

Table 1

Detailed Five-Year Projection of Borrego Springs Watermaster Operating Budget: Water Years 2024 through 2028
Assuming Vendor Extended Payment Terms, 8-Month Delay in DWR Grant Request Reimbursements, and Target for 7-month Operating Reserve

Revenues, Expenditures, and Reserves	Amended WY 2023 Budget	Projected Actual WY 2023	WY 2024	Projected Budget ¹			
				WY 2025	WY 2026	WY 2027	WY 2028
Revenues²	\$ 649,281	\$ 1,679,164	\$ 1,561,374	\$ 1,138,324	\$ 256,863	\$ 557,069	\$ 557,281
Pumping Assessments Collected	\$ 658,000	\$ 658,000	\$ 458,000	\$ 250,000	\$ 250,000	\$ 550,000	\$ 550,000
Bad Debt (non-payment on Assessments)	\$ (15,000)	\$ (15,000)	\$ (4,000)	\$ -	\$ -	\$ -	\$ -
Overproduction Penalty Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues Collected for Pass thru Expenses	\$ 6,281	\$ 6,281	\$ 6,469	\$ 6,664	\$ 6,863	\$ 7,069	\$ 7,281
DWR Prop 68 Grant Reimbursements ³	\$ -	\$ 1,029,883	\$ 1,100,904	\$ 881,661	\$ -	\$ -	\$ -
Total Expenditures⁴	\$ 1,241,730	\$ 1,179,205	\$ 1,527,952	\$ 1,109,903	\$ 561,203	\$ 552,022	\$ 567,308
Administrative Services	\$ 333,973	\$ 318,223	\$ 405,695	\$ 377,630	\$ 245,373	\$ 227,317	\$ 233,461
Watermaster Staff Admin Services	\$ 237,772	\$ 228,035	\$ 280,284	\$ 263,872	\$ 188,242	\$ 193,890	\$ 199,706
Board Meetings	\$ 92,508	\$ 93,858	\$ 101,120	\$ 104,153	\$ 80,000	\$ 82,400	\$ 84,872
Technical Advisory Committee Meetings	\$ 29,590	\$ 29,590	\$ 45,326	\$ 30,000	\$ 23,175	\$ 23,870	\$ 24,586
Court Hearings	\$ 5,668	\$ 2,239	\$ 4,016	\$ 4,136	\$ 4,261	\$ 4,388	\$ 4,520
Stakeholder Outreach/Workshops	\$ 12,206	\$ 12,206	\$ 12,590	\$ 12,954	\$ 6,000	\$ 6,180	\$ 6,365
Administration and Management	\$ 67,800	\$ 62,651	\$ 72,628	\$ 72,628	\$ 74,807	\$ 77,051	\$ 79,363
Prop 68 Project Admin and Grant Reporting	\$ 30,000	\$ 27,491	\$ 44,604	\$ 40,000	\$ -	\$ -	\$ -
Other Administrative or Vendor Services	\$ 93,226	\$ 87,213	\$ 125,411	\$ 113,759	\$ 57,130	\$ 33,427	\$ 33,755
Financial Audit	\$ 8,555	\$ 8,425	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255
Insurance	\$ 35,651	\$ 33,197	\$ 40,474	\$ 41,688	\$ 42,939	\$ 20,000	\$ 20,000
Misc. Expenses	\$ 5,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Meter Accuracy Testing Vendors	\$ 13,000	\$ 12,600	\$ 13,500	\$ 14,000	\$ -	\$ -	\$ -
Interest on Vendor Terms During Prop 68 Grant Period ⁵	\$ 31,020	\$ 30,492	\$ 58,937	\$ 45,271	\$ 1,083	\$ -	\$ -
Pass Through Expenses	\$ 2,975	\$ 2,975	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement to Settling Parties	\$ 716	\$ 716	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement to BWD for GSP	\$ 2,259	\$ 2,259	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551

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				WY 2025	WY 2026	WY 2027	WY 2028
Technical/Engineering Services	\$ 417,406	\$ 418,248	\$ 744,298	\$ 457,068	\$ 182,877	\$ 188,363	\$ 194,014
General Technical Consultant Services	\$ 203,762	\$ 204,604	\$ 403,556	\$ 369,923	\$ 172,429	\$ 177,602	\$ 182,930
Coordinate/Implement meter reading program	\$ 30,893	\$ 27,739	\$ 30,388	\$ 31,634	\$ 26,889	\$ 27,696	\$ 28,526
Groundwater Monitoring Program	\$ 87,180	\$ 87,351	\$ 99,151	\$ 101,940	\$ 60,000	\$ 61,800	\$ 63,654
Data Management and Data Reporting	\$ 18,083	\$ 18,083	\$ 19,890	\$ 16,567	\$ 14,910	\$ 15,357	\$ 15,818
Annual Report to the Court and DWR	\$ 52,442	\$ 53,028	\$ 50,936	\$ 52,464	\$ 54,038	\$ 55,659	\$ 57,329
Address Inactive Wells via Abandonment/Conversion	\$ -	\$ 3,239	\$ 187,551	\$ 151,210	\$ -	\$ -	\$ -
As-needed technical support	\$ 15,164	\$ 15,164	\$ 15,640	\$ 16,109	\$ 16,592	\$ 17,090	\$ 17,603
Grant services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consulting Services with TAC Support/Input	\$ 213,644	\$ 213,644	\$ 340,742	\$ 87,144	\$ 10,448	\$ 10,761	\$ 11,084
Technical Work to Support Sustainable Yield Updates	\$ 146,322	\$ 146,322	\$ 200,240	\$ 17,655	\$ -	\$ -	\$ -
Development of Work Plan for an Expanded Groundwater Quality & Level Monitoring Workplan	\$ 46,392	\$ 46,392	\$ -	\$ -	\$ -	\$ -	\$ -
TSS Grant Implementation (new monitoring well)	\$ 11,000	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -
5-Year Update of the GMP (required by DWR)	\$ -	\$ -	\$ 130,654	\$ 59,346	\$ -	\$ -	\$ -
Address Ad Hoc Requests from the Board	\$ 9,930	\$ 9,930	\$ 9,848	\$ 10,143	\$ 10,448	\$ 10,761	\$ 11,084
Environmental Working Group	\$ 384,070	\$ 336,453	\$ 271,490	\$ 165,541	\$ 20,000	\$ 20,000	\$ 20,000
Biological Restoration of Fallowed Lands	\$ 378,301	\$ 330,684	\$ 265,394	\$ 159,262	\$ -	\$ -	\$ -
Ad Hoc Requests and EWG Meetings	\$ 5,769	\$ 5,769	\$ 6,096	\$ 6,279	\$ 20,000	\$ 20,000	\$ 20,000
Services to Parties with Manual Read Meters	\$ 6,281	\$ 6,281	\$ 6,469	\$ 6,664	\$ 6,863	\$ 7,069	\$ 7,281

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				WY 2025	WY 2026	WY 2027	WY 2028
Liabilities on Payment Terms⁶							
Beginning Balance	\$ -	\$ -	\$ 877,108	\$ 305,790	\$ -	\$ -	\$ -
Minimum Monthly Balance	\$ -		\$ 305,790	\$ -	\$ -	\$ -	\$ -
Maximum Monthly Balance	\$ 877,108		\$ 871,840	\$ 633,433	\$ -	\$ -	\$ -
Year-End Balance	\$ 877,108	\$ 803,450	\$ 305,790	\$ 185,580	\$ -	\$ -	\$ -
Cash Reserves⁸							
Beginning Cash Reserves	\$ 523,518	\$ 523,518	\$ 842,513	\$ 619,387	\$ 619,387	\$ 397,911	\$ 404,890
Year-End Cash Reserve Balance	\$ 810,229	\$ 842,513	\$ 619,387	\$ 619,387	\$ 397,911	\$ 404,890	\$ 405,950
Average Reserve Needed During the Year to Maintain Target Operating Expenses (7-9 months)	\$ 723,330	\$ 723,330	\$ 758,197	\$ 619,387	\$ 348,557	\$ 416,883	\$ 425,481
Minimum Month-End Reserve Balance	\$ 581,550		\$ 609,228	\$ 589,838	\$ 335,703	\$ 312,768	\$ 312,768
Average Month-End Reserve Balance	\$ 691,162		\$ 732,374	\$ 610,339	\$ 431,066	\$ 405,765	\$ 409,444
Variance from Desired Reserve	\$ (32,168)	\$ 119,183	\$ (25,822)	\$ (9,048)	\$ 82,509	\$ (11,118)	\$ (16,037)

Notes

- 1-- The projected budget is estimated based on Staff's best professional judgement as to how the cost of each line item will change over time. Some tasks increase at an assumed inflation rate of 3%; some tasks decrease in cost with efficiencies, followed by annual inflation increases; and some tasks fluctuate year to year based on the level of effort for non-routine work such as Sustainable Yield updates. For grant funded work, the projection matches the total allowable grant reimbursement.
- 2 -- Revenues shown are the amounts invoiced by Watermaster to pumpers, or in the case of the DWR grant, they are the amounts that are eligible for reimbursement, during the Water Year. In the case of the DWR Reimbursements, payment on the reimbursement requests are actually delayed by 8 months from request date. This delay in payment is taken into consideration in the financial model to determine when to defer or pay on vendor invoices to maintain the target cash reserves.
- 3 -- A total of \$2,738,590 was awarded for Watermaster projects. See also Note 2.
- 4 -- Expenditures highlighted in green will be **partially reimbursed** by the Prop 68 grant. Expenditures highlighted in blue will be **fully reimbursed** by the Prop 68 grant. Expenditures shown in bold, purple text are **costs that would not have been incurred (in part or in full)** absent the Prop 68 grant.
- 5 -- Combined interest to West Yost and Land IQ under proposed Payment Terms allowing an outstanding balance of up to \$550,000 per vendor in any 30-day period.
- 6 -- Reflects the balance owed to West Yost and Land IQ under Payment Terms allowing outstanding balance of up to \$550,000 each in any 30-day period.
- 7 -- The cash reserve projections are based on the monthly financial model prepared by Watermaster Staff to support extended payment terms with West Yost and Land IQ, based on expected timing of receipt of payment on Watermaster assessments and reimbursement requests and deferred payments to West Yost and Land IQ.