

# Las Posas Valley Watermaster

## FY 2023-24 Year-End LPV Watermaster Fund Balances and Funding of Watermaster Rules Appeal

Item D

June 10, 2024



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# Background

- FCGMA has funded staff and legal efforts for the appeal of Watermaster Rules
  - No Watermaster Fund was available at the time of appeal
    - Watermaster Fund created April 2024
  - Purpose of the appeal was to improve Watermaster Rules for efficient implementation
- Estimated cost of appeal in FY 2024-25 are \$400,000

# Watermaster Fund Balance

- Initial budget adopted with no operating reserves
- Significant delinquent payments
- Timing of assessment payments creates cash flow issue in early FY 24-25
  - Assumes FCGMA is reimbursed for staff and legal costs

# FCGMA Resolution 2020-05 (GEMES)

- \$20.00 Acre-Foot charge (GEMES Fee)
- to fund “actions and proceedings related to the Agency’s implementation of groundwater sustainability plans for the Basins.”
- LPV Judgment incorporates the GSP into physical solution
- GEMES Fund may be used to pay for the appeal or any other post-judgment proceedings in the LPV Adjudication, including fees for judicial review of Watermaster’s implementation of the judgment.

# Factors to consider:

- Should the costs be paid by all FCGMA pumpers or just those who obtained water rights under the Judgment?
- Should the FCGMA should continue to include the LPV Basin Adjudication in future budgets for the GEMES Fund?
- Do the costs advance the Watermaster's compliance with the Judgment?

# Potential Reimbursement Scenarios

LPV Legal Fee Reimbursement Options	Revenue Collected as of June 5, 2024	Estimated year-end Expenditures for Appeal Paid Back to FCGMA	Estimated year-end Expenditures	Projected Ending Balance
Full Reimbursement	\$ 1,036,138	\$ 400,000	\$ 996,667	\$ 39,471
50% Reimbursement	\$ 1,036,138	\$ 200,000	\$ 796,667	\$ 239,471
No Reimbursement	\$ 1,036,138	\$ 0	\$ 596,667	\$ 439,471