

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA

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For the Agenda of:
May 14, 2014

APPROVED
BOARD OF DIRECTORS

To: Board of Directors
Sacramento Central Groundwater Authority

Date 5/14/14

From: Staff

By Harther Eck
Clerk of the Board

Subject: Adoption Of The Fiscal Year 2014/2015 Sacramento Central Groundwater Authority Budget, Fiscal Year 2014/2015 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 the Central Sacramento County Groundwater Management Plan (Central Basin GMP). Collection of the contributions described in the JPA and adoption of the Authority's 2014/2015 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. 2014-01 to fund the Authority's administrative budget for fiscal year 2014/2015 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2014/2015.

Adoption Of The Fiscal Year 2014/2015 Sacramento Central Groundwater Authority Budget, Fiscal Year 2014/2015 Well Protection Program Trust Fund Budget , And Authorization To Collect Annual Contributions

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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 any Well Protection Program that may be 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 2014/2015 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, administrative support, legal counsel, and financial support. The proposed budget also includes funding for consultant services. Based on the Board’s decision to postpone work on the Well Protection Program at the January 12, 2011 Board meeting, no funding has been recommended for the Well Protection Program (WPP) in the 2014/2015 fiscal year budget.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on May 1, 2014. Budget Committee members included Paul Schubert, Bruce Kamilos, Dave Ocnosak, and Rick Bettis.

Based on the Committee’s recommendation, staff recommends adoption of Resolution No. 2014-01 to fund the Authority’s administrative budget for fiscal year 2014/2015 and provide for the collection of the annual contributions as described in the JPA. Staff further recommends adoption of the aforesaid resolution for the WPP Trust Fund budget for fiscal year 2014/2015.

Adoption Of The Fiscal Year 2014/2015 Sacramento Central Groundwater Authority Budget,
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Attachments:

Resolution No. 2014-01

Attachment A – Fiscal Year 2014/2015 Authority’s Budget

Attachment B – Fiscal Year 2014/2015 Well Protection Program Budget

Attachment C – Authority’s Members Contribution (2014-2015)

Attachment D – Fiscal Year 2014/2015 Authority’s 2-Year Budget Break-down

Attachment E – Fiscal Year 2014/2015 Well Protection Program Budget Break-down

Attachment F – Operating Expenses Sacramento Central Groundwater Authority 2014/2015

ATTACHMENT A - Fiscal Year 2014-2015 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)
 ACTIVITY: Groundwater-Supply Operations (0960001)
 FISCAL YEAR: 2014-15

	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Adopted 2013-2014	Estimate 2013-2014	Requested 2014-2015
MEANS OF FINANCING						
Reserves:						
Prior Year Fund Balance	365,186	631,157	714,927	139,454	139,454	168,083
Revenues:						
Contributions from other Agencies	268,461	264,047	254,492	244,222	244,222	236,961
Interfund Charges (Transfer in / Out) reimbursement from SCGA WPPP fund	0	0	0	0	0	0
Reserve Release	21,939	0	0	0	0	227,302
Interest Income	3,396	2,862	5,332	2,000	0	0
AB303 Grant	119,034	0	0	200,000	0	199,824
Encumbrance Rollover from Prior Year	104,174	2,900	(1,370)	0	0	0
Total Means of Financing	882,190	900,966	973,981	585,676	383,676	832,170
FINANCING USES						
Provision for Reserves	0	0	707,430	31,626	0	0
Interfund Charges (Transfer in / Out) reimbursement from SCGA WPPP fund	0	0	0	0	0	0
Salaries / Benefits	0	0	0	0	0	0
Services & Supplies	251,033	186,039	126,497	554,050	215,593	582,170
Capital Project	0	0	0	0	0	250,000
Total Financing Uses	251,033	186,039	833,927	585,676	215,593	832,170
ENDING FUND BALANCE	631,157	714,927	139,454	(0)	168,083	0

See Attachment D for Budget Detail

minimum reserve of 20% of expenditures.

166,434

ATTACHMENT B - Fiscal Year 2014-2015 Well Protection Program Budget

FUND: SCGA - Well Protection Program Trust (096C)
 ACTIVITY: Well Protection Program Operations (0961000)
 FISCAL YEAR: 2014-15

	Actual 2010-11	Adopted 2011-12	Actual 2012-2013	Adopted 2013-2014	Estimate 2013-2014	Requested 2014-2015
MEANS OF FINANCING						
Prior Year Fund Balance	0	0	0	0	0	0
Revenues:						
Contributions from other Agencies	0	0	0	0	0	0
Interfund Charges (Transfer In / Out)	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0
Total Means of Financing	0	0	0	0	0	0
FINANCING USES						
Salaries / Benefits	0	0	0	0	0	0
Services & Supplies	0	0	0	0	0	0
Other Charges	0	0	0	0	0	0
Interfund Charges (Transfer In / Out) reimbursement to SCGA fund	0	0	0	0	0	0
Total Financing Uses	0	0	0	0	0	0
ENDING FUND BALANCE	0	0	0	0	0	0

See Attachment E for Budget Detail

ATTACHMENT C
Authority's Members' Contribution (2014-2015)

	Annual Contribution/ Paragraph 8(d)(i)	Annual Contribution/Surface 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				\$	10,000
City of Rancho Cordova	\$ 10,000				\$	10,000
City of Sacramento	\$ 10,000				\$	10,000
City of Elk Grove	\$ 10,000				\$	10,000
County of Sacramento	\$ 10,000				\$	10,000
Agricultural Interests				\$ 88,493	\$	88,493
Agriculture-Residential					\$ 3,881	3,881
Commercial/Industrial Self Supplied					\$	-
Conservation Landowners					\$	-
Public Agencies/Self Supplied					\$	-
Elk Grove Water Service			\$ 255.83			256
Omochueme-Hartnell Water District		\$ 6,000				6,000
Rancho Murieta CSD		\$ 6,000	\$ 29,319			29,319
California-American Water Co.		\$ 3,235				3,235
Golden State Water Company		\$ 6,000	\$ 43,778			49,778
Sacramento County Water Agency		\$				
Sacramento Regional County Sanitation District						
Total	\$ 50,000	\$ 18,000	\$ 76,587	\$ 88,493	\$ 3,881	\$ 236,961
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						
Groundwater/Purveyors						
Commercial/Industrial Self Supplied						
Public Agencies/Self Supplied						
Elk Grove Water Service	5,124	5,000	124	2.07	255.83	
Omochueme-Hartnell Water District	0	0	0	2.07		
Rancho Murieta CSD	0	0	0	2.07		
California-American Water Co.	19,164	5,000	14,164	2.07	29,319	
Golden State Water Company	6,563	5,000	1,563	2.07	3,235	
Sacramento County Water Agency - Zone 41	26,149	5,000	21,149	2.07	43,778	
Groundwater/Ag						
Agricultural Interests		25% of estimated pumping				
Conservation Landowners	171,000	0.25	42,750	2.07	88,493	
Groundwater/Ag/Res						
Agriculture-Residential	7,500	0.25	1,875	2.07	3,881	

ATTACHMENT D - Fiscal Year 2014-2015 Authority's 2-Year Budget Comparison

	Approved FY13/14 Budget	Proposed FY14/15 Budget
MEANS OF FINANCING		
Prior Year Fund Balance	\$ 139,454	\$ 168,083
Revenues:		
Contributions from Member Agencies		
Annual Contribution	\$ 50,000	\$ 50,000
Surface Water Contribution	18,000	18,000
Groundwater Contribution	83,848	76,587
Agricultural Contribution	88,493	88,493
Ag/Res Contribution	3,881	3,881
Subtotal of Contributions	244,222	236,961
Reserve Release	-	227,302
AB 303 Grant (Prop. 84)	200,000	199,824
Interest Income	2,000	-
Total Means of Financing	\$ 585,676	\$ 832,170
FINANCING USES		
Salaries/Benefits	\$ -	\$ -
Services & Supplies:		
Staff Expenses	85,250	86,500
Consultant Expenses	332,000	383,870
Office Expenses	13,400	8,400
GMP Related Expenses	103,400	103,400
Well Protection Program	-	-
Reporting Expenses	20,000	-
Capital Project	-	250,000
Provision for Reserve	31,626	-
Total Financing Uses	\$ 585,676	\$ 832,170

ATTACHMENT E - Fiscal Year 2014-2015 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	\$	-

Attachment F - Authority's Operating Expenses (2014-2015)

Operating Expenses	(\$ Dollar)	Notes
1. Staff Expenses		"Staff Expenses" were not covered in the cost breakdown provided in the GMP.
Executive Director	\$ 57,000	Executive Director @ 8 hours/week. (\$136/hr)(8hr/wk)(52wk/yr)
Administration Support	\$ 6,500	Board Clerk, Water Resources Admin. Staff, etc.
Legal Counsel	\$ 5,000	Michele Bach - County Counsel
Financial	\$ 15,000	County Water Resource Finance/Accounting Staff (Remit and Bill)
AFS Contract Services	\$ 2,000	Contract payment and writing allocation costs.
Travel/Conference	\$ 1,000	G/L 20202900
Total Staff Expenses	\$ 86,500	
2. Consultant Expenses		
Audit Report	\$ 8,870	VTD & Co. Audit Expense
Technical Services	\$ 340,000	A. \$25k - Groundwater Accounting Program (GAP) Development; B. \$50k - General Consultant Services C. \$10k - Ag-Res water conservation; D. \$5k - Update Website; \$250k - Update GMP
RWA Regional Model Study	\$ 30,000	Potential funding to assist in evaluating regional groundwater/surface water model.
Water Quality Testing	\$ 5,000	GMP Section 3.2.2.2 (water quality data collection related to populating the DMS) See Groundwater Quality under 4.C. Laboratory costs.
BMO#2 Implementation and GW Recharge Mapping	\$ 250,000	The Authority awarded an AB303 grant (prop.84) for \$199,824. Balance will be funded by fund reserve.
Total Consultant Expenses	\$ 633,870	
3. Office Expenses		
JPIA Membership Dues (ACWA)	\$ -	Range based on FY09/10 actual & FY12/13 operation budget
General Liability Insurance	\$ 6,000	Annual premium paid to Sacramento County Risk Management
Office Supplies/Postage	\$ 400	G/L 20207600
Printing	\$ 1,000	Printing of letterhead, envelopes, etc.
Website Development/Hosting	\$ 1,000	G/L 20293403
Food Purchase/Service	\$ -	Monthly Board Meeting
Total Office Expenses	\$ 8,400	
4. GMP Related Expenses		Ongoing activities to implement the GMP
A. Stakeholder Involvement	\$ 6,400	
B. GW Resource Protection	\$ 7,000	
C. Monitoring Program	\$ 71,000	
D. Planning Integration	\$ 16,000	
E. Plan Implementation Costs	\$ 3,000	GMP Section 4.7.1
Total GMP Expenses	\$ 103,400	G/L 20293403
5. Well Protection Program		Includes on-going coordination with Land Use Agencies, development of cooperating agreements and adoption of ordinance and agreements.
Ordinance Development	\$ -	Includes developing parcel map, generating mailing list, update of data base and field verifications. Reimbursed by WPP trust fund later.
Registration	\$ -	
Replacement Fund	\$ -	
Total WPP Expenses	\$ -	
6. Reporting Expenses		
State of the Basin Report	\$ -	
Total Reporting Expenses	\$ -	
GRAND TOTAL	\$ 832,170	

RESOLUTION NO. 2014-01

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2014/2015 AND
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2014/2015 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

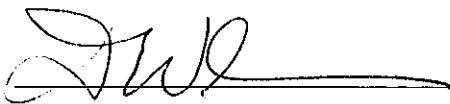
WHEREAS, the AUTHORITY’s administrative budget for fiscal year 2014/2015 is specified in Attachment A. The budget includes projections of revenues, staff expenses, consultant expenses, office expenses and Groundwater Management Plan related expenses. The administrative budget is required to finance the 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 2014/2015 is specified in Attachment B. No funding is recommended for the Central Basin Well Protection Program for fiscal year 2014/2015 at this time.

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 2014/2015 as specified in Attachment A is hereby adopted; and
 - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2014/2015 as specified in Attachment B is hereby adopted; and
 - c. The annual contribution for the SCGA administrative budget for fiscal year 2014/2015 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 14, 2014.

By: 
Chair

