

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA

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For the Agenda of:
May 9, 2012

APPROVED
BOARD OF DIRECTORS

To: Board of Directors
Sacramento Central Groundwater Authority

Date May 9, 2012

From: Staff

By Hatha Peck
Clerk of the Board

Subject: Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget, Fiscal Year 2012-2013 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 2012-2013 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. 2012-02 to fund the Authority's administrative budget for fiscal year 2012-2013 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2012-2013.

Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget, Fiscal Year 2012-2013 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 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 2012-2013 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 funding for consultant services (Consultant Expenses). 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 2012-2013 fiscal year budget.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on April 26, 2012. Budget Committee members include Herb Niederberger, Jim Peifer, and Rick Bettis.

Staff recommends adoption of Resolution No. 2012-02 to fund the Authority’s administrative budget for fiscal year 2012-2013 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 2012-2013.

Adoption Of The Fiscal Year 2012-2013 Sacramento Central Groundwater Authority Budget,
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Attachments:

Resolution No. 2012-02

Attachment A – Fiscal Year 2012-2013 Authority’s Budget

Attachment B – Fiscal Year 2012-2013 Well Protection Program Budget

Attachment C – Sacramento Central Groundwater Authority Funding (2012-2013)

Attachment D – Fiscal Year 2012-2013 Authority’s Budget Break-down

Attachment E – Fiscal Year 2012-2013 Well Protection Program Budget Break-down

Attachment F – Operating Expenses Sacramento Central Groundwater Authority 2012-2013

RESOLUTION NO. 2012-02

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2012-2013 AND
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2012-2013 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 2012-2013 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 2012-2013 is specified in Attachment B. No funding is recommended for the Central Basin Well Protection Program for fiscal year 2012-2013 based on current economic conditions and pending improvement in the housing market.

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 2012-2013 as specified in Attachment A is hereby adopted; and
 - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2012-2013 as specified in Attachment B is hereby adopted; and
 - c. The annual contribution for the SCGA administrative budget for fiscal year 2012-2013 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 9, 2012.

By: 
Chair

ATTACHMENT A - Fiscal Year 2012-2013 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)
 ACTIVITY: Groundwater Supply Operations (0960001)
 FISCAL YEAR: 2012 -13

| | Actual 2008-09 | Actual 2009-2010 | Actual 2010-2011 | Adopted 2011-12 | Estimate 2011-12 | Requested 2012-13 |
|--|-------------------|---------------------|---------------------|--------------------|---------------------|----------------------|
| MEANS OF FINANCING | | | | | | |
| Reserves: | | | | | | |
| Prior Year Fund Balance | 146,493 | 90,401 | 365,186 | 631,157 | 631,157 | 704,421 |
| Revenues: | | | | | | |
| Contributions from other Agencies | 253,336 | 267,146 | 268,461 | 264,048 | 264,048 | 254,492 |
| Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserve Release | 0 | 0 | 21,939 | 0 | 0 | 0 |
| Interest Income | 29,685 | 4,741 | 3,396 | 15,000 | 1,791 | 2,000 |
| AB303 Grant Reimbursement | 0 | 130,927 | 119,034 | 0 | 0 | 250,000 |
| Encumbrance Rollover from Prior Year | 36 | 162,928 | 104,174 | 0 | 2,900 | 0 |
| Total Means of Financing | 439,550 | 656,143 | 882,190 | 910,205 | 899,895 | 1,210,913 |
| FINANCING USES | | | | | | |
| Provision for Reserves | 102,544 | 102,020 | 0 | 643,305 | 0 | 0 |
| Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Salaries / Benefits | 246,605 | 188,937 | 251,033 | 266,900 | 195,474 | 513,989 |
| Services & Supplies | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Charges | 349,149 | 290,957 | 251,033 | 910,205 | 195,474 | 513,989 |
| Total Financing Uses | 90,401 | 365,186 | 631,157 | (0) | 704,421 | 696,924 |
| ENDING FUND BALANCE | | | | | | |
| | | | | | | |

See Attachment D for Budget Detail

need reserve of 20% of expenditures.

102,788

ATTACHMENT B - Fiscal Year 2012-2013 Well Protection Program Budget

FUND: SCGA - Well Protection Program Trust (096C)
 ACTIVITY: Well Protection Program Operations (0961000)
 FISCAL YEAR: 2012-13

| | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Adopted 2011-12 | Estimate 2011-12 | Requested 2012-13 |
|--|-------------------|-------------------|-------------------|--------------------|---------------------|----------------------|
| 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

Sacramento Central Groundwater Authority Funding
(2012-2013)

| | 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 | | \$ - | | | | |
| Orochumne-Hartnell Water District | | | | | | |
| Rancho Murieta CSD | | \$ 6,000 | | | | \$ 6,000 |
| California-American Water Co. | | \$ 6,000 | \$ 34,222 | | | \$ 40,222 |
| Golden State Water Company | | \$ 6,000 | \$ 3,849 | | | \$ 9,849 |
| Sacramento County Water Agency | | \$ 6,000 | \$ 56,047 | | | \$ 62,047 |
| Sacramento Regional County Sanitation District | | | | | | |
| Total | \$ 50,000 | \$ 18,000 | \$ 94,118 | \$ 88,493 | \$ 3,881 | \$ 254,492 |
| 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 | Pumping Amount (acre-feet) | Exclusion (acre-feet) | Net Pumping (acre-feet) | Rate (\$/acre-foot) | Cost | |
| Public Agencies/Self Supplied | 0 | 0 | 0 | 2.07 | \$ - | |
| Elk Grove Water Service | 4,602 | 5,000 | 0 | 2.07 | \$ - | |
| Orochumne-Hartnell Water District | 0 | 0 | 0 | 2.07 | \$ - | |
| Rancho Murieta CSD | 0 | 0 | 0 | 2.07 | \$ - | |
| California-American Water Co. | 21,532 | 5,000 | 16,532 | 2.07 | \$ 34,222 | |
| Golden State Water Company | 6,859 | 5,000 | 1,859 | 2.07 | \$ 3,849 | |
| Sacramento County Water Agency - Zone 41 | 32,076 | 5,000 | 27,076 | 2.07 | \$ 56,047 | |
| Groundwater/Ag | | | | | | |
| | | 25% of estimated pumping | | | | |
| Agricultural Interests | 171000 | 0.25 | 42,750 | 2.07 | \$ 88,493 | |
| Conservation Landowners | 0 | 0.25 | 0 | 2.07 | \$ - | |
| Groundwater/Ag/Res | | | | | | |
| Agriculture-Residential | 7500 | 0.25 | 1,875 | 2.07 | \$ 3,881 | |

ATTACHMENT D - Fiscal Year 2012-2013 Authority's Budget Break-down

MEANS OF FINANCING

| | | |
|---------------------------------------|-----------|------------------|
| Prior Year Fund Balance | \$ | 704,421 |
| Revenues: | | |
| Contributions from Member Agencies | | |
| Annual Contribution | \$ | 50,000 |
| Surface Water Contribution | \$ | 18,000 |
| Groundwater Contribution | \$ | 94,118 |
| Agricultural Contribution | \$ | 88,493 |
| Ag/Res Contribution | \$ | 3,881 |
| <hr/> | | |
| Subtotal of Contributions | \$ | 254,492 |
| Provision for Reserve | \$ | - |
| AB 303 Grant Reimbursement (Prop. 84) | \$ | 250,000 |
| Interest Income | \$ | 2,000 |
| <hr/> | | |
| Total Means of Financing | \$ | 1,210,913 |

FINANCING USES

| | | |
|-----------------------------|-----------|----------------|
| Salaries/Benefits | \$ | - |
| Services & Supplies: | | |
| Staff Expenses | \$ | 85,189 |
| Consultant Expenses | \$ | 312,000 |
| Office Expenses | \$ | 13,400 |
| GMP Related Expenses | \$ | 103,400 |
| Well Protection Program | \$ | - |
| Reporting Expenses | \$ | - |
| Other Charges | \$ | - |
| <hr/> | | |
| Total Financing Uses | \$ | 513,989 |

ENDING FUND BALANCE **\$ 696,924**

Balances as of March 31, 2012

| | |
|---------------|---------|
| Reserve: | 1,108 |
| Encumbrance: | 10,658 |
| Fund Balance: | 646,205 |
| Cash Balance: | 762,742 |

ATTACHMENT E - Fiscal Year 2012-2013 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 - Operating Expenses
Sacramento Central Groundwater Authority
2012-2013**

| | (\$ Dollar) | Notes |
|-------------------------------------|-------------------|---|
| Operating Expenses | | |
| 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 | Michèle Bach - County Counsel |
| Financial | \$ 14,954 | County Water Resource Finance/Accounting Staff (Remie and Bill) |
| AFS Contract Services | \$ 735 | Contract payment and writing allocation costs. |
| Travel/Conference | \$ 1,000 | |
| Total Staff Expenses | \$ 85,189 | |
| 2. Consultant Expenses | | |
| Audit Report | \$ 7,000 | VTD & Co. Audit Expense |
| Technical Services | \$ 50,000 | A. \$30k - Water Accounting Framework; B. \$10k - Ag-Res water conservation; C. \$10k - Misc |
| 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 | Anticipated to be funded by an AB303 grant (prop.84). If the grant is not secured, it is expected to be funded by the Authority's fund reserve. |
| Total Consultant Expenses | \$ 312,000 | |
| 3. Office Expenses | | |
| JPIA Membership Dues (ACWA) | \$ 5,000 | Range based on FY09/10 actual & FY12/13 operation budget |
| General Liability Insurance | \$ 6,000 | Estimated insurance expense based on JPIA. |
| Office Supplies/Postage | \$ 400 | |
| Printing | \$ 1,000 | Printing of letterhead, envelopes, etc. |
| Website Development/Hosting | \$ 1,000 | Web site maintenance - See Public Outreach Plan. |
| Food Purchase/Service | \$ - | Monthly Board Meeting |
| Total Office Expenses | \$ 13,400 | |
| 4. GMP Related Expenses | | Ongoing activities to implement the GMP |
| A. Stakeholder Involvement | | |
| Public Outreach Plan | \$ 600 | GMP Section 3.2.1.1 (Implementation of the Public Outreach Plan) |
| Adjacent Basin Coordination | \$ 3,000 | GMP Section 3.2.1.2 (SANW coordination. Misc. meetings with SGA, SSCAWA, TNC, Water Forum Successor Effort, etc.) |
| Agency Outreach Program | \$ 2,800 | GMP Section 3.2.1.4 (Develop and establish relationships with EMD, DHS, EPA, etc.) |
| Advisory Committee | \$ - | GMP Section 3.2.1.3 (Is there a specific need for the advisory committee? If so, how should this be implemented?) |
| B. GW Resource Protection | | |
| Construction/Abandonment Ord | \$ 5,000 | GMP Section 3.2.3.1 & 3.2.3.2 (DMS data collection - abandoned/destroyed wells, wildcat well data collection, etc.) |
| Protection Measures | \$ 2,000 | GMP Section 3.2.3.3 (Collection of well head protection data from water purveyors) |
| Control of Contaminants | \$ - | GMP Section 3.2.3.5 (Delineate sentry wells in areas of known groundwater contamination) |
| C. Monitoring Program | | |
| Protocols for GW Data | \$ 3,000 | GMP Section 3.2.2.5 (Coordinate with other Agencies collecting groundwater data in conjunction with SCGA's program and ensure that protocols are met) |
| Data Management System | \$ 10,000 | GMP Section 3.2.2.6 (Populate the DMS with past and current water purveyor data) |
| Groundwater Elevation | \$ 53,000 | GMP Section 3.2.2.1 (Groundwater elevation monitoring and associated tasks) |
| Groundwater Quality | \$ 5,000 | GMP Section 3.2.2.2 See Water Quality Testing under 2. (Collection and evaluation of groundwater quality data and associated tasks) |
| D. Planning Integration | | |
| DWSAP/Urban Mgr/Land Use/IR | \$ 16,000 | GMP Section 3.2.5.1 (ARB IRWMP coordination, UMWMP Land Use Agency coordination, IGSM custodianship) |
| E. Plan Implementation Costs | \$ 3,000 | GMP Section 4.7.1 |
| Total GMP Expenses | \$ 103,400 | |
| 5. Well Protection Program | | |
| Ordinance Development | \$ - | Includes on-going coordination with Land Use Agencies, development of cooperating agreements and adoption of ordinance and agreements. |
| Registration | \$ - | Includes developing parcel map, generating mailing list, update of data base and field verifications. Reimbursed by WPP trust fund later. |
| Replacement Fund | \$ - | |
| Total WPP Expenses | \$ - | |
| 6. Reporting Expenses | | |
| State of the Basin Report | \$ - | |
| Total Reporting Expenses | \$ - | |
| GRAND TOTAL | \$ 513,989 | |