



Borrego Springs Watermaster Board Meeting

July 8, 2021

IV.A – WY 2022 Budget

Recommended Action: Approve the Watermaster Operating Budget for Water Year (WY) 2022 as presented in Table 1a .

Fiscal Impact: The operating budget includes expenditures of \$597,003. As proposed herein, the expenditures will be funded by pumping assessments (\$458,000) and reserves (\$139,003).

Next Steps: Following Board approval, Staff will publish the WY 2022 budget to the Watermaster website. A status report on any challenges to the Budget will be provided at the August 12, 2021 Board meeting.

Table 1b
Five-Year Projection of Borrego Springs Watermaster Operating Budget
Water Years 2022 through 2026

Revenues, Expenditures, and Reserves	Proposed WY 2022	Projected Budget			
		WY 2023	WY 2024	WY 2025	WY 2026
Revenues	\$ 458,000	\$ 458,000	\$ 458,000	\$ 458,000	\$ 458,000
Pumping Assessments	\$ 458,000	\$ 458,000	\$ 458,000	\$ 458,000	\$ 458,000
Total Expenditures	\$ 597,003	\$ 473,480	\$ 559,800	\$ 445,509	\$ 432,975
Administrative Services	\$ 223,799	\$ 211,819	\$ 218,024	\$ 213,730	\$ 219,992
Legal Services	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275
Engineering and Technical Services ¹	\$ 286,124	\$ 190,161	\$ 268,131	\$ 155,925	\$ 134,853
Environmental Working Group	\$ 37,080	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855
Reserves	\$ 564,543	\$ 549,063	\$ 462,743	\$ 475,233	\$ 500,259
<i>Beginning Reserves</i>	\$ 703,546	\$ 564,543	\$ 564,543	\$ 462,743	\$ 475,233
<i>Change in Net Assets</i>	\$ (139,003)	\$ (15,480)	\$ (101,800)	\$ 12,491	\$ 25,025
<i>Year End Balance</i>	\$ 564,543	\$ 549,063	\$ 462,743	\$ 475,233	\$ 500,259

← **5-year average operating expense = \$500,000**

← **Reserve at end of next 5 years = 5-year average operating expense**

**Table 2
Comparison of Planned and Actual/Proposed Budgets
for Water Years 2020 & 2021 and Water Year 2022**

Revenues, Expenditures, and Reserves	Comparison of Planned and Actual Budget for Water Year 2020 and WY 2021		Comparison of Planned and Proposed Budget for Water Year 2022	
	Settlement Agreement Budget WY 2020 & WY 2021	Projected Year-End WY 2020 & 2021	Settlement Agreement Financial Model WY 2022	Proposed WY 2022 Budget
Revenues¹	\$ 1,173,602	\$ 1,167,120	\$ 469,403	\$ 458,000
Pumping Assessments ¹	\$ 1,173,602	\$ 1,167,120	\$ 469,403	\$ 458,000
Total Expenditures²	\$ 821,550	\$ 463,574	\$ 469,403	\$ 597,003
Administrative Services	\$ 462,000	\$ 203,123	\$ 220,000	\$ 223,799
Legal Services	\$ 110,250	\$ 75,000	\$ 27,300	\$ 50,000
Engineering and Technical Services ³	\$ 229,300	\$ 168,064	\$ 202,103	\$ 286,124
Environmental Working Group	\$ 20,000	\$ 17,387	\$ 20,000	\$ 37,080
Reserves	\$ 352,052	\$ 703,546	\$ 352,052	\$ 564,543
<i>Beginning Reserves</i>	\$ -	\$ -	\$ 352,052	\$ 703,546
<i>Change in Net Assets</i>	\$ 352,052	\$ 703,546	\$ -	\$ (139,003)
<i>Year End Balance</i>	\$ 352,052	\$ 703,546	\$ 352,052	\$ 564,543

**Table 3
Milestones and Schedule to Publish the WY 2022 Budget and Collect Assessments to Fund the Budget**

Judgment Defined Due Dates	Watermaster Planned Action Dates	Milestones
June 30	July 9, 2021	Watermaster publishes Budget for ensuing Water Year
July 31	Aug. 10, 2021	Any challenge to the budget by a Party must be initiated by notice to the Watermaster
August 30	Sept. 9, 2021	Mediation of any challenge to the budget is completed pursuant to Section VII.A(1) of Judgment
October 15	Oct. 24, 2021	Any challenge to the budget by a Party unresolved by mediation will be heard by the Court
October 15	Oct. 15, 2021	Watermaster issues notice to each Party of: prior year pumping allocation and pumping, max amount eligible for carryover, estimate of the pumping assessment.
October 31	Nov. 9, 2021	Court order is entered on any Party's challenge to budget heard by the Court
October 31	Nov. 9, 2021	Each Party informs Watermaster of its elections for: carryover, foregoing pumping, or resuming pumping
November	Nov. 30, 2021	Watermaster provides Pumping Assessment invoice to each Party for first installment of Pumping Assessment
December	Dec. 15, 2021	First installment of Pumping Assessment due
May 31	May 31, 2022	Watermaster provides Pumping Assessment invoice to each Party for second installment of Pumping Assessment
June 30	June 30, 2022	Second installment of Pumping Assessment due

Today →

IV.B – Recordation of the Judgment in the Borrego Springs Adjudication

Recommended Action: Provide direction to Staff on pursuing recordation of the Judgment

Fiscal Impact: To be determined based on further research and review .

Next Steps: If the direction is to pursue recordation, legal counsel to research the recording process and estimate the cost and timing to pursue and order the recordation. The findings will be presented at the August 12, 2021 Board meeting.

IV.C – Process to Review and Approve Applications for De Minimis Pumping

Recommended Action:

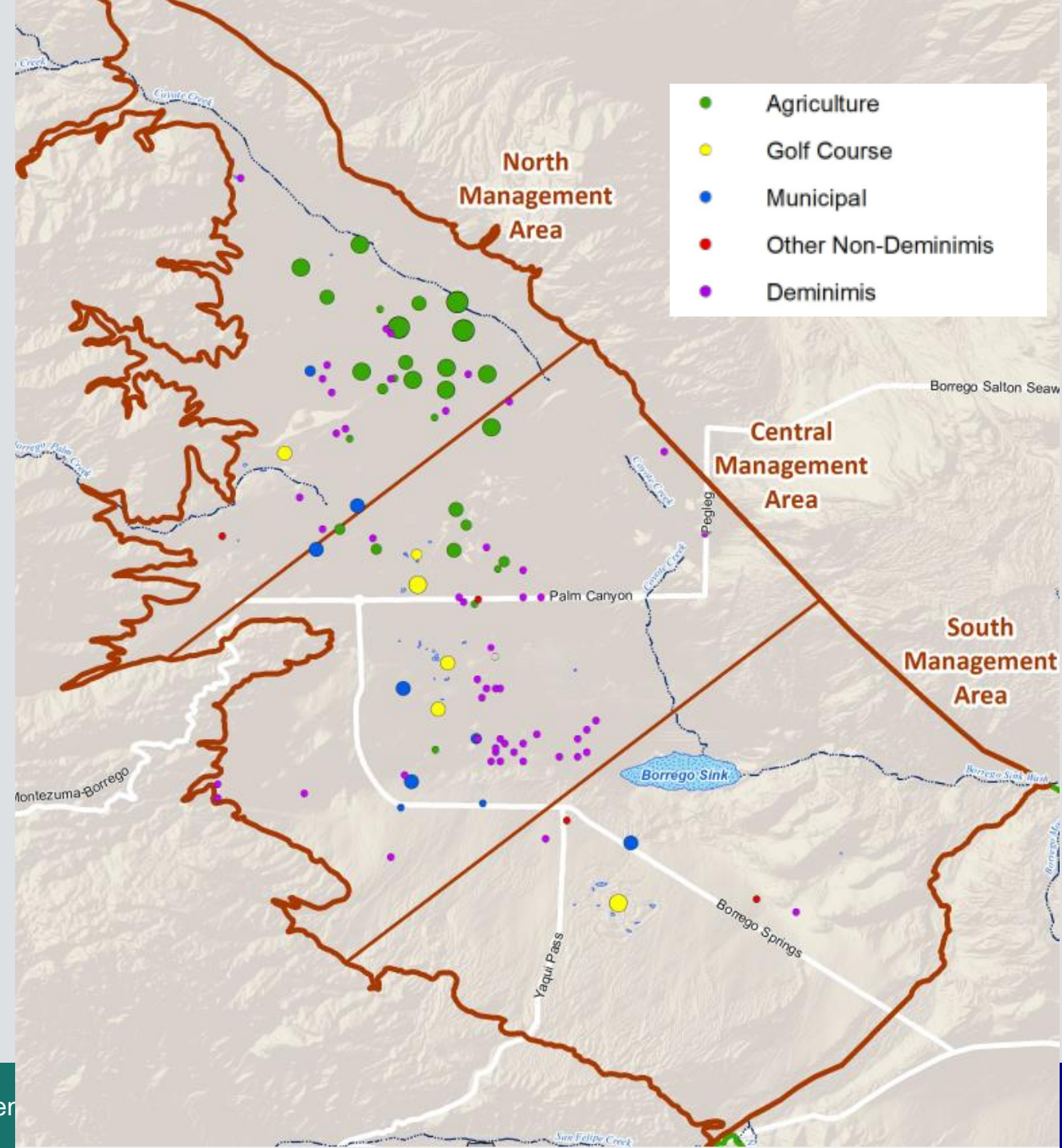
1. Direct Staff to coordinate with the County of San Diego to develop a draft standard application form for De Minimis Pumping in the Borrego Springs Subbasin
2. Direct Staff to convene a meeting of the Technical Advisory Committee to develop criteria for review and approval of De Minimis Pumping applications

Fiscal Impact: None.

Next Steps: If so directed, Staff will convene a TAC meeting sometime in late July or early August.

Section III.H

“...All persons who are not Pumping as of the date of filing the Complaint who seek to initiate Pumping as a De Minimis Pumper in the future shall submit an application to the Watermaster and the Watermaster shall determine whether the proposed Pumping will contribute to or threaten to contribute to Undesirable Results or other interest related to the Basin, and the application shall be denied if it contributes to or threatens to contribute to Undesirable Results or other interest related to the Basin...”



IV.D – Meter Reading Program: Meter Reading Frequency and Reminder of Annual Requirement for Verification of Meter Accuracy

Recommended Action: Extend the TAC-recommended meter reading program through the end of calendar year 2021

Fiscal Impact: None.

Next Steps: Send reminders to BPA parties to ensure compliance with metering and accuracy testing.

Previous Watermaster Actions

- At its March 31, 2020 Board meeting, the Watermaster adopted Resolution 2020-02 Establishing Approved Meters.
- At its August 27, 2020 Board meeting, the Watermaster adopted Resolution 2020-03 Establishing Criteria for Verification of Meter Calibration, Installation, and Accuracy.
- At its September 10, 2020 Board meeting, the Watermaster adopted Resolution 2020-05 Establishing Meter Read Protocols and Required Documentation
- At its November 12, 2020 Board meeting, the Watermaster established a monthly frequency for meter read reporting to effectively implement the Judgment. The monthly reads are accomplished through a combination of official Watermaster reading events and self-reporting.

Watermaster Website

- [Documents – Borrego Springs Watermaster](#)

Requirements to Install, Read, and Annually Verify the Accuracy of Watermaster-Approved Meters

[Resolution 20-02 Establishing Approved Meters](#)

[Resolution 20-03 Meter Verification](#)

[Resolution 20-05 Establishing Meter Read Protocols](#)

[Approved Meter Verification Vendors](#)

[Meter Read Entry Agreement Exhibit 8](#)

Extend TAC Recommended Program

- Continuing official Watermaster meter reads on a bimonthly basis at the end of July, September, and November 2021.
- Continuing self-reporting of meter reads in between official Watermaster reads at the end of August, October, and December 2021.
- Requiring that Parties with telemetry meters perform two manual verifications of the telemetry reads to demonstrate that the telemetry system is reporting accurately. These verifications will be coordinated with the pumpers using telemetry.

Submission of Alternative to GSP

- [SGMA Groundwater Management \(SGMA\) Portal - Department of Water Resources \(ca.gov\)](#)
- <https://sgma.water.ca.gov/portal/alternative/all>

Assessment Payment Status

	<u>Jun 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
Union Bank - Checking	776,057.55
Total Checking/Savings	776,057.55
Accounts Receivable	
Accounts Receivable	149,133.33
Total Accounts Receivable	149,133.33
Other Current Assets	
Unbilled Meter Read Expenses	3,037.70
Total Other Current Assets	3,037.70
Total Current Assets	928,228.58
TOTAL ASSETS	928,228.58
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	77,552.08
Total Accounts Payable	77,552.08
Total Current Liabilities	77,552.08
Total Liabilities	77,552.08
Equity	
32000 · Retained Earnings	963,299.22
Net Income	-112,622.72
Total Equity	850,676.50
TOTAL LIABILITIES & EQUITY	928,228.58