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



  
(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 24th day of February, 2021.





James Bluzard, Vice President-Surety

IF YOU HAVE QUESTIONS ON AUTHENTICITY OF THIS DOCUMENT CALL (833) 820 - 9137.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

# ACKNOWLEDGMENT

State of California  
County of Imperial )

On March 2, 2021 before me, Carolyn Maness, Notary Public  
(insert name and title of the officer)

personally appeared Yessenia Eugenio,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Carolyn Maness*  
Carolyn Maness, Notary Public

(Seal)



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of Los Angeles )  
On FEB 24 2021 before me, Lucas Malcolm-Shane Patterson, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared Stephanie Hope Shear  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]  
Signature of Notary Public

"The notary commission is extended pursuant to Executive Order N-63-20 and Executive Order N-71-20"  
Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



1.3 List of Subcontractors

In compliance with the Subletting and Subcontracting Fair Practices Act Chapter 4 (commencing at Section 4100), Part 1, Division 2 of the Public Contract Code of the State of California and any amendments thereof, Bidder shall set forth below: (a) the name and the location of the place of business, (b) the California contractor license number, (c) the DIR public works contractor registration number unless exempt pursuant to Labor Code Sections 1725.5 and 1771.1, and (d) the portion of the work which will be done by each subcontractor who will perform work or labor or render service to the Bidder in or about the construction of the work or improvement to be performed under this Contract in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price. Notwithstanding the foregoing, if the work involves the construction of streets and highways, then the Bidder shall list each subcontractor who will perform work or labor or render service to the Bidder in or about the work in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price or \$10,000, whichever is greater. No additional time shall be granted to provide the below requested information.

If a Bidder fails to specify a subcontractor or if a contractor specifies more than one subcontractor for the same portion of work, then the Bidder shall be deemed to have agreed that it is fully qualified to perform that portion of work and that it shall perform that portion itself.

Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number	% of Work
Cold Plane AC	Pavement Recycling Systems, Inc	Jurupa Valley CA	569352	1000003363	60%

1.4 Bidder Information and Experience Form

**ARTICLE 1. INFORMATION ABOUT BIDDER**

(Indicate not applicable ("N/A") where appropriate.)

**NOTE:** Where Bidder is a joint venture, pages shall be duplicated and information provided for all parties to the joint venture.

1.0 Name of Bidder: Rove Engineering, Inc.

2.0 Type, if Entity: Corporation

3.0 Bidder Address: P O Box 2108, El Centro, CA 92244

N/A (760) 425-0001  
Facsimile Number Telephone Number

roveengineering@outlook.com  
Email Address

4.0 How many years has Bidder's organization been in business as a Contractor?  
2.5

5.0 How many years has Bidder's organization been in business under its present name? 2.5

5.1 Under what other or former names has Bidder's organization operated? N/A

6.0 If Bidder's organization is a corporation, answer the following:

6.1 Date of Incorporation: 10/25/2018

6.2 State of Incorporation: California

6.3 President's Name: Steven Eugenio

6.4 Vice-President's Name(s): N/A

6.5 Secretary's Name: Yessenia Eugenio

6.6 Treasurer's Name: N/A

- 7.0 If an individual or a partnership, answer the following: N/A
- 7.1 Date of Organization: \_\_\_\_\_
- 7.2 Name and address of all partners (state whether general or limited partnership):
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- 8.0 If other than a corporation or partnership, describe organization and name principals:
- \_\_\_\_\_ N/A \_\_\_\_\_
- \_\_\_\_\_
- 9.0 List other states in which Bidder's organization is legally qualified to do business.
- \_\_\_\_\_ N/A \_\_\_\_\_
- \_\_\_\_\_
- 10.0 What type of work does the Bidder normally perform with its own forces?
- \_\_\_\_\_ Curb and gutter, sidewalks, underground, paving and grading, site development \_\_\_\_\_
- 11.0 Has Bidder ever failed to complete any work awarded to it? If so, note when, where, and why:
- \_\_\_\_\_ None \_\_\_\_\_
- \_\_\_\_\_
- 12.0 Within the last five years, has any officer or partner of Bidder's organization ever been an officer or partner of another organization when it failed to complete a contract? If so, attach a separate sheet of explanation:
- \_\_\_\_\_ No \_\_\_\_\_
- \_\_\_\_\_

13.0 List Trade References:

See Attached Trade Reference List

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**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**



## Trade References

Vendor Name		Address			Phone	Fax
Empire Southeast	P O Box 29879	Phoenix	AZ	85038	(480) 633-4000	
K-C Welding	1549 Dogwood	El Centro	CA	92243	(760) 352-3832	(760) 352-7587
Superior Ready Mix	1508 W. Mission	Escondido	CA	92029	(760) 745-0556	(760) 740-0371
Elm's Equipment	P O Box 371	Brawley	CA	92227	(760) 344-3780	(760) 344-0371
Havens & Son	603 E. Main Street	El Centro	CA	92243	(760) 352-6735	(760) 352-7465





## Current Jobs

Agency	Description	Prime Subcontractor	Contract Amount	Agency Contact	Year Completed	Work Type
Morningside Apartment Homes LLC	Various Projects	Subcontractor	\$127,961	Richard Thomas (760) 427-7572	2019-2020	Underground/ Site Improvements
Ormat Nevada	Various Projects	Prime	\$1,257,037	Jason Alosi (775) 356-9029	2019-2020	Underground / Site Improvements
DH Ortega Construction	Various Projects	Subcontractor	\$172,692	Lauri Ortega (928) 537-4842	2019-2020	Underground / Site Improvements
Stout Building Contractors	Dollar General - Various Locations	Subcontractor	\$649,702	Mikel Guille (385) 320-6673	2019-2020	Underground / Site Improvements
City of Imperial	Class I and Class II Bike Path	Contractor	\$584,597	Carlos Beltran Dynamic Consulting Engineers (760) 545-0162	2020	Site Improvements
The Hatch Group	Imperial New Post Office	Subcontractor	\$534,944	Israel Hernandez (714) 257-4600	2020	Site Improvements
A & N Quality Builders	Frank Wright School Court Improvements	Subcontractor	\$25,628	(760) 337-9488	2020	Site Improvements
OWB	Slope Grading	Contractor	\$53,300	Claude Riley (760) 412-3868	2020	Site Improvements
City of Holtville	Ninth Street Improvements	Contractor	\$311,910	Carlos Beltran Dynamic Consulting Engineers (760) 545-0162	2020	Road Repair
Duggins Construction	ECRMC Expansion	Subcontractor	\$61,783	Russell Roben (760) 355-5600	2020	Site Improvements
Duggins Construction	Hollies Motel Remodel	Subcontractor	\$264,854	Russell Roben (760) 355-5600	2020	Site Improvements
Mike Mostrong	Pad Improvement	Contractor	\$48,070	Mike Mostrong (760) 352-3832	2020	Site Improvements
City of Calipatria	Date Street Improvements	Contractor	\$497,066	Carlos Beltran Dynamic Consulting Engineers (760) 545-0162	2020	Road Repair

Erich Haas	Pad Construction	Contractor	\$330,973	Erich Haas	2020	Site Improvements



**ARTICLE 3. LIST OF COMPLETED PROJECTS – LAST THREE YEARS**

[\*\*Duplicate Page if needed for listing additional completed projects.\*\*]

Please include only those projects which are similar enough to demonstrate Bidder's ability to perform the required Work.

Project (Including Owner's Name)	Description of Bidder's Work	Completion Date	Cost of Bidder's Work
See Attached Completed Job List			



## Completed Jobs

Agency	Description	Prime Subcontractor	Contract Amount	Agency Contact	Year Completed	Work Type
City of Calipatria	Bond Financed Street Rehabilitation	Prime	\$1,146,811	Juny Marmolejo Holt Group (760) 337-3883	2020	Road Repair
City of Brawley	Legion Street Improvements Project, Phase 2	Prime	\$391,292	Andres Miramontez (760) 344-5800	2020	Road Repair
Borrego Springs Water District	Fairway Lane / De Anza Improvements Water Improvements Proj	Prime	\$387,365	David Dale (760) 767-5806	2020	Underground
El Centro School District	Repair 18" Concrete Line at Hedrick Elementary	Prime	\$29,500		2020	Underground
Bravo Seven LLC	Place and Finish 3" Asphalt	Prime	\$8,500	(760) 902-7549	2020	Road Repair
Winfield Development	Heberwood Estates, Unit 5A Curb, Gutter & Sidewalks	Prime	\$154,481	Frank Leon (760) 353-9724	2020	Site Improvements
Mike Mordah Construction	Valley Premier Storage	Subcontractor	\$956,041	Mike Mordah (760) 996-5698	2020	Underground
Morningside Apartment Homes LLC	Various Projects	Subcontractor	\$127,961	Richard Thomas (760) 427-7572	2019-2020	Underground/ Site Improvements
Ormat Nevada	Various Projects	Prime	\$1,257,037	Jason Alosi (775) 356-9029	2019-2020	Underground / Site Improvements
DH Ortega Construction	Various Projects	Subcontractor	\$172,692	Lauri Ortega (928) 537-4842	2019-2020	Underground / Site Improvements
Stout Building Contractors	Dollar General - Various Locations	Subcontractor	\$649,702	Mikel Guille (385) 320-6673	2019-2020	Underground / Site Improvements

**ARTICLE 4. EXPERIENCE AND TECHNICAL QUALIFICATIONS QUESTIONNAIRE**

**Personnel:**

The Bidder shall identify the key personnel to be assigned to this project in a management, construction supervision or engineering capacity.

1. List each person's job title, name and percent of time to be allocated to this project:

Ted Vogel, Superintendent - 100% Pablo Mendez, Laborer - 100%

George Equiha, Superintendent - 100% Braulio Corriolo, Pipelayer - 100%

Geo Neves, Foreman - 50%

2. Summarize each person's specialized education:

Ted Vogel - Competent person, shoring and confined space

Geo Neves - Traffic control and asphalt training

3. List each person's years of construction experience relevant to the project:

Ted Vogel - 37 Years Geo Neves - 19 Years

Braulio Carrillo - 16 Years Pablo Mendez - 32 Years

4. Summarize such experience:

Ted Vogel - Wet utilities, excavation and pipelaying

Pablo Mendez - Pipelaying and excavation Braulio Carrillo - Pipelaying

Geo Neves - Grading and paving

Bidder agrees that personnel named in this Bid will remain on this Project until completion of all relevant Work, unless substituted by personnel of equivalent experience and qualifications approved in advance by the DISTRICT.

**Additional Bidder's Statements:**

If the Bidder feels that there is additional information which has not been included in the questionnaire above, and which would contribute to the qualification review, it may add that information in a statement here or on an attached sheet, appropriately marked:

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1.5 Non-Collusion Declaration

The undersigned declares:

I am the Corporate Secretary of Rove Engineering, Inc., the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid Price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid Price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid Price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 03/02/2021 [date], at El Centro [city], California [state].

Name of Bidder Rove Engineering, Inc.

Signature 

Name Yessenia Eugenio

Title Corporate Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

## ACKNOWLEDGMENT

State of California  
County of Imperial )

On March 2, 2021 before me, Carolyn Maness, Notary Public  
(insert name and title of the officer)

personally appeared Yessenia Eugenio,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Carolyn Maness* (Seal)  
Carolyn Maness, Notary Public



1.6 Iran Contracting Act Certification.  
(Public Contract Code section 2200 et seq.)

As required by California Public Contract Code Section 2204, the Contractor certifies subject to penalty for perjury that the option checked below relating to the Contractor's status in regard to the Iran Contracting Act of 2010 (Public Contract Code Section 2200 *et seq.*) is true and correct:

The Contractor is not:

(1) identified on the current list of person and entities engaged in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203; or

(2) a financial instruction that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran.

The DISTRICT has exempted the Contractor from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, the DISTRICT will be unable to obtain the goods and/or services to be provided pursuant to the Contract.

The amount of the Contract payable to the Contractor for the Project does not exceed \$1,000,000.

Signature:  \_\_\_\_\_

Printed Name: Yessenia Eugenio

Title: Corporate Secretary

Firm Name: Rove Engineering, Inc.

Date: 03/02/2021

Note: In accordance with Public Contract Code Section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract amount, termination of the Contract and/or ineligibility to bid on contracts for three years.

1.7 Public Works Contractor Registration Certification

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.<sup>1</sup>

Name of Bidder: Rove Engineering, Inc.

DIR Registration Number: 1000064558

DIR Registration Expiration: 06/30/2023

Small Project Exemption:  Yes or  No

Unless Bidder is exempt pursuant to the small project exemption, Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Bidder Rove Engineering, Inc.

Signature 

Name and Title Yessenia Eugenio, Corporate Secretary

Dated 03/02/2021

<sup>1</sup> If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."



**Contractor Information**

Legal Entity Name  
 ROVE ENGINEERING INC  
 Legal Entity Type  
 Corporation  
 Status  
 Active  
 Registration Number  
 100064558  
 Registration effective date  
 07/08/20  
 Registration expiration date  
 06/30/23  
 Mailing Address  
 P.O. BOX 2108 EL CENTRO 92244 CA United States of America  
 Physical Address  
 399 S HASKELL DR EL CENTRO 92243 CA United States of America  
 Email Address  
 roveengineering@outlook.com  
 Trade Name/DBA  
 License Number (s)  
 CSLB:1046101  
 CSLB:1046101

**Registration History**

Effective Date	Expiration Date
03/07/19	06/30/19
08/21/19	06/30/20
07/08/20	06/30/23

**Legal Entity Information**

Corporation Entity Number: 4191318  
 Federal Employment Identification Number: 832137622  
 Agency for Service:  
 Agent of Service Name: STEVEN ERIC EUGENIO  
 Agent of Service Mailing Address: 399 S HASKELL DRIVE EL CENTRO 92243 CA United States of America  
 President Name: Steven Eric Eugenio  
 Vice President Name:  
 Treasurer Name:  
 Secretary Name: Yessenia Galindo Eugenio  
 CEO Name:

**Worker's Compensation**

Do you lease employees through Professional Employer Organization (PEO)?: No

Please provide your current worker's compensation insurance information below:

PEO InformationName	PEO	Phone	PEO	Email

Insured by Carrier  
 Policy Holder Name: ROVE ENGINEERING INC.  
 Insurance Carrier: Arrowhead General Insurance Agency  
 Policy Number: 7600021317201  
 Inception date: 02/14/20  
 Expiration Date: 02/14/21

**About DIR**

- Who we are (<https://www.dir.ca.gov/aboutdir.html>)
- DIR Divisions, Boards & Commissions ([https://www.dir.ca.gov/divisions\\_and\\_programs.html](https://www.dir.ca.gov/divisions_and_programs.html))
- Contact DIR (<https://www.dir.ca.gov/Contactus.html>)
- Work with Us
- Jobs at DIR (<https://www.dir.ca.gov/dirjobs/dirjobs.htm>)



## Registrations

Licensing, registrations, certifications & permits (<https://www.dir.ca.gov/permits-licenses-certifications.html>)

Required Notifications (<https://www.dir.ca.gov/dosh/Required-Notifications.html>)

Public Records Requests ([https://www.dir.ca.gov/prr\\_request.html](https://www.dir.ca.gov/prr_request.html))

Learn More

Acceso al idioma (<http://www.dir.ca.gov/Bilingual-Services-Act/default.html>)

Frequently Asked Questions (<https://www.dir.ca.gov/faqslst.html>)

Site Map (<https://www.dir.ca.gov/sitemap/sitemap.html>)

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 (<http://www.youtube.com/CaliforniaDIR>)

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1.8 Contractor's Certificate Regarding Workers' Compensation.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Name of Bidder Rove Engineering, Inc.  
Signature   
Name Yessenia Eugenio  
Title Corporate Secretary  
Dated 03/02/2021

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.C

March 9, 2021

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Acceptance of Construction & Authorization to File the Notice of Completion for the De Anza Drive, Yaqui Road and Fairway Lane Pipeline Project – G Poole/D Dale

**RECOMMENDED ACTION:**

Accept the Construction and Authorize the General Manager Sign and Cause to File the Notice of Completion for the De Anza Drive, Yaqui Road and Fairway Lane Pipeline Project.

**ITEM EXPLANATION:**

This waterline project was funded by the BWD Bond placement of July 2017. Replacement of the waterlines, hydrants, valves and service lines have been completed and accepted by Staff. This location was selected due to the age of the infrastructure and complexity created by numerous existing underground utilities.

The original contract for this project was \$387,365.00. The final cost of construction is \$396,776.00, a difference of \$9,411.00 (or +2.4%). The additional cost is due to varying quantities from the bid (additional asphalt needed to satisfy the County of San Diego and reduced saw cutting line items).

The waterlines, hydrants, service lines and valves as a part of this project are currently in operation.

**NEXT STEPS**

File the Notice of Completion with the County Recorder's Office.

**FISCAL IMPACT**

**ATTACHMENT**

1. Draft Notice of Completion

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

# NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is: Borrego Water District (BWD)
3. The full address of the owner is 806 Palm Canyon Drive, Borrego Springs, CA 92004
4. The nature of the interest or estate of the owner is:

In fee

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are

NAMES

ADDRESSES

None

6. The full names and full addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to

NAMES

ADDRESSES

None

7. A work of improvement on the property hereinafter described was completed on 2/25/21. The work done was water pipelines, valves, fire hydrants and service laterals.

8. The name of the contractor, if any, for such work of improvement was ROVE Engineering, Inc.

9. The property on which said work of improvement was completed is in the Town of Borrego Springs, County of San Diego, State of California, and is described as follows: De Anza Drive

10. The street address of said property is Various Roads in Borrego Springs, California.

Dated \_\_\_\_\_

## VERIFICATION

I, the undersigned, say: I am the General Manager, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 2021, at Borrego Springs, California

00 41 43 – BID FORMS

1.1 Bid.

Bids will be received at the Office of the Borrego Water District, located at 806 Palm Canyon Drive, Borrego Springs, California 92004 until **2:00 p.m. on Tuesday, February 11, 2020.**

**NAME OF BIDDER:** Rove Engineering Inc.

To the General Manager  
of the Borrego Water District  
806 Palm Canyon Drive  
Borrego Springs, California 92004

The undersigned hereby declare that we have carefully examined the location of the proposed Work, and have read and examined the Contract Documents, including all plans, specifications, and all addenda, if any for the following Project:

**De Anza Drive, Yaqui Road and Fairway Lane Water Improvements Project**

We hereby propose to furnish all labor, materials, equipment, tools, transportation, and services, and to discharge all duties and obligations necessary and required to perform and complete the Project, as described and in strict conformity with the Drawings, and these Specifications for TOTAL BID PRICE indicated herein.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

Addenda No. N/A

1. Attached is the required Bid Guarantee in the amount of not less than 10% of the Total Bid Price.
2. Attached is the completed Designation of Subcontractors form.
3. Attached is the fully executed Noncollusion Declaration form.
4. Attached is the completed Iran Contracting Act Certification form.
5. Attached is the completed Public Works Contractor Registration Certification form.
6. Attached is the completed Contractor's Certificate Regarding Workers' Compensation form.
7. Attached is the completed Bidder Information and Experience form.

**A. BID SCHEDULE**

ITEM	QUANTITY	UNIT	ITEM	UNIT COST	AMOUNT
1	1	LS	Mobilization of equipment and material, Performance Bond, Payment Bond, General Liability Insurance, Workman's Compensation Insurance, Construction water, freight, project signs, Air pollution control district requirements and fees, Restroom Facilities, Vehicle Insurance, Taxes, Permits, Business license, and Similar expenses and other costs not specifically addressed within this bid item list.	\$ 39,580.00	\$ 39,580.00
2	1	LS	Preparation of Traffic Control Plan, Implementation of Traffic Control and Construction Area Signs	\$ 10,550.00	\$ 10,550.00
3	1	LS	Potholing of the Existing Underground Utilities and Pipelines as indicated on Improvement Plans.	\$ 4,200.00	\$ 4,200.00
4	2,450	LF	Furnish and Install New 6-inch Dia. AWWA C-900 DR 18 - Pressure Class 150 PVC Water Pipeline, Including Native Material Backfill and Compaction.	\$ 23.00	\$ 56,350.00
5	3	EA	Install Utility Crossing per Detail "1" on Sheet 14. Include Pipe Bends and Appurtenances	\$ 4,800.00	\$ 14,400.00
6	10	EA	Furnish and Install New 6-Dia. Ductile Iron Resilient Wedge Gate Valve with Valve Cover and Riser.	\$ 1,730.00	\$ 17,300.00
7	5	EA	Furnish and Install New 6-Inch Dia. Epoxy-Coated Ductile Iron Tee	\$ 1,225.00	\$ 6,125.00
8	1	EA	Furnish and Install New 6-Inch Dia. Epoxy-Coated Ductile Iron Cross	\$ 1,480.00	\$ 1,480.00
9	5	EA	Furnish and Install New Fire Hydrant Assembly Including gate Valve and Valve Can	\$ 7,361.00	\$ 36,805.00
10	5	EA	Furnish and Install New 6-Inch Dia. Epoxy-Coated Ductile Iron Transition Coupling Adapter with Stainless Steel Hardware	\$ 775.00	\$ 3,875.00

11	1	LS	Contractor to Complete Hydrostatic Pressure Testing per Specifications.	\$ 3,000.00	\$ 3,000.00
12	1	LS	Contractor to Complete Disinfection of the New Pipeline per Specifications	\$ 3,000.00	\$ 3,000.00
13	5,200	LF	Sawcut Existing AC Pavement	\$ 6.00	\$ 31,200.00
14	7,800	SF	Remove and Dispose AC Pavement and Underlying Base Material	\$ 2.50	\$ 19,500.00
15	205	Tons	Install 4 Inches of AC Pavement 3/4" Type III Class B3 (Per San Diego County Standards and Specifications)	\$ 200.00	\$ 41,000.00
16	230	CYS	Install 9 Inches of Class II Base	\$ 60.00	\$ 13,800.00
17	1	LS	Preparation and Implementation of Dust Control Plan Per San Diego County Air Pollution Control District	\$ 1,000.00	\$ 1,000.00
18	36	EA	Install 1 inch Water Lateral including Connection to 6" Water Main, 1 Inch Copper Pipe to Property Line and 1 inch Bronze Angle Meter Stop with Lockwing. (Do not include Water Meter, Meter box and Shut Off Valve). Price Shall Include Existing Pavement Removal, Paving Resurfacing of New 4 Inches of AC Pavement 3/4" Type III Class B3 Over 9 inches of Class II Base (Per San Diego County Standards, Specifications and Details G-24A and G-24B)	\$ 2,200.00	\$ 79,200.00
19	1	LS	San Diego County Encroachment Permit Fee Allowance. Contractor to obtain encroachment permit. If permit fees exceed or are less than the allowance fee, a change order or deductive change order based on the actual cost of the permit fees only will be processed to cover the difference.	\$ 5,000.00	\$ 5,000.00

The costs for any Work shown or required in the Contract Documents, but not specifically identified as a line item are to be included in the related line items and no additional compensation shall be due to Contractor for the performance of the Work.

In case of discrepancy between the Unit Price and the Item Cost set forth for a unit basis item, the unit price shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible Bidder. However, if the amount set forth as a unit price is ambiguous,

unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Item Cost" column, then the amount set forth in the "Item Cost" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the Unit Price.

For purposes of evaluating Bids, the DISTRICT will correct any apparent errors in the extension of unit prices and any apparent errors in the addition of lump sum and extended prices.

The estimated quantities for Unit Price items are for purposes of comparing Bids only and the DISTRICT makes no representation that the actual quantities of work performed will not vary from the estimates. Final payment shall be determined by the Engineer from measured quantities of work performed based upon the Unit Price.

**B. TOTAL BID PRICE FOR BID SCHEDULE:**

TOTAL BID PRICE BASED ON BID SCHEDULE (BID ITEMS 1 – 19) TOTAL OF UNIT PRICES	
FOR: De Anza Drive, Yaqui Road and Fairway Lane Water Improvements Project	
\$ <u>THREE HUNDRED EIGHTY SEVEN THOUSAND THREE HUNDRED SIXTY FIVE</u>	
\$ 387,365.00	Total Bid Price
In case of discrepancy between the written price and the numerical price, the written price shall prevail.	

The undersigned agrees that this Bid Form constitutes a firm offer to the DISTRICT which cannot be withdrawn for the number of calendar days indicated in the Notice Inviting Bids from and after the Bid opening, or until a Contract for the Work is fully executed by the DISTRICT and a third party, whichever is earlier.

The DISTRICT can choose to include any, all, or none of the Alternate Bid items in the Work. If the DISTRICT selects any of the Alternate Bid items, the corresponding Alternate Bid prices shall be added to Base Bid Price for the Work. The DISTRICT can award/select Alternate Bid items at any time(s).

The successful bidder hereby agrees to sign the contract and furnish the necessary bonds and certificates of insurance within ten (10) working days after the DISTRICT provides the successful bidder with the Notice of Award.

Upon receipt of the signed contract and other required documents, the contract will be executed by the DISTRICT, after which the DISTRICT will prepare a letter giving Contractor Notice to Proceed. The official starting date shall be the date of the Notice to Proceed, unless otherwise specified. The undersigned agrees to begin the Work within ten (10) working days of the date of the Notice to Proceed, unless otherwise specified.

The undersigned has examined the location of the proposed work and is familiar with the Drawings and Specifications and the local conditions at the place where work is to be done.



If awarded the contract, the undersigned agrees that there shall be paid by the undersigned and by all subcontractors to all laborers, workers and mechanics employed in the execution of such contract no less than the prevailing wage rate within San Diego County for each craft, classification, or type of worker needed to complete the Work contemplated by this contract as established by the Director of the Department of Industrial Relations. A copy of the prevailing rate of per diem wages are on file at the DISTRICT's Administration Office and shall be made available to interested parties upon request.

Enclosed find cash, bidder's bond, or cashier's or certified check No. \_\_\_\_\_ from the \_\_\_\_\_ Bank in the amount of \_\_\_\_\_, which is not less than ten percent (10%) of this bid, payable to Borrego Water District as bid security and which is given as a guarantee that the undersigned will enter into a contract and provide the necessary bonds and certificates of insurance if awarded the Work.

The bidder furthermore agrees that in case of bidder's default in executing said contract and furnishing required bonds and certificates of insurance, the cash, bidder's bond, or cashier's or certified check accompanying this proposal and the money payable thereon shall become and shall remain the property of the Borrego Water District.

Bidder is an individual \_\_\_\_\_, or corporation , or partnership \_\_\_\_\_, organized under the laws of the State of California.

Bidder confirms license(s) required by California State Contractor's License Law for the performance of the subject project are in full effect and proper order. The following are the Bidder's applicable license number(s), with their expiration date(s) and class of license(s):

License No.: 1046101  
Expiration Date: 10/31/2020  
License Class: A - General Engineering Contractor

If the Bidder is a joint venture, each member of the joint venture must include the required licensing information.

Sureties that will furnish the Faithful Performance Bond and the Labor and Material Payment Bond, in the form specified herein, in an amount equal to one hundred percent (100%) of the contract price within ten (10) working days from the date the DISTRICT provides the successful bidder the Notice of Award. Sureties must meet all of the State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120 and must be authorized by the State of California.

The insurance company or companies to provide the insurance required in the contract documents must have a Financial Strength Rating of not less than "A-" and a Financial Size Category of not less than "Class VII" according to the latest Best Key Rating Guide. At the sole discretion of the DISTRICT, the DISTRICT may waive the Financial Strength Rating and the Financial Size Category classifications for Workers' Compensation insurance.

(signatures continued on next page)

I hereby certify under penalty of perjury under the laws of the State of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

Executed at 399 S. Haskell Dr., on this 9th day of February, 2020.



(Corporate Seal)

(Bidders Name – Print or Type)

Steven Eugenio, Owner/President

(Name and Title)

*Steven Eugenio* Owner/President  
(Signature)

Names of individual members of firm or names and titles of all officers of corporation and their addresses are listed below:

Name Steven Eugenio Title Owner/President

Complete Address 399 S. Haskell Dr.

Phone (760)-790-7705 FAX N/A

Name \_\_\_\_\_ Title \_\_\_\_\_

Complete Address \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Complete Address \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Complete Address \_\_\_\_\_

Phone \_\_\_\_\_ FAX \_\_\_\_\_

1.2 Bid Bond

[Note: Not required when other form of Bidder's Security, e.g. cash, certified check or cashier's check, accompanies bid.]

The makers of this bond are, Rove Engineering, Inc., as Principal, and Argonaut Insurance Company, as Surety and are held and firmly bound unto the Borrego Water District, hereinafter called the DISTRICT, in the penal sum of TEN PERCENT (10%) OF THE TOTAL BID PRICE of the Principal submitted to DISTRICT for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that whereas the Principal has submitted the accompanying bid dated February 11, 20 20, for De Anza Dr., Yaqui Rd and Fairway Lane Water Improvements Project

If the Principal does not withdraw its Bid within the time specified in the Contract Documents; and if the Principal is awarded the Contract and provides all documents to the DISTRICT as required by the Contract Documents; then this obligation shall be null and void. Otherwise, this bond will remain in full force and effect.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents shall affect its obligation under this bond, and Surety does hereby waive notice of any such changes.

In the event a lawsuit is brought upon this bond by the DISTRICT and judgment is recovered, the Surety shall pay all litigation expenses incurred by the DISTRICT in such suit, including reasonable attorneys' fees, court costs, expert witness fees and expenses.

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their several seals this 10th day of February, 20 20, the name and corporate seal of each corporation.

(Corporate Seal)

Rove Engineering, Inc.  
Contractor/ Principal

By [Signature]

Title President

Argonaut Insurance Company, C/O CMGIA  
20335 Ventura Blvd., Ste 426, Woodland Hills, CA 91364

Surety

By [Signature]  
Stacey Garcia

(Corporate Seal)

(Attach Attorney-in-Fact Certificate)

Title Attorney-In-Fact

**Argonaut Insurance Company**  
**Deliveries Only: 225 W. Washington, 24th Floor**  
**Chicago, IL 60606**

**United States Postal Service: P.O. Box 469011, San Antonio, TX 78246**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Gabriella Grady, Shilo Lee Losino, Stephanie Hope Shear, Elizabeth Santos, Latanya Taylor, Stacey Garcia

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$15,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 8th day of May, 2017.



Argonaut Insurance Company

by:

Joshua C. Betz, Senior Vice President

STATE OF TEXAS  
COUNTY OF HARRIS SS:

On this 8th day of May, 2017 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.



(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 10th day of February, 2020.



James Bluzard, Vice President-Surety

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of LOS ANGELES )  
On FEB 10 2020 before me, SHIRLEY GIGGLES, NOTARY PUBLIC,  
Date Here Insert Name and Title of the Officer  
personally appeared STACEY GARCIA  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]  
Signature of Notary Public



Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_

1.3 List of Subcontractors

In compliance with the Subletting and Subcontracting Fair Practices Act Chapter 4 (commencing at Section 4100), Part 1, Division 2 of the Public Contract Code of the State of California and any amendments thereof, Bidder shall set forth below: (a) the name and the location of the place of business, (b) the California contractor license number, (c) the DIR public works contractor registration number unless exempt pursuant to Labor Code Sections 1725.5 and 1771.1, and (d) the portion of the work which will be done by each subcontractor who will perform work or labor or render service to the Bidder in or about the construction of the work or improvement to be performed under this Contract in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price. Notwithstanding the foregoing, if the work involves the construction of streets and highways, then the Bidder shall list each subcontractor who will perform work or labor or render service to the Bidder in or about the work in an amount in excess of one-half of one percent (0.5%) of the Bidder's Total Bid Price or \$10,000, whichever is greater. No additional time shall be granted to provide the below requested information.

If a Bidder fails to specify a subcontractor or if a contractor specifies more than one subcontractor for the same portion of work, then the Bidder shall be deemed to have agreed that it is fully qualified to perform that portion of work and that it shall perform that portion itself.

Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number	% of Work
N/A					

Work to be done by Subcontractor	Name of Subcontractor	Location of Business	CSLB Contractor License No.	DIR Registration Number	% of Work

(Attach additional sheets if necessary)

Name of Bidder Rove Engineering Inc.

Signature  President

Name and Title Steven Eugenio, Owner/President

Dated February 9th, 2020



1.4 Bidder Information and Experience Form

**ARTICLE 1. INFORMATION ABOUT BIDDER**

(Indicate not applicable ("N/A") where appropriate.)

**NOTE:** Where Bidder is a joint venture, pages shall be duplicated and information provided for all parties to the joint venture.

- 1.0 Name of Bidder: Rove Engineering Inc.
- 2.0 Type, if Entity: Corporation(s)
- 3.0 Bidder Address: 399 S. Haskell Dr.  
El Centro, CA: 92243
- N/A (760) 790-7705  
Facsimile Number Telephone Number
- roveengineering@outlook.com  
Email Address
- 4.0 How many years has Bidder's organization been in business as a Contractor?  
1.5 yrs
- 5.0 How many years has Bidder's organization been in business under its present name? 1.5 yrs
- 5.1 Under what other or former names has Bidder's organization operated? N/A
- 6.0 If Bidder's organization is a corporation, answer the following:
- 6.1 Date of Incorporation: September 4, 2018
- 6.2 State of Incorporation: CA
- 6.3 President's Name: Steven Eugenio
- 6.4 Vice-President's Name(s): N/A  
N/A
- 6.5 Secretary's Name: N/A
- 6.6 Treasurer's Name: N/A

7.0 If an individual or a partnership, answer the following:

7.1 Date of Organization: N/A

7.2 Name and address of all partners (state whether general or limited partnership):

N/A

8.0 If other than a corporation or partnership, describe organization and name principals:

N/A

9.0 List other states in which Bidder's organization is legally qualified to do business.

N/A

10.0 What type of work does the Bidder normally perform with its own forces?

underground utilities, mass earthwork, grading, asphalt and concrete.

11.0 Has Bidder ever failed to complete any work awarded to it? If so, note when, where, and why:

NO

12.0 Within the last five years, has any officer or partner of Bidder's organization ever been an officer or partner of another organization when it failed to complete a contract? If so, attach a separate sheet of explanation:

N/A

13.0 List Trade References:

Core & Main · Richard Gonzales · 760 · 427 · 0111

Morningside Ventures · Richard Thomas · 760 · 427 · 7572

Granite Construction · Justin Rodriguez · 760 · 455 · 5468

ICAPCD - Matt Dessert - 760 · 404 · 3200

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**ARTICLE 3. LIST OF COMPLETED PROJECTS – LAST THREE YEARS**

[\*\*Duplicate Page if needed for listing additional completed projects.\*\*]

Please include only those projects which are similar enough to demonstrate Bidder's ability to perform the required Work.

Project (Including Owner's Name)	Description of Bidder's Work	Completion Date	Cost of Bidder's Work
Morningside Ventures	Underground Utilities	11-1-2019	500,000.00
TOM WATSON ELECTRIC	Underground UTILITIES	7-30-2019	45,000.00
Morningside Apt.	Underground UTILITIES	9-15-2019	268,000.00
Imperial County	GRADING	8-20-2019	91,645.00
Morningside Ventures	MASS GRADING	5-15-2019	87,000.00
Morningside Apartment	MASS GRADING	8-1-2019	113,000.00
CALTRANS	MASS GRADING	11-15-2019	500,000.00

**ARTICLE 4. EXPERIENCE AND TECHNICAL QUALIFICATIONS QUESTIONNAIRE**

**Personnel:**

The Bidder shall identify the key personnel to be assigned to this project in a management, construction supervision or engineering capacity.

1. List each person's job title, name and percent of time to be allocated to this project:

STEVEN EUGENIO, OWNER 30% GEO NEVES OPERATOR 50%  
TED VOGEL - SUPER 100% , RAUL BELTRAN - OPERATOR 100%  
BRAULIO CARILLO - PIPELAYER 50% PABLO MENDEZ PIPELAYER 100%

2. Summarize each person's specialized education:

TED VOGEL - COMPETENT PERSON, SHORING, CONFINED SPACE  
RAUL BELTRAN - CONFINED SPACE GEO NEVES - TRAFFIC CONTROL, ASPHALT

3. List each person's years of construction experience relevant to the project:

STEVEN EUGENIO - 20 YEARS TED VOGEL 35 YEARS  
RAUL BELTRAN - 16 YEARS BRAULIO CARILLO 16 YEARS  
PABLO MENDEZ - 30 YEARS GEO NEVES 18 YEARS

4. Summarize such experience:

TED VOGEL 35YRS WET UTILITIES, FORMAN, EXCAVATION, PIPE LAYING  
RAUL BELTRAN - 16YRS. PIPE LAYING & EXCAVATION  
BRAULIO CARILLO 16YRS. PIPE LAYING - PABLO MENDEZ 30YRS PIPE LAYING  
GEO NEVES 18 YEARS GRADING, PAVING

Bidder agrees that personnel named in this Bid will remain on this Project until completion of all relevant Work, unless substituted by personnel of equivalent experience and qualifications approved in advance by the DISTRICT.

**Additional Bidder's Statements:**

If the Bidder feels that there is additional information which has not been included in the questionnaire above, and which would contribute to the qualification review, it may add that information in a statement here or on an attached sheet, appropriately marked:

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 5. VERIFICATION AND EXECUTION**

These Bid Forms shall be executed only by a duly authorized official of the Bidder:

I declare under penalty of perjury under the laws of the State of California that the foregoing information is true and correct:

Name of Bidder Rove Engineering Inc.

Signature  \_\_\_\_\_

Name Steven Eugenio

Title Owner/President

Date 02/09/2020

1.5 Non-Collusion Declaration

The undersigned declares:

I am the President of Rove Engineering Inc., the party making the foregoing Bid.

The Bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The Bid is genuine and not collusive or sham. The Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid. The Bidder has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or to refrain from bidding. The Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the Bid Price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the Bid Price, or of that of any other Bidder. All statements contained in the Bid are true. The Bidder has not, directly or indirectly, submitted his or her Bid Price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a Bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on February 9th, 2020 [date], at El Centro [city], California [state].

Name of Bidder Rove Engineering Inc.

Signature 

Name Steven Eugenio

Title Owner/President



1.6 Iran Contracting Act Certification.  
(Public Contract Code section 2200 et seq.)

As required by California Public Contract Code Section 2204, the Contractor certifies subject to penalty for perjury that the option checked below relating to the Contractor's status in regard to the Iran Contracting Act of 2010 (Public Contract Code Section 2200 *et seq.*) is true and correct:

The Contractor is not:

(1) identified on the current list of person and entities engaged in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203; or

(2) a financial instruction that extends, for 45 days or more, credit in the amount of \$20,000,000 or more to any other person or entity identified on the current list of persons and entities engaging in investment activities in Iran prepared by the California Department of General Services in accordance with subdivision (b) of Public Contract Code Section 2203, if that person or entity uses or will use the credit to provide goods or services in the energy sector in Iran.

The DISTRICT has exempted the Contractor from the requirements of the Iran Contracting Act of 2010 after making a public finding that, absent the exemption, the DISTRICT will be unable to obtain the goods and/or services to be provided pursuant to the Contract.

The amount of the Contract payable to the Contractor for the Project does not exceed \$1,000,000.

Signature:  \_\_\_\_\_

Printed Name: Steven Eugenio

Title: Owner/President

Firm Name: Rove Engineering Inc.

Date: 02/09/2020

Note: In accordance with Public Contract Code Section 2205, false certification of this form shall be reported to the California Attorney General and may result in civil penalties equal to the greater of \$250,000 or twice the Contract amount, termination of the Contract and/or ineligibility to bid on contracts for three years.

1.7 Public Works Contractor Registration Certification

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.<sup>1</sup>

Name of Bidder: Rove Engineering Inc.

DIR Registration Number: 1000064558

DIR Registration Expiration: June 30, 2020

Small Project Exemption:  Yes or  No

Unless Bidder is exempt pursuant to the small project exemption, Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Bidder Rove Engineering Inc.

Signature 

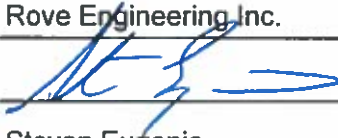
Name and Title Owner/President

Dated 02/09/2020

<sup>1</sup> If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

1.8 Contractor's Certificate Regarding Workers' Compensation.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Name of Bidder Rove Engineering Inc.  
Signature   
Name Steven Eugenio  
Title Owner/President  
Dated 02/09/2020

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.D

March 4, 2021

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: County of San Diego Program for Rental and Utility Support – G Poole/D Johnson

**RECOMMENDED ACTION:**

Receive update on new County Program and discuss ways to inform BWD Customers.

**ITEM EXPLANATION:**

Director Johnson received info on the availability of a program to help County Residents with Rent and Utility Assistance. Director Johnson has committed to research this topic and inform the Board on the program specifics at the meeting.

**NEXT STEPS**

TBD

**FISCAL IMPACT**

TBD

**ATTACHMENTS**

1. None

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.E

March 4, 2021

TO: Board of Directors

FROM: Geoffrey Poole, General Manager

SUBJECT: Borrego Springs Sub Basin Watermaster Activities – D Duncan/ K Dice

**RECOMMENDED ACTION:**

Receive update on Watermaster Activities

**ITEM EXPLANATION:**

Director Duncan will verbally update the Board on WM Activities.

**NEXT STEPS**

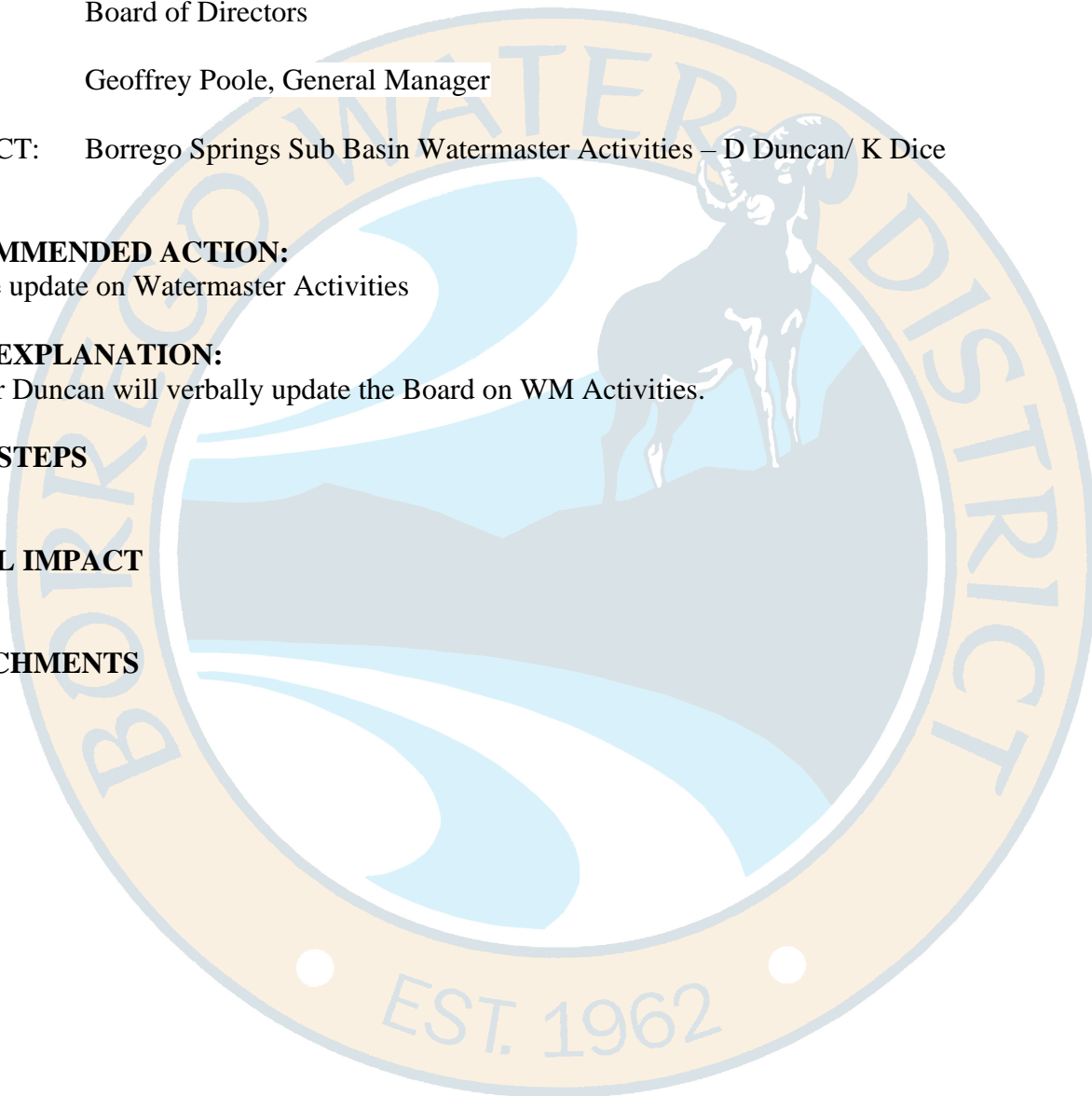
TBD

**FISCAL IMPACT**

None

**ATTACHMENTS**

1. None



BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM III

March 4, 2021

TO: Board of Directors  
FROM: Geoffrey Poole, General Manager  
SUBJECT: AD HOC COMMITTEE Reports

**RECOMMENDED ACTION:**

Receive update on AD HOC Committee Activities

**ITEM EXPLANATION:**

Following are attachments for these AD HOC Committees:

- A. Risk Management – Brecht/Dice
- B. Grant Funding – Dice/Johnson
- C. Prop 218 and BWD Developers’ Policy – Brecht/Johnson
- D. Public Outreach – Dice/Baker (VERBAL)

**NEXT STEPS**

TBD

**FISCAL IMPACT**

TBD

**ATTACHMENTS**

- 1. Risk Management Policy
- 1. Risk Management Report
- 2. Grants History
- 3. Grants Strategy
- 4. New Developers’ Policy

## Overview

Municipal water purveyors, such as the Borrego Water District (BWD), are designated as a *critical infrastructure sector* in times of emergencies by the Critical Infrastructure Security Agency (CISA) of the US Department of Homeland Security (DHS).

What this designation means is that this sector's "assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof."

As CISA states: "Safe drinking water is a prerequisite for protecting public health and all human activity. Properly treated wastewater is vital for preventing disease and protecting the environment. Thus, ensuring the supply of drinking water and wastewater treatment and service is essential to modern life and the Nation's economy."

Thus, the BWD Board's governance mission in a national emergency and other emergencies that may occur from time to time is to assure continuance of service for its customers.

**Risk Management Policy.** BWD relies on other critical infrastructure systems for electricity, internet service, cellular and telephone services, and certain supply chains to acquire necessary supplies to provide continuance of service for its customers. The BWD Board hereby authorizes the District's General Manager and staff to develop plans and proposed budget to prevent cascading failure if one or more supporting systems necessary for continuance of service is disrupted for a specific length of time during an emergency.

### Emergency Response Plan

On October 23, 2018, America's Water Infrastructure Act (AWIA) was signed into law. AWIA Section 2013 requires community (drinking) water systems serving more than 3,300 people to develop or update risk assessments and emergency response plans (ERPs). The law specifies the components that the risk assessments and ERPs must address, and establishes deadlines by which water systems must certify to EPA completion of the risk assessment and ERP. BWD shall participate with appropriate community organizations in developing a BWD emergency management plan to provide resilience in the face of a natural or man-made emergency that could threaten the potability of municipal supply or continuance of water and/or sewer services to BWD customers.

## SYSTEMS RESILIENCE POLICIES FOR FY 2022

### Employee Training

BWD shall invest in employee training requisite to the job functions they perform as a means to reduce operator error and awareness of operational risks endemic to the business operations of BWD. The training and testing process should be regularly evaluated to ensure it addresses the most current operating landscape and focuses on what individual employees can control.

### Business Risk Insurance

BWD shall participate in the Joint Powers Insurance Agency (JPIA), a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. BWD may acquire additional insurance to insure against other business risks not covered by JPIA, as may be necessary if affordable.

### Reserves

BWD shall maintain adequate cash reserves. Reserves are needed because of financial risk. Water and sewer operations are inherently risky, given the potential costs 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 that alter expectations of the amount of water sold. 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, bond or loan covenants often require a debt reserve and/or recommend a rate stabilization reserve.

### Physical Infrastructure Access Control, Potential Liabilities & Staff Security

BWD shall maintain adequate physical infrastructure access control to prevent unauthorized access. During the audit of BWD infrastructure physical facilities, it shall also look for any potential liabilities on BWD property (dumping, barbed wire fences or random posts, exotic pest plants etc.). BWD shall also employ security measures to do its best to protect its office and field staff from threatening situations and/or people.



## SYSTEMS RESILIENCE POLICIES FOR FY 2022

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

To assure public health requirements of the municipal water and wastewater services it provides, BWD shall manage an independent data store of Subbasin changes in water levels and water quality degradation over time, as necessary, to protect the integrity of its existing and future municipal production wells, and to avoid expensive advanced treatment to meet drinking water quality standards, as well as meet DWR and SWRCB regulatory requirements for a municipal water purveyor.

### Air Pollution from Subbasin Fallowing Program Risk Management

BWD shall continue to work with State and County agencies, as well as the Subbasin Watermaster to determine who may be liable for enforcement, and setting short (1-6 years), and long-term public and private use County land management standards for the proper fallowing of previously irrigated farmland in the Subbasin to avoid producing deteriorated air quality. Clean, clear air is an important and attractive factor in the Borrego Valley and promotes public health, economic viability, and revenue expectations that affect customers of BWD.

### Flood Risk Management

BWD shall manage its Rams Hill flood control barrier to minimize financial risk exposure to the District.

### Improperly Abandoned Wells in Subbasin Risk Management

BWD shall work with the County to address the significant financial, environmental, and public health risks to municipal water supply associated with improperly abandoned wells in the Subbasin.

### Cyber Security Risk Management

Implementing cybersecurity best practices is critical for water and wastewater utilities. Cyber-attacks are a growing threat to critical infrastructure sectors, including water and wastewater systems. Many critical infrastructure facilities have experienced cybersecurity incidents that led to the disruption of a business process or critical operation. BWD shall operate and manage BWD computer, software and network systems for maximum protection from internal and external threats and system recoverability should a successful cyber security incident occur that adversely affects its digital systems.

## SYSTEMS RESILIENCE POLICIES FOR FY 2022

### Regional Conveyance System (RCS) through Borrego Risk

Phase A of the San Diego County Water Authority's (SDCWA) proposed RCS route 3A is through Borrego Springs. In Phase A, the economics of the RCS relied on the assumption of projected positive net present value (NPV) benefits to the SDCWA by using a 90-year timeframe where most of the benefits accrued in out-years and the exclusion of potentially large project-related externalities. Since the primary go/no go for the RCS is finding investors for the \$5,000,000,000+ project, Phase B is an economic-focused analysis to convince potential investors of the viability of this project.

Given the large economic risk associated with the costs/benefits of choice of route 3A through Borrego, the BWD Board will continue to closely monitor this RCS project and contribute its independent analysis to the public discussion.

### COVID-19 Risk Management

BWD shall implement procedures and practices that are protective of the health of staff and operations of a critical infrastructure organization, as well as protective of the public in response to the national health emergency of the COVID pandemic.

## SYSTEMS RESILIENCE POLICIES FOR FY 2022

### CYBERSECURITY PROCEDURES

Current procedures to accomplish policy objectives shall include the following:

- At least annually, update the Asset Inventory, do a Physical Inspection and update the Asset Database:
  - Identify assets through an annual physical inspection including data, processes, personnel and their supporting infrastructure and dependencies to other systems (Asset Inventory).
  - The Asset Inventory should include all components on the IT and OT networks and in the field, including third party and legacy equipment.
  - Details should include but not be limited to asset user, location, device type, model number, device name, hardware/firmware/software versions, patch levels, device configurations, active services, protocols, network addresses, asset value and criticality. Furthermore, an asset inventory is not a singular task, but an ongoing process.
- Inspect for Unauthorized Assets:
  - While conducting the Asset Inventory, perform an inventory to identifying equipment that do not belong, such as a rogue wireless access point or other unapproved devices or connections. Inventories also illuminate processes and procedures that could enable the detection of unauthorized configuration changes or other anomalies within the environment.
- Security the Asset Inventory Information:
  - In the same way asset inventory and network diagram documentation are of paramount importance to the asset owner, they are also very attractive to an adversary. Hence, this information needs to be as rigorously protected as the ICS system itself.
- Understand and Mitigate Risks:
  - Follow Industry Standard Guidelines:
    - Choose a respected security standard and annually review the Risk Management Policy and Procedures against it.
  - Assess Risks:

## SYSTEMS RESILIENCE POLICIES FOR FY 2022

- Perform a risk assessment at least annually. Annual risk assessments are instrumental in identifying security gaps and vulnerabilities. They are vital to prioritizing the application of controls and countermeasures to protect the organization.
- The goal of a risk assessment is to identify and prioritize risk based on the likelihood that a threat or vulnerability could adversely impact an organization.
- Restrictive Procedures:
  - Ensure only dedicated and properly secured devices should be permitted within the control system environment, and each one should be clearly marked as such. In the event one is installed and then no longer needed, connections must be disabled immediately.
- Physical Security:
  - Ensure the integrity of physical barriers, like fences, barricades, gates, guards and locked doors/cabinets with alarmed doors/windows should be used to establish a security defense around the perimeter of buildings or rooms containing IT equipment. Utilize off site storage of programs and back up files.
- Enforce User Access Controls:
  - Provide control system access only to those individuals who are authorized to have it.
- Maintain and Monitor Audit Logs:
  - Collect, manage, and analyze audit logs of events that could help detect, understand, or recover from an attack.
- Assess Vulnerabilities:
  - On a quarterly basis, 3rd party, independent Consultants shall be used to evaluate BWDs cyber security systems thru an External Vulnerability Scan, External Pen Test and Internal Vulnerability Sand Intrusion Control can.
- Implement a Security Awareness and Training Program:

## SYSTEMS RESILIENCE POLICIES FOR FY 2022

- The actions of people also play a critical part in the success or failure of a cyber security program. Create a security awareness program for all workforce members to complete on a regular basis.
- Protect Against Loss or Incidents:
  - Participate in Cyber Insurance programs to assist with recovery in the event of a loss

***Emergency Response Plan***

BWD shall submit a Risk and Resilience Assessment to the USEPA by June 30, 2021 and an Emergency Response Plan by December 31, 2021.

***Employee Training***

***Insurance***

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The JPIA is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District participates in the self-insurance programs of the JPIA as follows:

Property Loss — Provides for full value replacement of real and personal property owned by the District in the event of a loss. Actual cash value on licensed vehicles, mobile equipment and Hypalon reservoir covers. The JPIA pools for the first \$100,000 and has purchased excess coverage.

General and Auto Liability — Insured up to \$55,000,000 per occurrence; the Authority is self-insured up to \$500,000 and excess insurance coverage has been purchased. The general and auto liability program has no deductible. There is a deductible of \$1,000 on auto liability and \$5,000 on Buildings, Equipment and Property.

Public Officials' Liability — Insured up to \$55,000,000 per occurrence; the JPIA is self-insured up to \$5,000,000 and excess insurance coverage has been purchased.

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

Workers' Compensation — Insured up to the statutory limits; the JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased. Employer's liability is insured up to \$4,000,000 million.

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

## RESILIENCE POLICY MANAGEMENT REPORT for FY 2022 BUDGET PACKAGE

Cyber Liability — Included with Property Loss policy. Any damage or loss as the result of Cyber Crime is insured up to \$5,000,000 with a \$10,000 deductible.

### **Reserves**

BWD presently retains unrestricted cash reserves equal to approximately \_\_\_\_\_% of its target reserves relative to its FY 2022 Reserves Policy.

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

The groundwater level monitoring network includes 23 dedicated monitoring wells and 27 extraction wells. Of the 50 wells in the network, 46 are monitored for groundwater levels, 30 are monitored for water quality, and 19 are monitored for production. Manual groundwater level measurements are collected in the spring and fall of each year to track seasonal groundwater trends. Groundwater quality monitoring includes sampling, on average, 30 wells on a semi-annual basis to determine and track groundwater quality trends. Wells are monitored for potential contaminants of concern (COCs). The COCs include arsenic, fluoride, nitrate, sulfate and total dissolved solids (TDS).

### **Risk from Air Pollution from Subbasin Following Program**

Since 2016, Borrego Water District (BWD) along with the Borrego Endowment Fund (BVEF) has assisted providing funding that enable air quality monitoring of the Borrego Valley and provided additional funding for a now 5-years continuous longitudinal Air Quality study by experts from the University of California, Irvine (UCI). A collection of five weather stations placed around the Borrego Basin was equipped with the ability to measure particulate matter (10 micron dust particles).

Because clear air is essential to public health and the tourist economy (clear views and starry night skies) in Borrego Springs, BWD felt it was important to collect baseline data in front of increased following of agricultural lands needed to meet the SGMA sustainability requirement by 2040. BWD has been the defacto agency concerned with following standards before the creation of the Borrego Springs Subbasin Watermaster Board. The data will potentially help to adjust following standards to prevent degradation of air quality in the basin. It is our plan to provide the study and data to the Environmental Working (ERG) group of the Watermaster created to manage our basin, so that they can make air quality monitoring standards part of the Watermaster's following standards.

### **Flood Risk Management**

## RESILIENCE POLICY MANAGEMENT REPORT for FY 2022 BUDGET PACKAGE

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

The District inquired to JPIA about adding the Flood Channel for Property coverage. We discussed that the JPIA needs to seek approval from the excess carrier. Since the structure is packed earthen material, it is unlikely that the excess carrier will approve the addition. JPIA responded: "As we suspected, due to the hard insurance market, the excess carrier has declined to accept the addition of the flood channels citing a 'lack of real property.'"

### ***Improperly Abandoned Wells in Subbasin Risk Management***

BWD is working with the County DEHQ on enforcement for 4 improperly abandoned wells in the Subbasin. DEHQ has sent the well owners enforcement letters. If the property owners do not respond, or if there is an immediate Health & Safety issue, DEHQ will proceed with the well destruction and go after the property owner for cost recovery. Of course their parcel will be flagged and they would not be able to do anything with the property until the flag has been addressed.

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

BWD plans to copy with the USEPA's cyber and risk management standards by June 2022. Intrusion detection scans performed by a professional cyber security firm for both exterior and interior hacking threats.

### ***Regional Conveyance System (RCS) through Borrego Risk***

BWD has developed a budget line item for FY 2022 to, if necessary, propose analytically-derived deal elements to compensate BWD and the broader Borrego community for externalities risk associated with a choice of route 3A through Borrego.

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

The national COVID-19 public health emergency presents a range of challenges, including ensuring level of service, assisting low-income customers, and assuring responsible financial management of the District. The BWD Board shares its customers' concerns about the coronavirus. The District's primary public health responsibility is to continue providing safe water for its customers to drink and use.



## **RESILIENCE POLICY MANAGEMENT REPORT for FY 2022 BUDGET PACKAGE**

The District's treatment process effectively removes viruses, including COVID-19, and the District is testing it regularly to assure it continues to meet federal and state drinking water standards. BWD has suspended all turn-offs for nonpayment, to ensure everyone continues to have access to potable water for washing hands and cleaning. The District has cancelled all meetings or gatherings for non-essential purposes during this emergency, and are holding public meetings via the internet. BWD has also closed our lobby to the public to protect our office staff and implemented social distancing for our field staff. Additionally, all our staff have paid sick leave and if they have been exposed to the virus or are symptomatic are told to stay home from work.

**RECENT BWD GRANTS & SUBSIDIES**

<b>Grant Amount</b>	<b>BWD Share</b>	<b>Grantor</b>	<b>Purpose</b>	<b>FY Year</b>
-	50,000		Wash D.C. Lobbying expense	2008
<b>400,000</b>	200,000	USEPA	Pipeline alignment for importing water from nearby basins	2009
<b>500,000</b>	150,000	USGS	Borrego Subbasin Hydrologic Model development	2010
<b>1,000,000</b>	12,000	USBR	Pipeline alignment and cost of to import water from CVWD	2011
<b>600,000</b>	-	DWR	CASDEM water level monitoring program	many
-	400,000		DWR IRWM requirements for two tries at planning grants	2010/2012
<b>200,000</b>	80,000	DWR	Borrego Water Coalition policy development	2013=2015
-	40,000		failed grants attempts by grants consultant	2014-2016
-	28,000	Public initiative bond	failed \$35M bond for Borrego to purchase farmland	2017-2018
<b>1,400,000</b>	-	San Diego County	Development of Groundwater Sustainability Plan (GSP)	2018
	30,000		Successful grants consultant work	2018-2020
<b>765,852</b>	-	DWR Prop 1 SDAC	Socio-economic & technical GSP studies & well CIP	2019-2020
<b>80,000</b>	35,441	DWR	WWTP recycled water study	2019
<b>43,765</b>	-	Ctr. Sustainable Energy	Solar CIP rebate	2019
<b>32,664</b>	21,776	BVEF	UCI Air Quality Monitoring Study	2020-2021
<b>478,000</b>	-	DWR	WWTP CIP	2021
<b>1,680,000</b>	156,000	DWR	Water supply reservoirs	2021
<b>6,726,664</b>	<b>1,203,217</b>	<b>TOTALS</b>		

## FINANCING STRATEGY — GRANTS

- plan to provide financing for necessary CIP projects using bond and pay-go funds
- use grants to defer and and/or pay-go financing needs and fund projects that would not be undertaken if grants were not available

### Financing Priorities

- refinancing of 218 \$5M debt on Oct 31, 2022 with \$2M in new debt post Prop 218 FY 2022 rate resolution
- securing low cost USDA debt (30-year 1.6% interest) for \$7M takedown in FY 2029
- exploration of grants for reducing bond and/or pay-go long term CIP

### Grant Category Priorities

- Water Supply Water Rights Purchase Costs
- Water Supply Conservation Program (is it cheaper to conserve than to purchase water rights?Need Dudek study).
- Improperly Abandoned Wells grants (Need Dudek scoping study)
- Solar Electricity for Pumps
- Water Pipeline Replacement

CIP Comparison Spreadsheet - FY 2022 - FY2031

2/19/21

CATEGORY	AMOUNT
Water Pipeline Replacement Program	\$ 8,027,000
Water Treatment Facilities	\$ 1,800,000
Emergency Water Line Repairs	\$ 720,000
Fire Hydrant Replacement	\$ -
Booster Pump Station	\$ 100,000
VFD Replacement	\$ 150,000
CIP Engineering/Construction Management	\$ 855,723
Water Storage Tanks	\$ 250,000
Production Wells	\$ 2,000,000
Wastewater Treatment Facility	\$ -
Sewer Line Replacement (Club Circle)	\$ 1,000,000
Manhole Rehab/Replacement	\$ 754,599
Wastewater Other	\$ -
SCADA	\$ -
Solar Project	\$ 1,200,000
Facilities	\$ -
Short Lived Assets	\$ 1,255,000
Water Supply Costs (water rights purchase)	\$ 4,000,000
End Use Efficiency (conservation program)	\$ 1,000,000
Improperly Abandoned Wells	\$ 1,000,000
<b>TOTAL PROPOSED EXPENDITURES</b>	<b>\$ 24,112,322</b>

# **BORREGO WATER DISTRICT**

## **NEW DEVELOPMENT POLICY** **STATEMENT**

SUBJECT: Policy on New Development  
NO. 2005-6-1  
ADOPTED: June 22, 2005  
AMENDED: December 27, 2006  
AMENDED: February 20, 2013  
AMENDED: March 23, 2016  
AMENDED: March 14, 2017  
AMENDED: \_\_\_\_\_, 2021

**Background:** As a general objective, the Borrego Water District (BWD) requires new development to pay its fair share for new connections to BWD's existing water, sewer, and wastewater infrastructure capacity, desiring to have past and existing customers subsidize the developer requesting access to existing infrastructure capacity to the smallest extent possible.

Sometimes, however, for economic development, public health or environmental protection, and/or social equity reasons, a public-private partnership with the developer would be advantageous in realizing the community's vision for the future.<sup>1</sup> For example, BWD desires to extend a water or sewer line at its own cost whenever the result will be an improvement to the overall system resulting in cost containment for both existing and new customers. This developer policy's objective, most of all, is to provide a tool for establishing equity between past and new investments in community development and to provide BWD with an effective tool for strategic infrastructure planning.

**Policy:** BWD encourages responsible development by requiring developers to install water and sewer infrastructure at the developer's expense. In addition, developers shall be charged for each new connection to pay for any required improvements to the existing BWD system and the new development's proposed use of existing system capacity. Participation in costs by BWD will occur only when BWD is convinced such participation will add further benefit to BWD's capability to provide services to existing and future customers.

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<sup>1</sup> Proposition 218 largely prohibits BWD from using water and/or sewer revenues to fund projects with these community-based broader objectives. Thus, prior to entering into any public-private partnership with a developer to accomplish such objectives, BWD must first identify if any Proposition 218 unrestricted funds are available to contribute to the partnership and/or whether there may be a direct benefit to some existing and/or future BWD customers.

## POLICY FOR WATER AND SEWER SERVICE TO NEW DEVELOPMENTS

\_\_\_\_\_, 2021

This Policy outlines the procedures and obligations for developers, contractors, and owners (hereinafter "developers") to obtain water and sewer service from the Borrego Water District (hereinafter "BWD") to serve a new development and establishes the fees, exactions, and charges for the new development. The Policy also applies to new construction of residential homes on existing platted lots within BWD's service area. The term "new development" is defined as any residential or commercial development or service requirement that increases the demand on BWD's water supply and/or distribution system and/or its sewer collection and treatment system whether by increasing the intensity of use or by altering the use of land.

### 1. Application of Policy

This Policy governs the procedures for BWD to handle requests for a commitment for water and sewer service for new developments and sets forth the obligations of the developer to obtain such written commitment. When a developer requests a commitment for water and sewer service for a larger new development, for example, a "major subdivision," as defined in the San Diego County Code of Regulatory Ordinances at section 81.102(y) as "a subdivision creating five or more lots or units" that may substantially impact BWD's existing water supply capacity and/or sewer treatment capacity or that may require major improvements to BWD's water distribution system and/or to BWD's sewer treatment plant or collection system, such requests shall be considered on a case-by-case basis. This Policy shall serve as a guideline for the consideration of the request for water and sewer service for a larger new development, but BWD may modify or add to the provisions of this Policy development.

### 2. Application for Water and Sewer Service

(a) The developer must obtain an Application for Water and Sewer Service from BWD. With the Application the developer shall submit a preliminary plat of the development which shall include the number of lots to be served, the type of units to be built within the development, the size of the lots in the development, the estimated build-out of the new development and any other information that will assist BWD in determining the water and sewer needs of the new development.

(b) The developer must return the completed Application to BWD with the information requested in subsection (a). The developer shall provide any other information requested by BWD that BWD deems necessary to determine the availability of water and sewer service for the development.

(c) When the Application requests water and sewer service for a larger new development, the developer shall pay an Application Fee as set by BWD's General Manager at the time the Application is submitted. The Application Fee is non-refundable and shall be credited toward the Administrative Deposit set forth in Section 6(a) of this Policy.

(d) The developer must timely notify BWD of any changes in the information submitted with the Application.

(e) When the Application is complete and the Application Fee, if applicable, is paid, BWD's District Engineer with assistance from outside experts, as needed, will determine whether the

water and sewer service requested is available. In addition, a determination will be made whether any off-site water and sewer system improvements must be made to properly serve the new development and maintain the current level of water and sewer service to BWD's existing customers.

(f) When BWD has completed its review, the developer will be notified of the preliminary conclusions as to the feasibility of the water and sewer service requested. BWD may then issue a Water and Sewer Availability Letter to the developer, or request additional information/time before reaching the final determination. The Water and Sewer Availability Letter may be revoked after three hundred sixty (360) days unless either (a) extended by BWD, or (b) the developer enters into a contract with BWD and pays all fees assessed by BWD within three hundred sixty (360) days of the date of the Water and Sewer Availability Letter.

3. Conditions on Availability of Water and Sewer Service

(a) In determining whether water and sewer service is available, BWD shall require the developer provide an accurate projection of the water demand and sewer treatment needs, by a registered engineer, for the entire development upon the Application for the first section or phase of the development.

(b) BWD may issue its Water and Sewer Availability Letter with limitations on the maximum amount of water that can be provided to the new development and the maximum amount of wastewater that can be collected and treated for the development. Any maximum limits on water and sewer service for the development shall be included in the water service contract with the developer under Section 4.

4. Water and Sewer Service Contract

(a) Before improvements are installed for the new development, BWD, shall then prepare a contract under which water and sewer service will be provided to the development.

(b) BWD may incorporate in the water and sewer service contract the maximum amount of water that can be furnished and the maximum amount of wastewater that can be collected and treated by BWD. In the event the developer's demand for water and sewer service exceeds the developer's projection of demand during the build out of the development, BWD shall have no obligation to furnish water or provide wastewater collection and treatment in excess of the amounts set forth in the water and sewer service contract. Any request for water and sewer service in excess of the amounts projected by the developer and included in the Water and Sewer Service Contract shall be treated as a new request for water and sewer service under this Policy.

(c) A Water and Sewer Service Contract cannot be assigned to any successor in interest of the developer without the express written consent of BWD, which consent will not be unreasonably withheld.

5. Installation of Improvements

(a) Cost of Installation. At its own expense and at no cost and expense to BWD, the Developer shall furnish, install, and construct all on-site and off-site water and sewer system improvements, including all labor and material, as required by BWD to be installed to serve the development, to maintain the current level of water and sewer service to existing customers and to meet BWD's plan for the level of service to be made available in the general area of the development. The construction and installation of the water and sewer system improvements shall be in strict accordance with the plans, specifications and requirements approved by BWD and performed by a Licensed Contractor. In addition, the developer shall indemnify BWD from any loss or damage that may directly or indirectly result from the installation of water and sewer system improvements by the developer.

(b) Notification of Construction. BWD shall be notified at least forty-eight (48) hours before construction is to begin on installation of improvements. Thereafter, the developer shall notify BWD every day during which construction will be in progress in order for BWD's inspector to be on the job site during construction.

(c) Inspections. All water and sewer system improvement projects shall be subject to inspection during construction and upon completion of construction by an authorized representative of BWD. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of BWD. The presence or absence of an inspector during construction does not relieve the developer from adherence to approved plans and specifications. Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer's expense.

(d) Final Inspection. An authorized representative of BWD shall make a final inspection of the water and sewer system improvements for the development after completion to determine acceptability of the work. Before this final inspection can be made, the owner, developer or engineer responsible for the project shall notify BWD's General Manager in writing that the work has been completed in accordance with approved plans and specifications.

(e) Final Acceptance. When the water and sewer system improvements pass BWD's final inspection, it will accept ownership of the completed improvements. The developer shall be responsible for seeing that the person paying the cost of constructing such improvements shall furnish "as-built" drawings to BWD at the end of each phase of water and sewer system construction and prior to final acceptance of water and sewer system improvements by BWD. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submitting "as-built" drawings, payment of all fees due, and the placing of all water and sewer system improvements into service by BWD. BWD will notify the developer in writing of the date of its acceptance of the completed facilities.

(f) "As-Built" Plans. The developer shall provide BWD "as-built" plans, by a registered engineer, which shall be drawn at a scale approved by the District Engineer and which shall indicate the location and size of all water and sewer system improvements installed for the



development. The location of all water and sewer system improvements must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The water and sewer system improvements shall also be shown in relationship to the edge of all paved surfaces and all other utilities located with 15 feet of either side of the improvements. All utility easements shall be shown in relationship to the improvements. In the event the actual construction differs from the recorded plat of the development, the developer will prepare and record in the Register's Office of San Diego County a revised plat showing the actual construction with the design features stated above clearly shown. BWD may delay water and sewer service until this requirement has been met.

(g) Warranty. The developer shall guarantee all work on the water and sewer system improvements it installs for a period of one (1) year from the date of final acceptance and shall immediately correct any deficiencies in the work due to material or workmanship that occurs during the one-year period. The warranty shall be insured by a maintenance bond in the amount specified by BWD secured by an irrevocable bank letter of credit or such similar collateral as approved by BWD. When a defect is discovered in any water or sewer system improvement under warranty by the developer, the cost of repairing the defect when performed by BWD and the damages caused by the defect will be billed to the developer.

(h) Conveyance of Water and Sewer System Improvements. Upon completion of the construction of the water and sewer improvements, upon final approval by BWD, and upon the water and sewer system improvements being placed into service, the improvements shall immediately become the property of BWD regardless of whether or not a formal written conveyance has been made. The developer and any other persons paying the cost of constructing such improvements shall execute all written instruments requested by BWD necessary to provide evidence of BWD's title to such improvements, including obtaining any lien releases from the material suppliers and subcontractors of the developer and/or its contractor. The water and sewer system improvements shall become the property of BWD free and clear of the claims of any persons, firms, or corporations.

6. Assessments and Collection of Fees and Charges:

(a) New Development Administrative Fee. The developer shall pay BWD an Administrative Deposit to cover the administrative, inspection, engineering, legal and other actual costs incurred by BWD ("Actual Costs") related to making water and sewer service available to the new development. The Administrative Deposit shall be paid by the developer and collected by BWD as an initial deposit on or before the execution of the Water Service Agreement and Sewer Service Agreement with the intent for BWD to recover Actual Costs. If it is determined that the initial deposit is insufficient to recover Actual Costs, the project manager will scope the work remaining on the project and calculate an additional subsequent deposit(s). The subsequent deposit(s) shall be calculated based on factors identified during the initial project analysis, established processing time standards, standard hourly rates and key project stages. Subsequent deposits may be required by the General Manger of BWD. Subsequent deposits shall be paid in the amount calculated by BWD and collected with the intent to recover Actual Costs by key milestones. Subsequent deposits shall be paid and collected prior to completion of key milestones. An applicant who has paid the applicable Administrative Deposit(s) may withdraw

the application prior to completion by submitting a written request to the General Manger of BWD. BWD shall discontinue work on such application within one working day from the receipt of said request. At the completion of all tasks associated with an application and after all final documents and review are completed, any surplus between the deposited amount and the Actual Costs shall be refunded to the applicant within 60 days or if a deficit, paid to BWD by the applicant within 60 days. For developments which request water and sewer service for a larger new development, the application fee paid under Section 2(c) shall be credited against the Administrative Fee.

(b) New Development Water Supply Charge (Water Supply Charge). A Water Supply Charge shall be submitted to BWD for every new connection to BWD's municipal water supply system and also by customers who change their meter size to a larger meter, which shall be considered a new connection. A Water Supply Charge is a one-time charge paid by the developer to BWD to compensate BWD for the additional groundwater supply from the Borrego Springs Subbasin (Subbasin) of the Borrego Valley Groundwater Basin required to supply the new connection with potable water for the expected life of the new development. This Water Supply Charge may be provided to BWD as described in the Schedule of Fees and Charges to this Policy for Water and Sewer Service to New Developments, as amended. A developer may convey to BWD baseline production allocations and/or water credits in amounts sufficient to serve the development or cash equivalents as calculated by BWD in its sole discretion.

(c) New Development Impact Charge for Water Service (Water Service Capacity Charge). A Water Service Capacity Charge shall be paid on all new connections to BWD's existing water service system. Water Service Capacity Charges are one-time charges assessed upon new water customers to recover a proportional share of the capital costs required to provide service capacity to BWD customers. These charges shall be reserved to fund water system infrastructure improvement costs reasonably related to future new development. The Water Service Capacity Charge shall be paid on or before the execution of the Water Service Agreement.

(d) New Development Impact Charge for Sewer and Wastewater Treatment Infrastructure (Sewer Capacity Charge). A Sewer Capacity Charge shall be paid on all new connections to BWD's sewer system. Sewer Capacity Charges are one-time charges assessed for new sewer customers to recover a proportional share of the capital costs required to provide service capacity to BWD customers. These charges shall be reserved to fund sewer system infrastructure improvement costs reasonably related to future new development. The Sewer Capacity Charge shall be paid on or before the execution of the Sewer Service Agreement.

(e) New Development Connection Fee (Connection Fee). The Connection Fee is based on the actual cost required for a new meter service. The Connection Fee shall be paid prior to the time actual water and sewer service is established to each new connection. Residential connections using 3/4" or 1" meters shall pay a standard Connection Fee that includes allocated, per connection, direct labor costs, materials, supplies, and equipment expenses and an allowance for indirect costs. All other connections using larger size meters will pay a custom Connection Fee based on the direct and indirect costs and expenses particular to that connection. If a customer changes to a smaller meter, no credit for any Connection Fee previously paid will be provided for a smaller meter. The Connection Fee for commercial connections shall be based on the Equivalent Dwelling Units (EDUs) as calculated by BWD.

(f) Schedule of Fees and Charges. A current published schedule of fees and charges, as amended from time-to-time by BWD, shall be used to determine the fee and charges amounts assessed for each new development. The developer shall have no right to recover any fees or charges paid to BWD or any right to recover any part of the Actual Costs and expenses incurred in installing water system improvements or sewer system improvements for the new development.

7. Approval of Final Plat

BWD will not sign a "Final Plat" of the development for submission to the appropriate Planning Commission until the water and sewer system improvements for the development have been constructed, inspected and accepted for use by BWD or until a performance bond secured by an irrevocable bank letter of credit issued by a bank with offices in San Diego County, California, or secured by other security specifically approved by the Board of Directors has been posted equal to the estimated cost of all necessary improvements and in favor of BWD, the Water and Sewer Service Contract has been fully executed, and all applicable fees have been paid. If the development is not a subdivision, the applicable fees must be paid at the time the contract for water and sewer service is signed.

8. Easements

(a) All water and sewer lines that are to become the property of BWD are to be located inside the public right-of-way. All exceptions are to be specifically approved by the Board of Directors or its delegatee. In all such cases where the Board of Directors or its delegatee approves water or sewer line construction within an exclusive easement on private property, the developer shall convey an exclusive easement to BWD a minimum twenty (20) feet wide for water and sewer main maintenance and construction. BWD may require an exclusive easement of greater than twenty (20) feet wide depending on the needs of BWD.

(b) The expenses of obtaining, preparing and recording easements needed for water and sewer system improvements for the new development will be paid by the developer, including but without limitation, the consideration paid to the landowner if the landowner is not the developer. In the event BWD must exercise its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which BWD becomes liable, on demand, including its reasonable attorney's fees.

(c) The easement must be in such form, terms, and content as approved by BWD.

(d) The developer is responsible for acquiring all such easements for both on-site and off-site water and sewer system improvement construction prior to the commencement of water and sewer system improvement construction.

9. Real Property Acquisition

In the event real property must be acquired for the installation of a water storage tank, a sewer treatment system, a pumping station or other water or sewer system improvement for the development, the expenses of obtaining and preparing and recording the real property documents will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event BWD must exercise its power of eminent domain to acquire any such real property, the

developer will pay all costs, expenses, appraisal fees, expert fees and damage awards for which BWD becomes liable, on demand, including its reasonable attorney's fees.

10. Meters

(a) The developer shall pay for all water meters in the development. The water meter shall include the lateral, corp stop, water meter, fittings, customer side shut off valve and water meter box. The water meter shall be per the specifications of BWD and preapproved by BWD prior to installation. The developer shall install such water meters, unless an agreement is made for BWD to install the meters at the expense of the developer.

(b) Each family residence or each duplex or other property shall be served with a separate water meter not smaller than three-quarter ( $\frac{3}{4}$ ) inch in size, except where prior arrangements have been made with BWD for apartment complexes, other types of multi-family dwellings, or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual, firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

11. Permits

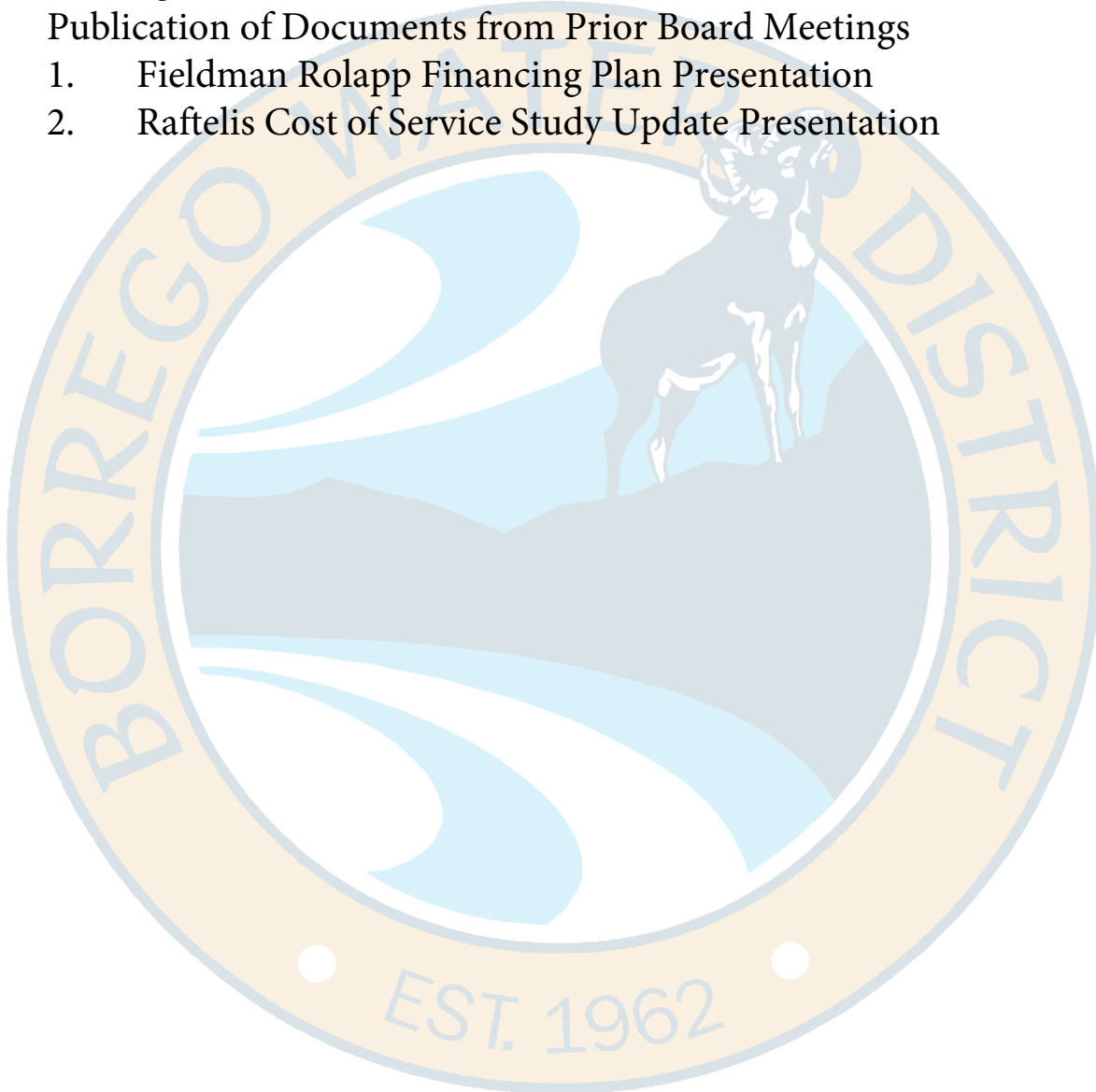
Before beginning construction, the developer or its contractor shall obtain all necessary permits as required by law. Such permits include, but are not limited to, those from State of California and the county highway department in which the development is located.

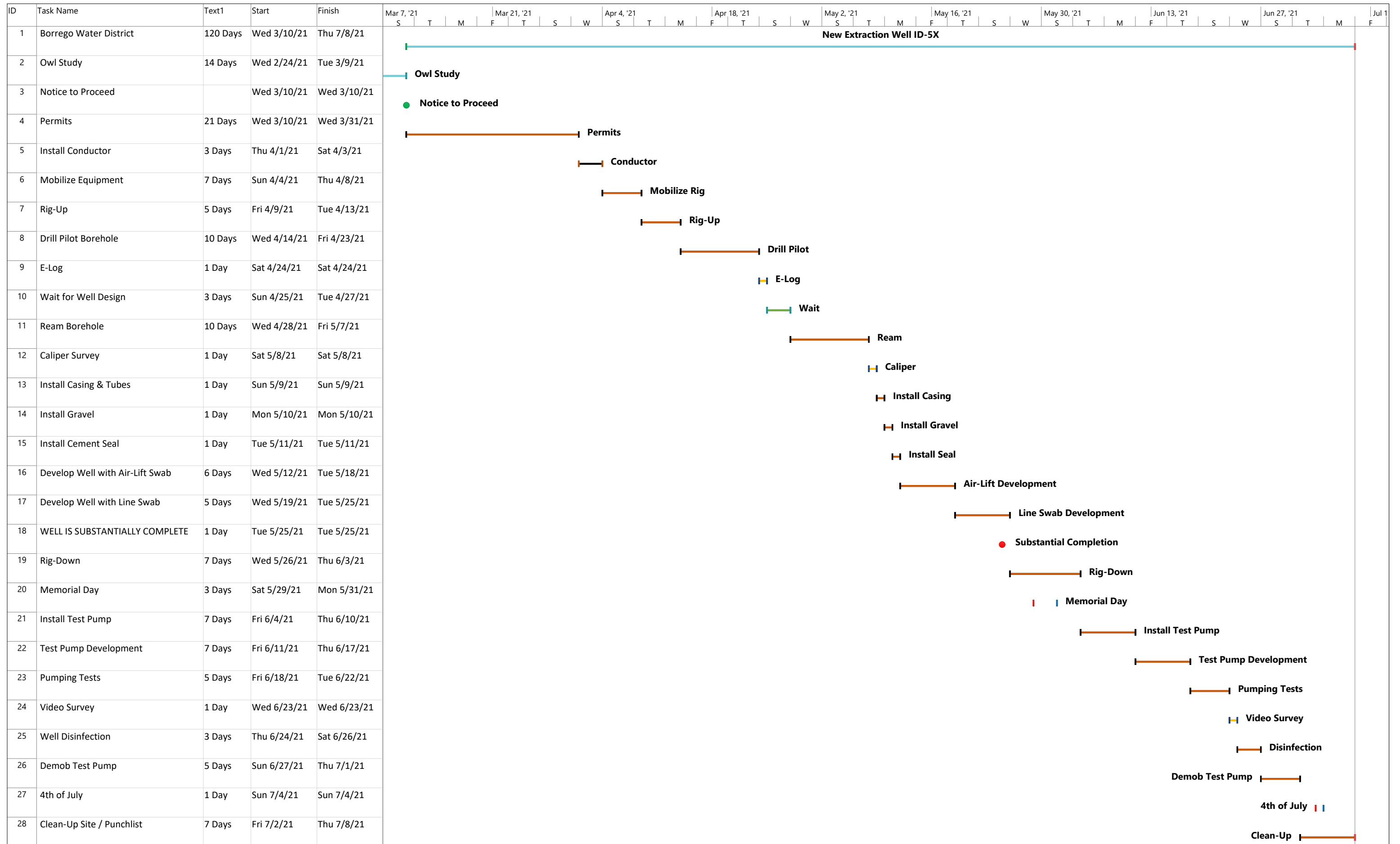
12. Resolution of Disputes

Any controversy or claim arising out of or relating to this Policy or the Water and Sewer Service Contract, or the breach thereof, shall be submitted to the Board of Directors, which may appoint a subcommittee of the Board to negotiate the controversy or claim. If the Board is unable to resolve the dispute by negotiation, the dispute shall be submitted to a mutually acceptable mediator. Mediation shall be required before either party may proceed to any other method of dispute resolution. Costs for mediation shall be shared equally between the parties. The decision of the mediator shall not be final or binding unless agreed to in writing by the parties. All mediation proceedings, results and documentation, shall be non-binding and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Code sections 1115 through 1128) unless such admission is otherwise agreed to in writing by both parties.

#### **IV. STAFF REPORTS**

- A. Water and Sewer Revenue Update – J. Clabaugh - VERBAL
- B. Well 5-X Schedule Update – D Dale
- C. Santiago Estates Outreach – E Garcia/A Asche/D Dale – VERBAL
- D. Publication of Documents from Prior Board Meetings
  - 1. Fieldman Rolapp Financing Plan Presentation
  - 2. Raftelis Cost of Service Study Update Presentation







# Borrego Water District

## *2021 Financial Plan*



## Board of Directors Meeting

January 26, 2021

# FINANCIAL PLANNING GOALS

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- Combine financial forecasting and strategic thinking to ensure sufficient funding is available for operating, capital and debt service needs
- Maintain sound financial position
  - Preserve or enhance financial metrics
- Produce a tool to effectively manage financial challenges
- Use revenue requirements to manage necessary Prop 218 rate increases
- Requires annual review/maintenance and periodic consideration



# FINANCIAL MODEL OUTPUTS

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- Summarize projections of revenues, expenses, debt service, capital expenditures and reserve balances
  - Work with staff to develop pro-forma of available revenues and projected expenses
- Calculate revenue requirements needed to support:
  - Water and sewer capital replacement costs
  - Projected operation and maintenance costs
  - Existing 2018 debt service payments
  - Reserve policy funding levels
- Key Financial Metrics
  - Debt Service Coverage ratios (target of 1.50x or higher)
  - Sufficient liquidity and cash reserves

# CAPITAL FUNDING OPTIONS

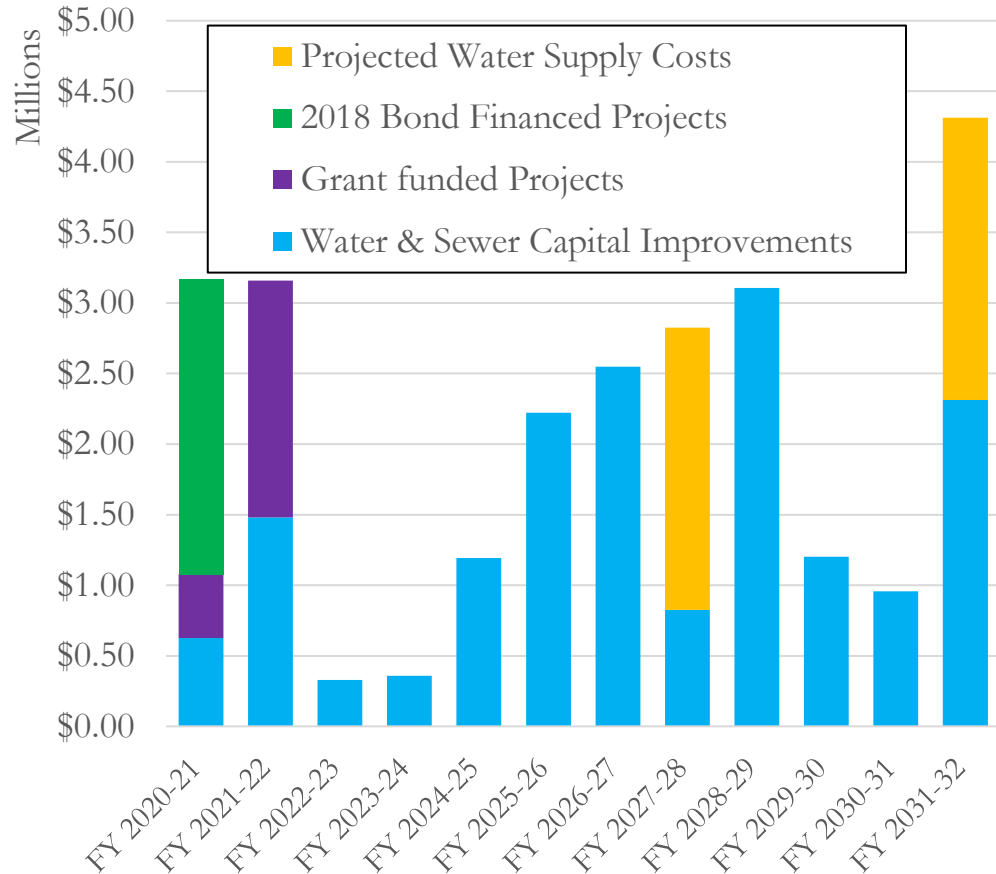
➤ **District has the option to fund capital projects with the following sources:**

- Available cash/reserves (pay-as-you-go)
- Current year revenue
- Long term debt (public or private)
- Government Subsidized Loans
  - SRF Loans from California
  - Possibly WIFIA Loan from US EPA
- Grants or other state/federal programs

➤ **District has access to the following additional sources:**

- Grants and 2018 loan proceeds

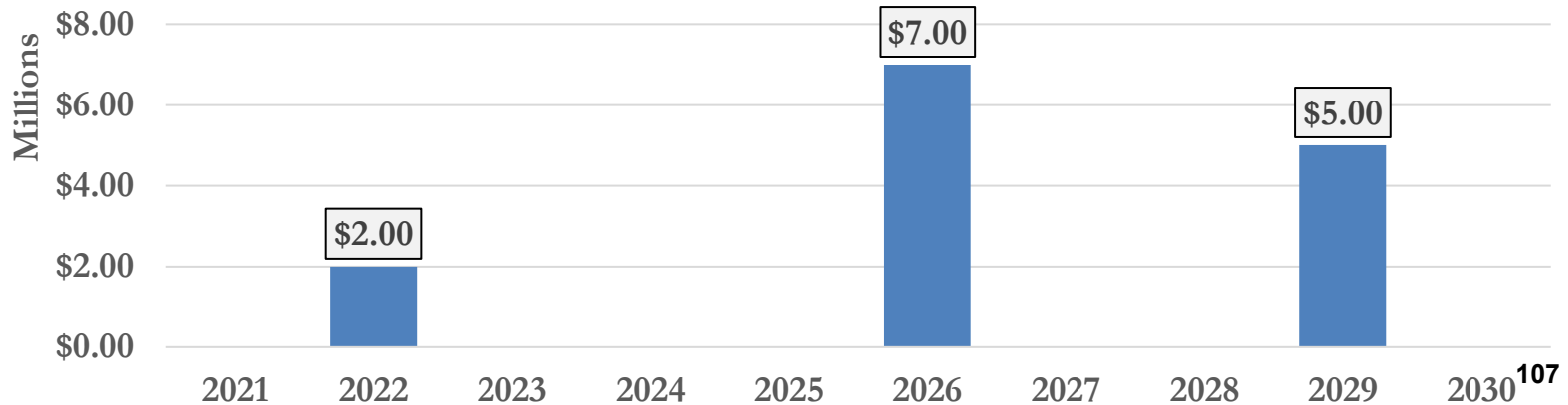
**Projected Capital Expenditures**



# FINANCIAL FORECAST RESULTS

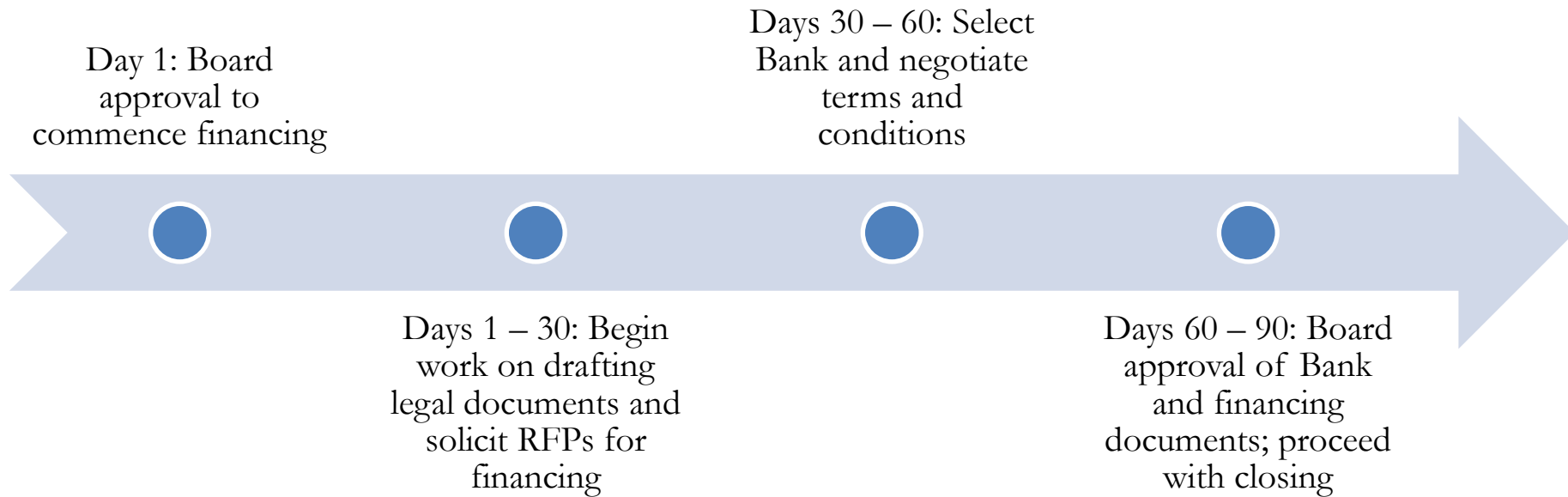
FYE June 30	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Water Revenue Commodity %	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%
Water Revenue Base %	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%
Sewer service charges %	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Proceeds (\$'000)	\$1,480	\$330	\$190	\$0	\$2,222	\$2,548	\$2,229	\$3,107	\$1,201	\$693	\$0
Annual DS(\$'000)	\$743	\$931	\$937	\$933	\$793	\$1,315	\$1,314	\$1,319	\$1,486	\$1,485	\$1,486
DSC	1.98	1.76	1.85	1.95	2.41	1.53	1.60	1.67	1.52	1.57	1.61
Days Cash Ratio	783	870	916	855	950	995	985	1,043	1,087	1,108	766

## Projected Debt Funding



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# DEBT FINANCING TIMELINE



- Align new money issuance with potential refunding of 2018 debt
  - Prepayment at 100% allowed on 10/1/2021 for 2018 capital improvement project
- Public offering v. Private Placements
  - Public Offering requires disclosure document, underwriter and credit rating
    - Preliminary Official Statement: used to sell debt to investors
    - Describes transaction, credit and legal rights of parties
  - Private Placement sold directly to (typically) one investor – usually a bank
    - Typically, through a placement agent; no formal disclosure
    - Historically this has been District’s financing approach

# ISSUES FOR BOARD DISCUSSION

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- Reserve Policy Amendment to Capital Reserve
  - Amendment to existing target level of rolling average of previous 5 years of R&R CIP to:
    - Greater of (i) \$1,000,000 and (ii) the budgeted cash funded CIP in the following fiscal year
- Frequency of Rate Increases
  - Public agencies have adopted partial rate increases to alleviate burden of higher costs on rate payers
  - Goal to align rate increases based on customer demand (i.e., reduce rate increases in July for the summer months and adopt rates for January)
- Adding Wastewater Plant Replacement Reserve
  - District is currently reviewing the need to fund \$4 million of upcoming sewer improvement projects over a 40-year period (\$100,000/year)

# DISCLAIMER

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Fieldman, Rolapp & Associates, Inc. is an SEC-registered Municipal Advisor, undertaking a fiduciary duty in providing financial advice to public agencies. Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for a transaction is contingent on successful completion of the transaction, 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 public agency. However, Fieldman, Rolapp & Associates, Inc. undertakes a fiduciary duty in advising public agencies regardless of compensation structure.

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# Borrego Water District

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## Water and Wastewater Rate Study – Rate Modification Options

Board of Directors Meeting - February 23, 2021



# Meeting Goals

- Provide options for rate structure alternatives
- Receive feedback from the Board for rate alternatives
  - › Scenarios to be presented to the Board at a future meeting



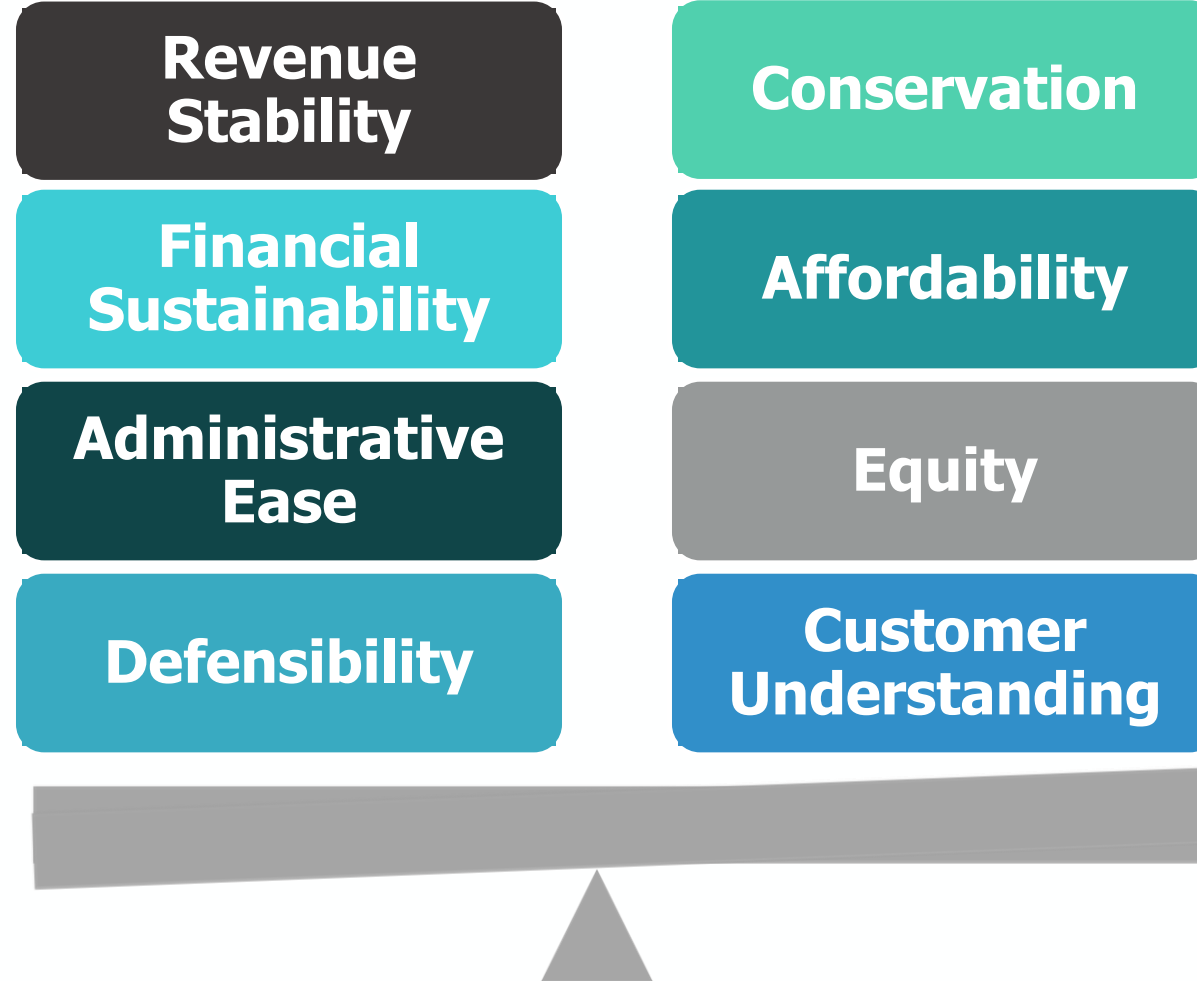
# Pricing and Policy Objectives



# Pricing and Policy Objectives

- Different rate structures achieve different policy outcomes and have different requirements (e.g., data)
- Policy objectives may be synergistic
  - › Example: defensibility and equity
- Policy objectives may create tradeoffs
  - › Example: affordability and revenue stability
- Identifying the top priorities helps Raftelis and BWD Staff narrow down rate options for evaluation

# Balancing Competing Objectives



# Pricing and Policy Objectives

- Highest priority policy objectives as relayed to Raftelis:
  - › Generate and maintain adequate cash flow for
    - Protecting public health
    - Providing reliable water and wastewater service
    - Maintaining good credit for borrowing necessary to keep rates low
    - Maintaining adequate reserves to avoid rate shocks & for borrowing on best terms
- Top BWD Rate Objectives:
  - › Meet Proposition 218 criteria
  - › Meet revenue objectives
  - › That are fair & equitable among rate classes
  - › Meet USEPA affordability criteria

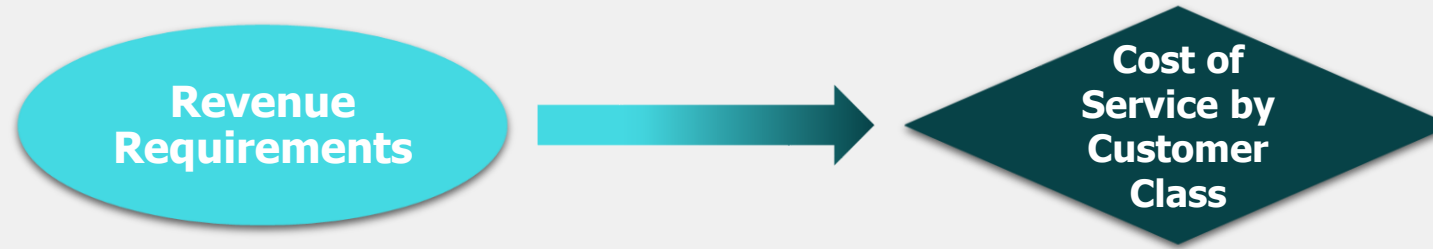
# Areas of Evaluation

- Water
  - › Fixed versus Variable revenue recovery
  - › Tiered Rates – Two or Three Tiers
  - › Tier differentials – conservation price signaling
- Wastewater
  - › SA2 / TCS Holder versus User Cost Ratio
  - › Borrego Springs Resort Cost Recovery

# Rate Design Water



# WHAT IS COST OF SERVICE?



Method to recover costs from users in proportion to their use of the system, recognizing the impact of each class on system facilities and operations

A cost-based process of converting revenue requirements into unit costs

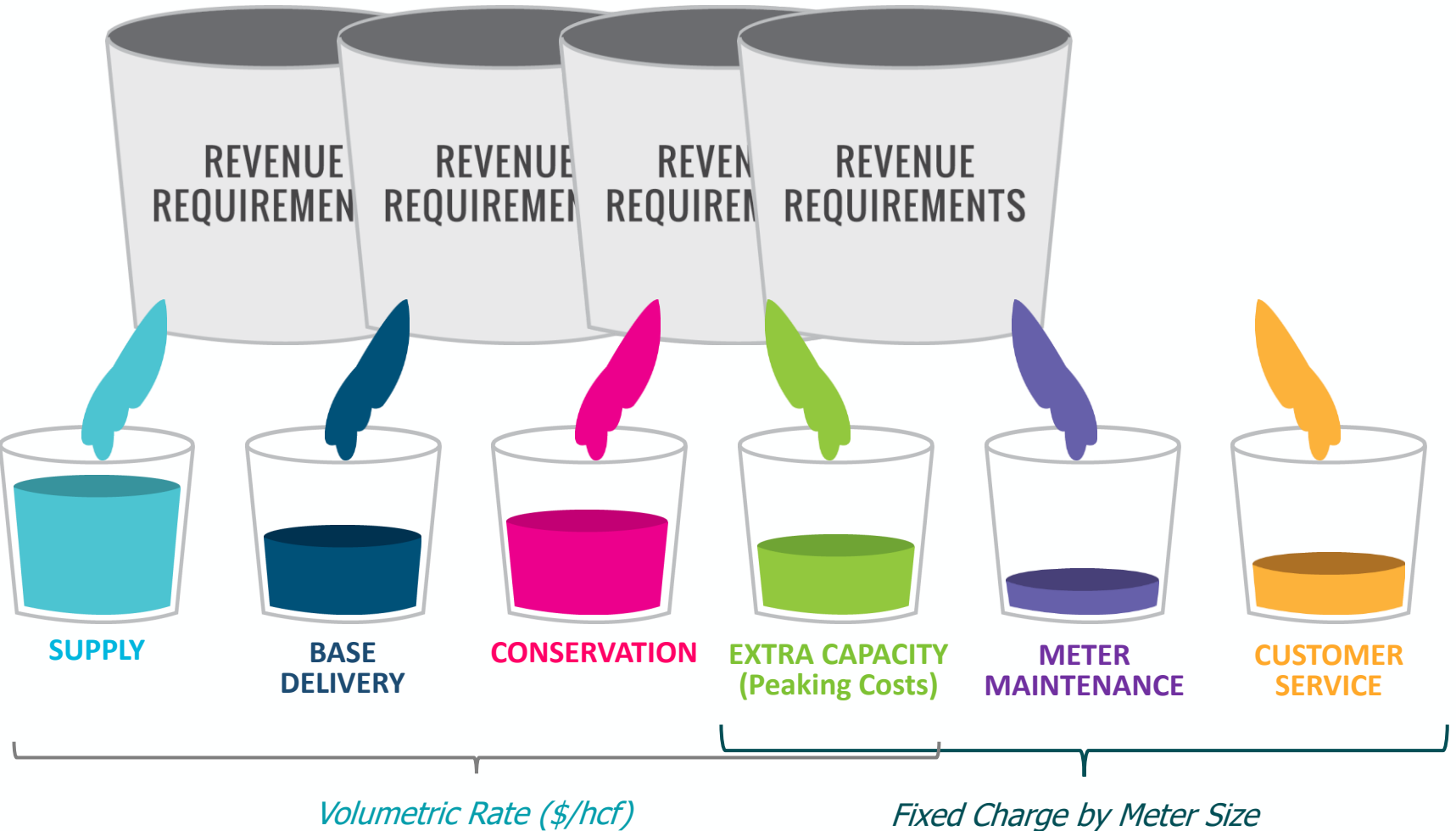
Allocation of cost of service to customer classes is based on customer usage characteristics

Cost of service is the fundamental benchmark used for establishing utility rates in the United States

# BASE-EXTRA CAPACITY METHOD

## AWWA MANUAL M1

### Allocation to Cost Components





# BASE-EXTRA CAPACITY METHOD

**Water Supply:** Variable costs that vary with total quantity of water used

**Base:** O&M expenses and capital costs associated with service to customers under average daily demand conditions (base use)

**Peaking Costs:** costs associated with meeting peak demand in excess of base use

- Max day extra capacity demand
- Max hour extra capacity demand

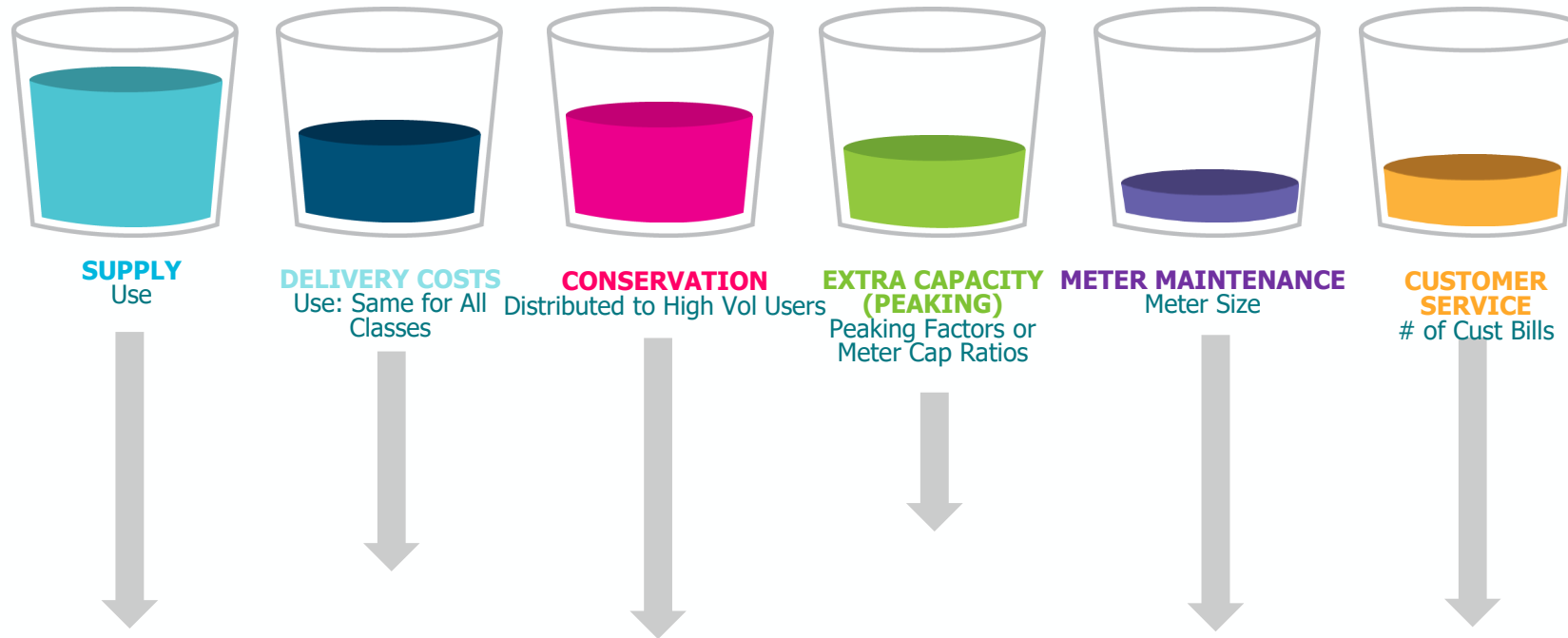
**Meter Maintenance:** maintenance and capital costs related to metering infrastructure

**Customer Service:** costs associated with serving customers, irrespective of the amount or rate of use  
Meter reading, billing, customer accounting, customer service, and collections

**Fire:** costs that apply solely to the fire protection functions of the water system

- Public hydrants
- Related branch mains and valves

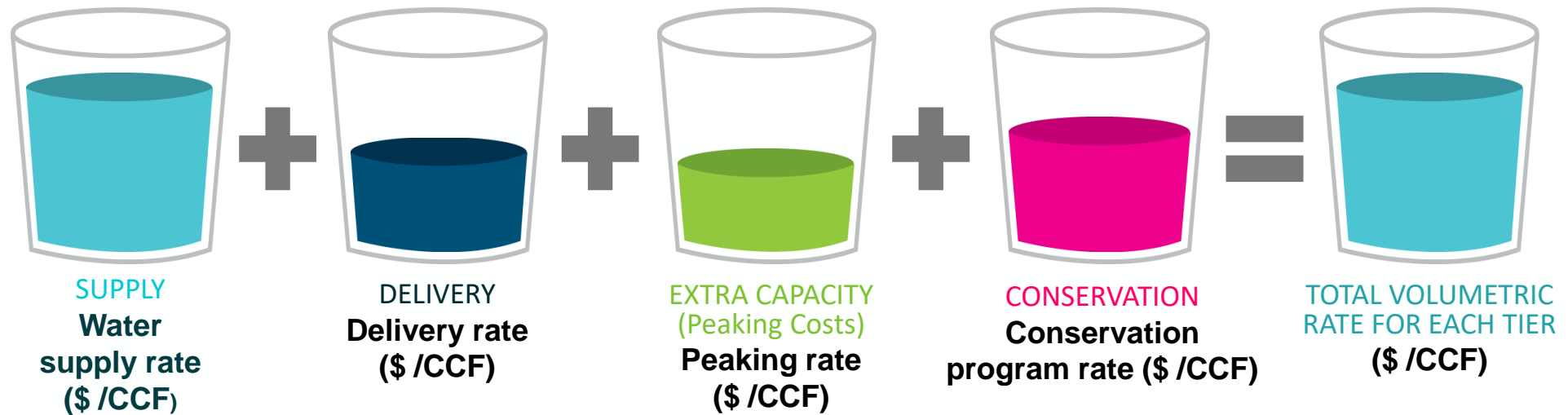
# DISTRIBUTE COSTS TO CUSTOMER CLASSES



Distribute Costs to Each Class

**CUSTOMER CLASSES**  
**Cost to Serve Each Class**  
(Single Family, Multi-family, Commercial etc.)

# RATE DESIGN COMMODITY RATE DERIVATION



# Water Rate Structure Alternatives – Fixed Charge Revenue

Fixed Revenue Alternatives		Fixed Revenue Recovery (\$)
35% of Rate Revenues (Medium)	<ul style="list-style-type: none"> <li>• <u>Reflects existing revenue recovery</u></li> <li>• Provides sizeable revenue stability</li> <li>• Some customer control over their billed charges</li> <li>• Some impact to conservation signaling</li> </ul>	<ul style="list-style-type: none"> <li>• ~\$1.3M</li> </ul>
25-30% of Rate Revenues (Low)	<ul style="list-style-type: none"> <li>• Reversion towards historical basis (pre-conservation)</li> <li>• Approximately \$300k less would be recovered from fixed charges (recovered from water sales charges)</li> <li>• Provides less revenue stability</li> <li>• Improves affordability and control of the bill</li> </ul>	<ul style="list-style-type: none"> <li>• \$900k - \$1.1M</li> </ul>
>40% of Rate Revenues (High)	<ul style="list-style-type: none"> <li>• Increases revenue stability of the water utility</li> <li>• Additional \$150k+ recovered from fixed charges</li> <li>• Impacts to affordability of service for lower volume and low-income customers</li> <li>• Impacts conservation signaling across tiered rates</li> </ul>	<ul style="list-style-type: none"> <li>• &gt;\$1.4M</li> </ul>

# WATER TIER DEFINITION OPTIONS

## **Based on water supply sources**

Directly relate available water and allotment in each tier

**Goal:** Provide lowest cost water at lowest possible price for indoor needs

## **Based on peaking**

Determine the average winter and summer usage of water by customer class

Base tiers on District water use characteristics

**Goal:** Manage summer water / peak use

## **Based on water efficiency target**

Determine the appropriate indoor and outdoor water use by account

Example: Indoor efficiency goal, estimated persons per household, and days of service

**Goal:** Reduce wasteful water use

# City of Thousand Oaks

	Water Supply	Delivery	Peaking	Conservation	Pass-Thru	Proposed FY 2017
<b>Residential</b>						
Tier I	\$3.11	\$0.83	\$0.16	\$0.03	\$0.11	<b>\$4.24</b>
Tier II	\$3.11	\$0.83	\$0.47	\$0.03	\$0.11	<b>\$4.55</b>
Tier III	\$3.11	\$0.83	\$0.86	\$0.03	\$0.11	<b>\$4.83</b>

# Crescenta Valley Water District

	Ground-water	Purchased Ground-water	Imported Water	Delivery	Peaking	Conservation	Revenue Offset	Proposed Rates
<b>Residential</b>								
Tier I	\$1.82			\$1.96	\$0.92		(\$0.32)	<b>\$4.39</b>
Tier II		\$4.04		\$1.96	\$1.22		(\$0.32)	<b>\$6.91</b>
Tier III			\$6.45	\$1.96	\$1.91	\$0.10		<b>\$10.43</b>

# Current Water Rates (\$/hcf) & Use

Class	Tier Definition	\$/hcf
Residential Tier 1	0-7 hcf	\$3.89
Residential Tier 2	>7 hcf	\$4.29
Non-Residential	Uniform	\$4.13

Class	Tier Definition	% of Residential Use	% of Total Use
Residential Tier 1	0-7 hcf	34%	57%
Residential Tier 2	>7 hcf	66%	
Non-Residential	Uniform	N/A	43%

# Water Rate Structure Alternatives – Tier Differentials

## Rate Structure Alternatives

### Small Differential

- One water supply
- No consideration for sustainable/unsustainable production
- Rate differential based solely on peaking characteristics
- Minimal price signaling

### Moderate Differential

- One water supply
- Differentiate between sustainable supply and future water purchases to serve demand beyond sustainable supply
- Significant price signaling

### High differential

- Differentiate supply based on ‘moderate differential’ approach
- Identify additional components to further differentiate the tiers (i.e., direct conservation costs and non-rate revenue offsets)
- Maximize price signaling



# Residential Water Rate Structure Options

Tier Rationale	Option 1 (Existing)	Option 2	Option 3	Option 4
Tier 1	Efficient Indoor	Indoor plus cooling	Indoor plus cooling	Efficient Indoor
Tier 2	Greater Than	Greater than	Peak Use	Avg Period Use
Tier 3	N/A	N/A	Greater Than	Greater Than
Tier Breakpoints	Option 1 (Existing)	Option 2	Option 3	Option 4
Tier 1	7 hcf	11 hcf	11 hcf	7 hcf
Tier 2	>7 hcf	>11 hcf	12-22 hcf	8-15 hcf
Tier 3	N/A	N/A	>22 hcf	>15 hcf

# Residential Water Rate Structure Options – Water Use & Revenue Recovery

Tiers	Option 1 (Existing)	Option 2	Option 3	Option 4
Tier 1	\$380k	\$534k	\$534k	\$373k
Tier 2	\$934k	\$780k	\$269k	\$259k
Tier 3	N/A	N/A	\$510k	\$674k
<b>Total</b>	<b>\$1.3M</b>	<b>\$1.3M</b>	<b>\$1.3M</b>	<b>\$1.3M</b>

- › Assumes current 35% fixed revenue
- › Assumes differentiated supply costs

# Rate Design Wastewater



# COST OF SERVICE ANALYSIS

## Step 1

**Determine flow and strength of each customer class**

Examine inflow at the treatment plant and number of customers

## Step 2

**Determine how much O&M and capital is flow or strength-related**

Allocate O&M costs and assets list by function

## Step 3

**Determine revenues required for flow and strength**

Allocate revenue requirements based on above allocations

## Step 4

**Determine customer class characteristics and unit cost**

## Step 5

**Distribution of costs to customer classes**

# CURRENT WASTEWATER RATES: RESIDENTIAL

Service Area	Charge Basis	Monthly Charge / Rate
SA1 – Rams Hill	EDU	\$44.49
SA 5 – BSR Club Circle	EDU	\$51.74
SA 2 (Holder) – TCS	EDU	\$28.41
SA 2 (User) - TCS	EDU	\$23.34
Borrego Springs Resort (Fixed)	EDU	\$28.41
Borrego Springs Resort (Variable)	\$/hcf water use	\$1.97

# SA2 – TCS Holder / User Discussion

- Holder fee portion recovers fixed account costs
- User fee portion recovers variable costs, lift costs, and other fixed costs
- Combined, the two portions recover the cost of wastewater system use
  - › Yields the same cost of service as SA1 and SA5
- Forward looking: What costs should the Holder fee recover and why?
  - › Customer service?
  - › Administrative?
  - › All non-treatment and non-lift related costs?

# SA2 Holder / User Considerations

- Holders can return their holding to the District
- The District still must recover sewer system costs (which are overwhelmingly fixed in nature)
- How much revenue risk / revenue instability is acceptable?
  - › Current Revenue from Holders is 66% of SA2 revenue (~\$190k)

# Borrego Springs Resort (BSR)

- 105 EDUs across five accounts (Hotel account is 100 EDUs)
- Variable charges based on water consumption
  - › Raftelis has confirmed with BWD staff that close to 100% of water use returns to sewer (minimal irrigation use on these meters)
  - › Water use of 7,400-7,900 hcf per year on average
- If updated COS utilizes actual water costs to BSR will increase significantly
  - › Currently BSR recovers 9% of sewer revenue. This would increase to 15%
    - ~\$37,200 more revenue from BSR



# BSR Continued

- BSR revenue recovery ultimately depends on our wastewater generation estimates across the system
- Three approaches:
  - › Residual method – estimate sewer flows from all other accounts, BSR is the difference between estimate and WWTP influent
  - › EDU Method – assume each EDU generates the same flow on average (gpd)
  - › Winter water use – estimate generation during period of year with minimal irrigation demands and maximum occupancy in Borrego Springs
- Which is most appropriate?

# Summary



# Policy Direction for Rate Modeling

- Water Rate Design
  - › Fixed Charge Revenue Percentage
  - › Tiered Structure Options
    - Two tiers or three?
    - Price signaling?
- Wastewater Rate Design
  - › SA2 Holder vs User
    - What should Holder fee recover?
  - › Borrego Springs Resort Cost Recovery

# Study Schedule and Proposition 218 Process

Item	Responsibility	Date
Completed Financial Plans	FRA / Raftelis	January 2021
Cost of Service Analysis	Raftelis	January / February 2021
Rate Model/ Rate Design	Raftelis	February / March 2021
Board of Directors Rate Workshop	Raftelis	March / April 2021
Rate Study Report	Raftelis w/ certain FRA Financial Plan results	TBD 2021
Proposition 218 Notice	BWD	TBD
Protest Period		From mailing of notices to date of Public Hearing (45 day min.)
Public Hearing		At least 45 days after notices are mailed (TBD)
<b>Rates Effective</b>		<b>10/1/2021</b>



**Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).**

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.

**Contact:**

Kevin Kostiuk: 213 262 9309 / [kkostiuk@raftelis.com](mailto:kkostiuk@raftelis.com)

# Backup Slides



# POLICY OBJECTIVES

Defensibility	Customer Understanding	Rate Stability	Conservation
<ul style="list-style-type: none"><li>• Reduce likelihood of challenge</li><li>• Increase likelihood of withstanding challenge</li></ul>	<ul style="list-style-type: none"><li>• Ease of understanding</li><li>• Straight-forward bills</li><li>• Ratepayers can discern changes to rates</li></ul>	<ul style="list-style-type: none"><li>• Avoid rate and revenue volatility</li><li>• Minimize customer impacts</li></ul>	<ul style="list-style-type: none"><li>• Reduce total use</li><li>• Reduce large volume use</li><li>• Reduce peak use</li></ul>

# POLICY OBJECTIVES (Continued)

Administration	Equity	Financial Sustainability	Affordability
<ul style="list-style-type: none"><li>• Easy of Implementation</li><li>• Compatibility with existing systems</li><li>• No new costs</li></ul>	<ul style="list-style-type: none"><li>• Equity among customer classes</li><li>• Equity between customer classes</li><li>• Inter-generational equity</li></ul>	<ul style="list-style-type: none"><li>• Generates adequate revenues over time</li><li>• Generates stable cash flow month to month</li></ul>	<ul style="list-style-type: none"><li>• Affordability for essential use</li><li>• Affordability for average use</li></ul>



# Residential Water Rate Structure Options – Water Use by Tier

Tiers - % Water Used	Option 1 (Existing)	Option 2	Option 3	Option 4
Tier 1	34%	47%	47%	34%
Tier 2	66%	53%	19%	21%
Tier 3	N/A	N/A	34%	45%

BORREGO WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 9, 2021  
AGENDA ITEM II.F

March 4, 2021

TO: Board of Directors

FROM: Geoff Poole, GM  
Steve Anderson, GC

SUBJECT: RESOLUTION NO 2021-03.01 OF THE BOARD OF DIRECTORS OF BORREGO WATER DISTRICT APPROVING FIRST AMENDMENT TO SETTLEMENT AGREEMENT AND AUTHORIZING BOARD PRESIDENT TO EXECUTE FIRST AMENDMENT AND STIPULATION FOR ENTRY OF JUDGMENT

**RECOMMENDED ACTIONS:**

1. Approve the accompanying Resolution Approving the First Amendment to the Settlement Agreement
2. Authorize Board President, or designee, to execute First Amendment to Settlement Agreement
3. Authorize the Board President to sign the Stipulation for Entry of Judgment

**ITEM EXPLANATION:**

In January 2020, the Board of Directors of the Borrego Water District approved a settlement agreement among major groundwater pumpers in the Borrego Springs Subbasin. The Board of Directors also authorized the filing of a comprehensive adjudication action in the Superior Court of San Diego County and asked the Court to approve a proposed judgment, including a groundwater management plan. Since the filing of the action in late January 2020, the case has been transferred to the Superior Court of Orange County under the caption *Borrego Water District v. All Persons Who Claim a Right to Extract Groundwater in the Borrego Valley Groundwater Subbasin, et al.*, Case No. 37-2020-00005776.

1. First Amendment to Settlement Agreement

Over the last several months, BWD staff and the signing parties to the settlement agreement have negotiated changes to the settlement agreement, the proposed judgment and the associated documents to ready the documents for potential final approval by the Court. The proposed changes to the documents are straight-forward and primarily procedural, and do not affect the central substantive provisions of the original settlement agreement. In addition to grammatical proposed changes to the relevant documents, the changes in the First Amendment include the following:

Amended Settlement Agreement

- Provided significant objections are not raised by parties to the Adjudication Action, the proposed change allows the parties to file a motion for entry of judgment
- In view of delays in the Adjudication Action process due to court closures resulting from the COVID-19 pandemic, the first amended settlement agreement modifies the date when the second Interim Watermaster payment is due from pumpers from September 1, 2020 to March 1, 2021

- Clarifies how reimbursements will be made related to the costs of processing the Adjudication Action and BWD reimbursement for GSP preparation from entities receiving baseline production allocation (BPA) or other form of pumping right that are not settling parties

### Judgment

- The First Amendment revises the Judgment to:
  - Include a caption page and table of contents
  - Fill in blanks in the original judgment to reflect the filing date of action, the dates of interim court orders, and other matters clarified since January 2020
  - Reflect the stipulating party percentages in Code of Civil Procedure Code, section 850(b) more precisely
  - With respects to transfers of BPA, uniformly changes the term “buyer” to “grantor” and “seller” to “grantee” to reflect that BPA can be transferred outside of a sale
  - With stated conditions, the proposed changes exempt mutual water companies from associating their BPA with particular APN’s (as is required for all pumpers except BWD) because mutual water companies do not ordinarily own real property
  - Clarifies that parties that transfer BPA are not prohibited from subsequently leasing BPA within the Subbasin
  - Clarifies that mutual water companies owning BPA are subject to the Anti-Speculation provision only to the extent they hold more BPA that is needed to serve their existing customers or future land use entitlements within their boundaries; and clarifies the process by which mutual water companies will provide documentation to the Watermaster regarding these issues
  - Clarifies the process by which BPA will remain with or be transferred from real property being sold or conveyed, how Water Rights Restrictive Covenants will be handled, and the Watermaster’s role in that process (See also changes to Exhibits 6.1, 6.2 and 6.3)
  - Clarifies the Watermaster’s role with respect to permanent transfers and enforcement provisions if the above standards are not met
  - Adds a provision requested by the County of San Diego to allow for the revision of the annual budget and pumping assessment process to allow for expedited changes to ensure adequate funding in case of litigation
  - Allows the prevailing party in any litigation or enforcement, including the Watermaster, to recover fees and costs
  - Adds provisions requiring any mutual water company formed after entry of Judgment to construct and operate facilities that meet minimum standards
  - Clarifies that no mutual water company will seek to merge with BWD without BWD consent

### Exhibit 4 (BPA)

- Without changing the total BPA proposed to be awarded by the Court or the rights of individual pumpers, the first amendment revises Exhibit 4 (Baseline Production Allocation) to reflect the most up to date naming conventions of BPA owners, provide uniform APN numbering form, to reflect changes in land/BPA ownership since early 2020, to list well numbers and APN’s not included in original Exhibit 4, to allow the Watermaster to assign local well numbers if no state or county well numbers are available for a particular well, and to reflect that many (former) water credit holders do not currently own wells and thus their well numbers are currently notated as “unassigned”

Exhibit 5 (Watermaster Rules)

- For ease of administration, allows the Watermaster secretary and treasurer posts to be filled by Watermaster staff, rather than by Watermaster Directors
- Allows the Watermaster to have its main office at the office of the Watermaster Executive Director outside of Borrego, with a local office in Borrego Springs
- Clarifies that Watermaster Board meetings will be held (post pandemic) in Borrego Springs, but that those meetings need not occur at a Watermaster office

Exhibits 6.1, 6.2 and 6.3

- Makes clarifying changes to Exhibits 6.1 and 6.3 regarding the form Declarations of Covenants, Codes and Restrictions
- Adds a new Exhibit 6.2 to cover a water allocation resulting from a conveyance of a portion of a BPA parcel and an assignment of BPA between parcels

Exhibit 8 (Entry Permit Form)

- Fills in blanks in the Entry Permit form and makes other minor edits

Exhibit 9 (Facility Standards for Mutual Water Companies)

- Adds a new exhibit with specific standards for facilities installed by any mutual water companies formed after entry of Judgment

2. Staff requests that the Board of Directors authorize the Board President to sign the First Amendment to the Settlement Agreement.

3. Staff requests that the Board of Directors authorize the Board President to sign the Stipulation for Entry of Judgment to allow the stipulating parties to seek Court approval of the current version of the Stipulated Judgment accompanying documents.

ATTACHMENTS:

1. Resolution 2021-03-01
2. Electronic version of the documents can be found at [borregowd.org/judgment](http://borregowd.org/judgment)

RESOLUTION NO 2021-03-01 OF THE  
BOARD OF DIRECTORS OF BORREGO WATER DISTRICT APPROVING FIRST AMENDMENT  
TO SETTLEMENT AGREEMENT AND AUTHORIZING BOARD PRESIDENT TO EXECUTE FIRST  
AMENDMENT AND STIPULATION FOR ENTRY OF JUDGMENT

WHEREAS, in January 2020, the Board of Directors of the Borrego Water District (BWD) approved a Settlement Agreement among most major groundwater pumpers in the Borrego Springs Subbasin to resolve disputes regarding their respective rights to pump groundwater from the Borrego Basin and agreed to submit to the Superior Court of California for approval a proposed Stipulated Judgment that will establish a Physical Solution, including a groundwater management plan (GMP), for the perpetual, sustainable management of the Borrego Basin as required by the Sustainable Groundwater Management Act (SGMA) and the California Constitution.

WHEREAS, the parties to the Settlement Agreement have negotiated changes to the Settlement Agreement to clarify specific provisions, to fill in “blanks” left in the original form of the documents, and to add provisions, as described in the attached “First Amendment” to Settlement Agreement and accompanying documents.

WHEREAS, approving the First Amendment and authorizing the Board President to execute the First Amendment does not constitute a “project” subject to the California Environmental Quality Act (CEQA) because these are not activities that may cause either a direct or reasonably foreseeable indirect change in the environment. (Pub. Res. Code § 20165; CEQA Guidelines § 15378(a).) Further, the authorizations are not a project subject to CEQA because the Court will oversee and implement the Adjudication Action and Stipulated Judgment and CEQA does “not apply to the courts of the state.” (CEQA Guidelines § 15379; *Hillside Memorial Park & Mortuary v. Golden State Water Co.* (2011) 205 Cal.App.4th 534, 550-51 (West Coast Basin); *Calif. Am. Water v. City of Seaside* (2010) 183 Cal.App.4th 471, 481-82 (Seaside Basin).) Even if the authorizations are deemed a project subject to CEQA, they are exempt under California Water Code section 10728.6 as a statutorily-authorized GSP alternative. Finally, the authorizations are exempt under the “common sense exemption” because by themselves, they do not authorize or approve any project, development, or construction activity. (CEQA Guidelines § 15061(b)(3).) Accordingly, it can be seen with certainty that the authorizations will not lead to any adverse physical changes in the environment. There is no evidence that the authorizations involve any unusual circumstances that might cause a significant effect on the environment. (CEQA Guidelines § 15300.2.)

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

1. The Board of Directors hereby approves the First Amendment and accompanying documents and authorizes the Board President or her designee to execute the First Amendment, and all other related documents. (See Exhibit “A.”)
2. The Board of Directors delegates to the District General Manager and District legal counsel authority to finalize for the Board President’s execution the final form of the First Amendment and settlement documents, as well as the Stipulation for Entry of Judgment.
3. CEQA Compliance:

a. For all the reasons stated in the above recitals and based upon substantial evidence in the record as a whole, the Board of Directors finds that authorizing the Board President to execute the First Amendment and undertake the other actions described in this Resolution (1) are not a “project” subject to CEQA because these are not activities that may cause either a direct or reasonably foreseeable indirect change in the environment (Pub. Res. Code § 20165; CEQA Guidelines § 15378(a).); (2) are not a project subject to CEQA because the Court will oversee and implement the Adjudication Action and Stipulated Judgment and CEQA does “not apply to the courts of the state” (CEQA Guidelines § 15379); (3) alternatively, are exempt under California Water Code section 10728.6 as a statutorily-authorized GSP alternative and under CEQA Guideline § 15061(b)(3)’s “common sense exemption”; and (4) none of the exceptions to the application of the common sense exemption exist under State CEQA Guidelines § 15300.2.

b. The Board of Directors hereby directs that all documents and other materials constituting the record of proceedings related to this Resolution be maintained by the General Manager of the Borrego Water District, or his designee, on file at the Borrego Water District, 806 Palm Canyon Drive, Borrego Springs, California 92004.

c. The Board of Directors directs Staff to file a Notice of Exemption with the County Clerk for the County of San Diego.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the Borrego Water District held on the 9th day of March 2021, by the following vote:

**Ayes:**

**Noes:**

**Absent:**

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President, Board of Directors of  
Borrego Water District

ATTEST:

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Secretary of the Board of Directors of  
Borrego Water District