

**Hemet-San Jacinto Watermaster  
Technical Advisory Committee (TAC) AGENDA  
August 14, 2017  
EMWD – 12:30 p.m.**

- I. Agency Reports:
  - A. EMWD
  - B. LHMWD
  - C. City of Hemet
  - D. City of San Jacinto
  
- II. Watermaster Advisor Update:
  - A. Draft August 28, 2017 Board Agenda.
  - B. Consideration to Adjust Production Rights Starting May 2018 – Same presentation as TAC May 2017 meeting.
  - C. Updated 2017 Annual Budget.
  - D. Draft 2018 Annual Budget.
  
- III. Status of the Soboba Imported Water Recharge – EMWD
  
- IV. Unused Soboba Imported Water Calculation - Soboba  
Groundwater Production Outside the Management Area - EMWD
  
- V. Status of the Draft Storage Agreement.
  
- VI. Other Items Per TAC Members Request.
  - A. Additional TAC Meetings - Discussion
  
- VII. Next Meeting November 13, 2017.

# Adjusted Production Rights Reduction for 2018

**Hemet-San Jacinto Watermaster  
TAC Meeting  
May 8, 2017 & August 14, 2017**

## Stipulated Judgment (Section 3.2.2)

*“Until Adjusted Production Rights are consistent with the Public Agencies’ share of Safe Yield, Watermaster shall determine the required reductions in Adjusted Production Rights in each subsequent year to achieve Safe Yield within a reasonable period of time as determined by the Watermaster, considering the extent of the Overdraft, the economic impact on the Parties vound by this Judgment, and other relevant factors. The goal is to achieve Safe Yield over a six (6) year period assuming an annual overdraft of 10,000 acre feet. In the event the extent of the Overdraft is greater or lesser than assumed, then the period of time reasonably required to reach Safe Yield may be extended or reduced accordingly...”*

## Judgment Requirement (All values in AFY)

	EMWD	LHMWD	City of Hemet	City of San Jacinto
Annual Base Production Rights	10,869	11,063	6,320	4,031
Total Reductions in 6 years	3,566	3,629	1,778	1,027
Adjusted Base Productions in Year 6	7,303	7,434	4,542	3,004

## Adjusted Base Productions (All Values in AFY)

Time Period\Entity	EMWD	LHMWD	City of Hemet	City of San Jacinto
May 2013-April 2014 (Yr. 1)	10,869	11,063	6,320	4,031
May 2014-April 2015 (Yr. 2)	9,782	9,957	5,778	3,718
May 2015-April 2016 (Yr. 3)	9,097	9,260	5,437	3,521
May 2016-April 2017 (Yr. 4)	8,461	8,612	5,119	3,337
May 2017-April 2018 (Yr. 5)	7,868	8,009	4,824	3,167
May 2018-April 2019 (Yr. 6)	7,303	7,434	4,542	3,004

## Calculated Adjusted Base Production Rights (All Values in AFY)

Year\Entity	EMWD	LHMWD	City of Hemet	City of San Jacinto
2013 (May-Dec)	7,659	8,572	4,653	2,952
2014	10,103	10,205	5,920	3,805
2015	9,300	9,417	5,590	3,637
2016	8,649	8,758	5,199	3,383
2017	8,043	8,144	4,898	3,209
2018	7,470	7,563	4,613	3,044
2019	7,303	7,434	4,542	3,004

## Percent Changes for Adjusted Base Production Rights

Time Period\Entity	EMWD	LHMWD	City of Hemet	City of San Jacinto
May 2013/April 2014 (Yr. 1) to May 2014/April 2015 (Yr. 2)	10.0%	10.0%	10.0%	10.0%
May 2014/April 2015 (Yr. 2) to May 2015/April 2016 (Yr. 3)	7.0%	7.0%	7.0%	7.0%
May 2015/April 2016 (Yr. 3) to May 2016/April 2017 (Yr. 4)	7.0%	7.0%	7.0%	7.0%
May 2016/April 2017 (Yr. 4) to May 2017/April 2018 (Yr. 5)	7.0%	7.0%	7.0%	7.0%
May 2017/April 2018 (Yr. 5) to May 2018/April 2019 (Yr. 6)	7.2%	7.2%	7.2%	7.2%

## **Recommendation**

**Adopt a motion to approve Resolution 10.3 reducing the Adjusted Base Production for Public Agencies by Seven and two tenth Percent (7.2%) starting May 1, 2018.**

## **Questions...**

# 2017 Updated Budget

## Hemet-San Jacinto Watermaster TAC Meeting

**August 14, 2017**

## Estimated 2017 Administrative Assessments

(Presented on November 28, 2016)

Agency	2017 Adjusted BPR (AFY)	Projected 2017 Production (AF) *	Est. Prod. Subject to Admin. Assmt. (AF) **	2017 Est. Admin. Assmt. (\$) ***
City of Hemet	4,898	3,859	2,959	\$88,770
City of San Jacinto	3,209	2,115	1,215	\$36,450
EMWD	8,043	9,221	8,043	\$241,297
LHMWD	8,144	8,793	8,144	\$244,335
<b>Totals</b>	<b>24,295</b>	<b>23,988</b>	<b>20,362</b>	<b>\$610,851</b>

AF = Acre-feet  
Assmt. = Assessment  
Est. = Estimated

AFY = Acre-feet per year  
BPR = Base Production Rights  
Prod. = Production

\* 2017 Production Projections are based on Jan-September 2016 and Oct-Dec 2015 productions.

\*\* The Cities of Hemet and San Jacinto can produce 900 AFY without any Admin. Assessment payment.

\*\*\* Based on Admin. Assessment rate of \$30/AF

## Approved 2017 Budget

(Presented on November 28, 2016)

Budget Items	2017 Approved Budget
<b>Agreements</b>	
In-Lieu Program Agreement	\$189,000
<b>Coordinated Efforts with EMWD</b>	
Groundwater Monitoring Program	\$156,220
Video Inspection of Well Casings	\$60,000
<b>Gravel Pit Cleanup Project</b>	
Dewatering	\$57,600
<b>Organization Operations &amp; Management</b>	
Financial Support Services	\$10,500
Legal Counsel Services	\$35,000
Advisor Services	\$170,000
Insurance; Office Supplies; and Other Direct Costs	\$7,500
Administrative Support Services	\$14,000
Database/Mapping Application Maintenance	\$5,250
<b>Additional Projects/Activities</b>	
Develop Field Data Validation Application	\$100,000
<b>TOTALS</b>	<b>\$805,070</b>

## Updated 2017 Budget Actions & Assumptions

- May 2017 to April 2018 Public Agencies Adjusted Base Production Rights are reduced by 7%.
- 2016 Replenishment recharge water was not required.
- 2017 Replenishment Assessment will not be required.
- Administrative Assessment estimates for 2017 are updated based on actual 2016 and 2017 data.
- Coordinated projects with EMWD:
  - Groundwater Monitoring Program.
  - Video Inspection of Well Casings.
  - Evaluation of the EMWD's proposed recharge project.
  - Drafting of the Storage Agreement.
- Continued operation from the Corona office.

## Updated Estimated 2017 Administrative Assessments

Agency	2017 Adjusted BPR (AFY)	Projected 2017 Production (AF) *	Est. Prod. Subject to Admin. Assmt. (AF) **	2017 Est. Admin. Assmt. (\$) ***
City of Hemet	4,898	3,513	2,613	78,382
City of San Jacinto	3,209	2,382	1,482	44,460
EMWD	8,043	7,308	5,308	159,231
LHMWD	8,144	7,866	7,866	235,986
<b>Totals</b>	<b>24,294</b>	<b>21,069</b>	<b>17,269</b>	<b>\$518,059</b>

AF = Acre-feet  
Assmt. = Assessment  
Est. = Estimated

AFY = Acre-feet per year  
BPR = Base Production Rights

\* Projections are based on 2017 (Jan-June) and 2016 (July-Dec) actual productions and do not include Phase I productions

\*\* The Cities of Hemet and San Jacinto can produce 900 AFY without any Admin. Assessment payment. EMWD is projected to use pre-2012 recharge

\*\*\* Based on Admin. Assessment rate of \$30/AF

## Updated 2017 Budget

Budget Items	2017 Approved Budget	2017 Updated Budget
<b>Agreements</b>		
In-Lieu Program Agreement	\$189,000	\$189,000
<b>Coordinated Efforts with EMWD</b>		
Groundwater Monitoring Program	\$156,220	\$156,220
Video Inspection of Well Casings	\$60,000	\$60,000
<b>Gravel Pit Cleanup Project</b>		
Dewatering	\$57,600	\$ -
<b>Organization Operations &amp; Management</b>		
Financial Support Services	\$10,500	\$9,000
Legal Counsel Services	\$35,000	\$30,000
Advisor Services	\$170,000	\$165,000
Insurance; Office Supplies; and Other Direct Costs	\$7,500	\$7,500
Administrative Support Services	\$14,000	\$14,000
Database/Mapping Application Maintenance	\$5,250	\$5,250
<b>Additional Projects/Activities</b>		
Develop Field Data Validation Application	\$100,000	\$85,000
<b>TOTALS</b>	<b>\$805,070</b>	<b>\$720,970</b>

\* EMWD estimates did not change. Updated Storage Project Contract and extrapolated O&M costs based on January-June 2017 information



## Reserve Funds Impact

Revenue/Expenditures	Totals
2017 Updated Estimated Budget	\$ 720,970
2017 Updated Estimated Administrative Assessments	\$ 518,059
Updated Budget Shortfall	\$ 202,911
Previous Estimated Budget Shortfall	\$ 194,219

## 2017 Assessments Payment Schedule

- **2017 Administrative Assessment Invoicing:**
  - 25% of estimated total was invoiced on July 14, 2017.
  - 50% of estimated total will be invoiced by October 15, 2017.
  - The remaining balance will be reconciled and invoiced by March 1, 2018.
- **2016 Replenishment Assessment Invoicing was not needed.**



**Questions...**

# **Draft 2018 Annual Budget**

**Hemet-San Jacinto Watermaster  
TAC Meeting  
August 14, 2017**

## **2018 Budget Assumptions**

- Starting May 2018 Public Agencies Adjusted Base Production Rights will be reduced by 7.2% from the current levels.
- Carry-over accounts will be used to offset any excess production in 2017 - No Replenishment Assessments will be collected in 2018.
- Replenishment Assessment will be set in early 2018 (if required).
- 2018 Administrative Assessments are estimated based on actual 2016/2017 production data.
- Coordinated projects with EMWD:
  - Groundwater Monitoring Program.
  - Video Inspection of Well Casings (continued from 2017).
  - Evaluation of the EMWD's proposed recharge project (if not completed in 2017).
  - Soboba Gravel Pit Dewatering (if needed).
- Continued operation from the Corona office.

## Estimated 2018 Administrative Assessments

Agency	2018 Adjusted BPR (AFY)	Projected 2018 Production (AF) *	Est. Prod. Subject to Admin. Assmt. (AF) **	2018 Est. Admin. Assmt. (\$) ***
City of Hemet	4,613	3,513	2,613	\$78,382
City of San Jacinto	3,044	2,382	1,482	\$44,460
EMWD	7,470	7,308	5,308	\$159,231
LHMWD	7,563	7,866	7,563	\$226,897
<b>Totals</b>	<b>22,691</b>	<b>21,069</b>	<b>16,966</b>	<b>\$508,970</b>

AF = Acre-feet  
Assmt. = Assessment  
Est. = Estimated

AFY = Acre-feet per year  
BPR = Base Production Rights  
Prod. = Production

\* 2018 Production Projections are based on Jan-June 2017 and July-Dec 2016 productions.

\*\* The Cities of Hemet and San Jacinto can produce 900 AFY without any Admin. Assessment payment and EMWD is expected to use Pre-2012 recharge credits.

\*\*\* Based on Admin. Assessment rate of \$30/AF

## Estimated Replenishment for 2018

Agency	Modified BPR for 2017 (AFY)	Estimated 2017 Production	Estimated 2017 Prod. Above/(Below) Adjusted BPR	Estimated 2018 Repl. (AF)
City of Hemet	4,898	3,513	(1,385)	0
City of San Jacinto	3,209	2,382	(827)	0
EMWD	8,043	7,308	(736)	0
LHMWD	8,144	7,866	(278)	0
<b>Totals</b>	<b>24,295</b>	<b>21,069</b>	<b>-3,226</b>	<b>0</b>

AF = Acre-feet  
BPR = Base Production Rights  
Repl. = Replenishment

AFY = Acre-feet per year  
Prod. = Production

## Estimated 2018 Total Assessments

Agency	2018 Est. Admin. Assessments *	2018 Est. Replenishment Assessments	2018 Est. Total Assessments
City of Hemet	\$78,382	\$0	\$78,382
City of San Jacinto	\$44,460	\$0	\$44,460
EMWD	\$159,231	\$0	\$159,231
LHMWD	\$226,897	\$0	\$226,897
<b>Totals</b>	<b>\$508,970</b>	<b>\$0</b>	<b>\$508,970</b>

• Based on Admin. Assessment rate of \$30/AF

Est. = Estimated

## 2018 Activities/Projects

- Complete the 2017 Financial Audit plus Annual Report and file them with the Court.
- File the required 2017 information with DWR as part of the Sustainable Groundwater Management Act requirements.
- Review and update the property owners list.
- If required, set and initiate collection of Replenishment Assessment from the Parties.
- Coordinated activities with EMWD/TAC:
  - 2017 Annual Report;
  - Evaluation of Video Inspection of well casings and Groundwater Monitoring Program Enhancement;
  - Finalize Evaluation and Approval of the Storage Agreement for the proposed EMWD recharge project; and
  - Initiate Gravel Pit dewatering project (if required).

## Draft 2018 Budget

Budget Items	2017 Budget (Approved on Nov 28, 2016)	2017 Updated Budget (Aug 28, 2017)	Proposed Draft 2018 Budget
<b>Agreements</b>			
In-Lieu Program Agreement	\$ 189,000	\$ 189,000	\$ 211,000
<b>Coordinated Efforts with EMWD</b>			
Groundwater Monitoring Program	\$ 156,220	\$ 156,220	\$ 156,220
Video Inspection of Well Casings	\$ 60,000	\$ 60,000	-
<b>Gravel Pit Cleanup Project</b>			
Dewatering	\$ 57,600	-	\$ 57,600
<b>Organization Operations &amp; Management</b>			
Financial Support Services	\$ 10,500	\$ 9,000	\$ 8,500
Legal Counsel Services	\$ 35,000	\$ 30,000	\$ 30,000
Advisor Services	\$ 170,000	\$165,000	\$ 165,000
Administrative Support Services	\$ 14,000	\$ 14,000	\$ 14,000
Insurance; Office Supplies; and Other Direct Costs	\$ 7,500	\$ 7,500	\$ 10,000
Database/Mapping Application Maintenance	\$ 5,250	\$ 5,250	\$ 5,250
<b>Additional Projects/Activities</b>			
Storage Project Evaluation	\$ 100,000	\$ 85,000	-
<b>TOTALS</b>	<b>\$805,070</b>	<b>\$ 720,970</b>	<b>\$657,570</b>

## In-lieu Program Agreement Estimate

- Watermaster provides Subsidies to offset cost differences between EMWD's summer and winter recycled water rates.

Estimated cost difference between summer and winter rates in 2018	\$55.52/AF
Estimated recycled water deliveries in Summer (2016 deliveries)	3,800 AF
Estimated subsidies	\$211,000

## Groundwater Monitoring Program Estimate

- EMWD provides support services for collecting water levels and quality samples plus laboratory analysis, and report preparation.
- 2018 estimated cost based on 2017 estimate provided by EMWD.
- Billing rates for the 2017 estimate were set between \$87.50 - \$149.33/hr.

Activity	Hours	Cost Estimates
Extraction monitoring (60 wells plus 39 wells estimations)	228	\$20,330
Water level monitoring (190 wells)	220	\$19,380
Water quality monitoring (134 wells)	352	\$78,620
Inactive well capping (2 wells)	20	\$3,450
Meter installation/repair (7 meters)	42	\$16,620
Annual Report	144	\$17,820
<b>Totals</b>	<b>1,006</b>	<b>\$156,220</b>

## Gravel Pit Cleanup/Dewatering Estimate

- If needed, EMWD provides resources and equipment to mobilize and dewater Soboba Gravel Pit site.
- Project is cost shared between Watermaster and Soboba Tribe.
- 2018 estimate based on 2017 estimate provided by EMWD.
- Estimates based on 68 days of pumping.
- Billing rate for the 2017 estimate was set at \$87.50/hr.

Activity	Hours	Cost Estimates
Rental equipment (pipe and pumps)	-	\$27,600
Rental equipment (bulldozer)	-	\$20,500
Fuel for pumps and bulldozer	-	\$7,500
Labor	680	\$59,500
<b>Totals</b>	<b>680</b>	<b>\$115,100</b>

## Financial Support Services Estimate

- Bookkeeping services is provided by Bell Bookkeeping at \$250 per month.
- 2018 Audit will be conducted by the new CPA firm (Vicenti, Lloyd & Stutzman LLP).

Activity	Cost Estimates
Book keeping (Bell Bookkeeping)	\$3,000
External audit (Vicenti, Lloyd & Stutzman LLP)	\$4,700
Contingency	\$800
<b>Totals</b>	<b>\$8,500</b>

## Legal Counsel Services Estimate

- 2018 estimate is based on actual 2016 charges (below)
- Billing rates during 2016 were set between \$150-\$300 per hour.

Actual 2016 Charges		
Activity	Hours	Cost
Legal Counsel (Lagerlof, Senecal, Gosney & Krause)	80	\$23,700
Contingency	21	\$6,300
<b>Totals</b>	<b>101</b>	<b>\$30,000</b>



## Advisor Services Estimate

- 2018 estimate is based on actual 2016 charges (below)
- Billing rate during 2016 was set at \$150 per hour.

Actual 2016 Charges		
Activity	Hours	Cost
Communication/Coordination with all parties	105	\$15,750
Budget development and oversight	61	\$9,075
Contract management	24	\$3,525
Misc. technical/admin activities	91	\$13,725
TAC and Board meeting activities	286	\$42,900
Outreach activities	115	\$17,325
Special projects/technical activities	367	\$55,050
Travel/mileage expense	-	\$2,650
Contingency	35	\$5,250
<b>Totals</b>	<b>1,084</b>	<b>\$165,000</b>

## Administrative Support Services Estimate

- 2018 estimate is based on actual 2016 charges (below)
- Billing rate at \$41.60 per hour.

Actual 2016 Charges		
Activity	Hours	Cost
Administrative services	298	\$12,380
Contingency	39	\$1,620
<b>Totals</b>	<b>337</b>	<b>\$14,000</b>

## Insurance; Office Supplies, and Other Direct Costs Estimate

- 2018 estimate is based on actual 2016 charges (below) plus increased rent.

Actual 2016 Charges	
Activity	Cost
Insurance	\$3,100
Rent	\$3,300
Misc. plus outside services	\$390
Postage	\$190
Rent increase	\$2,700
Contingency	\$300
<b>Totals</b>	<b>\$10,000</b>

## Database/Mapping Application Maintenance Estimate

- 2018 estimate is based on existing contract with Spatial Wave Inc. for \$5,250 per year to maintain Watermaster database on Cloud storage and periodically update the database with new monitoring data.

## Draft 2018 Budget

Budget Items	Proposed Draft 2018 Budget
<b>Agreements</b>	
In-Lieu Program Agreement	\$ 211,000
<b>Coordinated Efforts with EMWD</b>	
Groundwater Monitoring Program	\$ 156,220
<b>Gravel Pit Cleanup Project</b>	
Dewatering	\$ 57,600
<b>Organization Operations &amp; Management</b>	
Financial Support Services	\$ 8,500
Legal Counsel Services	\$ 30,000
Advisor Services	\$ 165,000
Administrative Support Services	\$ 14,000
Insurance; Office Supplies; and Other Direct Costs	\$ 10,000
Database/Mapping Application Maintenance	\$ 5,250
<b>Additional Projects/Activities</b>	
	-
<b>TOTALS</b>	<b>\$657,570</b>

## Reserve Funds Impact

Revenue/Expenditures	Totals
Proposed 2018 Budget	\$ 657,570
2018 Estimated Administrative Assessments (Based on \$30/AF)	\$ 508,970
Budget Shortfall	\$ 148,600

## **Proposed Payment Schedule**

- **2018 Administrative Assessment Invoicing:**
  - 25% of total by July 15, 2018.
  - 50% of total by October 15, 2018.
  - The remaining balance will be reconciled and invoiced by March 1, 2019.
- **2018 Replenishment Assessment Invoicing (if required - for 2017 excessive production):**
  - Full 100% will be invoiced by May 1, 2018.

## **Recommendation**

- **Set Administrative Assessment at \$30/acre-foot for 2018.**
- **Consider approving the 2018 Budget at the November Board meeting.**
- **Use reserve funds to offset excess expenditures proposed under 2018 Budget.**
- **Authorize Advisor at the November Board meeting to:**
  - **Invoice participating agencies in accordance with the proposed schedule.**



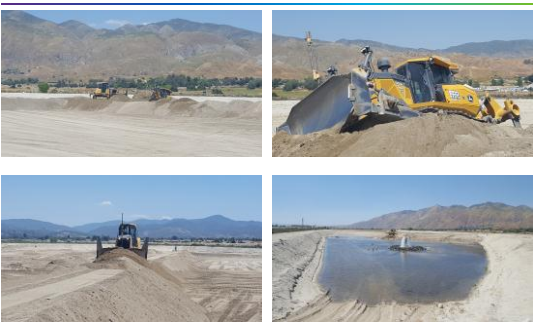
# EMWD Update

Michael D. Nusser  
August 14, 2017

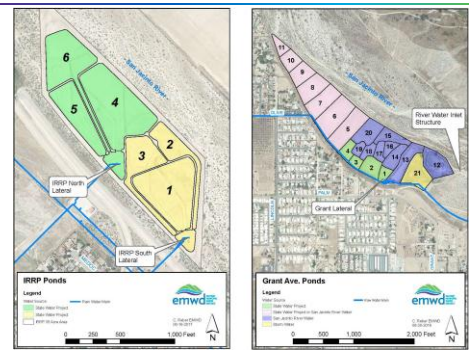


## Update on Soboba Recharge & River Diversions

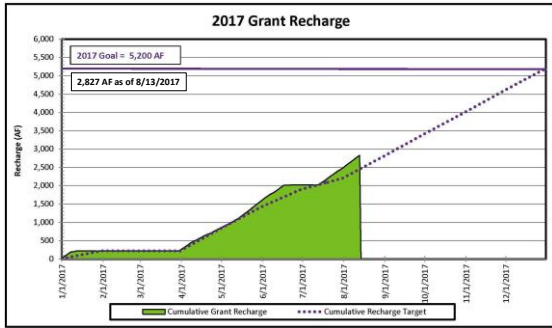
### IRRP North Maintenance and Re-configuration



### IRRP and Grant Ponds



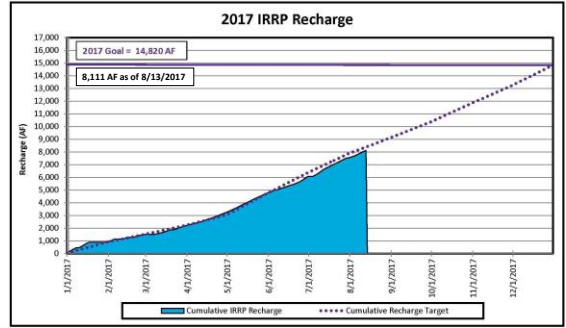
Soboba Recharge at Grant Ponds to Date for 2017



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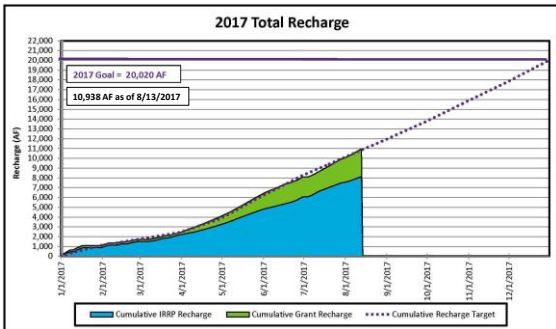
Soboba Recharge at IRRP Ponds to Date for 2017



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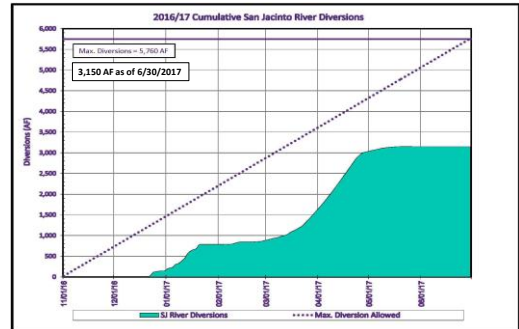
Total Soboba Recharge to Date for 2017



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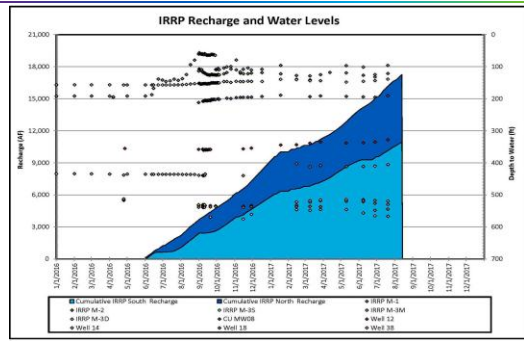
Grant River Diversions from 11/1/16 to 6/30/17



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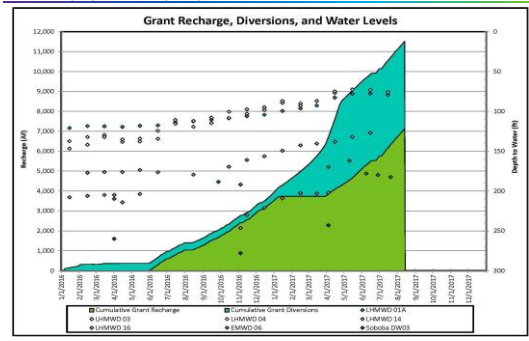
IRRP Recharge and Water Levels from 1/1/16 to 8/13/17



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Grant Recharge, River Diversions, and Water Levels from 1/1/16 to 8/13/17



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