

Adopt Fiscal Year 18/19 Budget

Santa Clarita Valley Groundwater Sustainability Agency
January 7, 2019 Board Meeting
Item 5.2



Summary

- During June 4, 2018 Board Meeting, the Board considered *Item 3.1 Review Draft Budget*.
 - Initial budget estimates through FY 2021/22 prepared
 - Follow up included clarifying consultant cost estimates and returning to your Board with an updated budget



Summary

- Since the June 2018 meeting-
 - Joint Powers Agreement executed
 - Administrative Services Agreement executed
 - Worked with DWR to finalize grant agreement
 - RFPs issued, Work Group review and consensus, negotiations, Budget updated
- Today
 - Seeking board approval to approve the FY 18/19 budget

Summary

- Key Changes
 - Lower than expected FY 18/19 expenses, but higher expenses in future FYs
 - Decreased consultant administration costs
 - Timing for grant reimbursement
 - Recommended additional budget for:
 - Groundwater Model Peer Review
 - Contingency Fund



Budget Categories

- Two Expenditure Categories
 - SCV Water Staff Support
 - Consultant Services
- Revenue Categories
 - Member Contributions
 - Grant Reimbursement
 - Additional Member Contributions

Table 1. Estimated SCV Water Staff Costs + Ad Buy

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
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
Total SCV Water Staff Cost	\$175,940	\$286,320	\$286,320	\$236,765	\$985,345

Table 2. Estimated Consultant Costs

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
Consultant Cost Estimate for GSP Development	\$270,800	\$563,000	\$537,357	\$220,000	\$1,591,157
Consultant Cost Estimate for Contingency Fund	\$27,000	\$71,700	\$79,283	\$32,250	\$210,233
Total Consultant Cost Estimate for Technical Development	\$297,800	\$634,700	\$616,640	\$252,250	\$1,801,390
Consultant Cost Estimate for Administration	\$27,500	\$77,500	\$102,500	\$27,500	\$235,000
Consultant Cost Estimate for Post GSP Adoption Activities				\$25,000	\$25,000
Total Consultant Cost Estimate All Categories	\$325,300	\$712,200	\$719,140	\$304,750	\$2,061,390



Budget Summary

- Includes roll up of Table 1 and 2 estimated costs, plus projected revenue and additional member contributions needed.
 - Revenue from DWR reimbursement comes later than expected, and will be fully realized in 22/23

Table 3. Budget Summary

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
Table 1. Total Estimated SCV Water Staff	\$175,940	\$286,320	\$286,320	\$236,765	\$985,345
Table 2. Total Estimated Consultant Services*	\$325,300	\$712,200	\$719,140	\$304,750	\$2,061,390
Total Estimated Staff and Consultant	\$501,240	\$998,520	\$1,005,460	\$541,515	\$3,046,735
Anticipated Revenue					
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
Total Revenue for GSP Development	\$501,240	\$998,520	\$1,005,460	\$541,515	\$3,046,735
Balance					

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



Summary

- The proposed budget covers 4 fiscal years.
 - Lower than expected FY 18/19 expenses, but higher expenses in future FYs
 - Decreased consultant administration costs
 - Additional time for grant reimbursement from DWR
 - Recommended additional budget for:
 - Groundwater Model Peer Review
 - Contingency funds

Summary

- 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 for two contracts in excess of \$100,000 each.



Recommendation

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

- End

Table 1.

Estimated SCV Water Staff Costs + Ad Buy

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
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
Total SCV Water Staff Cost	\$175,940	\$286,320	\$286,320	\$236,765	\$985,345

Consultant Services

- Four categories:
 - GSP Development
 - Contingency Funded Items*
 - Administration
 - Post GSP Adoption*

Consultant Services

- Key Changes in GSP Development Budget
 - Elimination of \$125K for groundwater model conversion and retaining a separate facilitator for stakeholder groups
 - Additional \$62K for groundwater model readiness and RFP development and proposal review
 - Higher costs for GSP Tech
 - New item for GW Model peer review

Table 2.

Consultant Cost Estimate for GSP Development

Consultant Cost Estimate for GSP Development	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
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
Subtotal	\$270,800	\$563,000	\$537,357	\$220,000	\$1,591,157



Consultant Services

- Contingency Funded Work
 - Consultant scopes and budgets are focused
 - Consultant budgets do not account for significant scope change
 - Increases in scope for “ad hoc” type technical analyses
 - Additional meetings with consultants
 - Referral of stakeholder concerns to consultants for more detailed follow up outside of their scope.

Consultant Services

- Contingency Funded Work
 - Examples
 - Analysis of items related to water quality, groundwater dependent ecosystems, climate change, recharge areas, etc.
 - Additional consultant time may be necessary to respond to stakeholder concerns.
 - Increases in scope related to a Technical Advisory Committee
 - If the role of a TAG broadens, then additional consultant time will be needed.

Table 2.

Cost Estimate for Contingency Fund

Consultant Cost Estimate for Contingency Fund	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
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
Subtotal	\$27,000	\$71,700	\$79,283	\$32,250	\$210,233



Consultant Services

- Key changes in Administration Budget
 - Reduced costs estimates for insurance and legal support.

Table 2.

Cost Estimate for Administration

Consultant Cost Estimate for Administration	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
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
Subtotal	\$27,500	\$77,500	\$102,500	\$27,500	\$235,000

Consultant Services

- Post GSP Adoption Work
 - Work includes additional consultant fees later in GSP development for data management and reporting required by GSP regulations.

Table 2.

Cost Estimate for Post GSP Adoption Activities

Consultant Cost Estimate for Post GSP Adoption Activities	FY 18/19	FY 19/20	FY 20/21	FY 21/22	TOTAL
Required Annual Report, Monitoring, Reporting, Database Maintenance				\$25,000	\$25,000
Project Development (CEQA, Design, Construction, O&M)					
Subtotal				\$25,000	\$25,000