

**Borrego Springs Watermaster  
Board of Directors Meeting  
January 11, 2024  
AGENDA ITEM IV.B**

**To:** Board of Directors  
**From:** Samantha Adams, Executive Director  
**Date:** January 9, 2024  
**Subject:** Watermaster Budget Status Report as of December 31, 2023

|   |   |  |
|---|---|--|
| <input type="checkbox"/> Recommended Action | <input type="checkbox"/> Provide Direction to Staff | <input checked="" type="checkbox"/> Information and Discussion |
| <input type="checkbox"/> Fiscal Impact      | <input type="checkbox"/> Cost Estimate: \$          |  |

**Recommended Action**

Board discussion

Fiscal Impact: None

**Background and Previously Related Actions by the Board**

On June 14, 2023, the Board adopted the initial water year (WY) 2024 Budget. On December 14, 2023, the Board amended the Budget to carry forward unspent, grant-reimbursable budget for two projects from the WY 2023 into the WY 2024 budget.

The purpose of this memo is to report the budget status to date as of December 31, 2023 as compared to the amended WY 2024 Budget.

**Discussion**

Table 1, enclosed, compares actual budget to date to the amended WY 2024 Budget. The table shows:

- The Watermaster budget categories and the relevant line items in the WY 2024 Budget, including: revenues, expenditures (administrative services, legal services, technical/engineering services, Environmental Working Group, services to Parties with manual read meters), liabilities on Payment Terms, and cash reserves
- The amended WY 2024 Budget amount for each category and the associated line-item detail
- The year-to-date values as of December 31, 2023
- The percent of budget expended to date for each category and line item as of December 31, 2023 (computed as actual divided by budget)
- The variance of actual compared to budget for each category and line item as of December 31, 2023 (computed as budget minus actual)

- Any pertinent notes that explain the budget status

As of December 31, 2023 (25% into WY 2024):

- A total of 27% of planned revenues has been accrued to date.
- A total of 20% of planned expenditures have been spent to date.
- Watermaster has a payment liability totaling \$511,604 which is about 68% of the maximum allowable liability under payment terms. The liability amount is expected to significantly decrease in January 2024 when an additional \$225,000 in payments issued to vendors in December 2023 clear.
- Cash reserves are \$773,058, which represents about 6.9 months of the average projected monthly operating expenditure.

### **Next Steps**

The second quarter WY 2024 budget status report will be presented in May 2024 for the period ending on March 31, 2024.

### **Enclosures**

Table 1. Borrego Springs Watermaster Budget Status Report for WY 2024 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<br>WY 2024 Budget<br>(as Amended) | Actual WY 2024<br>Year-to-Date | Percent (%) of<br>Budget | Variance to Date<br>(Budget minus<br>Actual) | Notes   |
|--|--|--------------------------------|--------------------------|--|---|
| <b>Revenues</b>                                      | <b>\$ 1,713,460</b>                        | <b>\$ 463,059.48</b>           | <b>27%</b>               | <b>\$ 1,250,400.52</b>                       | <b>See below note re: DWR Prop 68 Revenue</b>                         |
| Pumping Assessments Invoiced                         | \$ 458,000                                 | \$ 229,005.63                  | 50%                      | \$ 228,994.37                                | First installment was due 12/31/23                                    |
| <i>payments received</i>                             |  | \$ 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             |
| <i>payments received</i>                             |  | \$ 4,447.41                    | 69%                      |  |   |
| DWR Prop 68 Grant Reimbursements Accrued             | \$ 1,252,991                               | \$ 227,584.89                  | 18%                      | \$ 1,025,406.11                              |   |
| <b>Total Expenditures</b>                            | <b>\$ 1,677,205</b>                        | <b>\$ 342,338.88</b>           | <b>20%</b>               | <b>\$ 1,334,865.78</b>                       |   |
| <b>Administrative Services</b>                       | <b>\$ 402,861</b>                          | <b>\$ 113,576.72</b>           | <b>28%</b>               | <b>\$ 289,283.93</b>                         |   |
| <b>Watermaster Staff Admin Services</b>              | <b>\$ 280,284</b>                          | <b>\$ 77,518.39</b>            | <b>28%</b>               | <b>\$ 202,765.21</b>                         |   |
| 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                                 |   |
| <b>Other Administrative or Vendor Services</b>       | <b>\$ 122,577</b>                          | <b>\$ 36,058.33</b>            | <b>29%</b>               | <b>\$ 86,518.72</b>                          |   |
| 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                                 |   |
| <b>Legal Services</b>                                | <b>\$ 100,000</b>                          | <b>\$ 28,990.00</b>            | <b>29%</b>               | <b>\$ 71,010.00</b>                          |   |

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

| Revenues, Expenditures, and Reserves                | Approved<br>WY 2024 Budget<br>(as Amended) | Actual WY 2024<br>Year-to-Date | Percent (%) of<br>Budget | Variance to Date<br>(Budget minus<br>Actual) | Notes  |
|---|--|--------------------------------|--------------------------|--|--|
| <b>Technical/Engineering Services</b>               | <b>\$ 815,386</b>                          | <b>\$ 144,311.63</b>           | <b>18%</b>               | <b>\$ 671,074.37</b>                         |  |
| <b>General Technical Consultant Services</b>        | <b>\$ 403,556</b>                          | <b>\$ 98,969.63</b>            | <b>25%</b>               | <b>\$ 304,586.37</b>                         |  |
| Coordinate/Implement meter reading program          | \$ 30,388                                  | \$ 5,741.25                    | 19%                      | \$ 24,646.75                                 |  |
| Groundwater Monitoring Program                      | \$ 111,151                                 | \$ 46,007.13                   | 41%                      | \$ 65,143.87                                 |  |
| Data Management and Reporting Data to DWR           | \$ 19,890                                  | \$ 6,779.25                    | 34%                      | \$ 13,110.75                                 |  |
| Annual Report to the Court and DWR                  | \$ 50,936                                  | \$ 30,550.50                   | 60%                      | \$ 20,385.50                                 |  |
| Address Inactive Wells via Abandonment/Conversion   | \$ 175,551                                 | \$ 8,625.00                    | 5%                       | \$ 166,926.00                                |  |
| As-needed technical support                         | \$ 15,640                                  | \$ 1,266.50                    | 8%                       | \$ 14,373.50                                 |  |
| <b>Consulting Services with TAC Support/Input</b>   | <b>\$ 411,830</b>                          | <b>\$ 45,342.00</b>            | <b>11%</b>               | <b>\$ 366,488.00</b>                         |  |
| Technical Work to Support Sustainable Yield Updates | \$ 271,328                                 | \$ 35,504.25                   | 13%                      | \$ 235,823.75                                |  |
| 5-Year Update of the GMP (required by DWR)          | \$ 130,654                                 | \$ 9,837.75                    | 8%                       | \$ 120,816.25                                |  |
| Address Ad Hoc Requests from the Board              | \$ 9,848                                   | \$ -                           | 0%                       | \$ 9,848.00                                  |  |
| <b>Environmental Working Group</b>                  | <b>\$ 352,489</b>                          | <b>\$ 52,562.35</b>            | <b>15%</b>               | <b>\$ 299,926.23</b>                         |  |
| Biological Restoration of Fallowed Lands            | \$ 346,393                                 | \$ 52,562.35                   | 15%                      | \$ 293,830.23                                |  |
| Ad Hoc EWG Meetings/Requests                        | \$ 6,096                                   | \$ -                           | 0%                       | \$ 6,096.00                                  |  |
| <b>Services to Parties with Manual Read Meters</b>  | <b>\$ 6,469</b>                            | <b>\$ 2,898.18</b>             | <b>45%</b>               | <b>\$ 3,570.82</b>                           |  |
| <b>Liabilities on Payment Terms</b>                 |  |                                |                          |  |  |
| Beginning Balance                                   | \$ 749,184                                 | \$ -                           |                          | \$ 749,184                                   |  |
| Year-End Balance                                    | \$ 355,088                                 | \$ 511,604.31                  | 144%                     | \$ (156,516.31)                              |  |
| <b>Cash Reserves</b>                                |  |                                |                          |  |  |
| Beginning Cash Reserves                             | \$ 889,614                                 | \$ 889,614                     |                          | \$ -   |  |
| Avg Target Cash Reserve for 7 Months Operation      | \$ 786,468                                 | \$ 773,058.79                  | 98%                      | \$ 13,409.21                                 |  |
| Number of Months of Operating Reserve               | 7.00                                       | 6.88                           | 98%                      | \$ 0.12                                      | Seven months is target reserve during grant period |