



## **COMMITTEE REPORT**

**Committee:** Administrative Committee

**Meeting Date:** March 16, 2016

**Present:** Dan Arrighi (Chair), J. Byerrum, D. De Jesus, B. Lewis, G. Galindo, D. Michalko, L. Noriega, J. Prior, R. Rich and T. Tait

**Staff Present:** T. Zampielo (via conference call) and K. Gardner and S. Johnson

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### **I. Discussion Regarding FY 2016-17 Watermaster Assessments**

The Assistant Executive Officer, Kelly Gardner, distributed copies of Resolution No. 05-15-273 (2015-16 assessment resolution) and reported on proposed Watermaster assessments, as well as rates from the three Responsible Agencies. Staff was asked to add the Make-Up Water Assessment as one of Watermaster's possible assessments to the list and show the amount as zero.

A discussion was held regarding the proposed Water Resource Development (RDA) and In-Lieu Assessments. As a result of the less than expected rainfall and Basin recovery, the Committee recommends that the Finance Committee and Watermaster consider maintaining the existing rate of \$10.00 per acre-foot, should the need to implement another round of "In-Lieu" direct deliveries be warranted during FY 2016-17.

INFORMATION ONLY – NO ACTION REQUIRED

### **II. Pre-purchase Accounting Procedure**

Ms. Gardner referred to a staff report prepared by Tony Zampielo, Executive Officer. She stated that during last year's audit, there were a couple of questions about how Watermaster accounts for water that is purchased and "stored", then sold to Producers at a later date. Mr. Zampielo explained that Watermaster's long-standing practice is to sell it at the current rate adopted by each Responsible Agency. He noted that any proceeds from these sales is rolled right back into the account to make future purchases when water is available.

Mr. Zampielo indicated that the discussion of this item will be memorialized in Watermaster's minutes and will be provided to the auditor this year.

**COMMITTEE RECOMMENDATION:** That Watermaster adopt the pre-purchase accounting procedure.

### **III. Report on In-Lieu Program and Recommendations for FY 2016-17**

Mr. Zampietro referred to an accounting summary sheet distributed to the Committee and reported the current status of the Direct Delivery In-Lieu Program with Suburban Water Systems. He explained that the program has spanned 2 fiscal years delivering a total of nearly 7,000 acre-feet with a cost of 1.7 million dollars. He said at this time, there are no immediate plans to implement the program in FY 2016-17, however, depending on rainfall totals and Basin recharge, it may be reinstated.

The Committee discussed the different scenarios that could impact the In-Lieu assessment and recommends that the Finance Committee and Watermaster maintain the existing assessment of \$10 per acre-foot for FY 2016-17.

INFORMATION ONLY – NO ACTION REQUIRED

### **IV. Proposed Annual Reporting of Resource Development Assessments**

Ms. Gardner reported that Resolution No. 05-14-263, establishing the Water Resource Development Assessment (RDA) includes some annual reporting requirements. Mr. Zampietro stated that detailed reporting will consist of three parts; an annual letter ordering RDA water for each Responsible Agency (RA), a spreadsheet indicating the amount of water purchased by RA and submitted to the court annually, and an accounting spreadsheet representing the amount of money collected from each Producer to be presented to the Board in October of each year.

INFORMATION ONLY – NO ACTION REQUIRED

### **V. Other**

None.