



**Board Planning Committee
October 30, 2019**

SUBJECT:

Approve and Authorize the Hemet-San Jacinto Watermaster Proposed 2020 Administrative Assessment

BACKGROUND:

During the August 26, 2019 Hemet-San Jacinto Watermaster (Watermaster) Board meeting, the Watermaster Advisor proposed an increase to the Administrative Assessment for 2020.

Per the April 18, 2013, Stipulated Judgement, the Administrative Assessment is an acre-foot charge to be levied against each Public Agency for water pumped up to its Adjusted Base Production Right. This Assessment is used to fund Watermaster expenses including general overhead, basin monitoring, and special studies.

Per the Watermaster Rules and Regulations, the Advisor shall recommend the replenishment and administrative assessment levels needed to support the draft budget by November 30th of each year.

The Watermaster Board previously set a target of \$1M to be maintained in reserve funds. After the reserve funds approached \$1.2M in 2014, the Administrative Assessment was reduced by 40 percent to \$30/acre-foot, where it has remained since. Several conditions, including EMWD's participation in Metropolitan Water District's In-Lieu Cyclic Storage Program and the City of Hemet's on-going well rehabilitation program, will result in lower than anticipated Administrative Assessments for 2019. It is estimated that less than \$575,000 will remain in the reserve funds after the 2020 expenditures.

The Watermaster Advisor provided three options for the Administrative Assessment Rate concurrently with the draft 2020 budget to be voted on at the November 26, 2019, Watermaster Board meeting. EMWD staff has reviewed the options recommends supporting the proposed Watermaster Administrative Assessment adjustment from \$30/acre-foot to \$40/acre-foot for 2020.

FINANCIAL IMPACT:

The additional cost for EMWD associated with increasing the Administrative Assessment from \$30/acre-foot to \$40/acre-foot is estimated at approximately \$65,000. Funding for this item is provided for in the Biennial Budget for Fiscal Years 2019-20 and 2020-21.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Groundwater Management Administration: Develop and implement a governance and administrative structure to manage and oversee groundwater recharge/recovery, replenishment supplies, treatment and storage.

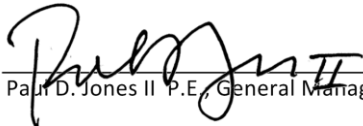
ENVIRONMENTAL IMPACT:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

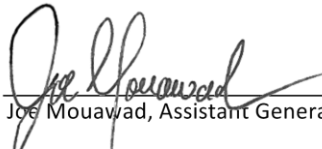
Approve the Hemet-San Jacinto Watermaster Administrative Assessment rate adjustment for 2020 from \$30 per acre-foot to \$40 per acre-foot; and revisit Administrative Assessment rate for 2021 in August 2020 based upon actual groundwater production results for the year and the resulting reserve fund balance.

SUBMITTED BY:



Paul D. Jones II, P.E., General Manager

10/25/2019



Joe Mouawad, Assistant General Manager

10/22/2019

Attachment(s):

Presentation

11/06/19 Board Meeting

Staff Contact: Lanaya Voelz Alexander