

Adopt Fiscal
Year 22/23
Budget

SANTA CLARITA VALLEY
GROUNDWATER SUSTAINABILITY
AGENCY

JUNE 30, 2022 BOARD MEETING

ITEM 3.4

Summary

The FY 21/22 budget was adopted July 12, 2021.

Since that time staff is now recommending adoption of the FY 22/23 budget, and has updated budget estimates through FY 2023/24

Summary

Key budget changes since July 2021

- Reduction in SCV Water hours following GSP adoption
- Timing of previously approved expenditures
- Further refinement of implementation scope

Today Seeking Approval to

- Approve the FY 22/23 budget
- For SCV Water to execute a contract with GSI Water Solutions, Inc. to support GSP Implementation and not to exceed the amount of \$200,000

Budget Categories

Two Expenditure Categories

- Estimated SCV Water Costs + Ad Buys
- Estimated Consultant Costs

Revenue Categories

- Member Contributions
- Grant Reimbursement
- Additional Member Contributions

Table 1. Estimated SCV Water Staff Costs + Ad Buy

Includes administrative support, consultant management, technical services, public outreach support, and ad buys

Board packages and meetings

Financial management and audits

Grant admin

Contract administration and consultant management

Key Changes

21/22 budget underspent by \$24,000

22/23 budget is \$38,000 lower than previous estimate

Table 2. Estimated Consultant Costs

GSP Development

- 21/22 Budget underspent by \$133,926
 - Savings on piezometers, project development, and some deferral of work to 22/23
- Remaining contingency funds for GSP Development of \$34,497 were removed from budget.
 - This plus savings above reflects 21/22 budget reduction of \$168,423
- 22/23 Budget is \$64,000, which is \$14,000 higher than last year's estimate
 - Work includes follow on work for infiltration testing and pilot studies, plus grant management.

Table 2. Estimated Consultant Costs

Administration

- 21/22 Budget underspent by \$75,000
 - Elimination of \$75,000 for rate study
 - No changes proposed to Insurance, Legal, Annual Audit costs
- 22/23 Budget is \$47,500, which is \$20,000 higher than last year's estimate
 - Additional budget provided for grant application
 - Potential grant application previously discussed.

Table 2. Estimated Consultant Costs

GSP Implementation

- 21/22 Budget underspent by \$282,000
 - Previous budget estimate too high and did not reflect the final approach for implementation efforts (final scope completed 6 months after 21/22 budget adoption)
 - Certain consultant work was completed, but handled elsewhere in GSP Development budget, such as with Annual Report, ongoing development of GDE evaluation process
 - Other work handled by staff including related to surveying and coordination with LA County on land surface elevation monitoring

Table 2. Estimated Consultant Costs

GSP Implementation

- 22/23 Budget is \$498,500, which is \$204,500 higher than last year's estimate
 - Like previous FY, this budget change reflects more complete scope for GSP Implementation.
 - Multiple new consultant contracts
 - Technical Consultant Implementation Support (\$200,000)
 - Outreach for GSP Implementation (\$43,500)
 - Environmental/Biological for Upland GDEs (\$30,000)
 - Environmental/Biological for initial set up of the GDE Evaluation field program with some funds for actual GDE evaluations if needed (\$40,000)
 - Consultant support for data management system (\$35,000)
 - Feasibility Study and/or environmental document (\$150,000)

Table 2. Estimated Consultant Costs

Summary for All Task 2 Consultant Costs

- 22/23 budget recommendation is \$610,000 which is \$238,500 higher than last year's estimate
 - Increased GSP Implementation Scope
 - Larger role of Technical Consultant in data review and support
 - Additional efforts to incorporate into the model updated reference point and land surface elevations- and review of minimum thresholds, measurable objectives, and GDE Triggers
 - Increase of \$50,000 for feasibility studies

Budget Summary

- Table 1 and 2 estimated costs have been updated and described above
- We've done a great job maximizing grant revenue and expect all remaining reimbursement to apply to FY 21/22
 - Do not have benefit of grant revenue in 22/23 at this stage
- Additional Revenue Required increased over last year due to above factors

Table 3. Budget Summary

Table 3. Proposed 22/23 Budget Summary Including Anticipated Revenue							
	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24 estimate	New Totals including FY 23/24
Table 1. Total Estimated SCV Water Staff	\$89,000	\$96,000	\$114,000	\$90,000	\$65,000	\$65,000	\$519,000
Table 2. Total Estimated Consultant Services*	\$128,072	\$697,039	\$800,920	\$555,465	\$610,000	\$437,500	\$3,228,996
Estimated Staff and Consultant Cost	\$217,072	\$793,039	\$914,920	\$645,465	\$675,000	\$502,500	\$3,747,996
Anticipated Revenue							
Estimated R2 Grant Reimbursement	\$-	\$134,423	\$172,783	\$108,900	\$-		\$416,106
Estimated R3 Grant Reimbursement	\$-	\$-	\$447,152	\$444,007	\$-		\$891,159
Member Agency Contributions	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$480,000
Subtotal	\$80,000	\$214,423	\$699,935	\$632,907	\$80,000	\$80,000	\$1,787,265
Additional Revenue Required*	\$137,072	\$578,616	\$214,985	\$12,558	\$595,000	\$422,500	\$1,960,731
Total Revenue for GSP Development and Implementation	\$217,072	\$793,039	\$914,920	\$645,465	\$675,000	\$502,500	\$3,747,996
Balance	\$-	\$-	\$-	\$-	\$-	\$-	\$-

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

Conclusion

21/22 Staff and Consultant costs were lower in all categories.

22/23 Staff costs lower than earlier estimate

22/23 Consultant costs are higher

- Better informed with adoption of the final GSP
- Linked to GSP Implementation Workplan

22/23 Additional Revenue Require is significantly higher than previous estimate

- Higher consultant costs and zero grant revenue

Recommendation

1. Adopt the proposed FY 22/23 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.
3. Authorize SCV Water to execute a contract with GSI Water Solutions, Inc. to support GSP Implementation and not to exceed the amount of \$200,000

End