# SEASIDE GROUNDWATER BASIN WATERMASTER 

TO: Board of Directors
FROM: Watermaster Budget and Finance Committee by Dewey D Evans
DATE: $\quad$ October 17, 2007
SUBJECT: Implementation of a Volunteer Financial Assessment Policy to Share the Cost of Providing Annual Administrative Support

## PURPOSE:

Allow the parties directly affected by the court judgment and represented on the Watermaster Board of Directors to voluntarily share the annual financial cost of administration of the judgment.

## RECOMMENDATION:

In the interest of fiduciary fairness, the Watermaster Budget and Finance Committee recommends that the Board consider adopting a Volunteer Financial Assessment Policy for collection of a voluntary assessment from each party represented on the Board of Directors in the amount of one-thirteenth of the adopted annual administrative budgeted amount per vote allotted each party as stated in the court decision, with an annual cap of $\$ 200,000$ total administrative expenses to be prorated.

## DISCUSSION:

The Watermaster Budget and Finance Committee in a recent meeting discussed prorating the administrative cost of the Watermaster by appealing to each party affected by the judgment to voluntarily pay a calculated assessment based on the voting strength of each. If a member party has the equivalent of one vote out of the thirteen as specified in the judgment and the adopted annual administrative budget is, as proposed for 2008, $\$ 87,000$ that party would be asked to pay one thirteenth of the $\$ 87,000$ or $\$ 6,692$. If a member party has $1 / 2$ of a vote, that member would be asked to pay $\$ 3,346 ; 2$ votes $\$ 13,384 ; 3$ votes $\$ 20,076$. If in the future it is necessary to spend in excess of $\$ 200,000$ in any one year for administrative expenses, the current court decreed formula would continue for the amount over $\$ 200,000$. If any party chooses not to voluntarily pay the assessment, the current court decreed formula would continue for the amount of that party's calculated assessment.

## FISCAL IMPACT:

A minimal cost would be incurred to administer assessments with minor or no fiscal impact on administrative budgeted amounts; the policy would mainly affect the source of administrative funding.

## ATTACHMENTS:

None

