

# Borrego Springs Watermaster Board Meeting

April 18, 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 – March 14, 2024
- B. Approval of March 2024 Financial Report
- C. Receive and file Land IQ invoices from November 2023
- D. Receive and file Land IQ invoices from December 2023
- E. Receive and file Watermaster Staff invoices from January 2024
- F. Receive and file Watermaster Staff invoices from February 2024
- G. Approval of Nomination of Community Representative to the TAC

# IV. Closed Session

# V.A Policy on the use of “Best Available Science”

## **Recommended Actions:**

Approve the enclosed *Policy Regarding the Use of Best Available Science*

## **Fiscal Impact:**

None

## **V.A Consideration of Approval of Policy Statement on the use of “Best Available Science”**

- Staff proposed development of a Policy stating how Watermaster applies the use of “Best Available Science” as a solution to resolve misunderstandings
- A draft Policy concept was presented at the March 14, 2024
- Board directed Staff to bring a revised policy based on feedback for consideration

# Best Available Science Policy Points

Revised policy includes:

1. Statement of the purpose of the policy
2. Background on how the Watermaster's guidance documents provide for the use of Best Available Science (*i.e.* Judgment and Rules & Regulations)
3. Principles for employing Best Available Science

**Next Steps:** Discuss revised policy, consider approval, or direct further edits to be returned at a future meeting

## V.A Policy on the use of “Best Available Science”



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BOARD DISCUSSION

## **V.B Status Update on Redetermination of Sustainable Yield**

### **Recommended Actions:**

Board discussion

### **Fiscal Impact:**

None

# Work Performed in March 2024

- Prepared summary materials and distributed to the TAC for review, including:
  - Water budget from the “Pre-Calibration BVHM”
  - Selected calibration targets, pilot points, and initial model parameters
  - Recommended estimates of historical irrigations methods and efficiencies
- Held Ad-Hoc TAC meeting on March 29, 2024 to discuss summary materials
- Began model recalibration (Task 4)

# March 2024 Ad-Hoc TAC Meeting

- Held 1<sup>st</sup> Ad-Hoc TAC meeting to discuss Redetermination of Sustainable Yield
- Discussion included:
  - Summary materials on the initial steps to perform Task 4
  - Use of Farm Process (FMP) and its ability to estimate crop demands
  - A TAC member's recommendation to use a new dataset, OpenET, in the scope of work → *majority of discussion*

# March 2024 Ad-Hoc TAC Meeting

- Discussion on the use of OpenET included:
  - Use of OpenET was not planned for in the current scope of work developed by the TAC
  - Use of OpenET directly in the Redetermination would require:
    - West Yost to stop work to prepare a revised scope of work, schedule and budget
    - An extension from the Court on the due date for the Redetermination
    - Work be performed after expiration of DWR grant funds
  - An option to utilize OpenET as a validation check on the ability of the FMP to estimate crop water demands
    - This approach can most likely be accommodated within the current schedule and budget

# March 2024 Ad-Hoc TAC Meeting Report Out (continued)

- TAC consensus on the use of OpenET was unclear at end of meeting
- TAC members were asked and responded to the following:
  1. Recommend that OpenET be used to validate the ability of the FMP to estimate crop water demands (**Unanimous, YES**)
  2. Recommend that OpenET be directly used in the 2025 Redetermination of the Sustainable Yield (**Unanimous, NO**)
  3. Have any other input on this topic (see TAC comments in agenda package)

# Work Planned for April 2024

- Based on unanimous TAC recommendation, West Yost is:
  - Proceeding with current scope of work to perform Task 4
  - Developing a method to use OpenET as validation check on ability of FMP to estimate crop water demands → present recommendation at next Ad-Hoc TAC meeting on May 1, 2024
  - Updating schedule with an approximate 1-month delay to accommodate time to achieve consensus
- Schedule regular TAC meeting for June 2024. Agenda will include:
  - Review the results of model recalibration for Task 4
  - Review initial sections of the 5-year GMP Assessment Report

## V.B Status Update on Redetermination of Sustainable Yield



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BOARD DISCUSSION

# V.C Budget Status Report as of March 31, 2024

## **Recommended Actions:**

Board discussion

## **Fiscal Impact:**

None.

# V.C - Budget Status Report as of March 31, 2024

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

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
<b>Revenues</b>					
Pumping Assessments Invoiced	\$ 458,000	\$ 229,005.63	50%	\$ 228,994.37	Second installment of assessment to be invoiced in May 2024
payments received		\$ 226,184.55	49%		
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 was due November 2023
payments received		\$ 5,660.34	87%		
DWR Prop 68 Grant Reimbursements Accrued	\$ 1,252,991	\$ 406,472.50	32%	\$ 846,518.50	
<b>Total Expenditures</b>	<b>\$ 1,677,205</b>	<b>\$ 631,435.80</b>	<b>38%</b>	<b>\$ 1,045,768.86</b>	
<b>Administrative Services</b>					
Watermaster Staff Admin Services	\$ 280,284	\$ 137,845.89	49%	\$ 142,437.71	
Board Meetings	\$ 101,120	\$ 50,133.64	50%	\$ 50,985.96	
Technical Advisory Committee Meetings	\$ 45,326	\$ 27,254.75	60%	\$ 18,071.25	
Court Hearings	\$ 4,016	\$ 241.75	6%	\$ 3,774.25	
Stakeholder Outreach/Workshops	\$ 12,590	\$ 8,904.50	71%	\$ 3,685.50	
Administration and Management	\$ 72,628	\$ 32,453.00	45%	\$ 40,175.00	
Prop 68 Project Admin and Grant Reporting	\$ 44,604	\$ 18,858.25	42%	\$ 25,745.75	
Other Administrative or Vendor Services	\$ 122,577	\$ 77,629.07	63%	\$ 44,947.98	
Financial Audit	\$ 10,000	\$ 7,056.00	71%	\$ 2,944.00	
Insurance	\$ 40,474	\$ 20,036.52	50%	\$ 20,437.21	Note: This is a pre-paid expense - this reflects balance sheet amount
Misc. Expenses	\$ 2,500	\$ 50.00	2%	\$ 2,450.00	
Meter Accuracy Testing Vendors	\$ 13,500	\$ 12,200.00	90%	\$ 1,300.00	
Interest on Vendor Terms During Prop 68 Grant Period	\$ 56,103	\$ 38,286.55	68%	\$ 17,816.77	
Legal Services	\$ 100,000	\$ 64,906.04	65%	\$ 35,093.96	

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

## V.C - Budget Status Report as of March 31, 2024

- **37% of planned revenues have been accrued to date.**
- **38% of planned expenditures have been spent to date.**
- **Payment liability to vendors with payment terms totals \$411,002**
  - Liability is expected to decrease when \$219,000 of additional payments issued to vendors clears in April 2024.
- **Cash reserves are \$837,837**
  - Represents about 7.5 months of operating expenditures

# V.C Budget Status Report as of March 31, 2024



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BOARD DISCUSSION

## **V.D Scoping Discussion for WY 2025 Budget**

### **Recommended Actions:**

Discuss and provide input to staff on the draft Water Year 2025 budget scope of work

### **Fiscal Impact:**

TBD. Fiscal impact will be presented in May 2024 with the first draft budget

# Draft WY 2025 Budget

- Agenda package showed WY 2025 budget projection developed in support of the WY 2024 Budget Amendment that was approved in December 2023.
- Budget includes assumptions for:
  - Revenues
  - Expenditures
  - Liabilities on Vendor Payment Terms
  - Reserves

# Draft WY 2025 Budget - Revenues

- About \$853,217 in planned revenues for WY 2025
  - Pumping Assessments - \$250,000
  - Pass through Expenses - \$6,700
  - Prop 68 Grant Reimbursement accrual- \$596,600
- The pumping assessment may need to be adjusted when final expenditures are determined (e.g. to ensure able to maintain sufficient cash reserves through the year)

# Draft WY 2025 Budget - Revenues

- There is also a revenue line item for Overproduction Penalty Assessments.
  - Watermaster must establish a Overproduction Penalty Assessment rate
  - In WY 2024, the rate was \$500 per acre-foot of Overproduction (the minimum allowed)
  - The amount of Overproduction penalties is not yet known, if any, that will occur in WY 2024
  - Staff recommends same rate and revenue assumptions used in 2024:
    - \$500 per acre-foot rate
    - Assume no Overproduction Penalty Assessments are issued (e.g. \$0 revenue in this category)

## Draft WY 2025 Budget - Expenditures

- Previously assumed **\$1.10 million** in planned expenditures for WY 2025
- Certain tasks are grant-reimbursable through March 30, 2025 (shown in **bold** in memo)

# Draft WY 2025 Budget - Expenditures

- Administrative Services – No proposed changes to the scope of work for WY 2025 (bold is grant reimbursable)
  - Watermaster Staff administrative services provided by West Yost: Board meetings, TAC meetings, Court hearings, **stakeholder outreach meetings**, administration and management, and **grant management and reporting**.
  - Other administrative expenses: financial audit, liability insurance, miscellaneous expenses, and meter accuracy testing.
  - Interest expenses on Payment Terms with West Yost and Land IQ
- Legal Services

# Draft WY 2025 Budget - Expenditures

Technical and Engineering Services (**bold** is grant reimbursable):

- General Technical Consultant services
  - **Coordinate and implement meter reading/verification program**
  - **Implement the Groundwater Monitoring Plan**
  - **Database management, including reporting of data to the DWR Monitoring Network Module (MNM)**
  - **Prepare the WY 2024 Water Rights Accounting Report and Annual Report to the Court/DWR**
  - As-needed technical services

# Draft WY 2025 Budget - Expenditures

## Technical and Engineering Services (**bold** is grant reimbursable)

- Technical work enabled and funded by the Prop 68 Grant:
  - **Address inactive wells via proper abandonment or conversion to monitoring wells**
- TAC-supported technical work
  - Tasks include:
    - **Complete the Redetermination of the Sustainable Yield update**
    - **Five-year update of the Groundwater Management Plan**
    - Address ad-hoc requests from the Board

# Draft WY 2025 Budget - Expenditures

- Environmental Working Group
  - This includes the Biological Restoration of Fallowed Lands project and as-requested EWG meetings.
- Services to Parties with Manual-Read Meters

# Draft WY 2025 Budget - Expenditures

## *Scope of work - What was not previously included in the projection?*

- TAC supported technical work budget projection does not currently assume work that the TAC may recommend to perform after Redetermination of Sustainable Yield.
- EWG budget does not assume work that may be recommended for next steps →
- In both cases:
  - Board will need to direct if work should start in WY 2025 or be deferred for consideration to WY 2026.
  - If work should begin in WY 2025, it may need to be included as a budget-level estimate as the recommended scope of next steps will not be developed by the time the WY 2025 budget needs to be approved (June 2024).

# Draft WY 2025 Budget - Expenditures

## *Scope of work - What was not previously included in the projection?*

- Additional work for consideration based on the Final Groundwater Monitoring Plan:
  - Increase sampling budget for additional wells added to monitoring network (**could be as much as \$20,000**)
  - Conduct construction feasibility study for a new monitoring well in the State Park (**\$25,000**)
  - Verify/establish reference point elevations of wells in monitoring network (**\$15,000**)

# Next Steps & Schedule

## Today

- Receive input from the Board

## May 2024

- Present Draft WY 2025 Budget and receive additional input and feedback

## June 2024

- Approve WY 2025 Budget

# Input Requested

- Overproduction Penalty Assessment rate
- Assume starting follow-on work for Sustainable Yield in WY 2025 or WY 2026?
- Assume starting follow-on work for Bio Restoration in WY 2025 or WY 2026?
- Include recommended items from Groundwater Monitoring Plan?
- What else to consider for potential inclusion in budget?

## V.D Scoping Discussion for WY 2025 Budget



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BOARD DISCUSSION

## VI.A – Legal Counsel Report

- Report out from March 2024 Court hearing on motion to amend Judgment

## VI.B – Technical Consultant Report

### Status update: **Biological Restoration of Fallowed Lands project**

- Task 2 – draft report on Reference Natural Habitat will be published June 2024
  - Next EWG meeting will discuss draft report (July)
- Task 3 – Proposals received for construction of Sand Fences
  - 3 proposals received, only 1 viable
  - Due to cost of contractor, the study design will be modified from 4 areas to 2 areas
    - Land IQ is communicating with landowners to decide which parcels to use
  - Contractor bid will be sent to Watermaster Committee for review and approval (within next week or so)
  - Sand fence construction to be completed by end of July → monitoring will follow (6 months)

## VI.C – Executive Director Report

- Prop 68 grant update
- DWR Groundwater Management Plan review update

## VI.C – Executive Director Report

### Upcoming Watermaster Activities and Deadlines

#### April 2024

*Board meeting date:* April 18, 2024

- Staff Activities
  - Spring 2024 monitoring event

#### May 2024

*Board meeting date:* May 9 (**In-Person**)

- Stakeholder Open House: May 9 (**In-Person**)
- Ad-Hoc TAC Meeting
- Staff Activities
  - Issue mid-year pumping reports to Parties
  - Issue invoice for 2<sup>nd</sup> Installment of WY 2024 Assessment

#### June 2024

*Board meeting date:* June 13, 2024

- TAC Meeting
- Staff Activities
  - Official Watermaster read of manual-read meters
- Pumper Requirements
  - 2<sup>nd</sup> installment of WY 2024 Pumping Assessment due

## VI.D – Chairperson's Report

## **VII. Establishing Agenda for May 9, 2024 Regular Board Meeting**

### **Recommended Actions:**

Develop and approve agenda for May 9, 2024 Regular Board Meeting

### **Process:**

1. Review the initial May agenda topics planned by Staff
2. Review the June and July 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 April 18, 2024 Board meeting
4. Call on Directors to request additional items for consideration of inclusion on the May 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 May Regular Meeting (*IN-PERSON*)

1. Presentation by UCI on the Groundwater Dependent Ecosystems Project
2. Consideration of Approval of Board Resolution on Carryover Transfers and Accounting
3. Consideration of Approval of a Well Subcontractor for Conversion of Abandoned Wells
4. Consideration of Approval of June TAC meeting agenda
5. Draft WY 2025 Budget
6. WY 2024 Mid-Year Pumping Report
7. Status Update on the Redetermination of the Sustainable Yield

# Tentative Topics for June and July Meetings

## June

1. Consideration of Approval of the WY 2025 Budget
2. Spring 2024 Semi-Annual Monitoring Report  
*(pending receipt of all results in-time)*
3. Status Update on the Redetermination of the Sustainable Yield
4. Status Update on the 5-year Assessment of the Groundwater Management Plan

## July

1. Approval of next EWG Meeting Agenda
2. WY 2024 3<sup>rd</sup> Quarterly Budget Status Review
3. Status Update on the Redetermination of the Sustainable Yield

## Other Agenda Items Requested by Board Members

Items previously requested by Board for “future” agendas but not yet agendized:

- Risk associated with high banking balance relative to FDIC insured amount

# Set Agenda for May Regular Meeting

1. Presentation by UCI on the Groundwater Dependent Ecosystems Project
2. Consideration of Approval of Board Resolution on Carryover Transfers and Accounting
3. Consideration of Approval of a Well Subcontractor for Conversion of Abandoned Wells
4. Consideration of Approval of June TAC meeting agenda
5. Draft WY 2025 Budget
6. WY 2024 Mid-Year Pumping Report
7. Status Update on the Redetermination of the Sustainable Yield
8. Policy on Best Available Science
9. DWR Review of GMP Meeting

## VII. Establishing Agenda for May 9, 2024 Regular Board Meeting



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BOARD DISCUSSION

## **VIII. Board Member Comments**

## IX. Next Meetings of the Borrego Springs Watermaster

- Ad-Hoc Technical Advisory Committee Meeting – May 1, 2024
- Open House – May 9, 2024 (**IN-PERSON**)
- Regular Board Meeting – May 9, 2024 (**IN-PERSON**)
- Regular Board Meeting – June 13, 2024

## X. Adjournment

- Thank you for your participation!