



**SANTA CLARITA VALLEY  
GROUNDWATER SUSTAINABILITY AGENCY  
SPECIAL BOARD MEETING AGENDA**

**Santa Clarita Valley Water Agency – Board Room  
Rio Vista Treatment Plant Facility  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350**

**Monday, June 10, 2019 at 2:30 P.M.**

**1. REGULAR PROCEDURES**

- 1.1 Call to Order
- 1.2 Pledge of Allegiance
- 1.3 Public Comments – Members of the public may comment as to items not on the Agenda at this time. Members of the public wishing to comment on items covered in this agenda may do so now or prior to each item as they arise. Please complete and return a comment request form to the Board Secretary. (Comments may, at the discretion of the Board’s presiding officer, be limited to three minutes for each speaker.) Members of the public wishing to comment on items covered in Closed Session before they are considered by the Board must request to make comment at the commencement of the meeting at 2:30 P.M.
- 1.4 Approval of Agenda

**2. CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion. There will be no separate discussion on these items prior to the time the Board votes unless any Board member, staff or the public, requests specific items be discussed and/or removed from the Consent Calendar for separate action.

| <b><u>ITEMS</u></b>  | <b><u>PAGE</u></b> |
|--|--------------------|
| 2.1 * Approve Minutes of April 1, 2019 Meeting of the Board of Directors of the Santa Clarita Valley Groundwater Sustainability Agency | 1                  |

**3. GENERAL AGENDA ITEMS**

|  |    |
|--|----|
| 3.1 * Comment Period of Notice of Intention to Adopt a SCV-GSA Conflict-of-Interest Code (2) Approve and Adopt Resolution GSA 2019-02 the SCV-GSA Adopting A Conflict-of-Interest Code | 5  |
| 3.2 * Adopt Fiscal Year 2019/20 Budget   | 19 |

3.3 \* Stakeholder Advisory Committee Formation Discussion

35

**4. CONSIDERATION OF POSSIBLE FUTURE AGENDA ITEMS**

**5. ADJOURNMENT**

\* **Indicates attachment**

◆ **To be distributed**

**NOTICES:**

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 297-1600, or writing to Santa Clarita Valley Groundwater Sustainability Agency at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.scvgsa.org>.

Posted on: June 4, 2019



Minutes of the Meeting of the Board of Directors of the Santa Clarita Valley Groundwater Sustainability Agency – April 1, 2019

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A meeting of the Board of Directors of the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) was held at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, California 91350 in the Board Room at 2:30 PM on Monday, April 1, 2019. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

**DIRECTORS PRESENT:** Directors Adam Ariki, William C. Cooper, Gary Martin, Jerry Gladbach – Alternate

**DIRECTORS ABSENT:** B.J. Atkins, Maria Gutzeit, Bob Kellar, Gina Natoli

Also present: Steve Cole, Assistant General Manager, SCV Water; Tom Bunn, SCV-GSA General Counsel; Eunie Kang, SCV-GSA Board Secretary, Rick Viergutz, Principal Water Resource Planner, SCV Water; Kathie Martin, Public Information Officer, SCV Water; Eric Campbell, Chief Financial and Administration Officer, SCV Water; Matt Stone, General Manager, SCV Water; Tara Bravo, CV Strategies; and various members of the public.

President Cooper called the meeting to order at 2:32 PM. A quorum was present.

There was public comment.

Item 1.4: Upon motion of Director Gladbach, seconded by Director Martin and carried, the Agenda was approved by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

Item 2: Upon motion of Director Gladbach, seconded by Director Martin and carried, Eric Campbell was appointed as Treasurer by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

Item 3: Upon motion of Director Gladbach seconded by Director Ariki and carried, the Board approved the Consent Calendar including the Notice of Intention to Adopt a Conflict-of-Interest Code by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

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Item 4.1: Upon motion of Director Gladbach, seconded by Director Ariki and carried, the Board approved staff's recommendation and adopted Resolution No. GSA 2019-01 Consenting to Enter the Joint Protection Programs of the Association of California Water Agencies/Joint Powers Insurance Authority by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

**RESOLUTION NO. 2019-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY  
CONSENTING TO ENTER THE JOINT PROTECTION PROGRAMS OF THE ASSOCIATION  
OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY**

**WHEREAS**, pursuant to the provisions of Section 990, 990.4, 990.8, and 6500 of the Government Code, the Santa Clarita Valley Groundwater Sustainability Agency (the "Agency"), wishes to enter into an agreement with various other districts entitled "Joint Powers Agreement: Creating the Association of California Water Agencies/Joint Powers Insurance Authority" (the Authority), for the purpose of participating in the Joint Powers Insurance Authority created thereby, which since its formation has provided for and administered joint protection programs as more fully set forth in said agreement; and

**WHEREAS**, said joint protection programs offer significant advantages to this Agency in terms of cost, liability protection, property protection, workers' compensation protection, and services, and entering such programs, on the conditions hereinafter set forth, appears to be in the best interest of the Agency.

**NOW, THEREFORE BE IT RESOLVED** by the Board of Directors of Santa Clarita Valley Groundwater Sustainability Agency:

Section 1. That the Board of Directors of Santa Clarita Valley Groundwater Sustainability Agency hereby consents pursuant to the above-mentioned Joint Power Agreement, and the resolutions and policies enacted in implementation of such Agreement, to enter said joint protection programs

Section 2. That the Agency hereby elects to join the Liability Program sponsored by the Authority.

Section 3. That the Agency hereby selects \$2,500 as its Retrospective Allocation Point (RAP) for the first partial year of participation under the Authority's cost allocation formula for liability exclusive of Dam Failure Liability.

Section 4. That the Treasurer of this Agency is hereby authorized to pay to the ACWA/Joint Powers Insurance Authority its first deposit premium.

Section 5. That the Secretary of the Board of Directors of this Agency is directed to certify a copy of this resolution and to forward the same resolution and the signed Joint Powers Agreement promptly by mail to the Association of California Water Agencies/Joint Powers Insurance Authority, P.O. Box 619082, Roseville, California, 95661, at which time coverage will commence the 2nd day of April, 2019.

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Item 4.1 (2): President Cooper nominated Director Martin as Director Representative to serve as its ACWA/JPIA Director. There were no further nominations. Upon motion of Director Gladbach and seconded by Director Ariki and carried, the Board elected Director Martin as Director Representative to serve as its ACWA/JPIA Director by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

Item 4.2: Rick Viergutz gave an overview presentation outlining key activities for the next three (3) months to the Board.

Item 4.3: Kathie Martin and Tara Bravo gave a presentation outlining general approach, timeline for preparation of the work plan and how a Stakeholder Advisory Committee would best fit with the development of a Groundwater Sustainability Plan (GSP). The Board gave unanimous support for Staff to develop a full plan and recommendation to the Board at a future meeting.

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Item 5: There were no request for future agenda items.

Item 6: Upon motion of Director Martin, seconded by Director Ariki and carried, the meeting was adjourned at 3:15 PM by the following voice votes:

|                               |        |                  |        |
|-------------------------------|--------|------------------|--------|
| Director Ariki                | Yes    | Director Gutzeit | Absent |
| Vice President Atkins         | Absent | Director Kellar  | Absent |
| President Cooper              | Yes    | Director Martin  | Yes    |
| Director Gladbach (Alternate) | Yes    | Director Natoli  | Absent |

\_\_\_\_\_  
Eunie Kang, Board Secretary

ATTEST:

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President of the Board

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**Santa Clarita Valley  
Groundwater Sustainability Agency  
Board Memorandum**

**DATE:** June 10, 2019  
**TO:** SCV-GSA Board of Directors  
**FROM:** GSA Formation Work Group  
**SUBJECT:** Approving a Resolution Adopting the Santa Clarita Valley Groundwater Sustainability Agency Conflict of Interest Code

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**SUMMARY**

At the April 1, 2019 Santa Clarita Valley Groundwater Sustainability Agency regular meeting, the Board approved the Notice of Intention to adopt the conflict of interest code and establish the 45-day comment period. The written comment period commenced on April 1, 2019 and ended on May 16, 2019. One written comment was received by the Board Secretary on April 4, 2019 (attachment 1).

On May 6, 2019 the Fair Political Practices Commission (FPPC) sent recommended edits to the Santa Clarita Valley Groundwater Sustainability Agency conflict of interest code (attachment 2).

**FINANCIAL CONSIDERATIONS**

N/A

**RECOMMENDATION**

That the Santa Clarita Valley Groundwater Sustainability Agency approve the attached (attachment 3) resolution adopting the Conflict of Interest Code for the Santa Clarita Valley Groundwater Sustainability Agency.

Attachment 1: Written Comment Letter  
Attachment 2: FPPC Recommended Edits  
Attachment 3: Resolution No. GSA 2019-02

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## Eunie Kang

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**From:** Roy Thun  
**Sent:** Thursday, April 04, 2019 4:20 PM  
**To:** Eunie Kang  
**Subject:** SCV GSA NOTICE OF INTENTION TO ADOPT A CONFLICT-OF-INTEREST CODE

Dear Santa Clarita Valley Groundwater Sustainability Agency (SCV GSA),

I have reviewed the proposed Notice of Intention to Adopt a Conflict-of-Interest Code and am providing comment as a Santa Clarita resident and subcontracted consultant who may potentially be affected by this code. My specific concern relates to the application of this code to "Consultants". I find imposing this requirement on consultants and their subcontractors (aka- subconsultants) to be generally overly invasive and unnecessary with respect to maintaining the integrity of the agency decision process. I am requesting that subconsultants to the Groundwater Sustainability Plan (GSP) consultant be exempted from "designated employee" status.

My justification for this request is as follows. In reviewing the history of California's conflict of interest code it is apparent that the intent and purpose is to ensure that those persons who have the ability to make or influence a public agency decision are doing so without any undue influence or self-interest. In this regard, the consultant team responsible for developing the GSP will be doing so in a completely transparent manner that involves the Agency and all stakeholders in the basin. Their role by contract is to develop a GSP that is acceptable to the SCV GSA and stakeholders, and conforms with the Department of Water Resources requirements. Any agency decision to pursue a project or management action described in the GSP will be vetted publicly and is completely independent of the GSP consultant and subconsultants. In further support of my request, subconsultants to the GSP consultant are much more removed from the agency decision making process. Therefore, it is in this context that I would ask the SCV GSA Board to consider exempting subconsultants participating on the GSP as "designated employees".

Respectfully,

Roy Thun  
Santa Clarita Resident

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**SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY**

**CONFLICT-OF-INTEREST CODE**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the **Santa Clarita Valley Groundwater Sustainability Agency (Agency)**.

Individuals holding designated positions shall file their statements of economic interests with ~~the Agency~~Santa Clarita Valley Water Agency, which will make the statements available for public inspection and reproduction on behalf of the Agency. (Gov. Code Sec. 81008) All statements will be retained by the Agency.

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**APPENDIX A  
DESIGNATED POSITIONS**

| <u>Designated Positions</u> | <u>Disclosure Category</u> |
|-----------------------------|----------------------------|
| General Counsel*            | 1                          |
| Consultants/New Position**  |                            |

\* This position is filled by an an outside consultant working in a staff capacity.

\*\*Consultants/New Position shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure requirements in the code subject to the following limitation:

The Board President or Board Vice President may determine in writing that a particular consultant/new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the duties and, based upon that description, a statement of the extent of disclosure requirements. The Board President or Board Vice President’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Government Code Section 81008).

**OFFICIALS WHO MANAGE PUBLIC INVESTMENTS**

The following positions are not covered by the code because the positions manage public investments. Individuals holding such positions must file a statement of economic interests pursuant to Government Code Section 87200 and are listed for informational purposes only.

Board of Directors and Alternates  
Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

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**APPENDIX B**  
**DISCLOSURE CATEGORIES**

Disclosure Category 1: Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the Agency.

Disclosure Category 2: Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of land owned or used by the Agency. Category 4:

~~Persons designated in this category must disclose investments and business positions in business entities and sources of income, including gifts, loans and travel payments of the type to engage in financial markets. Such sources include but are not limited to: insurance companies, bond financing firms, mortgage companies, carriers, holding companies, underwriters, lawyers, agents, solicitors or brokers.~~

~~Category 2:~~

~~Designated positions shall report all investments, business positions and sources of income, including gifts, loans and travel payments from entities of the type to provide goods or services to the Agency.~~

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**RESOLUTION NO. GSA 2019-02**

**RESOLUTION OF THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY ADOPTING A CONFLICT OF INTEREST CODE**

**WHEREAS**, the Santa Clarita Valley Groundwater Sustainability Agency (Agency) intends to adopt a Conflict of Interest Code pursuant to Government Code Section 87300 and 87306 pursuant to Government Codes Section 87302; and

**WHEREAS**, the Santa Clarita Valley Groundwater Sustainability Agency Joint Powers Authority (Agency) was established on September 27, 2018; and

**WHEREAS**, on April 1, 2019, the Agency approved and adopted the Notice of Intention to adopt a Conflict of Interest Code and set a 45-day comment period; and

**WHEREAS**, during the 45-day comment period, the Board Secretary received one written comment in regards to the Agency's Conflict of Interest Code.

**NOW THEREFORE BE IT RESOLVED** that the Board of Directors of the Santa Clarita Valley Groundwater Sustainability Agency does hereby:

1. Adopt the attached Santa Clarita Valley Groundwater Sustainability Agency Conflict of Interest Code.
2. Authorize the Filing Officer to forward a copy of this Resolution to the Fair Political Practices Commission for review and approval as required by California Government Code Section 87303 and 2 California Code Regulations, 18750.1.

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President

I, the undersigned, hereby certify I am the duly appointed and acting Secretary of the Santa Clarita Valley Groundwater Sustainability Agency and at a special board meeting of the Board of Directors of said Agency held on Monday, June 10, 2019, the foregoing Resolution No. GSA 2019-02 was duly and regularly adopted by said Agency, and that said resolution has not been rescinded or amended since the date of its adoption, and it is now in full force and effect.

DATED: June 10, 2019

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Secretary

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## **SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY**

### **CONFLICT-OF-INTEREST CODE**

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**APPENDIX A  
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The Board President or Board Vice President may determine in writing that a particular consultant/new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the duties and, based upon that description, a statement of the extent of disclosure requirements. The Board President or Board Vice President’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Government Code Section 81008).

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Treasurer

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## **APPENDIX B**

### **DISCLOSURE CATEGORIES**

Disclosure Category 1: Investments and business positions in business entities, and income, including receipt of loans, gifts, and travel payments, from sources that provide services, supplies, materials, machinery, or equipment of the type utilized by the Agency.

Disclosure Category 2: Interests in real property located within the jurisdiction or within two miles of the boundaries of the jurisdiction or within two miles of land owned or used by the Agency.

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**Santa Clarita Valley  
Groundwater Sustainability Agency  
Board Memorandum**

**DATE:** June 10, 2019  
**TO:** SCV-GSA Board of Directors  
**FROM:** GSA Formation Work Group  
**SUBJECT:** Adopt Fiscal Year 19/20 Budget

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**SUMMARY**

Building on the work plan and budget projections presented to the Board at its January 7, 2019 meeting, Staff has prepared a revised budget projection through FY 21/22 and has proposed the budget for Fiscal Year 19/20. The revised budget projection through FY 21/22 reflects updated information that shifts the timing of some expenditures and anticipated grant reimbursements, and adds a new expenditure for a grant application. The proposed Fiscal Year 2019/20 budget for consultant and staff costs has been increased by \$75,000 to account for preparation of a grant application. As a result, the overall, costs to complete the Groundwater Sustainability Plan by the January 2022 deadline have been increased by \$75,000 to \$3.122 million. If successful in obtaining a grant award, the budget projection would be revised to show reductions in additional revenue required.

**BACKGROUND/DISCUSSION**

The SCV-GSA Joint Powers Authority was created in September 2018; consistent with its Joint Powers Agreement it adopted a FY 2018/19 budget on January 7, 2019. That budget, attached as Appendix A, was based on a work plan that scheduled anticipated work and provided budget estimates for FY 2018/19 through FY 2021/22. Consistent with the governance set forth in its Joint Powers Agreement, it must adopt an annual budget for Fiscal Year 19/20. This Board Memorandum follows the same narrative and table structure presented to your Board on January 7, 2019 and reflects some streamlining of narratives presented when your Board authorized entering into GSA consultant contracts.

Key changes from the previous estimated budgets are summarized below:

- Certain work in the “Estimated Consultant Costs” section and Table 2 has been revised to reflect later starts for work and an additional funding request for preparation of a grant application
- The “Anticipated Revenue” section and Table 3 have been revised to reflect sooner than anticipated grant reimbursement under the Department of Water Resources 2017 Proposition 1 Sustainable Groundwater Planning (SGWP) Grant Agreement with SCV Water (Grant Agreement).

## **FINANCIAL CONSIDERATIONS**

### **Expenditure Categories**

The proposed FY 19/20 Budget along with estimates for FY 20/21 and FY 21/22 budgets are shown on the following Tables:

- Table 1. Estimated SCV Water Costs + Ad Buys
- Table 2. Estimated Consultant Costs
- Table 3. Budget Summary

### **Table 1. Estimated SCV Water Costs + Ad Buys**

The SCV Water staff support expenditure category includes administrative, consultant management and technical services, and public outreach support. Administrative expenditures include preparation of Board packets and minutes, financial statements, annual audits, and grant administration. Consultant management services include all phases of consultant contract administration, management and technical review of GSP work products. Public outreach expenditures include coordination with the GSP consultant as necessary for stakeholder engagement and advertisement purchases.

*No changes are proposed in this expenditure category.*

### **Table 2. Estimated Consultant Costs**

#### **Consultant Cost Estimate for GSP Development**

Work under this category includes groundwater modeling analysis related to evaluating groundwater dependent ecosystems, and incorporation of much of The Nature Conservancy's Groundwater Dependent Ecosystem guidance document, incorporation of existing information into: a data management system and that data incorporation into the hydrogeologic conceptual model, and incorporation into the groundwater flowmodel (if necessary).

Many GSAs have experienced, or are anticipating challenges to the adequacy of their numerical groundwater flowmodel. Any significant challenges or significant lack of stakeholder acceptance of the model can pose a risk to timely GSP completion and DWR acceptance. We have high confidence in the groundwater modeling skills of the selected consultant; however, given the statewide climate, and to manage risk, the budget includes a groundwater flow model peer review process which could be completed in approximately 12 months to provide expert review of critical model components, feedback to the modeler, likely coordination (and increased buy-in) with the downstream Piru and Fillmore basin GSA, and may even result in some incremental model improvements. The expert panel would create documentation including a finding about the model's suitability for intended use.

Consultant work under the multi-year GSP Technical Consultant contract did not start as early as anticipated, and \$110,000 from FY 18/19 has been shifted to FY 21/22 to reflect the later start. Also the FY 18/19 budget included the Peer Review Group category to evaluate Modflow USG, but that work will not be initiated until FY 19/20, with completion in 20/21, therefore the \$25,000 expense was moved from FY 18/19 to 20/21.

*These revisions change the timing of some expenses, but do not change the net cost in the overall budget projection through FY 21/22 or the earlier FY 19/20 consultant cost estimate.*

### Consultant Cost Estimated for Contingency Funded Items

Consultant proposals provide necessary components to complete the GSP; however, the consultant's scope and budget are focused, and therefore not structured to adapt to significant scope change. The biggest risk to scope change at this time relates to increases in scope for additional ("ad hoc") technical analyses and additional meetings with consultants. We anticipate scope change may result from referral of stakeholder concerns (captured as part of the required public process) to consultants for more detailed follow up outside of their scope.

A similar possibility for increases in scope relates to the role of a Technical Advisory Group (TAG). These groups can be assembled for a range of focused to broad purposes. The most focused purpose is assembly of a TAG at the request of the Work Group or Consultant to include others with specialized knowledge or skill for a limited and focused purpose. The GSP Technical Consultant's proposal includes a budget for four TAG meetings for this focused purpose.

*No changes are proposed in this expenditure category.*

### Consultant Cost Estimate for Administration through Fiscal Year 21/22

This budget category includes funds for grant applications, rate studies, insurance, legal and annual audit costs.

An additional opportunity for the SCV-GSA to apply for grant funds is under evaluation. This opportunity is described in the Department of Water Resources' Sustainable Groundwater Management 2019 Grant Program (2019 SGM Program) and its Proposal Solicitation Package for Round 3 Planning Grants (Round 3 Planning Grant). DWR will make approximately \$46M available for planning grants. Our initial review indicates the SCV-GSA is eligible to apply for grant funding to fund work not included in its Round 2 Planning Grant Agreement, however DWR expresses preference to fund basins that did not receive funding from the 2017 Round 2 Planning Grant. Public comments are due on these documents June 17, 2019. DWR's current schedule identifies solicitation of applications from summer through fall 2019, and final awards in winter 2019.

A successful grant application would be used to reduce Table 3's Additional Revenue Required. By mid-July, the SCV GSA Work Group will determine if a grant application should be made. If so, SCV Water will need to move quickly under the Administrative Services Agreement to prepare the grant application. We recommend \$75,000 be placed in the FY 19/20 budget in the event a grant application is prepared. At a later date, we would seek SCV-GSA Board approval to authorize SCV Water to apply for the grant on its behalf.

### Consultant Costs Estimate for Post GSP Adoption starting in Fiscal Year 21/22

This budget category includes annual fees for database maintenance, data entry, and development of the DWR-required annual report.

*No changes are proposed in this expenditure category.*

## **Table 3. Budget Summary Including Anticipated Revenue**

### Anticipated Revenue

Expenditures under this category recognize the Sustainable Groundwater Management Act (SGMA) provides several opportunities to raise revenue and grants broad authority to GSAs to carry out the objectives of SGMA. Chapter 8 of SGMA is applicable to GSP development and operation of the GSA after the GSP is completed. Chapter 8 provides that a GSA may, prior to adoption of a GSP, impose fees, including but not limited to permit fees and fees on groundwater extraction to fund the costs of a

groundwater sustainability program, including but not limited to preparation, adoption, and amendment of a GSP and investigations, inspections, compliance assistance, enforcement and program administration including a prudent reserve. At this time, two revenue sources exist to support the SCV-GSA through the preparation of the GSP in FY 2021/22. These are grant reimbursements and member contributions.

The County of Los Angeles, the City of Santa Clarita, Los Angeles County Waterworks District 36, Val Verde, and Santa Clarita Valley Water Agency will each contribute a non-reimbursable \$20,000 per year for their share of administrative and GSP costs. The balance of revenue is anticipated to be provided by SCV Water under the terms of the Administrative Services Agreement and is shown on Table 3, Budget Summary, as Additional Revenue Required. The source for the additional contributions is the general fund/operating budget and fund balance of SCV Water.

The Grant Agreement provides up to \$416,106 in grant revenue. The earlier budget estimate forecasted significant lag time in receiving grant revenue, even into FY 22/23 where revenue of \$139,000 was anticipated; however, in February 2019, the Department of Water Resources modified its position and now allows concurrent drawdown of grant reimbursement. The first reimbursement is anticipated in FY 18/19, with additional reimbursement each FY through FY 21/22. Therefore, the Estimated Grant Reimbursement category under Table 3 was revised to reflect sooner than anticipated grant reimbursement and full reimbursement in FY 21/22.

This revision results in changes to the "Additional Revenue Required" category in Table 3 reducing the total additional revenue required through FY 21/22 by approximately \$139,000. On behalf of the SCV-GSA, SCV Water applied for the grant and entered into the Grant Agreement. Under the Administrative Services Agreement, SCV Water will use this grant reimbursement to offset its expenditures under the Additional Revenue Required category.

*The proposed FY 19/20 Budget and revised budget projection through FY 21/22 reflect a revision to the timing of revenue reflected under the Estimated Grant Reimbursement category, and revision to the Additional Revenue Required category to show the effect of the revised timing for reimbursement.*

## **CONCLUSION**

Development of the GSP will take approximately two and one half years. Budget narratives above provide an overview of the work in each budget category, highlighting proposed revisions since your Board last reviewed the budget structure January 7, 2019. No revisions in Table 1 Estimated SCV Water Costs + Ad Buys are proposed. Revisions described above are proposed for Table 2 Estimated Consultant Costs, and Table 3 Budget Summary. Proposed revisions increase the overall estimated cost through FY 21/22 by \$75,000 to \$3.122M. The cost increase reflects potential utilization of consultant services to prepare a grant application. If successful in receiving a grant award, Table 3's Additional Revenue Required would be reduced consistent with any grant award. Much of the work for preparation of the GSP is accomplished through the Administrative Services Agreement with SCV Water. Accordingly Exhibit A of that agreement will need to be updated to reflect the FY 19/20 Budget and the budget estimates for FY 20/21 and FY 21/22.

## **RECOMMENDATION**

That the SCVGSA Board:

- 1) Adopt the proposed FY 19/20 budget detailed in the attached Tables 1, 2, and 3.
- 2) Replace the Administrative Service's Agreement's Exhibit A with Tables 1, 2, and 3.

Attachments:

Table 1. Estimated SCV Water Staff Costs Through GSP Development

Table 2. Estimated Consultant Costs

Table 3. Budget Summary

Attachment 1: December 31, 2018 Item 5.2 Adopt Fiscal Year 18/19 Budget

**Table 1. Estimated SCV Water Staff Costs + Ad Buy**

|  | <b>FY 18/19</b>  | <b>FY 19/20</b>  | <b>FY 20/21</b>  | <b>FY 21/22</b>  | <b>TOTAL</b>     |
|--|------------------|------------------|------------------|------------------|------------------|
| SCV Water Administrative Support                     | \$71,500         | \$78,100         | \$78,100         | \$78,100         | \$305,800        |
| SCV Water Consultant Management & Technical Services | \$70,840         | \$169,620        | \$169,620        | \$127,215        | \$537,295        |
| SCV Water Support with Public Outreach               | \$28,600         | \$28,600         | \$28,600         | \$21,450         | \$107,250        |
| Ad Buys for Outreach                                 | \$5,000          | \$10,000         | \$10,000         | \$10,000         | \$35,000         |
| <b>Total SCV Water Staff Cost</b>                    | <b>\$175,940</b> | <b>\$286,320</b> | <b>\$286,320</b> | <b>\$236,765</b> | <b>\$985,345</b> |

**Table 2. Estimated Consultant Costs**

|   | FY 18/19         | FY 19/20         | FY 20/21         | FY 21/22         | TOTAL              |
|---|------------------|------------------|------------------|------------------|--------------------|
| <b>Consultant Cost Estimate for GSP Development</b>                               |                  |                  |                  |                  |                    |
| Groundwater Model Readiness - Additional Calibration of Modflow USG               | \$35,000         |                  |                  |                  | \$35,000           |
| RFP Development - Status of Groundwater Model Memo                                | \$5,800          |                  |                  |                  | \$5,800            |
| RFP Development – Consultant Assistance in Drafting RFP's and Reviewing Proposals | \$20,000         |                  |                  |                  | \$20,000           |
| GSP Technical Consultant  | \$40,000         | \$438,000        | \$488,550        | \$285,000        | \$1,251,550        |
| GSP Stakeholder Engagement Consultant   | \$30,000         | \$40,000         | \$40,000         | \$40,000         | \$150,000          |
| GSP Grant Administration Consultant   | \$5,000          | \$10,000         | \$8,807          | \$5,000          | \$28,807           |
| Peer Review Group to Evaluate Modflow USG for Suitability                         |                  | \$75,000         | \$25,000         |                  | \$100,000          |
| <b>Subtotal</b>   | <b>\$135,800</b> | <b>\$563,000</b> | <b>\$562,357</b> | <b>\$330,000</b> | <b>\$1,591,157</b> |
| <b>Consultant Cost Estimate for Contingency Fund</b>                              |                  |                  |                  |                  |                    |
| 15% Contingency for GSP Technical Consultant                                      | \$6,000          | \$65,700         | \$73,283         | \$42,750         | \$187,733          |
| 15% Contingency for Stakeholder Engagement Consultant                             | \$4,500          | \$6,000          | \$6,000          | \$6,000          | \$22,500           |
| <b>Subtotal</b>   | <b>\$10,500</b>  | <b>\$71,700</b>  | <b>\$79,283</b>  | <b>\$48,750</b>  | <b>\$210,233</b>   |
| <b>Total Consultant Cost Estimate for Technical Development</b>                   | <b>\$146,300</b> | <b>\$634,700</b> | <b>\$641,640</b> | <b>\$378,750</b> | <b>\$1,801,390</b> |
| <b>Consultant Cost Estimate for Administration</b>                                |                  |                  |                  |                  |                    |
| Grant Application Cost  |                  | \$75,000         |                  |                  | \$75,000           |
| Pre GSP Adoption Rate Study for Fee Collection                                    |                  | \$50,000         |                  |                  | \$50,000           |
| Rate Study for Post GSP Adoption Fee Collection                                   |                  |                  | \$75,000         |                  | \$75,000           |
| Agency Insurance through JPIA   | \$2,500          | \$2,500          | \$2,500          | \$2,500          | \$10,000           |
| Legal   | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$60,000           |
| Annual Audit Costs  | \$10,000         | \$10,000         | \$10,000         | \$10,000         | \$40,000           |
| <b>Subtotal</b>   | <b>\$27,500</b>  | <b>\$152,500</b> | <b>\$102,500</b> | <b>\$27,500</b>  | <b>\$310,000</b>   |
| <b>Consultant Cost Estimate for Post GSP Adoption Activities</b>                  |                  |                  |                  |                  |                    |
| Required Annual Report, Monitoring, Reporting, Database Maintenance               |                  |                  |                  | \$25,000         | \$25,000           |
| Project Development (CEQA, Design, Construction, O&M)                             |                  |                  |                  |                  |                    |
| <b>Subtotal</b>   |                  |                  |                  | <b>\$25,000</b>  | <b>\$25,000</b>    |
| <b>Total Consultant Cost Estimate All Categories</b>                              | <b>\$173,800</b> | <b>\$787,200</b> | <b>\$744,140</b> | <b>\$431,250</b> | <b>\$2,136,390</b> |

**Table 3. Budget Summary**

| <b>Budget Summary</b>                                | <b>FY 18/19</b>  | <b>FY 19/20</b>    | <b>FY 20/21</b>    | <b>FY 21/22</b>  | <b>TOTAL</b>       |
|--|------------------|--------------------|--------------------|------------------|--------------------|
| <b>Table 1. Total Estimated SCV Water Staff</b>      | <b>\$175,940</b> | <b>\$286,320</b>   | <b>\$286,320</b>   | <b>\$236,765</b> | <b>\$985,345</b>   |
| <b>Table 2. Total Estimated Consultant Services*</b> | <b>\$173,800</b> | <b>\$787,200</b>   | <b>\$744,140</b>   | <b>\$431,250</b> | <b>\$2,136,390</b> |
| <b>Total Estimated Staff and Consultant</b>          | <b>\$349,740</b> | <b>\$1,073,520</b> | <b>\$1,030,460</b> | <b>\$668,015</b> | <b>\$3,121,735</b> |
| <b>Anticipated Revenue</b>                           |                  |                    |                    |                  |                    |
| Estimated Grant Reimbursement                        | \$10,000         | \$150,000          | \$150,000          | \$106,000        | \$416,000          |
| Member Agency Contributions                          | \$80,000         | \$80,000           | \$80,000           | \$80,000         | \$320,000          |
| Additional Revenue Required*                         | \$259,740        | \$843,520          | \$800,460          | \$482,015        | \$2,385,735        |
| <b>Total Revenue for GSP Development</b>             | <b>\$349,740</b> | <b>\$1,073,520</b> | <b>\$1,030,460</b> | <b>\$668,015</b> | <b>\$3,121,735</b> |
| <b>Balance</b>                                       |                  |                    |                    |                  |                    |

\*SCV Water may, in its discretion, advance these funds, or provide a voluntary non-reimbursable Member contribution

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# Santa Clarita Valley Groundwater Sustainability Agency Board Memorandum

**DATE:** December 31, 2018  
**TO:** SCV-GSA Board of Directors  
**FROM:** GSA Formation Work Group  
**SUBJECT:** Adopt Fiscal Year 18/19 Budget

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## SUMMARY/DISCUSSION

At its June 4, 2018 meeting, the Board reviewed *Item 3.1 Review Draft Budget*. That item described the approach to budget development and initial budget estimates through FY 2021/22 coinciding with anticipated development of the Groundwater Sustainability Plan (GSP).

Since that time, SCV-GSA member agencies executed the Joint Powers Agreement. It states that within 120 days of the SCV-GSA Joint Powers Authority’s first meeting (which was October 1, 2018), it adopt an annual budget. Budget adoption is subject to a supermajority vote. Other key activities since the June 2018 meeting include SCV-GSA and SCV Water execution of an Administrative Services Agreement, GSA Work Group<sup>1</sup> issuance of requests for proposals for consultant services to develop the GSP, review, negotiation, and recommendation of consultants.

The budget description below is structured similarly to that provided in June 2018, but where key budget changes have been made, they are briefly described. A key budget change includes lower than expected FY 18/19 expenditures, but higher future FY expenditures, including recommended additional budget for a groundwater model peer review and provision of contingency funds for other work.

## FINANCIAL CONSIDERATIONS

### Expenditure Categories

There are two expenditure categories:

- SCV Water Staff Support to the SCV-GSA (Table 1)
- Consultant Services (Table 2)

The SCV Water staff support expenditure category provides administrative, consultant management and technical services, and public outreach support. Administrative expenditures include preparation of Board packets and minutes, financial statements, annual audits, and grant administration. Consultant management services include all phases of consultant contract administration, management and technical review of GSP work products. Public outreach expenditures include coordination with the GSP consultant as necessary for stakeholder engagement and advertisement purchases. Table 1, Estimated SCV Water Staff Costs, shows estimated costs for staff support.

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<sup>1</sup> GSA Work Group is composed of staff from each SCV-GSA member agency.

Changes for this budget category reflect updated hours for administrative support and addition of funding for advertisement purchases.

The Consultant Services category provides a broad range of services to prepare the GSP. During the June 4, 2018 meeting, staff noted that Item 3.1 provided only preliminary estimates of expenditures, as requests for proposals (RFP) for consultant support had not yet been issued. Consistent with that discussion, staff has prepared a revised Consultant Services budget.

#### Consultant Cost Estimate for GSP Development

The earlier budget estimate was \$1.375M for this entire category. It included:

- a) \$75,000 for an Advisory Committee Facilitator,
- b) \$50,000 to convert the MicroFEM groundwater flowmodel to Modflow USG, and
- c) \$1.25M for consultant services to develop the GSP.

Since that time, budget items a and b above were eliminated, but approximately \$62,000 of expenses for groundwater model calibration and consultant services to assist in GSP development were incurred. The budget item c estimate is now revised to \$1.43M.

The increase to 1.43M reflects several factors including: modest increases in detail of groundwater modeling analysis related to evaluating groundwater dependent ecosystems (i.e. additional environmental consulting time and incorporation of much of The Nature Conservancy's Groundwater Dependent Ecosystem guidance document), greater than anticipated work effort to incorporate existing information into: a data management system and that data incorporation into the hydrogeologic conceptual model, and incorporation into the groundwater flowmodel (if necessary).

Many GSAs have experienced, or are anticipating challenges to the adequacy of their numerical groundwater flowmodel. Any significant challenges or significant lack of stakeholder acceptance of the model can pose a risk to timely GSP completion and DWR acceptance. We have high confidence in the groundwater modeling skills of the recommended consultant; however, given the statewide climate, and to manage risk, a groundwater flow model peer review process may be advisable and could be completed in approximately 12 months. It would provide expert review of critical model components, feedback to the modeler, likely coordination (and increased buy-in) with the downstream Piru and Fillmore basin GSA, and may even result in some incremental model improvements. The expert panel would create documentation including a finding about the model's suitability for intended use. This is a new budget item recommended by the Work Group with an estimated cost of \$100,000.

The proposed budget is now \$1.59M with key increases related to the two items described.

#### Consultant Cost Estimated for Contingency Funded Items

This is a new budget item recommended by the Work Group. The recommended consultant proposals provide necessary components to complete the GSP; however, the consultant's scope and budget are focused, and therefore not structured to adapt to significant scope change. The biggest risk to scope change at this time relates to increases in scope for additional ("ad hoc") technical analyses and additional meetings with consultants. We anticipate scope change may result from referral of stakeholder concerns (captured as part of the required public process) to consultants for more detailed follow up outside of their scope.

For example, the GSP development will include analysis of items related to water quality (i.e. perchlorate and VOCs), groundwater dependent ecosystems, climate change, recharge areas, etc. These are

complicated issues that the SCV-GSA member agencies have significant experience with, but given the complexities and incorporation of the DWR required stakeholder process (which may include a stakeholder advisory committee), additional consultant time may be necessary to respond to stakeholder comments. The recommended consultant for Stakeholder Communication and Engagement has included budget for 10 stakeholder advisory committee meetings. The SCV-GSA will have to use discretion in authorizing additional consultant hours under the proposed contingency fund. The current consultant budgets are lean and do not provide funding for significant increases in consultant time that may be deemed necessary.

A similar possibility for increases in scope relates to the role of a Technical Advisory Group (TAG). These groups can be assembled for a range of focused to broad purposes. The most focused purpose is assembly of a TAG at the request of the Work Group or Consultant to include others with specialized knowledge or skill for a limited and focused purpose. The recommended consultant's proposal includes a budget for four TAG meetings for this focused purpose.

It is difficult at this stage of the GSP development to anticipate the extent to which additional Stakeholder and TAG efforts will be required. Because the level of this effort may broaden, the Work Group recommends contingency funding be provided. The Work Group recommends an initial contingency budget of 15% to be allocated to each consultant *through GSP development* to provide flexibility to address issues such as those described above.

#### Consultant Cost Estimate for Administration

Key changes to this budget item reflect reductions in the annual estimates of insurance, and legal fees. The June 2018 budget identified a consultant cost of \$385,000 for FY 18/19 through FY 21/22. The new budget estimate for the same period is reduced to \$235,000

#### Consultant Costs Estimate for Post GSP Adoption

This is a new budget item recommended by the Work Group. We anticipate costs beginning in FY 21/22 related to post-GSP adoption data management and reporting. This includes annual fees for database maintenance, data entry, and development of the DWR-required annual report.

#### Anticipated Revenue

The Sustainable Groundwater Management Act (SGMA) provides several opportunities to raise revenue and grants broad authority to GSAs to carry out the objectives of SGMA. Chapter 8 of SGMA is applicable to GSP development and operation of the GSA after the GSP is completed. Chapter 8 provides that a GSA may, prior to adoption of a GSP, impose fees, including but not limited to permit fees and fees on groundwater extraction to fund the costs of a groundwater sustainability program, including but not limited to preparation, adoption, and amendment of a GSP and investigations, inspections, compliance assistance, enforcement and program administration including a prudent reserve. At this time, two revenue sources exist to support the SCV-GSA through the preparation of the GSP in FY 2021/22. These are grant reimbursements and member contributions.

The proposed budget reflects the SCV-GSA's grant agreement with the Department of Water Resource's that up to \$416,106 be made as grant reimbursement to prepare the GSP. The first reimbursement is anticipated in FY 20/21, with additional reimbursement following in FY 21/22 and 22/23. The timing of the reimbursement is later than our June 2018 estimate and reflects DWRs clarified default position that reimbursement is not authorized until the GSA fully spends its required match.

The County of Los Angeles, the City of Santa Clarita, Los Angeles County Waterworks District 36, Val Verde, and Santa Clarita Valley Water Agency will each contribute a non-reimbursable \$20,000 per year for their share of administrative and GSP costs. The balance of revenue is anticipated to be provided by SCV Water under the terms of the Administrative Services Agreement and is shown on Table 3, Budget Summary, as Additional Revenue Required. The source for the additional contributions is the general fund/operating budget and fund balance of SCV Water.

## **SUMMARY**

Development of the GSP will take approximately three years. The proposed FY 18/19 budget expenditures are lower than anticipated. Higher consultant costs are anticipated to occur in future fiscal years. The proposed budget includes notable changes, such as an additional budget request for groundwater model peer review, additional budget request for contingency funding, and certain reduced costs. Consistent with the Administrative Services Agreement, approval of the proposed FY 18/19 budget will allow SCV Water to execute contracts for budget items less than \$100,000 without SCV-GSA Board approval. A separate Staff report will follow today that seeks SCV-GSA Board approval of Work Group member recommendations for contracts in excess of \$100,000.

## **RECOMMENDATION**

- 1) Adopt the proposed FY 18/19 budget detailed in the attached Tables 1, 2, and 3.
- 2) Replace the Administrative Service's Agreement's Exhibit A with Tables 1, 2, and 3.

Attachments:

Table 1. Estimated SCV Water Staff Costs Through GSP Development

Table 2. Estimated Consultant Costs

Table 3. Budget Summary

**Table 1. Estimated SCV Water Staff Costs + Ad Buy**

|  | <b>FY 18/19</b>  | <b>FY 19/20</b>  | <b>FY 20/21</b>  | <b>FY 21/22</b>  | <b>TOTAL</b>     |
|--|------------------|------------------|------------------|------------------|------------------|
| SCV Water Administrative Support                     | \$71,500         | \$78,100         | \$78,100         | \$78,100         | \$305,800        |
| SCV Water Consultant Management & Technical Services | \$70,840         | \$169,620        | \$169,620        | \$127,215        | \$537,295        |
| SCV Water Support with Public Outreach               | \$28,600         | \$28,600         | \$28,600         | \$21,450         | \$107,250        |
| Ad Buys for Outreach                                 | \$5,000          | \$10,000         | \$10,000         | \$10,000         | \$35,000         |
| <b>Total SCV Water Staff Cost</b>                    | <b>\$175,940</b> | <b>\$286,320</b> | <b>\$286,320</b> | <b>\$236,765</b> | <b>\$985,345</b> |

**Table 2. Estimated Consultant Costs**

|   | FY 18/19         | FY 19/20         | FY 20/21         | FY 21/22         | TOTAL              |
|---|------------------|------------------|------------------|------------------|--------------------|
| <b>Consultant Cost Estimate for GSP Development</b>                               |                  |                  |                  |                  |                    |
| Groundwater Model Readiness - Additional Calibration of Modflow USG               | \$35,000         |                  |                  |                  | \$35,000           |
| RFP Development - Status of Groundwater Model Memo                                | \$5,800          |                  |                  |                  | \$5,800            |
| RFP Development – Consultant Assistance in Drafting RFP's and Reviewing Proposals | \$20,000         |                  |                  |                  | \$20,000           |
| GSP Technical Consultant  | \$150,000        | \$438,000        | \$488,550        | \$175,000        | \$1,251,550        |
| GSP Stakeholder Engagement Consultant   | \$30,000         | \$40,000         | \$40,000         | \$40,000         | \$150,000          |
| GSP Grant Administration Consultant   | \$5,000          | \$10,000         | \$8,807          | \$5,000          | \$28,807           |
| Peer Review Group to Evaluate Modflow USG for Suitability                         | \$25,000         | \$75,000         |                  |                  | \$100,000          |
| <b>Subtotal</b>   | <b>\$270,800</b> | <b>\$563,000</b> | <b>\$537,357</b> | <b>\$220,000</b> | <b>\$1,591,157</b> |
| <b>Consultant Cost Estimate for Contingency Fund</b>                              |                  |                  |                  |                  |                    |
| 15% Contingency for GSP Technical Consultant                                      | \$22,500         | \$65,700         | \$73,283         | \$26,250         | \$187,733          |
| 15% Contingency for Stakeholder Engagement Consultant                             | \$4,500          | \$6,000          | \$6,000          | \$6,000          | \$22,500           |
| <b>Subtotal</b>   | <b>\$27,000</b>  | <b>\$71,700</b>  | <b>\$79,283</b>  | <b>\$32,250</b>  | <b>\$210,233</b>   |
| <b>Total Consultant Cost Estimate for Technical Development</b>                   | <b>\$297,800</b> | <b>\$634,700</b> | <b>\$616,640</b> | <b>\$252,250</b> | <b>\$1,801,390</b> |
| <b>Consultant Cost Estimate for Administration</b>                                |                  |                  |                  |                  |                    |
| Grant Application Cost  |                  |                  |                  |                  |                    |
| Pre GSP Adoption Rate Study for Fee Collection                                    |                  | \$50,000         |                  |                  | \$50,000           |
| Rate Study for Post GSP Adoption Fee Collection                                   |                  |                  | \$75,000         |                  | \$75,000           |
| Agency Insurance through JPIA   | \$2,500          | \$2,500          | \$2,500          | \$2,500          | \$10,000           |
| Legal   | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$60,000           |
| Annual Audit Costs  | \$10,000         | \$10,000         | \$10,000         | \$10,000         | \$40,000           |
| <b>Subtotal</b>   | <b>\$27,500</b>  | <b>\$77,500</b>  | <b>\$102,500</b> | <b>\$27,500</b>  | <b>\$235,000</b>   |
| <b>Consultant Cost Estimate for Post GSP Adoption Activities</b>                  |                  |                  |                  |                  |                    |
| Required Annual Report, Monitoring, Reporting, Database Maintenance               |                  |                  |                  | \$25,000         | \$25,000           |
| Project Development (CEQA, Design, Construction, O&M)                             |                  |                  |                  |                  |                    |
| <b>Subtotal</b>   |                  |                  |                  | <b>\$25,000</b>  | <b>\$25,000</b>    |
| <b>Total Consultant Cost Estimate All Categories</b>                              | <b>\$325,300</b> | <b>\$712,200</b> | <b>\$719,140</b> | <b>\$304,750</b> | <b>\$2,061,390</b> |

**Table 3. Budget Summary**

| <b>Budget Summary</b>                                | <b>FY 18/19</b>  | <b>FY 19/20</b>  | <b>FY 20/21</b>    | <b>FY 21/22</b>  | <b>TOTAL</b>       |
|--|------------------|------------------|--------------------|------------------|--------------------|
| <b>Table 1. Total Estimated SCV Water Staff</b>      | <b>\$175,940</b> | <b>\$286,320</b> | <b>\$286,320</b>   | <b>\$236,765</b> | <b>\$985,345</b>   |
| <b>Table 2. Total Estimated Consultant Services*</b> | <b>\$325,300</b> | <b>\$712,200</b> | <b>\$719,140</b>   | <b>\$304,750</b> | <b>\$2,061,390</b> |
| <b>Total Estimated Staff and Consultant</b>          | <b>\$501,240</b> | <b>\$998,520</b> | <b>\$1,005,460</b> | <b>\$541,515</b> | <b>\$3,046,735</b> |
| <b>Anticipated Revenue</b>                           |                  |                  |                    |                  |                    |
| Estimated Grant Reimbursement                        |                  |                  | \$138,702          | \$138,702        | \$277,404          |
| Member Agency Contributions                          | \$80,000         | \$80,000         | \$80,000           | \$80,000         | \$320,000          |
| Additional Revenue Required*                         | \$421,240        | \$918,520        | \$786,758          | \$322,813        | \$2,449,331        |
| <b>Total Revenue for GSP Development</b>             | <b>\$501,240</b> | <b>\$998,520</b> | <b>\$1,005,460</b> | <b>\$541,515</b> | <b>\$3,046,735</b> |
| <b>Balance</b>                                       |                  |                  |                    |                  |                    |

\*SCV Water may, in its discretion, advance these funds, or provide a voluntary non-reimbursable Member contribution



## Santa Clarita Valley Groundwater Sustainability Agency Board Memorandum

**DATE:** June 10, 2019  
**TO:** SCV-GSA Board of Directors  
**FROM:** GSA Formation Work Group  
**SUBJECT:** Formation Plan for SCV-GSA Stakeholder Advisory Committee

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### **SUMMARY**

The Sustainable Groundwater Management Act (SGMA) requires local water agencies to sustainably manage groundwater resources. By January 2022, the SCV-GSA will develop a Groundwater Sustainability Plan tailored to the resources and needs of the community to maintain and improve resource management where necessary.

As part of this process, the SCV-GSA Workgroup has proposed creating a Stakeholder Advisory Committee (SAC). This committee would include a variety of interested parties and basin water users, and afford meaningful input for the SCV-GSA Board's consideration.

Below are the Workgroup's recommendations for committee role and makeup, member solicitation, and options for Board input on the eligibility criteria and selection process, as well as a proposed timeframe.

### **DISCUSSION**

#### **Committee role**

The SAC, through a consensus-based process would provide insight, support and expertise on various social, cultural, and economic issues for the Board's consideration. The committee role is strictly advisory and, as such, would not vote on Board items.

#### **Committee makeup**

Staff recommends that the SAC be formed with an odd number of members, representative of a variety of constituent groups as described below:

- 1 representative of small pumpers (Up to 2 acre-feet or less per year)
- 1 representative of medium pumpers (Greater than 2 to 25 acre-feet per year)
- 1 representative of large pumpers (more than 25 acre-feet per year)
- 1 representative of the business community
- 1 representative of environmental interests
- 2 members-at-large

## **Brown Act compliance**

The Workgroup has determined that a Stakeholder Advisory Committee would be subject to the Brown Act. SCV-GSA would be responsible for ensuring compliance by supporting or leading preparation of agendas and meeting minutes and reserving meeting space. Details of committee administration will be developed between staff and the outreach consultant.

## **Outreach to Solicit Committee Members**

CV Strategies would work with SCV Water staff to solicit interest in committee membership and request constituent representatives be identified. Outreach sources would include local media, social media and email to the established stakeholder list.

## **FOR BOARD DISCUSSION/FUTURE ACTION**

### **Representative selection**

Each stakeholder group could potentially have many applicants. The selected representative must reflect the greatest diversity of that group and be able to effectively communicate its group's opinions and feedback.

Options for representative selection:

1. Representative self-selection via only the applicants within each stakeholder group, with no Workgroup or SCV-GSA input until seated committee is ratified. (Recommended)
2. Representative selection via applicants of all stakeholder groups, with no Workgroup or SCV-GSA discretion.
3. Board selection of representatives or Board creation of a different process to allow nomination of constituent group representatives.

To be identified: committee member eligibility criteria; representative selection process; representatives' terms on committee. Suggested criteria for each constituent group is attached.

### **Advisory Committee Facilitation and Chair**

Facilitation of the Stakeholder Advisory Committee is anticipated to be handled via CV Strategies, the outreach consultant. We anticipate a chair of the SAC will be selected. Options include:

1. Stakeholder Advisory Committee members select chair (Recommended)
2. Board selection of the chair (may be a Board member or a representative, or other)

The committee will be tasked by the consultant (under direction of the Board or Workgroup) to review and report on specific topics in a timely way. Reporting to the Board could be accomplished through the committee chair or the consultant.

## **Proposed Schedule for Stakeholder Advisory Committee Formation**

### **June 10, 2019**

#### **Board direction/approval on**

- Committee make-up and length of terms
- Committee member eligibility criteria
- Selection process of committee members
- Selection process of committee chair

### **July – August**

- Staff conducts recruitment process
- Finalize committee administration details
- Draft Code of Conduct
- Draft Goals and Objectives

### **September**

- Prepare resolution of Committee Operating Principles for GSA Board

### **October**

- Board adopts resolution
- Board officially seats Committee
- First topic assigned to Committee

## **FINANCIAL CONSIDERATIONS**

Work relating to the formation and facilitation of the SAC is included in the FY 19/20 through FY 21/22 budget.

## **RECOMMENDATION**

The GSA Workgroup recommends Board approval of the formation plan for SCV-GSA Stakeholder Advisory Committee, as proposed in this memorandum.

#### **ATTACHED:**

Proposed Committee Member Eligibility Criteria

## Proposed Committee Member Eligibility Criteria

1. Environmental Representative. The environmental representative shall be an active member of a nonprofit, 501(c)(3) organization which, at the sole discretion of the Directors, meets the following requirements: (i) is currently active within or has a presence in the Basin; (ii) has an adopted budget; and (iii) has a mission that advances, or is furthered by, groundwater sustainability.
2. Large Pumper Representative. The large pumper representative shall meet the following criteria, determined at the sole discretion of the Directors: (i) own or lease property overlying the Basin and extract from its well(s) in the Basin, on a ten year average from 2009 through 2018, twenty-five (25) or more acre-feet per year of groundwater or (ii) be a representative of an organization, currently active within the Basin, consisting of pumpers who own or lease property overlying the Basin and extract from its wells in the Basin on a ten year average twenty five (25) or more acre-feet per year of groundwater. Groundwater extractions from de minimis extractors are not included in this total pumping. Definitions Section 10721(e) of the Sustainable Groundwater Management Act states: “De minimis extractor means a person who extracts, for domestic purposes, two acre-feet or less per year.”
3. Medium Pumper Representative. The medium pumper representative shall meet the following criteria, determined at the sole discretion of the Directors: (i) own or lease property overlying the Basin and extract from its well(s) in the Basin, on a ten year average, between two and twenty-five (2 to 25) acre-feet per year of groundwater or (ii) be a representative of an organization, currently active within the Basin, consisting of pumpers who own or lease property overlying the Basin and extract from its wells in the Basin on a ten year average between two and twenty-five (2 to 25) acre-feet per year of groundwater. Groundwater extractions from de minimis groundwater extractors are not included in this total pumping.
4. Small Pumper Representative. The small pumper representative shall meet the following criteria, determined at the sole discretion of the Directors: (i) own or lease property overlying the Basin and be a de minimis extractor within the Basin or (ii) be a representative of an organization, currently active within the Basin consisting of de minimis extractors within the Basin.
5. Business Community. The Business Community representative shall meet the following criteria, determined at the sole discretion of the Directors: (i) own or operate a business overlying the Basin, or (ii) be an active member of an organization operating in the basin providing services to business in the basin, such as for business networking and development.
6. Members-At-Large. There shall be two public interest representatives. Potential public interest representatives may include, but are not limited to, those constituencies set forth in Water Code section 10723.2. For the sake of broad community representation, they should not be directly affiliated with the above five constituent groups.