Adopt Fiscal Year 23/24 Budget

SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

JUNE 5, 2023 BOARD MEETING

ITEM 3.1

Summary

Key budget changes since June 2022 budget adoption

- Timing of previously approved expenditures
- Further refinement of implementation scope

Today Seeking Approval to

- Approve the FY 23/24 budget
- Authorize SCV Water to increase the currently authorized $200,000 GSP Implementation Contract by $25,000 for a not to exceed cost of $225,000

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Budget Categories

Two Expenditure Categories

- Estimated SCV Water Administrative Costs
- Estimated Consultant Costs

Revenue Categories

- Member Contributions
- Grant Reimbursement
- Additional Member Contributions

Table 1. Estimated SCV Water Staff Costs + Ad Buy

Administrative support,	Consultant management	public outreach support	No Changes from last year
• Board packages and meetings • Financial management and audits • Grant admin	• Contract administration and consultant management	• Ad Buys	• Same $65,000 budget as last year

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Table 2. Estimated Consultant Costs

GSP Development

- 22/23 Budget overspent by $6,000 due partly to additional scope required for a biologic study required by CDFW
- Staff report identified that development costs would not continue into FY 23/24, but there has been a change
  - To maximize grant reimbursement, the estimated remaining $30,000 of unspent 22/23 budget is proposed to be moved to 23/24
    - Doing so allows for fully spending the grant project budget and allows then for fully recovering the remaining available grant reimbursement
    - The 23/24 work will consist of additional groundwater modeling to evaluate travel time and residence time of recharged groundwater
  - This shifting of project completion to 23/24 however shifts recovery of the final grant retention (~$130,000) to FY 23/24
  - These changes reflect small changes in the overall budget and are shown on updated tables provided in hard copy at today's Board meeting

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Table 2. Estimated Consultant Costs

Administration

- 22/23 Budget overspent by $20,000
  - Consultant costs to prepare the $5.3M grant application were higher than expected as the magnitude of this grant application required additional resources
- 23/24 Budget is $57,500, which is $10,000 higher than last year's estimate
  - Changes from last year's estimate reflect elimination of $20,000 for a grant application, but addition of $30,000 in consultant support for initial grant support for issuing RFPs for the work (for example-developing standardized and updated scope schedule and budget for inclusion in RFP)

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Table 2. Estimated Consultant Costs

GSP Implementation

- 22/23 Budget underspent by $153,500
  - Certain GSP implementation work was deferred to focus on higher priorities related to groundwater flowmodel improvements (multiple well and land surface surveys, review of geologic data, development of cross sections) which preceded model recalibration.
    - Work deferred primarily related to study of de-minimis and non-de-minimis wells, policies for extraction reporting, and associated public outreach for these tasks.
    - Not that the draft grant award provides funding for study of existing wells too so these efforts can move in parallel moving forward (providing final award).

- For the reasons described above the 22/23 consultant budgets (Consultant Admin, GSP Development, and GSP Implementation) were underspent by $127,500

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Table 2. Estimated Consultant Costs

GSP Implementation

- 23/24 Budget is $786,500, which is $396,500 higher than last year's estimate
  - This large increase from last year's estimate is related to deferral of ~$153,500 expenditures from FY 22/23 into 23/24, and new scope described below
    - Use of a licensed land surveyor to place benchmarks and initiate monitoring $30,000
    - Preparation of the required annual report $30,000
    - Annual model maintenance and limited model runs $50,000
    - Replacement of GDE monitoring equipment, including temperature probes and piezometers $105,000 *(photos next slides)*
    - Some increase in biologic support for GDE evaluations
    - Initial work on the SGMA Implementation Round 2 Grant (currently a draft award in place) $60,000
    - Inclusion of a 10% consultant services contingency $71,500

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Equipment and River Condition following Winter Storms

- B13 damaged, but may be repairable.

Equipment and River Condition following Winter Stoms

- B17, damaged but repairable

Equipment and River Condition following Winter Stoms

- Three temperature probes lost/ destroyed.

Equipment and River Condition following Winter Stoms

- B4 and B5 Survived inundation

Equipment and River Condition following Winter Stoms

- Active channel moved ~150 feet.
- Location of needed equipment has changed

Table 2. Estimated Consultant Costs

Summary for All Task 2 Consultant Costs

- 23/24 budget recommendation is $874,000 which is $436,500 higher than last year's estimate
  - $30,000 of this increase is from deferral of certain 22/23 infiltration testing related work under the GSP Development scope to 23/24
  - The bulk of remaining increased costs is due to increased GSP Implementation Scope described in more detail on the previous slide and budget table

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Budget Summary

- Table 1 and 2 estimated costs have been updated and described above
  - Today's proposed shifting of $30,000 from 22/23 infiltration testing and pilot studies, to 23/24 causes a change the overall 23/24 budget estimate from $909,000 to $939,000.
- We have maximized grant revenue recovery by carrying forward some infiltration testing related work into FY 23/24. We expect all remaining reimbursement (~$130,000) to apply in FY 23/24
- Additional Revenue Required increased over last year due to increases in scope described above

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Table 3. Budget Summary

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

Table 3. Proposed 23/24 Budget Summary Including Anticipated Revenue			
	FY 22/23	**FY 23/24**	**FY 24/25 estimate**
Table 1. Total Estimated SCV Water Staff	$65,000	$65,000	$65,000
Table 2. Total Estimated Consultant Services*	$482,500	$874,000	$762,500
Estimated Staff and Consultant Cost	$547,500	$939,000	$827,500
Anticipated Revenue			
Estimated R2 Grant Reimbursement	$-		
Estimated R3 Grant Reimbursement	$100,000	$130,000	
Place holder Estimated SGMA R2 Implementation			$100,000
Member Agency Contributions	$80,000	$80,000	$80,000
Subtotal Anticipated Revenue	$180,000	$210,000	$180,000
Additional Revenue Required*	$367,500	$729,000	$647,500
Total Revenue for GSP Development and Implementation	$547,500	$939,000	$827,500
Balance	$-	$-	$-

Conclusion

The first full fiscal year of GSP implementation is wrapping up.

- Certain work was deferred to accomplish higher priority tasks
- Many lessons learned with GDE monitoring equipment

23/24 Consultant costs are higher than last year's estimated costs

- Additional scope is informed by activities and events this last 12 months including costs for equipment replacement, a grant, and additional technical scope.

22/23 Additional Revenue Required is estimated at $729,000

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Recommendation

1. Adopt the (revised) proposed FY 23/24 budget detailed in the budget Tables 1, 2, and 3 provided by hard copy today.
2. Replace the Administrative Services Agreement's Exhibit A with Tables 1, 2, and 3.
3. Authorize SCV Water to increase the currently authorized $200,000 GSP Implementation Contract by $25,000 for a not to exceed cost of $225,000.

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End

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