



# San Jacinto River Authority

ADMINISTRATIVE OFFICE  
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January 8, 2010

Re: Responses to Questions Regarding Groundwater Reduction Plan (GRP) Contract and Pumpage Fees

Dear Potential GRP Participants and Stakeholders:

I have been receiving questions from a number of cities and municipal utility districts related to execution of the GRP Contract and future Pumpage Fees to be paid under the GRP Contract. Several entities have requested this information in order to prepare their budgets for the next fiscal year. I was asked to provide the answers in writing in advance of the GRP Stakeholder Meeting scheduled for next week.

### **When would participants in the SJRA GRP begin paying the Pumpage Fee?**

The first monthly payment of the Pumpage Fee would be due September 30, 2010, for all groundwater pumped during the month of August, 2010.

### **How would the fee be calculated and billed?**

Each Large Volume Groundwater User (LVGU) participating in the SJRA's joint GRP (a "Participant" under the definitions in the GRP Contract) would self-report their total groundwater pumpage using a reporting form provided by SJRA, and pay the corresponding Pumpage Fee to the SJRA, on a monthly basis. For example, initial well meter readings will be taken by the Participants on August 1, 2010. The next well meter readings would be taken by the Participants on September 1, 2010. The Participants will then complete a reporting form which will reflect all well pumpage for the month of August, such pumpage will be multiplied by the Pumpage Fee and reflected on the form, and payment of the resulting amount must be remitted to the SJRA on or before September 30, 2010, along with the completed reporting form.

### **How much is the Pumpage Fee expected to be?**

The Pumpage Fee is expected to start at \$0.50 per thousand gallons and stay at that level for the remainder of 2010. Projections of the Pumpage Fee beyond 2010 depend largely upon the number of Participants, and additional information on this topic will be provided at the GRP Stakeholder meeting on January 14, 2010.

### **Is any payment due at the time the GRP Contract is signed and submitted to the SJRA?**

No, assuming that the LVGU returns an executed GRP Contract to the SJRA by May 1, 2010. If an LVGU delays execution of the contract and avoids paying Pumpage Fees, or the delay causes SJRA to modify the GRP or otherwise revise work in progress, such LVGU may be charged a fee so that the Participants do not shoulder the financial burden of such delay.

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These questions and many others will be addressed next week at the GRP Stakeholder meeting on January 14, 2010. Each LVGU is encouraged to visit the H<sub>2</sub>ALL page on the SJRA's website at [www.sjra.net](http://www.sjra.net) to obtain additional information including a copy of the GRP Contract, an executive summary and transmittal letter explaining the GRP Contract, an invitation to the GRP Stakeholder Meeting, and numerous background files explaining the SJRA's proposed groundwater reduction program.

Sincerely,

A handwritten signature in black ink, appearing to read "Jace A. Houston". The signature is fluid and cursive, with the first name "Jace" being the most prominent part.

Jace A. Houston  
Deputy General Manager, Administration