

**Borrego Springs Watermaster
Board of Directors Meeting
April 16, 2025
AGENDA ITEM V.A**

To: Board of Directors
From: Samantha Adams, Executive Director
Date: April 14, 2025
Subject: Overview of Work Completed with SGM Grant Funding

<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

The Watermaster was awarded grant funding for two projects by the California Department of Water Resources (DWR), as a subgrantee to the Borrego Water District (BWD), under the Proposition 68 Sustainable Groundwater Management Implementation grant program (SGM grant). Watermaster is one of five grant-funded entities under the BWD's master SGM grant agreement with DWR. In total, the Watermaster was awarded \$2,738,590 for the two SGM projects¹, which include:

- Component 6: Biological Restoration of Fallowed Lands Project - \$790,340
- Component 7: Monitoring, Reporting, and Groundwater Management Plan Implementation - \$1,948,250

The DWR SGM grant funding was available to support eligible project work from January 2022 through March 2025. Despite initial delays in DWR executing the master grant agreement (and subsequently the subgrantee agreement between BWD and Watermaster) that deferred the start of a number of tasks, including all of Component 6, all project tasks for Components 6 and 7 were completed by March 31, 2025. Two amendments were submitted to the DWR during grant project implementation to transfer funds amongst Components, Categories, and Tasks to optimize the use of the available grant funding. The amendments were submitted in July 2023 and January 2025.

¹ An amendment to transfer \$35,000 from Component 7 to Component 6 was submitted to DWR on January 16, 2025.

The purpose of this memo is to summarize the work completed for Components 6 and 7, the amount of SGM grant funding requested from DWR, and the final budget status of the projects.

Component 6: Biological Restoration of Fallowed Lands Project

The scope of work for this project was developed by the Watermaster's Environmental Working Group (EWG)². The objective was to develop biologic restoration strategies to use as techniques to mitigate the potential adverse impacts associated with the fallowing of lands that is expected to occur within the Basin in order to meet the sustainability goal of reducing groundwater pumping (e.g., airborne dust emissions, introduction of invasive species, etc.). The anticipated benefits of restoring fallowed land include reduced water consumption, management of airborne dust emissions, increased natural biodiversity and habitat value, and maintenance/enhancement of values pertinent to the Anza Borrego Desert State Park and the residents of Borrego Springs.

The project, administered by the EWG and performed by Land IQ, was composed of six tasks:

- **Task 1 - Review and Analysis of Existing Data.** The objective of this task was to conduct a review of reports, maps, and data; and conduct interviews with key stakeholders and local experts in the Basin to characterize the historic and current conditions of agricultural crops, practices, and natural habitat in the Basin.
- **Task 2 - Existing Abandoned Farmland and Reference Natural Habitat Study.** The objective of this task was to survey a range of fallowed and natural reference sites in Borrego Springs and identify the drivers of biologically complex conditions.
- **Task 3 - Brush Pile Wildlife Sand Fence Case Study.** The objective of this task was to assess the feasibility and effectiveness of various fallowing techniques on dust mitigation and habitat recovery.
- **Task 4 - Farmland Fallowing Rehabilitation Strategies.** The objective of this task was to utilize the literature review, data, and field case study from Tasks 1 through 3 to develop, design, and recommend best practices for fallowing farmland to achieve dust mitigation and habitat recovery.
- **Task 5 - Farmland Fallowing Prioritization.** The objective of this task was to utilize the literature review, data, and field case study from Tasks 1 through 3 to prepare a map of agricultural land sites that are optimal for biological restoration, based on the likelihood of the success of the recommended best practices for rehabilitation.
- **Task 6 – Environmental Working Group Meetings.** The objective of this task was to conduct working meetings of the EWG to discuss project progress, receive input and guidance, and review draft and final task deliverables.

² Available on the Watermaster's website at: https://borregospringswatermaster.com/wp-content/uploads/2023/01/Project-Submittal-Form_Biological-Restoration_com.pdf

The project culminated in a Final Project Report³, which summarizes the work completed in Tasks 1 through 6, and makes recommendations of best management practices for following to achieve dust mitigation and habitat recovery. The EWG webpage on the Watermaster's website contains information on the Component 6 project, including final task reports, and EWG meeting minutes, presentations, and recordings.

This project was wholly funded by the SGM grant and would not have been possible to perform without the grant funds. The next steps are for the EWG to make a recommendation to the Board on how to use the results of the study, and potential next steps (if funding available).

Component 7: Monitoring, Reporting, and Groundwater Management Plan Update

The Component 7 project was a multi-year monitoring, analysis, and reporting effort to advance groundwater management in Basin. The SGM grant covered costs of:

- Routine monitoring, assessment, and reporting activities, such as collection and maintenance of monthly meter read data, semi-annual groundwater monitoring, database management, assessment of groundwater conditions, and preparation of Annual Reports.
- Comprehensive review and expansion of the groundwater monitoring program, including improving the monitoring network through well maintenance and rehabilitation activities which would not have been possible without grant funding.
- Judgment-mandated efforts, such as the redetermination of the Sustainable Yield by January 1, 2025, including extensive improvements to the BVHM, which would not have been possible without grant funding.
- Expanding stakeholder engagement and outreach efforts.

Highlights of the funded work follow.

- **Groundwater Pumping Monitoring Program.** The grant funding covered routine efforts from January 2022 to March 2025 to collect, compile, and manage all Basin pumping data to ensure successful compliance with the pumping Rampdown. SGM grant funding was also used to cover three years of Pumper costs for the Judgment-required annual meter accuracy testing.
- **Groundwater Level and Quality Monitoring Program.** The grant funding covered routine costs from January 2022 to March 2025 to implement Watermaster's groundwater-level and groundwater-quality monitoring program to track changes in Basin conditions (*e.g.*, groundwater levels, storage, flow directions, groundwater quality) in response to Judgment implementation. The routine work included semi-annual monitoring of groundwater level and groundwater quality at wells throughout the Basin, and preparing summary reports of

³ Available on the Watermaster's website at: <https://borregospringswatermaster.com/wp-content/uploads/2025/03/Task04-05-Retired-Farmland-Strategies-and-Prioritization-2025-03-31.pdf>

each monitoring event which are posted on Watermaster's website. A total of 8 semi-annual monitoring events were funded.

The SGM grant also covered non-routine activities, which included:

- Develop a Groundwater Monitoring Plan⁴, which describes the monitoring objectives, the current monitoring network, frequency of monitoring, constituents monitored, and recommendations for expanding/improving the monitoring programs for both the groundwater-level and groundwater-quality monitoring.
 - Develop a stakeholder outreach program to solicit community support for identifying existing wells that could be added to Watermaster's monitoring network.
 - Evaluate more than 60 wells for inclusion in the monitoring network.
 - Expand the existing monitoring network of wells by converting inactive/abandoned wells in the Basin into monitoring wells. A total of 21 new wells were added to the monitoring network.
 - Extend the lifespan of 10 existing monitoring wells in the monitoring network by performing well rehabilitation and/or securing the well to make it safer to the public and the groundwater system.
 - Purchase and install (or replace) transducers to measure groundwater levels at 15 to 1-hour intervals.
- **Annual Reporting.** The objective of this task was to prepare the combined annual report of Basin conditions and the Physical Solution implementation progress, which are due to the DWR and the Court by April 1st each year. SGM grant funding was used to prepare four Annual Reports for WYs 2021 through 2024. All Annual Reports are available on the Documents and Reports page on the Watermaster's website.
 - **Redetermine the 2025 Sustainable Yield.** The objective of this task was to support the Watermaster Board's redetermination of the Sustainable Yield by January 1, 2025. SGM grant funding was used to develop and implement a scope of work⁵ to improve the Borrego Valley Hydrologic Model (BVHM) and use the BVHM to support the redetermination of the 2025 Sustainable Yield through a collaborative effort between the Watermaster's Technical Consultant and the TAC. Each task of the scope of work and the technical work is documented on the TAC page on the Watermaster's website. At their December 5, 2024 Board meeting, the Board redetermined the 2025 Sustainable Yield as 7,952 acre-feet per year.
 - **Prepare the Framework Document for the 5-Year GMP Assessment Report.** The revised objective of this task was to prepare a framework document and content for the 5-Year GMP Assessment, which is due to the DWR by June 25, 2026. The objective of the 5-Year GMP Assessment report is to describe how the implementation of the GMP is working toward

⁴ Available on the Watermaster's website at: <https://borregospringswatermaster.com/wp-content/uploads/2023/04/R-BSW-Groundwater-Monitoring-Program-FINAL-20230411.pdf>

⁵ Available on the Watermaster's website at: https://borregospringswatermaster.com/wp-content/uploads/2024/10/Scope-of-Work_Redetermine-2025-SY.pdf

meeting the sustainability goal(s) for the Basin and address DWR comments on the Basin's Alternative Plan. The original objective of this task was to complete the entire 5-Year Assessment, but this was not possible due to the timing of DWR's review of the Judgment and GMP (which was ultimately approved in February 2025, just one month before the expiration of the grant funding. SGM grant funding was used to:

- Document the purpose of the framework and describe the high-level scope of work to implement it.
- Develop the draft annotated outline of the 5-Year GMP Assessment Report, inclusive of a summary of the DWR requirements and a description of information to be included for each section. For some report sections, text, tables and figures were prepared.
- Compile and analyze all groundwater data for use in documenting Basin conditions. The 5-year assessment will cover Basin conditions through approximately September 2025 and will be updated with the final data later in WY 2025. The work performed included developing future pumping plans of the major pumpers in the Basin for use in running BVHM projections of the pumping Rampdown to predict future expected changes in groundwater levels and storage.
- Begin developing methodologies for updating Sustainable Management Criteria.
- **TAC Meetings.** The objective of this task was to conduct working meetings of the Watermaster's Technical Advisory Committee (TAC) to provide them with updates on the progression of project tasks, receive input and guidance, support their formulation of recommendations to the Board, and review draft and final technical project deliverables. The TAC page on the Watermaster's website contains information on the redetermination of the Sustainable Yield, and all meeting minutes, presentations, and recordings from TAC meetings.
- **Stakeholder Outreach.** The objectives of this task were to facilitate public outreach, engagement, and communications regarding Watermaster's work to implement the Judgment and GMP, and provide a venue to receive public input beyond the monthly opportunities to engage with the Board at their regular Board meetings. SGM grant funding was used to institute semi-annual Open Houses dedicated to stakeholder outreach and education. Funding was also used to support attendance at a few other local engagement events, such as Borrego Days. Improved stakeholder outreach helped the Watermaster enhance their groundwater monitoring program by utilizing the public to identify private well owners willing to have Watermaster monitor their wells. All information related to Watermaster Open Houses is available on the Stakeholder Outreach page Watermaster's website.

Grant Reimbursements

To receive SGM grant funding reimbursements, the Watermaster prepared quarterly grant reimbursement request reports. To date eight grant reimbursement requests have been submitted and two are pending. Six of the eight reimbursement requests have been paid by DWR, totaling \$1,533,810. Table 1 below summarizes the status and amounts of all reimbursement requests.

Table 1. Grant Reimbursement Requests Submitted to DWR					
Reimbursement Request and Period		Component 6. Biological Restoration of Fallowed Lands	Component 7. Monitoring Reporting and GMP Update	Total	Status of Request and Payment
1	Jan 2022 to Mar 2023	\$168,272.54	\$456,607.83	\$624,880.37	Approved and Paid
2	Apr to Jun 2023	\$40,278.94	\$106,402.75	\$146,681.69	Approved and Paid
3	July to Sep 2023	\$49,196.04	\$64,918.25	\$114,114.29	Approved and Paid
4	Oct to Dec 2023	\$53,986.66	\$174,521.28	\$228,507.94	Approved and Paid
5	Jan to Mar 2024	\$36,074.30	\$143,741.25	\$179,815.55	Approved and Paid
6	Apr to Jun 2024	\$60,757.35	\$179,052.89	\$239,810.24	Approved and Paid
7	July to Sep 2024	\$147,972.19	\$147,992.60	\$295,964.79	Under Review by DWR
8	Oct to Dec 2024	\$117,604.78	\$185,099.99	\$302,704.77	Submitted
9	Jan to Mar 2025 ^A	\$105,523.68	\$483,975.00	\$589,498.68	Due by May 15, 2025
10	April 2025 (estimated) ^{A,B}	\$2,312.25	\$5,844.00	\$8,156.25	Due by June 15, 2025
Total		\$781,978.73	\$1,948,155.84	\$2,730,134.57	
Notes:					
(A): The final ten percent of requested reimbursements is subject to retention by DWR. This potentially means that only a portion of reimbursement request 9 will be paid following approval of the request. The final payment will be made after DWR completes its final review of all grant deliverables and verification that all grant requirements have been met.					
(B): Project management costs to complete grant reimbursement requests and final reporting to DWR are reimbursable through April 30, 2025. Watermaster staff plan to complete all reporting by this date.					

Grant Budget Status

Table 2 summarizes the final grant budget status. The total unspent grant funds was about \$8,455, primarily driven by West Yost not spending its entire budget to support Component 6.

Table 2. Final Budget Status of Grant Components					
Grant Component		Budget	Spent ^A	Unspent Budget	Notes
6	Biological Restoration of Fallowed Lands	\$790,340	\$781,978.73	\$8,361.27	West Yost portion of scope was under budget
7	Monitoring Reporting and GMP Update	\$1,948,250	\$1,948,155.84	\$94.16	
Total		\$2,738,590	\$2,730,134.57	\$8,455.43	
Notes:					
(A): Includes estimated project management costs through April 30, 2025.					

Although West Yost was able to fully expend the grant funds for Category 7, it should be noted that the budget for the line items to complete analysis of BVHM projections and the 5-Year Assessment were not fully expended. To maximize the use of the remaining available funding, the majority of the activities associated with the Spring 2025 monitoring event will be reimbursed (except processing of pending data sets and preparing the Semi-Annual Report). In Watermaster's WY 2025 Budget, it

was assumed that the entirety of the Spring 2025 monitoring event would not be covered with grant funds and would be funded out of pocket. Agenda Item V.D discusses how the planned out of pocket expenses can be used to advance work to address the DWR comments on the Judgment/GMP, perform next steps to complete BVHM projections, and/or advance the completion of the 5-Year Assessment Report.

Next Steps

Watermaster staff are coordinating with BWD to complete all grant reporting requirements by April 30, 2025. Report outs on the grant reimbursement status will continue as part of the monthly Executive Director's report until all grant reimbursement requests have been paid. Watermaster's financial model assumes the final payment of retained funds (see footnote B in Table 1) will be made in March 2026. The assumed schedule of payment for the remaining reimbursement requests is shown in Table 3.

Table 3. Assumed Schedule for Payment of Remaining Grant Reimbursement Requests					
Reimbursement Request and Period		Component 6. Biological Restoration of Fallowed Lands	Component 7. Monitoring Reporting and GMP Update	Total Reimbursement	Assumed Reimbursement Date
7	July to Sep 2024	\$147,972.19	\$147,992.60	\$295,964.79	June 2025
8	Oct to Dec 2024	\$117,604.78	\$185,099.99	\$302,704.77	September 2025
9	Jan to Mar 2025 ^A	\$105,523.68	\$483,975.00	\$324,641.47	December 2025
10	April 2025 (estimated) ^{A,B}	\$2,312.25	\$5,844.00	\$0	n/a
	10% Retention			\$273,013.46	March 2026
Total		\$781,978.73	\$1,948,155.84	\$2,730,134.57	
Notes:					
(A): Reimbursement is less \$264,857.21 retention.					
(B): Reimbursement is less \$8,156.25 retention.					

**Borrego Springs Watermaster
Board of Directors Meeting
April 16, 2025
AGENDA ITEM V.B**

To: Board of Directors
From: Samantha Adams, Executive Director
Date: April 14, 2025
Subject: WY 2025 – Q2 Watermaster Budget Status Report (as of March 31, 2025)

<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 13, 2024, the Board adopted the water year (WY) 2025 Budget. The budget was amended on January 15, 2025 to carry forward unspent funds from WY 2024. The purpose of this memo is to report the budget status to date as of March 31, 2025 (end of the second quarter) as compared to the amended WY 2025 Budget.

Discussion

Table 1, enclosed, compares actual budget to date to the amended WY 2025 Budget. The table shows:

- The Watermaster budget categories and the relevant line items in the WY 2025 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 2025 Budget amount for each category and the associated line-item detail
- The year-to-date values as of March 31, 2025
- The percent of budget expended to date for each category and line item (computed as actual divided by budget)
- The variance of actual compared to budget for each category and line item (computed as budget minus actual)
- Any pertinent notes that explain the budget status

As of March 31, 2025 (50% into WY 2025):

- A total of 83% of planned revenues have been accrued to date.
- A total of 75% of planned expenditures have been spent to date. By category, expenditures to date are as follows:
 - 56% of administrative services budget has been expended
 - 36% of legal services budget has been expended
 - 86% of technical services budget has been expended
 - 30% of meter read services budget has been expended
- Watermaster has a payment liability totaling \$721,728.93.
 - Note that no payments were made to Land IQ since November 2024 due to challenges with meeting the budget and schedule for the Biological Restoration of Fallowed Lands project. Land IQ finished its scope of work on time and per the change order agreement, payments and accrual of interest will resume in April 2025.
 - The liability amount is expected to decrease when checks issued to West Yost and Land IQ in April 2025 clear.
- Cash reserves are \$818,436.74, which represents about 8.2 months of the average projected monthly operating expenditure.

Next Steps

The third quarterly WY 2025 budget status report will be presented in July 2025 for the period ending on June 30, 2025.

Enclosures

Table 1. Borrego Springs Watermaster Budget Status Report for WY 2025 as of March 31, 2025

**Table 1. Borrego Springs Watermaster Budget Status Report for WY 2025
as of March 31, 2025**

Revenues, Expenditures, and Reserves	Approved WY 2025 Budget (as Amended)	Actual WY 2025 Year-to-Date	Percent (%) of Budget	Variance to Date (Budget minus Actual)	Notes
Revenues	\$ 1,263,380	\$ 1,054,700.36	83%	\$ 208,679.64	See below note re: DWR Prop 68 Revenue
Pumping Assessments Invoiced	\$ 350,000	\$ 163,511.16	47%	\$ 186,488.84	Next installment invoices to be sent May 2025
payments received		\$ 163,405.17	47%		
Bad Debt (non-payment on Assessments)	\$ (2,500)	\$ -	0%	\$ (2,500.00)	Have not recorded bad debt
Overproduction Penalty Assessments	\$ -	\$ -		\$ -	
Revenues Collected for Pass thru Expenses	\$ 7,316	\$ 2,691.75	37%	\$ 4,624.25	Meter read reimbursement invoices to be sent May 2025
payments received		\$ -	0%		
DWR Prop 68 Grant Reimbursements Accrued	\$ 908,564	\$ 888,497.45	98%	\$ 20,066.55	
Total Expenditures	\$ 1,476,038	\$ 1,100,840.44	75%	\$ 375,197.16	
Administrative Services	\$ 421,598	\$ 236,361.98	56%	\$ 185,235.62	
Watermaster Staff Admin Services	\$ 290,796	\$ 164,114.50	56%	\$ 126,681.10	
Board Meetings	\$ 106,600	\$ 52,718.20	49%	\$ 53,881.40	
Technical Advisory Committee Meetings	\$ 52,444	\$35,645.00	68%	\$ 16,799.00	
Court Hearings	\$ 3,510	\$ 678.75	19%	\$ 2,831.25	
Stakeholder Outreach/Workshops	\$ 12,543	\$11,976.25	95%	\$ 566.75	Task is complete
Administration and Management	\$ 78,699	\$ 32,345.80	38%	\$ 48,450.25	
Prop 68 Project Admin and Grant Reporting	\$ 37,000	\$ 30,750.50	83%	\$ 6,249.50	
Other Administrative or Vendor Services	\$ 130,802	\$ 72,242.22	55%	\$ 58,559.78	
Financial Audit	\$ 8,560	\$ 8,098.00	95%	\$ 462.00	Task is complete
Insurance	\$ 45,401	\$ 21,477.24	47%3	\$ 23,923.76	Note: This is a pre-paid expense - this reflects balance sheet amount
Misc. Expenses	\$ 2,500	\$ 79.00	%107	\$ 2,421.00	
Meter Accuracy Testing Vendors	\$ 13,500	\$ 14,430.00	%46	\$ (930.00)	Task is complete
Interest on Vendor Terms During Prop 68 Grant Period	\$ 60,841	\$ 28,157.98	%	\$ 32,683.02	
Pass Through Expenses	\$ -	\$ 5.26		\$ (5.26)	
Reimbursement to BWD for GSP	\$ -	\$ 5.26		\$ (5.26)	
Legal Services	\$ 105,000	\$ 37,788.75	36%	\$ 67,211.25	

**Table 1. Borrego Springs Watermaster Budget Status Report for WY 2025
as of March 31, 2025**

Revenues, Expenditures, and Reserves	Approved WY 2025 Budget (as Amended)	Actual WY 2025 Year-to-Date	Percent (%) of Budget	Variance to Date (Budget minus Actual)	Notes
Technical/Engineering Services	\$ 701,942	\$ 601,222.46	86%	\$ 100,719.54	
General Technical Consultant Services	\$ 445,524	\$ 394,635.71	89%	\$ 50,888.29	
Coordinate/Implement meter reading program	\$ 30,440	\$ 16,705.25	55%	\$ 13,734.75	
Groundwater Monitoring Program	\$ 124,060	\$ 84,665.60	68%	\$ 39,394.40	
Data Management and Reporting Data to DWR	\$ 20,265	\$ 10,215.50	50%	\$ 10,049.50	
Annual Report to the Court and DWR	\$ 51,188	\$ 51,552.95	101%	\$ (364.95)	Task is complete
Address Inactive Wells via Abandonment/Conversion	\$ 203,273	\$ 222,405.66	109%	\$ (19,132.66)	Task is complete. Expenditure is fully grant reimbursible (does not show over for grant)
As-needed technical support	\$ 16,298	\$ 9,090.75	56%	\$ 7,207.25	
Grant procurement services	\$ -	\$ -		\$ -	
Consulting Services with TAC Support/Input	\$ 256,418	\$ 206,586.75	81%	\$ 49,831.25	
Technical Work to Support Sustainable Yield Updates	\$ 90,590	\$ 84,850.75	94%	\$ 5,739.25	
Develop Scope and Budget for WY 2026-2029 for Sustainable Yield Updates	\$ 15,272	\$ 15,444.00	101%	\$ (172.00)	Task is complete
5-Year Update of the GMP (required by DWR)	\$ 140,508	\$ 106,292.00	76%	\$ 34,216.00	
Address Ad Hoc Requests from the Board	\$ 10,048	\$ -	0%	\$ 10,048.00	
Environmental Working Group	\$ 240,182	\$ 223,293.28	93%	\$ 16,888.72	
Biological Restoration of Fallowed Lands	\$ 233,801	\$ 223,128.46	95%	\$ 10,672.54	Task is complete
Ad Hoc EWG Meetings/Requests	\$ 6,381	\$ 164.82	3%	\$ 6,216.18	
Services to Parties with Manual Read Meters	\$ 7,316	\$ 2,173.97	30%	\$ 5,142.03	
Liabilities on Payment Terms					
Beginning Balance	\$ 587,501	\$ 587,501.03		\$ (0)	
Year-End Balance (Budget) and Current Balance	\$ 278,432	\$ 721,728.93	259%	\$ (443,296.93)	
Cash Reserves					
Beginning Cash Reserves	\$ 839,254	\$ 839,254.81		\$ (0.81)	
Average Target Reserve and Actual Reserve	\$ 699,979	\$ 818,436.74	117%	\$ (118,457.74)	Surplus will be used to pay down vendors in April
Number of Months of Operating Reserve	7.00	8.18	117%	\$ (1.18)	

**Borrego Springs Watermaster
Board of Directors Meeting
April 16, 2025
AGENDA ITEM V.D**

To: Board of Directors
From: Samantha Adams, Executive Director
Date: April 14, 2025
Subject: Scoping Discussion for Water Year 2026 Budget

<input type="checkbox"/> Recommended Action	<input checked="" 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

Discuss and provide input to staff on the scope of work to include in the Water Year 2026 budget.

Fiscal Impact: TBD. Fiscal impact will be presented in May 2025 with the first draft of the budget.

Background

The purpose of this memo is to provide the Board with an overview of the draft scope of work components planned for the Water Year (WY) 2026 budget.

Section IV.E.(3) of the Judgment describes the process and schedule for publishing the annual budget and collecting assessments to fund it. The process and schedule are summarized in Exhibit 1 below.

Exhibit 1 Milestones and Schedule to Publish the WY 2026 Budget and Collect Assessments to Fund the Budget		
Judgment Defined Due Dates	Watermaster Planned Action Dates	Milestones
June 30	June 18, 2025	Watermaster publishes Budget for ensuing Water Year
July 31	July 31, 2025	Any challenge to the budget by a Party must be initiated by notice to the Watermaster
August 30	August 29, 2025	Mediation of any challenge to the budget is completed pursuant to Section VII.A(1) of Judgment
October 15	Oct. 15, 2025	Any challenge to the budget by a Party unresolved by mediation will be heard by the Court

Exhibit 1 Milestones and Schedule to Publish the WY 2026 Budget and Collect Assessments to Fund the Budget		
Judgment Defined Due Dates	Watermaster Planned Action Dates	Milestones
October 15	Oct. 15, 2025	Watermaster issues notice to each Party of: prior year pumping allocation and pumping, max amount eligible for carryover, estimate of the pumping assessment
October 31	Oct. 31, 2025	Court order is entered on any Party's challenge to budget heard by the Court
October 31	Oct. 31, 2025	Each Party informs Watermaster of its elections for: carryover, foregoing pumping, or resuming pumping
November	Nov. 25, 2025	Watermaster provides Pumping Assessment invoice to each Party for first installment of Pumping Assessment
December	Dec. 31, 2025	First installment of Pumping Assessment due
May 31	May 26, 2026	Watermaster provides Pumping Assessment invoice to each Party for second installment of Pumping Assessment
June 30	June 30, 2026	Second installment of Pumping Assessment due

The Judgment also defines a process by which the Technical Advisory Committee (TAC) advises the Watermaster on the scope of work and budget for technical work to determine Sustainable Yield. Section III.F provides that the TAC shall seek agreement with the Watermaster on the technical scope of work and budget on the following schedule:

Exhibit 2 Schedule for Technical Advisory Committee Input to the Watermaster Budget Process for Technical Work through Water Year 2034	
Due Date	Milestone
June 1, 2021	Agreement on the scope and budget for technical work for October 1, 2021 through September 30, 2023
January 1, 2025	Agreement on the scope and budget for technical work for October 1, 2025 through September 30, 2029.
January 1, 2030	Agreement on the scope and budget for technical work for October 1, 2030 through September 30, 2034.

At its December 19, 2024 Special Meeting, the Board Approved an initial scope of work and budget¹ for the TAC-recommended technical work to redetermine the 2030 Sustainable Yield over WYs 2026 through 2029.

Discussion

The Watermaster budget is broken down into the following categories: revenues, expenditures, liabilities on Payment terms, and cash reserves. A list of the line-item components for each budget category that were proposed to be included in the WY 2026 Budget follows. The enclosed Table 1 from the Amended WY 2025 Budget included an initial WY 2026 budget projection. This projection will be refined following the April Regular Board meeting discussion and will be presented as a refined draft budget at the May 21, 2025 Regular Board meeting.

Revenues. Based on the budget projection included in the Amended WY 2025 Budget (see enclosed Table 1), total revenues for WY 2026 were estimated be about \$356,535. WY 2026 Revenues will be derived from four sources, as follows.

- **Pumping Assessments.**
 - Based on the budget projection and financial model prepared in support of the WY 2025 Budget, the anticipated Pumping Assessment for WY 2026 was \$350,000, which is the same assessment level as WY 2025.
 - Depending on the final scope of work selected by the Board, the assumed assessment may need to be adjusted.
 - The assessment level is set in consideration of the anticipated expenditures, the cash reserve policy to maintain at least 7 months of cash reserves in the bank (returning back to 9 months once vendor liabilities are paid off).
- **Overproduction Penalty Assessments.**
 - This is revenue received from any Pumpers who exceed their pumping limits defined in the Judgment. It is not yet known the amount of Overproduction, if any, that will occur in WY 2025. The amount will not be known until the start of WY 2026 when the Water Rights Accounting for WY 2025 is completed. The budget always assumes that pumpers will resolve their overproduction and the assessment in this category will be \$0.
 - As part of the WY 2026 Budget approval, the Board will need to establish the Overproduction Penalty Assessment Rate. In WY 2025, the rate was \$500 per acre-foot of Overproduction (the minimum allowed by the Judgment).
 - Staff recommends the Overproduction Penalty Assessment Rate remain at \$500 per acre-foot in WY 2026.

¹ See Agenda Item IV.A of the December 19, 2024 Special Board Meeting agenda package. Available on the Watermaster's website at: https://borregospringswatermaster.com/wp-content/uploads/2024/12/20241219_Board-Agenda-Package.pdf

- DWR Prop 68 Grant Funds. This revenue category represents accrual of reimbursable expenses under the SGM grant and is no longer relevant as the grant reimbursement period ends April 2025.
- Revenues for Pass-thru Expenses. In WY 2026 pass thru revenues will include collection of fees from Parties with manual-read meters for Watermaster services related to reading the meters.

Expenditures. The estimated expenditure for WY 2026 as shown in the amended WY 2025 Budget projection was \$703,738. The expenditures assumed the following work.

- Administrative Services. The scope assumed:
 - Watermaster Staff administrative services provided by West Yost: Board meetings, TAC meetings, Court hearings, stakeholder outreach meetings, administration and management (budget development, financial services, management of records, website improvements, support to BPA parties, and as-needed support for implementation of the Judgment, project management).
 - Other administrative expenses: financial audit, liability insurance, miscellaneous expenses.
 - Interest expenses on Payment Terms with West Yost and Land IQ.
- Legal Services (provided by RWG). This is for all as-needed legal services from RWG Law, which includes at a minimum attending and support of all Watermaster Board meetings and Court hearings.
- Technical and Engineering Services (provided by West Yost). The assumed scope of work for WY 2026 included:
 - General Technical Consultant services:
 - Coordinate and implement meter reading and verification program
 - Implement the groundwater monitoring program
 - Database management and data reporting, including reporting of data to the DWR Monitoring Network Module (MNM)
 - Prepare the WY 2025 Water Rights Accounting Report and Annual Report to the Court/DWR
 - As-needed technical services
 - TAC-supported technical work.
 - The budget projection assumed the following work in WY 2026:
 - Begin scope of work for 2030 Redetermination of the Sustainable Yield
 - Complete the Five-Year Assessment of the Judgment/GMP
 - Address ad-hoc requests from the Board
- Environmental Working Group. This includes the planned \$20,000 for annual support of the EWG. The EWG will make recommendations to the Board as to how to spend this funding in WY 2026.

- *Services to Parties with Manual-Read Meters.* This work includes Watermaster staff services (provided by West Yost) and contract services by the BWD to perform the manual meter reading in the field. This work is funded solely by Parties with manual-read meters.

Liabilities on Payment Terms. Based on the financial model prepared by Staff, it was estimated that the total liability on Payment Terms will be paid off in early WY 2026.

Cash Reserves. The estimated reserve needed to maintain 9-months leading operating expenses in WY 2026 was \$524,139.

Anticipated Deviations from Estimated WY 2026 Budget Shown in Table 1

The four-year budget projection provided with each annual budget is an estimate based on staff's best understanding of expected future work. As work evolves, changes are typically required. The following are the anticipated updates to the estimated WY 2026 budget, and the potential impacts to expenditures and pumping assessments. The actual impacts will be quantified in the May 2025 draft budget.

- **Board meetings.** The WY 2026 budget assumed we could reduce the frequency of meetings in WY 2026. This is likely not possible due to the amount of Board input needed to address the DWR comments and complete the 5-Year Assessment. The Board meeting budget will need to increase relative to the assumption by about \$25,000. This change alone would likely not require an increase in the pumping assessment.
- **Stakeholder Outreach meetings.** The WY 2026 budget assumed only one Open House for Stakeholder engagement, given the need for input for the 5-Year Assessment report, this budget will need to be increased by about \$6,500 to accommodate two meetings. This change plus the change in Board meeting costs would likely not require an increase in the pumping assessment.
- **Technical Work to Support Sustainable Yield Updates.** The estimated WY 2026 budget assumed work would be to implement task items recommended by the TAC to advance the 2030 Sustainable Yield Update. The WY 2026 budget was assumed to be \$30,000, prior to known the TAC recommendation. And, as discussed in Agenda Item V.C, there is additional work required to address the under-pumping challenge with the BVHM and complete the projections of future basin conditions. Depending on the Watermaster's preferred approach to address the issue, additional unanticipated costs may need to be expended in WY 2025 and/or WY 2026. This will increase expenditures and may require an increase in the assumed pumping assessment for WY 2026.
- **5-Year Assessment of Judgment/GMP.** Now that Watermaster has received input from DWR on the Judgment/GMP, we can proceed to address those comments and continue work on the 5-Year Assessment Report. The cost in WY 2026 was assumed to be \$30,000. The WY 2026 expenditure may need to be increased depending on how the BVHM issue and the DWR comments are resolved. Any increase in expenditures could require an increase in the assumed pumping assessment for WY 2026.

Surplus Funding Available from WY 2025 to Offset Potential Increased Costs in WY 2026

The work to address the BVHM updates, DWR comments, the 5-Year Assessment, and start the 2030 Sustainable Yield are all connected. Watermaster staff plan to present this work as an integrated scope of work for WY 2026 due to the interrelatedness of the work. The scope will incorporate feedback from the Board, and will contain options to allow the Board to balance costs and technical recommendations. Recognizing the need to control costs and minimize financial impacts to the parties, staff performed a detailed assessment of the available WY 2025 budget for technical work performed by West Yost to determine how much of the approved budget could be allocated to proceeding with this work beginning in April/May 2025 and in a manner that causes no financial impact to the parties.

Table 2, enclosed, summarizes the assessment of the technical budget. Table 2 shows:

- The amended WY 2025 Budget for all West Yost technical line items. The amended budget is \$1,022,874.
- The amount of WY 2025 budget that was assumed to be grant funded and the amount of actual grant-reimbursable expenditures:
 - Planned: \$683,041
 - Actual: \$677,848
- The amount of WY 2025 budget that was assumed to be funded by the pumpers and not-grant reimbursable:
 - Planned: \$339,833
 - Actual: \$340,366
- The variance between total planned vs projected actual. The variance shows an end of year expenditure that is \$4,660 under budget.

A review of Table 2 reveals the following:

- While the Grant funded actual (almost) matches the planned in total, there are some line items that were funded at a level greater than assumed and some that were funded at a level less than assumed. The greatest deviations were:
 - Groundwater monitoring program and expansion. The grant was able to cover about 90% of the costs of the spring 2025 monitoring event, which was planned to be funded by the Pumpers. And, the grant covered some additional expansion activities associated with the abandoned wells conversion, such as new transducers for continuous data logging.
 - 5-Year Assessment. This item was completed under budget because the original budget assumed the ability to complete the Assessment by March 2025, which was not possible due to timing of DWR comments. The surplus grant budget was used to cover the costs of the monitoring program and expansion activities, so no grant money was left on the table.

- The planned WM actual shows \$43,000 in work to address the BVHM updates, DWR comments, and/or the 5-Year Assessment is spent from April 2025 to September 2025. This amount is shown under the 5-Year Assessment line item. This amount ensures that the Watermaster's actual expenditures does not exceed the planned expenditures by the Pumpers (e.g. no financial impact relative to budget for WY 2025).
- At the bottom of the table there is a line that shows the sum of each of the line items that could be used in the remainder of WY 2025 to cover costs to advance the BVHM updates, DWR comments, and/or the 5-Year Assessment. The sum is \$69,847 and includes the use of budget in the following tasks:
 - TAC meetings: \$16,799
 - 5-Year Assessment: \$43,000
 - Address Ad Hoc Requests of the Board: \$10,048

The proposed scope of work to be presented in May will include assumptions for spending this \$69,847 in WY 2025, if Board provides the OK to proceed with this assumption.

Next Steps

Staff is seeking Board discussion and input on the scope of work to include for WY 2026, including:

- Overproduction penalty assessment rate.
- The proposed approach to develop an integrated scope that addresses BVHM updates, DWR comments, the 5-Year Assessment, and start the 2030 Sustainable Yield since all of these items are interconnected.
- The proposed approach to utilize \$69,847 of West Yost's technical budget to begin work on BVHM updates, DWR comments, and/or the 5-Year Assessment in WY 2025 to lessen impacts of increased costs in WY 2026.
- Any scope of work items not described in this memo.

The draft WY 2026 budget will be developed based on input and will be presented for discussion at the May 21, 2025 Board meeting.

Enclosures

Table 1 – Amended WY 2025 Budget

Table 2 – Analysis of Planned and Actual Expenditure of West Yost Budget Items to Determine Available Funding to Support BVHM and Five-Year Assessment Report Tasks in WY 2025

Table 1.

Amended WY 2025 Budget: Five-Year Projection of Borrego Springs Watermaster Operating Budget (WY 2025 through 2029)
Assuming Vendor Extended Payment Terms, 8-Month Delay in DWR Grant Request Reimbursements, and 7-month Operating Reserve Target through 2026

Revenues, Expenditures, and Reserves	WY 2024 Budget (Amended)	Actual WY 2024	Amended WY 2025	Projected Budget ¹			
				WY 2026	WY 2027	WY 2028	WY 2029
Revenues²	\$ 1,713,460	\$ 1,408,322	\$ 1,263,380	\$ 356,535	\$ 666,762	\$ 666,994	\$ 807,234
Pumping Assessments	\$ 458,000	\$ 458,011	\$ 350,000	\$ 350,000	\$ 660,000	\$ 660,000	\$ 800,000
Bad Debt (non-payment on Assessments)	\$ (4,000)	\$ -	\$ (2,500)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
Overproduction Penalty Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues Collected for Pass thru Expenses	\$ 6,469	\$ 6,569	\$ 7,316	\$ 7,535	\$ 7,762	\$ 7,994	\$ 8,234
DWR Prop 68 Grant Reimbursements ³	\$ 1,252,991	\$ 943,742	\$ 908,564	\$ -	\$ -	\$ -	\$ -
Total Expenditures⁴	\$ 1,677,205	\$ 1,351,015	\$ 1,476,038	\$ 703,738	\$ 645,714	\$ 663,515	\$ 801,845
Administrative Services	\$ 402,861	\$ 399,824	\$ 421,598	\$ 277,228	\$ 257,259	\$ 264,906	\$ 272,778
<i>Watermaster Staff Admin Services</i>	<i>\$ 280,284</i>	<i>\$ 269,348</i>	<i>\$ 290,796</i>	<i>\$ 214,267</i>	<i>\$ 220,695</i>	<i>\$ 227,316</i>	<i>\$ 234,135</i>
Board Meetings	\$ 101,120	\$ 99,167	\$ 106,600	\$ 85,280	\$ 87,838	\$ 90,473	\$ 93,187
<i>Technical Advisory Committee Meetings</i>	<i>\$ 45,326</i>	<i>\$ 45,625</i>	<i>\$ 52,444</i>	<i>\$ 37,812</i>	<i>\$ 38,946</i>	<i>\$ 40,115</i>	<i>\$ 41,318</i>
Court Hearings	\$ 4,016	\$ 379	\$ 3,510	\$ 3,615	\$ 3,724	\$ 3,835	\$ 3,951
Stakeholder Outreach/Workshops	<i>\$ 12,590</i>	<i>\$ 15,313</i>	<i>\$ 12,543</i>	\$ 6,500	\$ 6,695	\$ 6,896	\$ 7,103
Administration and Management	<i>\$ 72,628</i>	<i>\$ 67,046</i>	<i>\$ 78,699</i>	\$ 81,060	\$ 83,492	\$ 85,997	\$ 88,576
Prop 68 Project Admin and Grant Reporting	<i>\$ 44,604</i>	<i>\$ 41,818</i>	<i>\$ 37,000</i>	\$ -	\$ -	\$ -	\$ -
<i>Other Administrative or Vendor Services</i>	<i>\$ 122,577</i>	<i>\$ 126,215</i>	<i>\$ 130,802</i>	<i>\$ 62,961</i>	<i>\$ 36,564</i>	<i>\$ 37,590</i>	<i>\$ 38,643</i>
Financial Audit	\$ 10,000	\$ 7,840	\$ 8,560	\$ 8,812	\$ 9,064	\$ 9,340	\$ 9,620
Insurance	\$ 40,474	\$ 41,034	\$ 45,401	\$ 46,763	\$ 25,000	\$ 25,750	\$ 26,523
Misc. Expenses	\$ 2,500	\$ 77	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Meter Accuracy Testing Vendors	<i>\$ 13,500</i>	<i>\$ 12,200</i>	<i>\$ 13,500</i>	\$ -	\$ -	\$ -	\$ -
Interest on Vendor Terms During Prop 68 Grant Period ⁵	\$ 56,103	\$ 65,065	\$ 60,841	\$ 4,886	\$ -	\$ -	\$ -
<i>Pass Through Expenses</i>	<i>\$ -</i>	<i>\$ 4,261</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
Reimbursement to Settling Parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement to BWD for GSP	\$ -	\$ 4,261	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ 100,000	\$ 102,870	\$ 105,000	\$ 108,150	\$ 111,395	\$ 114,736	\$ 118,178

Table 1.

Amended WY 2025 Budget: Five-Year Projection of Borrego Springs Watermaster Operating Budget (WY 2025 through 2029)
Assuming Vendor Extended Payment Terms, 8-Month Delay in DWR Grant Request Reimbursements, and 7-month Operating Reserve Target through 2026

Revenues, Expenditures, and Reserves	WY 2024 Budget (Amended)	Actual WY 2024	Amended WY 2025	Projected Budget ¹			
				WY 2026	WY 2027	WY 2028	WY 2029
Technical/Engineering Services	\$ 815,386	\$ 543,352	\$ 701,942	\$ 290,824	\$ 249,299	\$ 255,878	\$ 382,655
General Technical Consultant Services	\$ 403,556	\$ 248,957	\$ 445,524	\$ 220,475	\$ 208,639	\$ 214,898	\$ 221,345
<i>Coordinate/Implement meter reading program</i>	\$ 30,388	\$ 30,147	\$ 30,440	\$ 25,874	\$ 26,650	\$ 27,450	\$ 28,273
<i>Groundwater Monitoring Program</i>	\$ 111,151	\$ 110,682	\$ 124,060	\$ 115,000	\$ 100,000	\$ 103,000	\$ 106,090
<i>Data Management and Data Reporting</i>	\$ 19,890	\$ 18,215	\$ 20,265	\$ 14,186	\$ 14,611	\$ 15,049	\$ 15,501
<i>Annual Report to the Court and DWR</i>	\$ 50,936	\$ 52,279	\$ 51,188	\$ 48,629	\$ 50,087	\$ 51,590	\$ 53,138
<i>Address Inactive Wells via Abandonment/Conversion</i>	\$ 175,551	\$ 32,863	\$ 203,273	\$ -	\$ -	\$ -	\$ -
<i>As-needed technical support</i>	\$ 15,640	\$ 4,771	\$ 16,298	\$ 16,787	\$ 17,291	\$ 17,809	\$ 18,344
<i>Grant procurement services</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consulting Services with TAC Support/Input	\$ 411,830	\$ 294,395	\$ 256,418	\$ 70,349	\$ 40,660	\$ 40,980	\$ 161,309
<i>Technical Work to Support Sustainable Yield Updates</i>	\$ 271,328	\$ 250,822	\$ 90,590	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000
<i>Develop Scope and Budget for WY 2026-2029 for Sustainable Yield Updates</i>	\$ -	\$ -	\$ 15,272	\$ -	\$ -	\$ -	\$ -
<i>5-Year Update of the GMP (required by DWR)</i>	\$ 130,654	\$ 41,174	\$ 140,508	\$ 30,000	\$ -	\$ -	\$ -
<i>Address Ad Hoc Requests from the Board</i>	\$ 9,848	\$ 2,400	\$ 10,048	\$ 10,349	\$ 10,660	\$ 10,980	\$ 11,309
Environmental Working Group	\$ 352,489	\$ 298,791	\$ 240,182	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>Biological Restoration of Fallowed Lands</i>	\$ 346,393	\$ 298,791	\$ 233,801	\$ -	\$ -	\$ -	\$ -
<i>Ad Hoc Requests and EWG Meetings</i>	\$ 6,096	\$ -	\$ 6,381	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Services to Parties with Manual Read Meters	\$ 6,469	\$ 6,178	\$ 7,316	\$ 7,535	\$ 7,762	\$ 7,994	\$ 8,234

Table 1.

Amended WY 2025 Budget: Five-Year Projection of Borrego Springs Watermaster Operating Budget (WY 2025 through 2029)
Assuming Vendor Extended Payment Terms, 8-Month Delay in DWR Grant Request Reimbursements, and 7-month Operating Reserve Target through 2026

Revenues, Expenditures, and Reserves	WY 2024 Budget (Amended)	Actual WY 2024	Amended WY 2025	Projected Budget ¹			
				WY 2026	WY 2027	WY 2028	WY 2029
Liabilities on Payment Terms⁶							
Beginning Balance	\$ 749,184	\$ 749,184	\$ 587,501	\$ 278,432	\$ -	\$ -	\$ -
Minimum Monthly Balance	\$ 280,718		\$ 278,432	\$ -	\$ -	\$ -	\$ -
Maximum Monthly Balance	\$ 750,000		\$ 738,125	\$ 278,432	\$ -	\$ -	\$ -
Year-End Balance	\$ 355,088	\$ 587,501	\$ 278,432	\$ -	\$ -	\$ -	\$ -
Cash Reserves⁷							
Beginning Cash Reserves	\$ 889,614	\$ 889,614	\$ 839,254	\$ 567,595	\$ 617,583	\$ 640,732	\$ 647,376
Year-End Cash Reserve Balance	\$ 612,825	\$ 839,254	\$ 567,595	\$ 617,583	\$ 640,732	\$ 647,376	\$ 655,995
<u>Average Reserve Needed During the Year to Maintain Target Operating Expenses (7-9 months)</u>	<u>\$ 786,468</u>		<u>\$ 699,979</u>	<u>\$ 524,139</u>	<u>\$ 488,736</u>	<u>\$ 532,219</u>	<u>\$ 601,384</u>
Minimum Month-End Reserve Balance	\$ 603,744		\$ 561,309	\$ 515,864	\$ 529,445	\$ 541,810	\$ 486,837
Average Month-End Reserve Balance	\$ 773,773		\$ 660,448	\$ 651,848	\$ 637,725	\$ 651,994	\$ 644,813
Variance from Desired Reserve	\$ (12,695)		\$ (39,531)	\$ 127,709	\$ 148,989	\$ 119,775	\$ 43,429

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.
- 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 for use in Water Years 2022 through 2025. See also Note 2.
- 4 -- Expenditures in green are partially reimbursed by the Prop 68 grant. Expenditures in blue are fully reimbursed by the Prop 68 grant. Expenditures in bold purple text are costs that would not have been incurred absent the Prop 68 grant. Expenditures in bold red text are amended compared to the original WY 2024 Budget.
- 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 balances owed to West Yost and Land IQ under Payment Terms allowing outstanding balances of \$550,000 and \$200,000, respectively, 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.

TABLE 2. ANALYSIS OF PLANNED AND ACTUAL EXPENDITURE OF WEST YOST BUDGET ITEMS TO DETERMINE AVAILABLE FUNDING TO SUPPORT BVHM AND FIVE-YEAR ASSESSMENT REPORT TASKS IN WY 2025

*Planned expenditures are broken down by planned grant reimbursible expenses and non-grant reimbursible expenses funded by Watermaster Pumpers

*Line items in blue were planned to be fully grant reimbursible in WY 2025

*Line items in green were planned to be partially grant reimbursible in WY 2025

*Unplanned expenditures to Address BVHM and/or DWR Comments & the Five-Year Assessment are shown under Watermaster Projected Actual for the 5-year Update line item. This is set at an amount to balance the budget to no overages

	Amended WY 25 Budget	Grant Funded Planned	Grant Funded Actual	WM Planned	WM Projected Actual	Total Planned	Total Projected Actual	Variance
	\$ 1,022,874	\$ 683,041	\$ 677,848	\$ 339,833	\$ 340,366	\$ 1,022,874	\$ 1,018,214	\$ 4,660
Watermaster Staff Admin Services	\$ 290,796	\$ 84,107	\$ 86,313	\$ 206,689	\$ 203,269	\$ 290,796	\$ 289,582	\$ 1,214
Board Meetings	\$ 106,600	\$ -	\$ -	\$ 106,600	\$ 106,600	\$ 106,600	\$ 106,600	\$ -
Technical Advisory Committee Meetings	\$ 52,444	\$ 32,564	\$ 35,645	\$ 19,880	\$ 16,799	\$ 52,444	\$ 52,444	\$ -
Court Hearings	\$ 3,510	\$ -	\$ -	\$ 3,510	\$ 1,429	\$ 3,510	\$ 1,429	\$ 2,081
Stakeholder Outreach/Workshops	\$ 12,543	\$ 12,543	\$ 11,976	\$ -	\$ -	\$ 12,543	\$ 11,976	\$ 567
Administration and Management	\$ 78,699	\$ 2,000	\$ 2,097	\$ 76,699	\$ 78,441	\$ 78,699	\$ 80,538	\$ (1,839)
Prop 68 Project Admin and Grant Reporting	\$ 37,000	\$ 37,000	\$ 36,595	\$ -	\$ -	\$ 37,000	\$ 36,595	\$ 406
General Technical Consultant Services	\$ 445,524	\$ 347,024	\$ 383,033	\$ 98,500	\$ 59,767	\$ 445,524	\$ 442,800	\$ 2,724
Coordinate/Implement meter reading program	\$ 30,440	\$ 18,437	\$ 16,705	\$ 12,003	\$ 12,003	\$ 30,440	\$ 28,708	\$ 1,732
Groundwater Monitoring Program	\$ 124,060	\$ 64,190	\$ 83,291	\$ 59,870	\$ 21,000	\$ 124,060	\$ 104,291	\$ 19,769
Data Management and Data Reporting	\$ 20,265	\$ 10,936	\$ 10,216	\$ 9,329	\$ 9,329	\$ 20,265	\$ 19,545	\$ 721
Annual Report to the Court and DWR	\$ 51,188	\$ 51,188	\$ 51,553	\$ -	\$ -	\$ 51,188	\$ 51,553	\$ (365)
Address Inactive Wells via Abandonment/Conversion	\$ 203,273	\$ 202,273	\$ 221,269	\$ 1,000	\$ 1,137	\$ 203,273	\$ 222,406	\$ (19,133)
As-needed technical support	\$ 16,298	\$ -	\$ -	\$ 16,298	\$ 16,298	\$ 16,298	\$ 16,298	\$ -
Consulting Services with TAC Support/Input	\$ 256,418	\$ 231,098	\$ 191,143	\$ 25,320	\$ 68,492	\$ 256,418	\$ 259,635	\$ (3,217)
Technical Work to Support Sustainable Yield Updates	\$ 90,590	\$ 90,590	\$ 84,851	\$ -	\$ -	\$ 90,590	\$ 84,851	\$ 5,739
Develop Scope and Budget for WY 2026-2029 for Sustainable Yield Updates	\$ 15,272	\$ -	\$ -	\$ 15,272	\$ 15,444	\$ 15,272	\$ 15,444	\$ (172)
5-Year Assessment of Judgment/GMP	\$ 140,508	\$ 140,508	\$ 106,292	\$ -	\$ 43,000	\$ 140,508	\$ 149,292	\$ (8,784)
Address Ad Hoc Requests from the Board	\$ 10,048	\$ -	\$ -	\$ 10,048	\$ 10,048	\$ 10,048	\$ 10,048	\$ -
Environmental Working Group	\$ 27,193	\$ 20,812	\$ 17,360	\$ 6,381	\$ 6,381	\$ 27,193	\$ 23,741	\$ 3,453
Biological Restoration of Fallow Lands	\$ 20,812	\$ 20,812	\$ 17,360	\$ -	\$ -	\$ 20,812	\$ 17,360	\$ 3,453
Ad Hoc Requests and EWG Meetings	\$ 6,381	\$ -	\$ -	\$ 6,381	\$ 6,381	\$ 6,381	\$ 6,381	\$ -
Manual Read Meter Services	\$ 2,943	\$ -	\$ -	\$ 2,943	\$ 2,457	\$ 2,943	\$ 2,457	\$ 486
AVAILABLE WY 2025 BUDGET TO SUPPORT BVHM and 5-YR ASSESMENT IN APRIL to SEPT 2025 ----->					\$ 69,847			