

Borrego Springs Watermaster Board Meeting

January 11, 2024

I. Opening Procedures

****This meeting is being recorded*

- A. Call to Order and start meeting recording
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda



II. Public Correspondence

II.A – Written Correspondence - *None*

II.B – Public Comment

Instructions for Public Comment

The public may address the Board on items within the Watermaster's Jurisdiction that are included or not included on the meeting agenda.

To address the Board on items that are not included on the meeting agenda, the public may request to speak during **Agenda Item III – Public Correspondence**. Comments may be limited to three minutes per speaker.

To address the Board on items that are included on the meeting agenda, the Board Chairperson will call for public comments immediately following the agenda item's staff report presentation and prior to Board discussion.

The Board may direct staff to include topics brought forward during Public Correspondence and Comment on a future meeting agenda. No action or discussion is otherwise taken by the Board.

III. Consent Calendar

- A. Approval of Minutes: Regular Meeting – December 14, 2023
- B. Approval of December 2023 Financial Report
- C. Receive and file Watermaster Staff invoices from September 2023
- D. Receive and file Watermaster Staff invoices from October 2023
- E. Receive and file 2023 Q3 Grant Reimbursement Request Report
- F. Receive and file Transfer of Carryover Water – W. Bauer to BWD

IV.A – Status Update: WY 2023 Annual Report

Recommended Actions:

Board discussion.

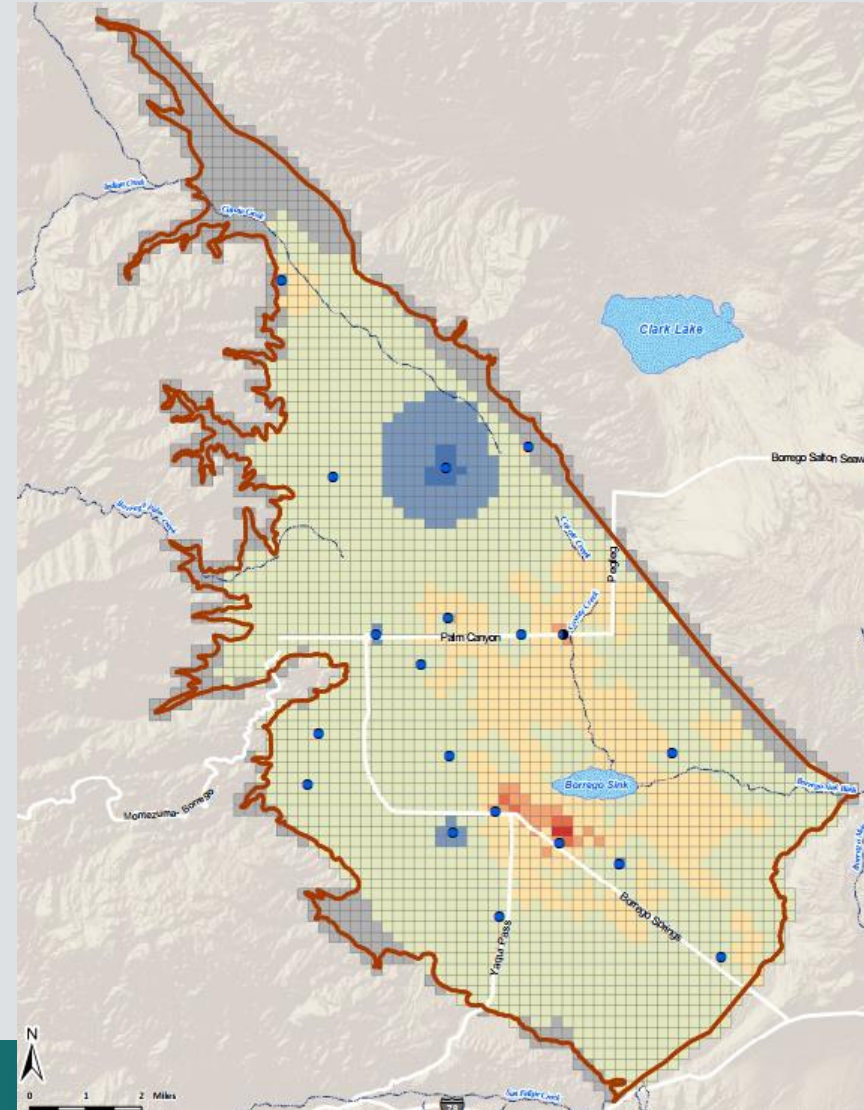
Fiscal Impact:

None. Preparation of the Annual Report is included in the WY 2024 Budget.

IV.A Process and Schedule to Complete WY 2023 Annual Report

WY 2023 Annual Report Outline

0. Executive Summary
1. Introduction and Background
2. Watermaster Administrative Activities
3. Watermaster Technical Activities
4. WY 2023 Water Rights Accounting
5. Borrego Springs Subbasin Hydrogeologic Conditions
6. Summary of Physical Solution Implementation Progress



IV.A Process and Schedule to Complete Water Year 2023 Annual Report

December 14, 2023 - COMPLETED

- Report on Draft Change in Storage at Regular Board Meeting

January 25, 2024

- Post Annual Report to Website and Notice Hearing

February 8, 2024

- Hearing to receive comments and recommendations for changes

February 22, 2024

- Written comments due to Watermaster staff

March 4, 2024

- Release revised Annual Report with Response to Comments as an appendix

March 14, 2024

- Board Meeting to review and adopt final Annual Report

April 1, 2024

- File Annual Report with the Court and DWR

IV.A – Status Update: WY 2023 Annual Report



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BOARD DISCUSSION

IV.B – Budget Status Report as of December 31, 2023

Recommended Actions:

Board discussion.

Fiscal Impact:

None.

IV.B - Budget Status Report as of December 31, 2023

Table 1. Borrego Springs Watermaster Budget Status Report for WY 2024
as of December 31, 2023

Revenues, Expenditures, and Reserves	Approved WY 2024 Budget (as Amended)	Actual WY 2024 Year-to-Date	Percent (%) of Budget	Variance to Date (Budget minus Actual)	Notes
Revenues	\$ 1,713,460	\$ 463,059.48	27%	\$ 1,250,400.52	See below note re: DWR Prop 68 Revenue
Pumping Assessments Invoiced	\$ 458,000	\$ 229,005.63	50%	\$ 228,994.37	First installment was due 12/31/23
payments received		\$ 31,864.68	7%		
Bad Debt (non-payment on Assessments)	\$ (4,000)	\$ -	0%	\$ (4,000.00)	Have not recorded bad debt
Overproduction Penalty Assessments	\$ -	\$ -		\$ -	
Revenues Collected for Pass thru Expenses	\$ 6,469	\$ 6,468.96	100%	\$ 0.04	Issued invoices in October 2023 Payment due November 2023
payments received		\$ 4,447.41	69%		
DWR Prop 68 Grant Reimbursements Accrued	\$ 1,252,991	\$ 227,584.89	18%	\$ 1,025,406.11	
Total Expenditures	\$ 1,677,205	\$ 342,338.88	20%	\$ 1,334,865.78	
Administrative Services	\$ 402,861	\$ 113,576.72	28%	\$ 289,283.93	
Watermaster Staff Admin Services	\$ 280,284	\$ 77,518.39	28%	\$ 202,765.21	
Board Meetings	\$ 101,120	\$ 25,561.89	25%	\$ 75,557.71	
Technical Advisory Committee Meetings	\$ 45,326	\$ 17,213.25	38%	\$ 28,112.75	
Court Hearings	\$ 4,016	\$ 159.50	4%	\$ 3,856.50	
Stakeholder Outreach/Workshops	\$ 12,590	\$ 8,904.50	71%	\$ 3,685.50	
Administration and Management	\$ 72,628	\$ 17,292.50	24%	\$ 55,335.50	
Prop 68 Project Admin and Grant Reporting	\$ 44,604	\$ 8,386.75	19%	\$ 36,217.25	
Other Administrative or Vendor Services	\$ 122,577	\$ 36,058.33	29%	\$ 86,518.72	
Financial Audit	\$ 10,000	\$ -	0%	\$ 10,000.00	
Insurance	\$ 40,474	\$ 10,018.26	25%	\$ 30,455.47	Note: This is a pre-paid expense - this reflects balance sheet amount
Misc. Expenses	\$ 2,500	\$ -	0%	\$ 2,500.00	
Meter Accuracy Testing Vendors	\$ 13,500	\$ -	0%	\$ 13,500.00	
Interest on Vendor Terms During Prop 68 Grant Period	\$ 56,103	\$ 26,040.07	46%	\$ 30,063.25	
Legal Services	\$ 100,000	\$ 28,990.00	29%	\$ 71,010.00	

Excerpt from Table 1 provided in Agenda package, compares Approved WY 2024 Budget (as amended) to actual as of December 31, 2023

IV.B - Budget Status Report as of December 31, 2023

- **27% of planned revenues have been accrued to date.**
- **20% of planned expenditures have been spent to date.**
- **Payment liability to vendors with payment terms totals \$511,604**
 - Liability is expected to decrease in January 2024 when \$225,000 of additional payments issued to vendors in December 2023 clears
- **Cash reserves are \$773,058**
 - Represents about 6.9 months of operating expenditures
 - Cash reserves will increase as 1st Installment payments of the Pumping Assessment continue to be received

IV.B – Budget Status Report as of December 31, 2023



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BOARD DISCUSSION

IV.C - Status Update: Redetermination of Sustainable Yield

Recommended Actions:

Board discussion.

Fiscal Impact:

None.


Redetermine the Sustainable Yield by 2025

- The Judgment defines the **Sustainable Yield** as:
"The maximum quantity of water, calculated over a base period representative of long-term conditions in the Basin, that can be cumulatively pumped on an annual basis from the Basin without causing an Undesirable Result."
- Current Sustainable Yield = 5,700 afy
 - Estimated by the BVHM
 - Based on historical, long-term, average annual **net recharge**
- Sustainable Yield must be redetermined by 2025 using BVHM model runs
- This is the highest priority task of the TAC/Technical Consultant
- Funded by Prop 68 grant

Scope-of-Work to Redetermine the Sustainable Yield

TAC-Recommended and Board-Approved:

- Task 1 – Compare FMP-estimated Pumping to Actual Pumping - WY 2022
- Task 2 – Update Water-Use Factors in the FMP
- Task 3 – Correct Errors Identified in the 2021 BVHM
- Task 4 – Perform Model Recalibration
- Task 5 – Determine the Sustainable Yield



Tasks 1-3 are completed with TAC review, and have resulted in improvements to the BVHM

Remaining Tasks to Redetermine the Sustainable Yield

Task 4 – Perform Model Recalibration

- *Objective:* Recalibrate the BVHM to further improve the model and its ability to estimate the hydrology of the Basin
- *Schedule:* January - May 2024
- *Current TAC discussions:* Methods

Task 5 – Determine the Sustainable Yield

- *Objective:* Use the BVHM to Redetermine the Sustainable Yield
- *Schedule:* May - September 2024
- *Current TAC discussions:* Methods

Schedule – WY 2024 Milestones

January 8, 2024 – TAC comments due on Task 4 Methods memo (1 comment letter has been received)

January 29, 2024 – TAC comments due on Task 5 Methods memo

February 8, 2024 – Board meeting to discuss methods for performing Task 5

April 2024 –

- Preliminary results of Task 4 distributed to TAC via email
- Draft Task 4 TM distributed to TAC
- TAC meeting to discuss:
 - Draft Task 4 TM
 - Projection scenarios and methods to redetermine the Sustainable Yield (Task 5)

May 2024 –

- TAC comments due on Draft Task 4 TM
- Final Task 4 TM published

Schedule – WY 2024 Milestones (cont.)

June 2024 – TAC meeting to discuss status of Task 5

August 2024 –

- Preliminary results of Task 5 distributed to TAC via email
- Draft Task 5 TM distributed to TAC
- TAC meeting to discuss:
 - Draft Task 5 TM
 - Draft TAC Recommendation Report

September 2024 –

- TAC comments due on Task 5 TM
- TAC Recommendation Report finalized

Schedule – WY 2025 Milestones

October 2024 – Board meeting to discuss:

- Final Task 5 TM
- TAC Recommendation Report on the Redetermined Sustainable Yield

December 12, 2024 - Board meeting for action on the Redetermined Sustainable Yield

Other Considerations – TAC Consensus

- Aim to have TAC consensus throughout process
 - Consensus has been reached in Tasks 1-3
- Differences of opinion have occurred re: Tasks 4 and 5 methods
- Actions to work towards TAC consensus:
 1. Conduct phone calls with individual TAC members --> follow-up emails to the TAC
 2. Distribute preliminary results via email as soon as possible to increase the TAC review period
 3. Hold short, interim TAC meetings (in addition to the planned, longer form TAC meetings) to review interim results and more quickly understand potential differences of opinion
- Ultimately, the **TAC Recommendation Report** documents all differences of TAC opinions

IV.C – Status Update: Redetermination of Sustainable Yield



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BOARD DISCUSSION

IV.D Status Update: 5-Year Assessment of GMP

Recommended Actions:

Board discussion.

Fiscal Impact:

None.

Five-Year Assessment of GMP

- The Judgment and GMP are the Physical Solution for the Basin to achieve its Sustainability Goal by 2040
- Title 23 § 356.4 of CCR require an assessment of GSPs every five years
 - **5-Year Assessment Report**
- The redetermination of the Sustainable Yield and the 5-Year Assessment Report may necessitate updates to the GMP → **Updated GMP**
- DWR comments on the Judgment/GMP are forthcoming, and hence, may require additional (unknown) updates to the GMP
- Board requested TAC input on the appropriate **scope of work and schedule** for the 5-year Assessment Report using the available Proposition 68 grant funding

Objectives

1. Prepare 5-year Assessment Report:
 - Evaluate if implementation of the Judgment/GMP is progressing towards meeting the Sustainability Goal of the Basin by 2040
 - Identify/recommend updates to the GMP, if any
2. Updated GMP will be based on recommendations from 5-Year Assessment Report
3. Schedule:
 - DWR has indicated that the 5-year Assessment Report and Final Updated GMP are due by June 2026
 - Maximize amount of work funded by Prop 68 grant (end date: March 31, 2025)

5-Year Assessment Report Outline

Outline is based on DWR guidance (attached to memo):

Section 1. Background & Objectives

Section 2. Status of Projects and Management Actions

Section 3. Administrative, Legal, and Coordination Activities

Section 4. New Information

Section 5. Current Groundwater Conditions vs. Sustainable Management Criteria

Section 6. Monitoring Program

Section 7. Basin Setting based on New Information

Section 8. Corrective Actions

Section 9. Summary of Completed or Proposed Plan Updates

Process – 5-Year Assessment Report

1. Staff prepares draft sections of the Report
2. TAC meeting to review draft sections
3. TAC reviews draft sections and submits written comments and suggested edits
→ 3-week comment period
4. Staff incorporates TAC feedback into draft sections
5. Repeat Steps #1-4 for all Report sections
6. Staff prepares draft-final 5-Year Assessment Report
7. TAC reviews and comments on draft-final 5-Year Assessment Report to develop a TAC Recommendation to the Board on recommended GMP updates
8. Board is presented with TAC Recommendation Report and the final 5-Year Assessment Report for review and approval

Process – Update GMP

1. Based on the TAC Recommendation, Staff prepares a draft Updated GMP
2. TAC meeting to review the draft Updated GMP
3. TAC reviews draft Updated GMP and submits written comments and suggested edits
→ 3-week comment period
4. Staff incorporates TAC comments into final Updated GMP
5. TAC meeting to develop TAC Recommendation to the Board
6. Bring final Updated GMP and TAC Recommendation to Board for approval
7. Submit final Updated GMP and 5-Year Assessment Report to DWR

Schedule – WY 2024

Objective: Prepare 5-Year Assessment Report

Milestones:

April 2024 – TAC meeting to discuss sections:

- Section 1. Background & Objectives
- Section 2. Status of Projects and Management Actions
- Section 3. Administrative, Legal, and Coordination Activities
- Section 4. New Information

June 2024 - TAC meeting to discuss sections:

- Section 5. Current Groundwater Conditions vs. Sustainable Management Criteria
- Section 8. Corrective Actions

August 2024 - TAC meeting to discuss sections:

- Section 6. Monitoring Program
- Section 7. Basin Setting based on New Information
- Section 9. Summary of Completed or Proposed Plan Updates

Schedule – WY 2025

Objectives:

1. Finalize 5-Year Assessment Report
2. Prepare Updated GMP

Milestones:

October 2024 – TAC meeting to discuss:

- Draft Final 5-Year Assessment Report
- TAC-Recommendation to Board on recommended updates to the GMP

November 14, 2024 – Board meeting to act on TAC-Recommended updates to the GMP

January 2025 – TAC meeting to review the Draft Updated GMP

March 2025 –

- **TAC meeting** to finalize TAC Recommendation to the Board to adopt the final Updated GMP
- March 13, 2025 - **Board meeting** to initiate public comment period

March 31, 2025 – Prop 68 Grant Funding expires

Schedule – WY 2026

* Final steps to complete and adopt report will be completed without grant funding

Objectives:

1. Finalize the Updated GMP
2. Submit 5-Year Assessment Report and Updated GMP to the DWR

TAC Milestones:

June 2026 – DWR deadline for submitting:

- 5-Year Assessment Report
- Final Updated GMP

Next Steps

- **January 8, 2024** – TAC Comments were due on 5-Year Assessment of GMP memo
 - No comments received
- West Yost begins work on Sections 1-4 of Assessment Report

IV.D Status Update: 5-Year Assessment of GMP



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BOARD DISCUSSION

V.A – Legal Counsel Report

- Report out from December 15, 2023 Status Conference
- Status update on efforts to address clarification of Carryover transfer provisions

V.B – Technical Consultant Report

- Status update on the Biological Restoration of Fallowed Lands project
 - Identifying contractor to construct Sand Fence Pilot Study
 - Performing data analysis for the Reference Habitat and Existing Fallowed Land Study
 - Next EWG meeting – Spring 2024
 - Field trip to see constructed sand fences

V.C – Executive Director Report

- Prop 68 Grant Update
- Upcoming Watermaster Activities and Deadlines

January 2024

- WY 2023 Annual Report
 - Publish first draft WY 2023 Annual Report
- Pumper Requirements
 - Parties with manual-read meters self-report
 - **Complete annual meter accuracy testing**

February 2024

- WY 2023 Annual Report
 - Hearing to Receive comments on the draft Annual Report
 - Comments on WY 2023 Annual Report due to Watermaster Staff
- Staff Activities
 - Quarterly grant report and reimbursement request due to BWD
- Pumper Requirements
 - Parties with manual-read meters self-report

March 2024

- Revised Annual Report published with response to comments
- Staff Activities
 - File WY 2023 Annual Report with the Court and DWR
 - Official Watermaster read of manual-read meters
- Pumper Requirements
 - Official Watermaster read of manual-read meters

V.D – Chairperson's Report

VI. Establishing Agenda for February 8, 2024 Regular Board Meeting

Recommended Actions:

Develop and approve agenda for February 8, 2024 Regular Board Meeting

Process:

1. Review the initial February agenda topics planned by Staff
2. Review the March and April tentative topics planned by Staff and previously requested items by Board members, as listed below
3. List out additional items that have arisen during the January 11, 2024 Board meeting
4. Call on Directors to request additional items for consideration of inclusion on the February 2024 or other future agenda
5. Consider motion(s) to approve the agenda (the agenda can be approved in a single motion or multiple motions to cover each item).

Note: The Agenda/items are approved by majority vote (3 of 5 directors)

Initial Agenda for February Regular Meeting

1. Hearing to review and receive comments on the draft WY 2023 Annual Report
2. Consideration of Judgment Amendment or Policy to Clarify Carryover Provisions
3. Fall 2023 Semi-Annual Monitoring Report
4. Approve Contractor for Sand Fence Construction for Biological Restoration Project

Tentative Topics for March and April Meetings

March

1. Approve WY 2023 Annual Report
2. Approve TAC Meeting Agenda

April

1. Q2 WY 2024 Budget status review
 - Recommended to move to May 2024
2. WY 2025 Budget scoping
3. Approve EWG Meeting Agenda (*tentative*)

Set Agenda for February Regular Meeting

1. Hearing to review and receive comments on the draft WY 2023 Annual Report
2. Consideration of Judgment Amendment or Policy to Clarify Carryover Provisions
3. Fall 2023 Semi-Annual Monitoring Report
4. Approve Contractor for Sand Fence Construction for Biological Restoration Project
5. Sustainable Yield Update (Standing item through completion of update)

VI. Establishing Agenda for February 8, 2024 Regular Board Meeting



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BOARD DISCUSSION

VII. Board Member Comments

VIII. Next Meetings of the Borrego Springs Watermaster

- Regular Board Meeting – February 8, 2024
- Regular Board Meeting – March 14, 2024

VIII. Adjournment

- Thank you for your participation!