

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA**

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For the Agenda of:
May 12, 2010

**APPROVED
BOARD OF DIRECTORS**

To: Board of Directors
Sacramento Central Groundwater Authority

Date 12 May 2010

From: Staff

By Heather A. He
Clerk of the Board

Subject: Adoption Of The Fiscal Year 2010-2011 Sacramento Central Groundwater Authority Budget, Fiscal Year 2010-2011 Well Protection Program Trust Fund Budget , And Authorization To Collect Annual Contributions

Contact: Darrell K. Eck, Executive Director, 874-5039

Overview

The Sacramento Central Groundwater Authority (Authority) was established to maintain the long-term sustainable yield of the Central Sacramento County Groundwater Basin (Central Basin). The Joint Powers Agreement (JPA) between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento creating the Authority provides the funding mechanism necessary to implement Central Sacramento County Groundwater Management Plan (Central Basin GMP). Collection of the contributions described in the JPA and adoption of the Authority's 2010-2011 fiscal year budget provide the means for the Authority to implement the Central Basin GMPs administrative programs. The JPA also provides for the operation of any Well Protection Program (WPP) that may be prescribed by the Central Basin GMP. While current economic conditions have curtailed any activity on the WPP, adoption of a budget provides an administrative means to report on the status of the fund.

Recommendations

Adopt Resolution No. 2010-01 to fund the Authority's administrative budget for fiscal year 2010-2011 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2010-2011.

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BACKGROUND:

On August 29, 2006 the Cities of Folsom, Elk Grove, Rancho Cordova and Sacramento and the County of Sacramento executed a joint powers agreement creating the Sacramento Central Groundwater Authority (Authority). The purpose of the Authority is to maintain the long-term sustainable yield of the Central Basin; ensure implementation of the Basin Management Objectives (BMOs) that are prescribed by the Central Basin GMP; oversee the operation of Well Protection Program prescribed by the Central Basin GMP; manage the use of groundwater in the Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors; coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and work collaboratively with other entities, including other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

On November 8, 2006 the Board adopted the Central Basin GMP. The Central Basin GMP reviews current and future water supply and demands and contains BMOs that address the rate of groundwater extraction, groundwater elevation, land surface subsidence, surface water flows and groundwater contamination. The Central Basin GMP also contains "trigger points" and remedies to ensure full implementation of the BMOs. It also provides for the protection of private groundwater wells and establishes cooperative relationships with Sacramento County's Environmental Management Department and other regulatory agencies to address groundwater contamination.

DISCUSSION:

The proposed 2010-2011 fiscal year budget was developed based on the program requirements (GMP Related Expenses) described in the Central Basin GMP. The budget also provides for overhead expenses (Staff Expenses) including the Executive Director, Administration Support, Legal Counsel, and Financial support. The proposed budget also includes some funding for consultant services (Consultant Expenses). Funding has also been identified to provide limited staff support for activities related to the Well Protection Program.

During the 2008-2009 fiscal year the Authority established the WPP Trust Fund anticipating that program implementation would begin in early 2009. In March 2009, the Board acknowledged that development rates were so low that it would be impossible to establish a new fee program with the support of the building industry and placed the program on hiatus. However, in order to provide an administrative means to report on the status of the WPP Trust Fund the Authority's financial staff has advised adoption of a budget even though it will not be funded.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on April 12, 2010. Budget Committee members include Ed Crouse, Scott Fort, Herb Niederberger and Walt Sadler.

Staff recommends adoption of Resolution No. 2010-01 to fund the Authority's administrative budget for fiscal year 2010-2011 and provide for the collection of the annual contributions as

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described in the JPA. Staff further recommends adoption of the aforesaid resolution for the WPP
Trust Fund budget for fiscal year 2010-2011.

Attachments:

Resolution No. 2010-01

Attachment A – The Fiscal Year 2010-2011 Authority’s Budget

Attachment B – The Fiscal Year 2010-2011 Well Protection Program Trust Fund Budget

Attachment C – The Fiscal Year 2010-2011 Annual Contribution

Attachment D – The Fiscal Year 2010-2011 Authority’s Budget Detail

Attachment E – The Fiscal Year 2010-2011 Well Protection Program Trust Fund Budget Detail

RESOLUTION NO. 2010-01

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2010-2011 AND
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2010-2011 FOR THE
WELL PROTECTION PROGRAM**

WHEREAS, on August 29, 2006 the Joint Powers Agreement Between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento Creating the Sacramento Central Groundwater Authority ("JPA") established a separate public entity identified as the Sacramento Central Groundwater Authority ("AUTHORITY") with its own Board of Directors ("BOARD"); and

WHEREAS, the AUTHORITY was created to maintain the long-term sustainable yield of the Central Basin in accordance with the Central Sacramento County Groundwater Management Plan; and

WHEREAS, the JPA provides for the collection of annual contributions to fund implementation of the Central Sacramento County Groundwater Management Plan;

WHEREAS, the JPA provides for the operation of any Well Protection Program that may be prescribed by the GMP; and

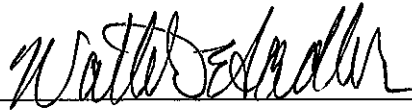
WHEREAS, the AUTHORITY's administrative budget for fiscal year 2010-2011 is specified in Attachment A. The budget includes projections of revenues, staff expenses, consultant expenses, office expenses and Groundwater Management Plan related expenses. The administrative budget is required to finance the administrative activities necessary to manage the Central Groundwater Basin; and

WHEREAS, the Well Protection Program Trust Fund's administrative and program budget for fiscal year 2010-2011 is specified in Attachment B. The budget includes projections of revenues, registration expenses, and well replacement cost expenses. The administrative and program budget is required to finance activities necessary to implement the Central Basin Well Protection Program

NOW, THEREFORE, be it resolved by the BOARD as follows:

1. The above recitals are correct and the BOARD so finds and determines.
2. The BOARD finds and determines that:
 - a. The SCGA administrative budget for fiscal year 2010-2011 as specified in Attachment A is hereby adopted; and
 - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2010-2011 as specified in Attachment B is hereby adopted; and
 - c. The annual contribution for the SCGA administrative budget for fiscal year 2010-2011 budget will be collected from the contributors as directed in the JPA pursuant to Appendix C; and
 - d. Billing for the annual contribution shall be mailed not later than thirty (30) days following the adoption of this resolution with payment to be made within thirty (30) days of receipt of billing.

PASSED AND ADOPTED by the BOARD at their regular board meeting on May 12, 2010.

By: 
Chair

ATTACHMENT A - Fiscal Year 2010-2011 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)
 ACTIVITY: Groundwater Supply Operations (0960001)
 FISCAL YEAR: 2010-11.

	Actual 2007-08	Actual 2008-09	Adopted 2009-10	Estimate 2009-10	Requested 2010-11
MEANS OF FINANCING					
Reserves:					
Prior Year Fund Balance	190,514	146,529	(56,128)	(56,128)	93,047
Revenues:					
Contributions from other Agencies	270,471	263,335	267,146	267,146	268,461
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	0	0	0	0
Reserve Release	0	0	58,282	58,282	0
Interest Income	0	29,685	15,000	5,000	15,000
AB303 Grant	0	0	0	130,927	0
Total Means of Financing	460,985	439,550	284,300	405,227	376,508
FINANCING USES					
Provision for Reserves	86,485	86,145	0	0	0
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	0	0	0	0
Salaries / Benefits	225,971	246,605	284,300	312,180	308,300
Services & Supplies	0	0	0	0	0
Other Charges	0	162,928	0	0	0
Total Financing Uses	314,456	495,678	284,300	312,180	308,300
Encumbrance Roll to Next Fiscal Year					
ENDING FUND BALANCE	146,529	(56,128)	0	93,047	68,208

See Attachment D for Budget Detail

need reserve of 20% of expenditures.

61,660

ATTACHMENT B - Fiscal Year 2010-2011 Well Protection Program Budget

FUND: SCGA - Well Protection Program Trust (096C)
ACTIVITY: Well Protection Program Operations (0961000)
FISCAL YEAR: 2010-11

	Actual 2007-08	Actual 2008-09	Adopted 2009-10	Estimate 2009-10	Requested 2010-11
MEANS OF FINANCING					
Prior Year Fund Balance	0	0	0	0	0
Revenues:					
Contributions from other Agencies	0	0	134,000	0	0
Interfund Charges (Transfer In / Out)	0	0	0	0	0
Interest Income	0	0	0	0	0
Total Means of Financing	0	0	134,000	0	0
FINANCING USES					
Salaries / Benefits	0	0	0	0	0
Services & Supplies	0	0	56,600	0	0
Other Charges	0	0	0	0	0
Interfund Charges (Transfer In / Out) reimbursement to SCGA fund	0	0	50,000	0	0
Total Financing Uses	0	0	106,600	0	0
ENDING FUND BALANCE	0	0	27,400	0	0

See Attachment E for Budget Detail

ATTACHMENT C

Sacramento Central Groundwater Authority Funding
(2010-2011)

	Annual Contribution Paragraph 8(d)(i)	Annual Contribution/Surfaces Water Paragraph 8(d)(ii)	Annual Contribution/Groundwater Paragraph 8(d)(iii)	Annual Contribution/Ag Paragraph 8(d)(iv)	Annual Contribution/Ag/Res Paragraph 8(d)(v)	Total Annual Contribution
Board Members						
City of Folsom	\$ 10,000.00					\$ 10,000.00
City of Rancho Cordova	\$ 10,000.00					\$ 10,000.00
City of Sacramento	\$ 10,000.00					\$ 10,000.00
City of Elk Grove	\$ 10,000.00					\$ 10,000.00
County of Sacramento	\$ 10,000.00					\$ 10,000.00
Agricultural Interests				\$ 88,493.00	\$ 3,881.00	\$ 88,493.00
Agriculture-Residential						\$ 3,881.00
Commercial/Industrial Self Supplied						\$ -
Conservation Landowners						\$ -
Public Agencies/Self Supplied			\$ 2,642.70			\$ 2,642.70
Elk Grove Water Service						\$ -
Omochohue-Hartnell Water District						\$ -
Rancho Murieta CSD		\$ 6,000.00				\$ 6,000.00
California-American Water Co.			\$ 39,182.34			\$ 39,182.34
Golden State Water Company		\$ 6,000.00	\$ 8,357.97			\$ 14,357.97
Sacramento County Water Agency		\$ 6,000.00	\$ 57,903.61			\$ 63,903.61
Sacramento Regional County Sanitation District						\$ -
Total	\$ 50,000.00	\$ 18,000.00	\$ 108,086.62	\$ 88,493.00	\$ 3,881.00	\$ 288,460.62
Annual Contribution/Groundwater is \$2.07/acre-foot of groundwater pumped from the basin averaged over previous three calendar years and excluding the first 5000 acre-feet						
Annual Contribution by Agriculture is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Annual Contribution by Agriculture/Residential is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Annual Contribution by Agriculture/Residential is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Groundwater/Purveyors						
Commercial/Industrial Self Supplied						
Public Agencies/Self Supplied						
Elk Grove Water Service	6,277	0	1277	2,07	2,642.70	
Omochohue-Hartnell Water District	0	0	0	2,07		
Rancho Murieta CSD	0	0	0	2,07		
California-American Water Co.	23,929	5000	18,929	2,07	39,182.34	
Golden State Water Company	9,038	5000	4,038	2,07	8,357.97	
Sacramento County Water Agency - Zone 41	32,873	5000	27,873	2,07	57,903.61	
Groundwater/Ag						
		25% of estimated pumping				
Agricultural Interests	171000	0.25	42750	2,07	88,493.00	
Conservation Landowners	0	0.25	0	2,07		
Groundwater/Ag/Res						
Agriculture-Residential	7500	0.25	1875	2,07	3,881.00	

ATTACHMENT D - Fiscal Year 2010-2011 Authority's Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	93,047
Revenues:		
Contributions from Other Agencies		
Annual Contribution	\$	50,000
Surface Water Contribution	\$	18,000
Groundwater Contribution	\$	108,087
Agricultural Contribution	\$	88,493
Ag/Res Contribution	\$	3,881
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Subtotal of Contributions	\$	268,461
Interest Income	\$	15,000
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Total Means of Financing	\$	376,508

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies:		
Staff Expenses	\$	77,100
Consultant Expenses	\$	51,000
Office Expenses	\$	3,400
GMP Related Expenses	\$	106,800
Well Protection Program	\$	50,000
Reporting Expenses	\$	20,000
Other Charges	\$	-
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Total Financing Uses	\$	308,300
 ENDING FUND BALANCE	 \$	 68,208

ATTACHMENT E - Fiscal Year 2010-2011 Well Protection Program Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	-
Revenues:		
Well Protection Fee Collection	\$	-
Interfund Charges (Transfer In/Out)	\$	-
Interest Income	\$	-
Total Means of Financing	\$	-

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies		
Well Impact Claims	\$	-
Well Registration	\$	-
Subtotal of Services & Supplies	\$	-
Other Charges	\$	-
Interfund Charges (Transfer In/Out)		
Reimburse to SCGA Fund	\$	-
Total Financing Uses	\$	-
ENDING FUND BALANCE	\$	-