

RESOLUTION NO. 05-18-292

**A RESOLUTION OF THE MAIN SAN GABRIEL BASIN WATERMASTER
RESCINDING RESOLUTION NO. 05-17-286 AND
ADOPTING ASSESSMENTS FOR PRODUCERS OF THE BASIN
FOR FISCAL YEAR 2017-18 AND
SETTING REPLACEMENT WATER ASSESSMENTS FOR 2017-18 and 2018-19**

WHEREAS, the Main San Gabriel Basin Watermaster "Watermaster" is the Court-appointed agency with the responsibility to manage and maintain the quality and quantity of water in the Main San Gabriel Basin "Basin".

WHEREAS, pursuant to the most recent amendments to the Judgment, dated June 21, 2012, and Rules and Regulations adopted by Resolution No. 03-13-251, Watermaster has established assessments to be levied on water production for specific purposes detailed in this resolution; and

WHEREAS, Watermaster has adopted assessments effective July 1, 2018; and

NOW THEREFORE, BE IT RESOLVED BY THE MAIN SAN GABRIEL BASIN WATERMASTER, as follows:

Section 1. Resolution No. 05-17-286 is hereby rescinded.

Section 2. There is hereby fixed, established, and levied an In-Lieu Assessment in the amount of Ten Dollars (\$10.00) per acre-foot on all Production from the Basin during Fiscal Year 2017-18, except that such In-Lieu Assessment shall not be applicable to the non-consumptive use portion of an Overlying Right.

Section 3. There is hereby fixed, established, and levied an Administration Assessment in the amount of Fifteen Dollars (\$15.00) per acre-foot on all Production from the Basin during Fiscal Year 2017-18, to meet the said expenses of said adopted Administration Budget.

Section 4. There is hereby adopted, an Administration Budget for Fiscal Year 2018-19, in the amount of Four Million, Four Hundred Forty-Nine Thousand, Three Hundred Seventy-Four Dollars (\$4,449,374), attached hereto.

Section 5. There is hereby fixed, established, and levied, a Water Resource Development Assessment "RDA" of Seventy Dollars (\$70.00) per acre-foot on all Production from the Basin during Fiscal Year 2017-18 and One Hundred Five Dollars (\$105.00) per acre-foot on all Production from the Basin during Fiscal Year 2018-19, in accordance with Resolution No. 05-16-281 as described in Attachment "A" (schedule) of this Resolution, except that such RDA Assessment shall not be applicable to the non-consumptive use portion of an Overlying Right. Watermaster shall annually determine the RDA applicable to the current production year and estimate the same for the next succeeding four years. Said determination shall be made in April of each year, and in accordance with Section 18(e) of Watermaster's Rules and Regulations, and adopted in May of each year.

Section 6. There is hereby fixed, established, and levied a Make-Up Water Assessment in the amount of Zero Dollars (\$0.00) per acre-foot on all Production from the Basin during Fiscal Year 2017-18, to meet the said expenses associated with the lower area obligation under the Long Beach Judgment.

Section 7. There is hereby fixed, established, and levied the Replacement Water Assessments on Excess Production from the Basin during Fiscal Year 2017-18, and 2018-19, from within each of the three Responsible Agencies within the Basin as referenced, below.

Production Based Assessments		
Assessment Description	2017-18 Amount per Acre-Foot	2018-19 Amount per Acre-Foot
In Lieu Assessment	\$10.00	Not determined at this time.
Administration Assessment	\$15.00	Not determined at this time.
Water Resource Development Assessment	\$70.00	\$105.00
Make-Up Water Assessment	\$0.00	Not determined at this time.
Other Assessment as may be determined by Watermaster Board pursuant to the Amended Judgment.	Not determined at this time.	Not determined at this time.

Replacement Water Assessments		
Assessment Description	2017-18 Amount per Acre-Foot	2018-19 Amount per Acre-Foot
SGVMWD	\$185.00	\$200.00
TVMWD	\$795.00	\$831.00
USGVMWD	\$898.00	\$934.00

Section 7. Description of Assessments:

In-Lieu Assessment

Watermaster entered into the Alhambra Exchange Agreement on March 24, 1975 establishing the Basin-wide In-Lieu Assessment. The City of Alhambra agreed to forgo pumping its wells and take direct treated water through an MWD connection for the benefit of the Basin as a whole. The In-Lieu Assessment applies to all Pumping except for the non-consumptive use portion of an Overlying Right. Also included in the In-Lieu Assessment is any Production related to Watermaster's Direct-Delivery Imported Water Program implemented on January 1, 2015 by Resolution No. 12-14-270.

Administration Assessment

Within thirty (30) days after completion of the hearing on the Preliminary Determination of the Operating Safe Yield of the Basin and Watermaster's determination thereof, Watermaster shall adopt a proposed budget for the succeeding fiscal year. The Administrative Assessment shall be uniformly applicable to each acre-foot of Production.

Water Resource Development Assessment

Watermaster adopted Resolution No. 05-14-263 providing for the development of a long term storage program to purchase and store imported water in the Basin, or to augment natural recharge for general benefit of the Basin, when available, as defined by Section 45(b)(7) of the Amended Judgment.

1 Make-up Water Assessment

2 Watermaster is obligated to deliver an amount of water, calculated by the San
3 Gabriel River Watermaster to the Lower Area as a result of the Long Beach Judgment. At times
4 when natural delivery isn't possible, Watermaster must purchase Replacement Water to deliver
5 resulting in a Make-Up Water Assessment.

6 Replacement Water Assessment

7 Replacement Water Assessments shall be collected from each party on account of
8 such party's Production in excess of its Diversion Rights, Pumper's Share or Integrated
9 Production Right, and on account of the consumptive use portion of Overlying Rights, computed
10 at the applicable rate established by Watermaster consistent with the Watermaster Operating
11 Criteria, and other relevant factors, including the projected cost and availability of Supplemental
12 Water supplies. Subject to Rules and Regulations adopted by Watermaster, Replacement Water
13 Assessment rates may be in an amount calculated to allow Watermaster to purchase more than
14 one acre-foot of Supplemental Water for each acre-foot of excess Production to which such
15 Replacement Water Assessment applies, when such purchases are necessary to secure
16 Supplemental Water supplies for the benefit of the Basin and parties.

17 The Watermaster Board recognizes the challenges associated in securing
18 Supplemental Water and varied pricing, and has determined that pricing should better anticipate
19 varying short-term costs and conditions while at the same time, provide economic incentive for
20 Producers to pre-purchase Replacement Water to every extent practicable.

21 The Judgment enables each Producer to establish an Individual Producer Cyclic
22 Storage Account which allows Replacement Water to be pre-purchased and stored to meet the
23 Producer's current and ongoing pumping needs. Supplemental Water pre-purchased for
24 Individual Producer Cyclic Storage, when available, may be made at the prevailing rate (Tier 1-

1 Untreated for MWD Member Agencies) applicable from within each of the three Responsible
2 Agencies and not the Replacement Water Rate adopted by this Resolution.

3 Section 8. Upon receipt of the final Production Reports for the appropriate Fiscal Year, the
4 Secretary of Watermaster is, hereby, instructed to calculate the required Assessments due from each
5 Producer from the Basin by multiplying its total production from the Basin by the appropriate
6 Assessment Rate, per acre-foot. The Secretary shall then furnish each Producer with a statement of the
7 amount due to Watermaster on account of such required Assessments, on or before August 15, 2018.

8 Section 9. Said required Assessments shall be payable by all Producing Parties, on
9 production within the Basin during Fiscal Year 2017-18, on or before September 20, 2018, and the same
10 shall be delinquent thereafter.

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14 Dated: May 2, 2018

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16 Attest:

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Secretary

Chair