

MINUTES
BORREGO SPRINGS WATERMASTER BOARD MEETING
Conducted Virtually via GoToMeeting
Thursday, May 12, 2022, 4:30 p.m.

I. Opening Procedures

- A. Chairman Duncan called the meeting to order at 4:30 PM
- B. Chairman Duncan led the meeting participants in the Pledge of Allegiance.
- C. Samantha Adams, Executive Director (ED) called roll and confirmed that all members of the Board were present. The following individuals were present at the meeting:

Directors Present	Chairman Dave Duncan – Borrego Water District (BWD)
	Vice Chairman* Shannon Smith – Recreational Sector
	Mike Seley – Agricultural Sector
	Leanne Crow (Alternate) – County of San Diego
	Mark Jorgensen – Community Representative
Watermaster Staff Present	James M. Markman, Legal Counsel
	Samantha Adams, Executive Director, West Yost
	Andrew Malone, Lead Technical Consultant, West Yost
Others Present	Cathy Milkey, representing T2 Borrego
	Diane Johnson, BWD Board Member
	Geoff Poole, General Manager, BWD
	Jim Dax
	Kathy Dice, BWD Board Member
	Leonardo Urrego-Vallowe, WBE, representing AAWARE
	Martha Deichler
	Michele Staples, Jackson Tidus, representing AAWARE
	Rich Pinel, Board Alternate – Recreational Sector
	Tammy Baker, BWD Board Member
	Travis Huxman
	Trey Driscoll, representing BWD
	Tyler Bilyk, Board Alternate - Agricultural Sector

**Vice Chair Smith also serves as the Secretary and Treasurer of the Board*

- D. Approval of Agenda.

Motion: Motioned by Vice Chair Smith, seconded by Director Jorgensen to approve the agenda.
Motion carried unanimously by voice vote (5-0-0).

II. Public Correspondence

- A. Correspondence Received. None.
- B. Public Comments. Chairman Duncan called for public comments:
 - Tammy Baker commented about governance and the Board officer positions.
 - Michele Staples commented on the topic of the well permitting requirements in the CA Governor’s drought Executive Order. Counsel Markman reminded the Board that the

Judgment already requires more expansive well permitting requirements than mandated by the Executive Order.

III. Consent Calendar. Chairman Duncan called for any discussion on the Consent Calendar items included in the May 12, 2022 agenda package.

Motion: Motioned by Vice Chairman Smith, seconded by Director Jorgensen to approve the Consent Calendar. *Motion carried unanimously by roll-call vote (5-0-0).*

IV. Items for Board Consideration and Possible Action

A. *DWR Prop 68 Grant Update.* Geoff Poole, GM of BWD gave an update to the Board:

- The grant for the Borrego Springs Subbasin has been approved by the DWR and was formally announced at the Associate of CA Water Agencies conference in Sacramento, CA.
- BWD has submitted its acknowledgement letter accepting the grant to the DWR.
- BWD will develop an agreement with the sub-grantees after reviewing the master agreement from DWR. It will be sent to Watermaster staff as soon as its ready.

No Board action was taken.

B. *Consideration of Approval of Resolution 2022-01 Adopting a Code of Conduct to Govern Watermaster Activities Required to Manage and Sustain Borrego Springs Subbasin Resources.* Counsel Markman gave an overview of the resolution included in the agenda package. At the conclusion of the overview, Chair Duncan opened the floor to Board discussion and public comment. Public comment was made by Cathy Milkey, Michele Staples, and Tammy Baker.

The key points of discussion included:

- There is a potential that the Code of Conduct requires an update to the Watermaster Rules and Regulations and, if so, there is a specific process defined in the Judgment that would need to be followed to adopt the Resolution. There is also an attachment to the Rules and Regulations of a similar nature that should be reviewed.
- It is not a requirement to adopt a Code of Conduct, the Board requested that it be prepared during its February 10, 2022 Closed Session.
- Only the Court can remove a Board member, this a protection created in the negotiation of the Rules and Regulations.

Following the discussion, the Board directed Counsel to determine if the Code of Conduct requires a revision to the Rules and Regulations and revise the Policy based on the discussion and comments received in writing.

C. *Borrego Springs Watermaster Insurance Policy.* ED Adams and Vice Chair/Treasurer Smith provided an overview of the Insurance Policy and quote prepared by Inland Counties Insurance Services Inc. At the conclusion of the overview, Chair Duncan opened the floor to Board discussion and public comment. There were no public comments.

The key points of discussion included:

- The policy and cost are in alignment with industry standards, except for one key issue. The policy includes an endorsement related to water rights that the insurance agent has not provided a copy of in writing – this is not standard practice. Prior to purchasing the policy, it is necessary to review the endorsement and ensure it is not overly restrictive.
- An insurance quote was only requested from one agency, Inland Counties Insurance Services due to their experience in insuring Watermaster bodies.

Motion: Motioned by Vice Chair Smith, seconded by Director Crow, to approve the expenditure for the insurance policy and purchase the policy from Inland Counties Insurance Services, subject to a finding by Vice Chair Smith that the water rights endorsement is not overly restrictive. *Motion carried unanimously by roll-call vote (5-0-0).*

D. Report out from May 2, 2022 TAC Meeting. Mr. Malone presented an overview of the May 2, 2022 TAC Meeting, the agenda, presentation, and recording for which are on Watermaster’s website. At the conclusion of the presentation, Chair Duncan opened the floor to Board discussion and public comment. Public comment was made by Jim Dax and Tammy Baker.

The key points of discussion included:

- Additional grant funding opportunities will be available in 2022, but the process will be competitive state-wide and be open to all basins, not just critically overdrafted basins.
- The work to begin updating the model was recommended by the TAC, approved by the Board, and is required by the Judgment. This work will be reimbursed by the Prop 68 grant.
- With the Prop 68 grant funding, the water quality monitoring program workplan can be expanded to more fully address data gaps in the water level monitoring network.

No Board action was taken.

E. Consideration of Approval of a Scope of Work and Budget to Support Monitoring Well Construction under the DWR Technical Support Services. Mr. Malone presented staff’s recommendation to approve the scope of work and budget to collaborate with the BWD and DWR to construct and maintain a new multi-depth monitoring well in the North Management Area of the basin. At the conclusion of the presentation, Chair Duncan opened the floor to Board discussion and public comment. Public comment was made by Trey Driscoll.

The key points of discussion included:

- The new monitoring location will fill an important data gap.
- The value of the TSS grant award is \$1.5M and costs are paid by DWR.
- The scope of work is to provide limited oversight and support to DWR to ensure that the well construction meets Watermaster’s needs.
- The well is going to be a multi-depth completion (e.g., two wells), one shallow and one deep. It has not yet been determined if the wells will be completed with one or two boreholes. TAC has recommended two boreholes.
- The DWR does not have real well specifications and it is prudent to weigh in on the construction.

Motion: Motioned by Director Jorgensen, seconded by Vice Chair Smith, to approve the scope of work and cost for now [WY 2022] and include future cost [WY 2023] in the budget. *Motion carried unanimously by roll-call vote (5-0-0).*

F. *Review of Draft WY 2023 Budget.* ED Adams provided a detailed presentation of the first draft of the Water Year 2023 budget, including revenues, expenditures, and reserves. At the conclusion of the presentation, Chair Duncan opened the floor to Board discussion and public comment. Public comment was made by Leonardo Urrego-Vallowe and Michele Staples.

The key points of discussion included:

- The working capital required to fund additional work in the initial grant period will drain the Watermaster’s cash reserves to an uncomfortable level – less than three months of operating expenditures. During the drafting of the Settlement Agreement Budget, the Parties set a goal to maintain a cash reserve of at least equal to nine months of expenditures. This working capital requirement is a concern to many pumpers.
- The budget projection also shows the year-end cash reserves at the end of WY 2027 is in excess of the reserve goal. The revenues need to be re-balanced in the next draft of the budget.
- Table 4 should be updated to clearly show the projected working capital investment each year (difference between spent and reimbursed).
- Credit exposure risk (bad debt) is not accounted for in the budget and should be expressed.

Following the discussion, the Board directed staff to update the draft budget based on the comments received.

V. Reports.

- A. Legal Counsel Report. Counsel Markman reported that the Judge continued the April 29, 2022 Status Conference to July.
- B. Executive Director Reports. ED Adams reported that the June meeting would potentially be rescheduled to a later date in June. A doodle poll will be sent to the Directors to find a meeting date.
- C. Chairperson’s Report. NONE

VI. Board Member Comments. Chairman Duncan called for comments.

- Vice Chair Smith reported that he attended the May 2022 TAC meeting and is happy with its collaboration.

VII. Next Meetings of the Borrego Springs Watermaster. Chairman Duncan reviewed the potential agenda items for the next Board meetings listed in the agenda package.

VIII. Adjournment

- A. Chairman Duncan adjourned the meeting at 6:47 PM.



Recorded by:

Samantha Adams, Executive Director



Attest:

Shannon Smith, Vice Chairperson, Secretary,
and Treasurer of the Board