ITEM NO. 3.1

# Santa Clarita Valley Groundwater Sustainability Agency Board Memorandum

**DATE:** May 27, 2026

**TO:** SCV-GSA Board of Directors

**FROM:** SCV-GSA Staff

**SUBJECT:** Amended Agenda Item 3.1 – Consideration to Adopt the SCV-GSA Fiscal Year 2026/27 Budget Table and Memo

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**SUMMARY:**

On May 26, 2026, the SCV-GSA fiscal year (FY) 26/27 budget and corresponding memo were posted for June 1, 2026, SCV-GSA Regular Board meeting. Staff identified an error on the posted table. The error does not change the original proposed budget of $788,299 for FY 2026/27. A summary of the error and the resulting change is described below.

Table 2, Consultant Cost Estimates for GSP Implementation, includes a row titled "Previous Year's Estimated 26/27 Budget." The original table listed $706,900; however, we identified that the 26/27 budget was estimated at $554,400 during last year's budget adoption. As a result of this correction, the following row, "Proposed FY 26/27 Budget minus Previous Year's Estimated 26/27 Budget," has been updated to $71,399.01. The changes are highlighted in red in the corrected table and are also reflected in the corrected memo, with revisions highlighted in red. It is important to note that this change does not affect the proposed FY 26/27 budget being submitted for adoption.

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AMENDED

ITEM NO. 3.1

# Santa Clarita Valley Groundwater Sustainability Agency Board Memorandum

**DATE:** June 1, 2026

**TO:** SCV-GSA Board of Directors

**FROM:** SCV-GSA Staff

**SUBJECT:** Consideration to Adopt the SCV-GSA Fiscal Year 2026/27 Budget

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**SUMMARY:**

The SCV-GSA Joint Powers Agreement provides for the SCV-GSA to adopt a fiscal year (FY) budget, or alternatively to automatically renew the previous year's budget. The proposed $788,299 FY 2026/27 Operating budget includes estimated administrative costs and consultant costs associated with administration and implementation of the Groundwater sustainability plan (GSP). The proposed budget also reflects deferral of some previously approved budget expenditures from FY 2025/26 and refinements to the work plan to address DWR Comments on the approved GSP. This budget includes some additional explanations below for certain line items.

Traditionally the SCV-GSA Board has considered each forthcoming fiscal year's budget in June so that it is in effect July 1. However, SCV Water now utilizes a biennial budget process. For example, in June 2025, SCV Water adopted a FY 2025/26 and 2026/27 budget, and after most of 2025/26 is complete, it revises the forthcoming 2026/27 budget. The SCV-GSA has supported this effort through its budgeting tables. To avoid duplication of budgeting efforts by the SCV-GSA, and SCV Water, the GSP team is considering modifying the GSA's annual budget adoption approach to track directly with SCV Water's approach. No change is proposed today in the GSA budget adoption process, but we are evaluating the pros and cons of making the GSA budget adoption process more directly linked to SCV Water's.

**BACKGROUND/DISCUSSION:**

**Expenditure Categories**

The proposed FY 26/27 Budget along with estimates for FY 27/28 budgets are shown on the following Tables:

- Table 1. Estimated Administrative Costs
- Table 2. Estimated Consultant Costs (multiple tables)
- Table 3. Proposed 26/27 Operating Budget Summary

**Table 1. Estimated Administrative Costs**

This expenditure category includes SCV Water administrative, consultant management and technical services, public outreach support, and materials. Administrative expenditure includes preparation of Board packets and minutes, financial statements, annual audits, and grant administration. The consultant management services category includes all phases of consultant contract administration, management,

and technical review of GSP work products. The public outreach category includes coordination with the GSP consultant as necessary for stakeholder engagement and advertisement purchases.

The 25/26-year-end budget estimate is unchanged from last year's adopted budget. The 26/27 proposed budget is $10,000 lower than last year's estimate because the SGMA round 2 grant has been completed, so the grant administration and staff time for that work is no longer needed. As a result, the FY 26/27 budget recommendation for Estimated Administrative Costs is $95,000.

**Table 2. Estimated Consultant Costs**

*Consultant Cost Estimate for Administration*
The 25/26-year-end budget estimate is unchanged from last year's adopted budget.

Like last year's budget, no funds are proposed for the Rate Study for Post GSP Adoption Fee Collection. The purpose of such a work effort would include consideration of extraction fees to help fund the operation of the GSA. At this stage it does not appear such a step is needed as member agency contributions and voluntary contributions from SCV Water are expected to be sufficient; however, if in the future the GSA Board determined an additional source of revenue is required to meet implementation or other objectives, a rate study could be performed. We anticipate similar legal costs in 26/27.

We anticipate consultant support may be necessary for a California Department of Water Resources' Proposition 4 grant application under the Sustainable Groundwater Management Program. We propose $20,000 for the support. As a result, the FY 26/27 budget recommendation for Consultant Costs for Administration is $67,500.

*Consultant Cost Estimate for GSP Implementation*

The 25/26-year end budget estimate is significantly lower than last year's adopted budget. Key reasons for being underspent include that certain budget line items were not called on, and other work was done at a lower cost or deferred. For example, we did not call on the $100,000 for a Capital Planning Study, $35,000 for piezometer installation, we also had lower expenses for the HCM update, and data management system maintenance.

Highlighted Budget Items
Row 11 Capital Planning Studies would possibly fund, if necessary, capital planning and studies, or environmental documents, for the SCV-GSA. This effort would be in alignment with the GSP, for example it may be used to support a feasibility study for an infiltration basin to help with groundwater recharge. We would communicate with your board before advancing work under this budget category.

Row 12, HCM Update had lower expenses in FY 25/26, however additional work (new budget row) is ongoing under new contracts and included in row 13 for FY 25/26 and 26/27.

Row 14, Technical Support for DWRs Recommended Corrective Actions had a slightly higher cost than budgeted expenses in 25/26.

Row 15, DWR Recommended Corrective Action Phase 2 for FY 26/27 is a new budget row. This includes remaining tasks required for the submission of Periodic Evaluation to DWR.

Row 16, FY 26/27 High level technical advisement of the original GSP development consultant for the periodic evaluation is a new budget row (however last year this same effort took place but as part of Row 15).

Row 17, The adopted outreach budget of $50,000 for FY 25/26 is higher than the estimated year end expense due in part to handling certain work in house. However, the effort will increase in 26/27 with final steps for the GSP Periodic Evaluation and the budget reflects that.

Row 18, New drafting of GSP update was adopted for $50,000 for the FY 25/26. This budget was not spent. Instead, the work related to drafting the GSP Periodic evaluation is now considered under row 15 for the proposed FY 26/27 budget.

Row 19, This is a placeholder budget of $25,000 for FY 26/27. Specific task related to DWR's Interconnected Surface Water guidance is still unknown. We will reevaluate the cost after the guidance document is available.

The FY 26/27 budget recommendation for GSP implementation is $625,799. This recommendation is approximately ~~$81,100~~ $71,399.01 more than our previous year's FY 26/27 estimate.

Summary for all Task 1 and Task 2 Items above
As a result, the FY 26/27 budget recommendation for all Task 1 and Task 2 items is $788,299.

**Table 3. Proposed 26/27 Operating Budget Summary Including Anticipated Revenue**

Expenditures under this category recognize that 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 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. Imposition of fees is not proposed currently.

The main sources of FY 26/27 revenues are member agency contributions under the Joint Powers Agreement and voluntary contributions from SCV Water. Annual member contributions of $20,000 are provided by the County of Los Angeles, City of Santa Clarita, Los Angeles County Waterworks District 36, Val Verde, and Santa Clarita Valley Water Agency consistent with the Joint Powers Agreement. The revenue balance is expected to be provided by SCV Water under the Administrative Services Agreement and is shown on Table 3 as Additional Revenue Required. The source for the additional contributions is the general fund/operating budget and SCV Water Capital Planning and Studies budget. If additional grant funds are identified and awarded, such funds would be included as a revenue source and be used to offset SCV Water costs as has been done with revenue from past grants.

The recommended FY 26/27 budget and estimated FY 27/28 budget reflect some changes in Budget Categories 1 and 2, including some new work efforts described above. Additional revenue required in FY 26/27 is estimated at $708,299.

**CONCLUSION:**

The narratives above and attached tables provide an overview of the work in each budget category, highlighting proposed revisions since your Board adopted the previous budget in June 2025. Today's report describes year end estimates relative to last year's adopted budget, the proposed FY 26/27 Operating budget, and provides estimates of future FY 27/28 for information purposes.

**RECOMMENDATION:**

That the SCV-GSA Board:

1) Adopt the proposed FY 26/27 Operating budget detailed in the attached Tables 1, 2, and 3.
2) Replace the Administrative Service's Agreement's Exhibit A with Tables 1-3.

Attachment

AMENDED

| TABLE 1 Estimated Administrative Costs | | | | | |
|---|---|---|---|---|---|
| | **Adopted FY 25/26 Budget** | **Estimated year End FY 25/26** | **Proposed FY 26/27** | **Estimated FY 27/28** | **Total Estimated FY 25/26 through 27/28** |
| SCV Water Administrative Support (including SGM Round 2 Grant Admin FY 23/24, 24/25, 25/26)) | $ 40,000 | $ 40,000 | $ 30,000 | $ 30,000 | $ 100,000 |
| SCV Water Consultant Management and Technical Services | $ 50,000 | $ 50,000 | $ 50,000 | $ 50,000 | $ 150,000 |
| SCV Water Support with Public Outreach | $ 10,000 | $ 10,000 | $ 10,000 | $ 10,000 | $ 30,000 |
| Ad Buys for Outreach | $ 5,000 | $ 5,000 | $ 5,000 | $ 5,000 | $ 15,000 |
| **Adopted Budget FY 25/26** | **$ 105,000** | | | | |
| Year End 25/26 Budget Estimate | $ 105,000 | | | | |
| Year End 25/26 Budget Estimate minus Adopted 25/26 Budget | $ - | | | | |
| **Proposed Budget (FY 26/27)** | $ 105,000 | | **$ 95,000** | | |
| Previous Year's Estimated 26/27 budget | | | $ 105,000 | | |
| Proposed FY 26/27 Budget minus Previous Year's Estimated 26/27 budget | | | $ (10,000) | | |
| **Budget Estimate 27/28** | | | | **$ 95,000** | |
| **Total Estimated FY 25/26 through 27/28 Budget** | | | | | **$ 295,000** |

| Table 2 Consultant Cost Estimate for Administration | | | | | |
|---|---|---|---|---|---|
| | **Proposed FY 25/26** | **Estimated year End FY 25/26** | **Proposed FY 26/27** | **Estimated year End FY 27/28** | **Total Estimated FY 25/26 through 27/28** |
| Grant Application Cost | $ - | $ - | $ 20,000.00 | $ - | $ 20,000 |
| Consultant Support for SGM Round 2 Grant | $ - | $ - | $ - | $ - | $ - |
| Pre GSP Adoption Rate Study for Fee Collection | $ - | $ - | $ - | $ - | $ - |
| Rate Study for Post GSP Adoption Fee Collection | $ - | $ - | $ - | $ - | $ - |
| Agency Insurance through JPIA | $ 2,500.00 | $ 2,500.00 | $ 2,500.00 | $ 2,500.00 | $ 7,500 |
| Legal | $ 35,000.00 | $ 35,000.00 | $ 35,000.00 | $ 35,000.00 | $ 105,000 |
| Annual Audit Costs | $ 10,000.00 | $ 10,000.00 | $ 10,000.00 | $ 10,000.00 | $ 30,000 |
| **Adopted Budget FY 25/26** | **$ 47,500.00** | | | | |
| Year End 25/26 Budget Estimate | $ 47,500.00 | | | | |
| Year End 25/26 Budget Estimate minus Adopted 25/26 Budget | $ - | | | | |
| **Proposed Budget (FY 26/27)** | | | **$ 67,500.00** | | |
| Previous Year's Estimated 26/27 budget | | | $ 47,500 | | |
| Proposed FY 26/27 Budget minus Previous Year's Estimated 26/27 budget | | | $ 20,000 | | |
| **Budget Estimate 27/28** | | | | **$ 47,500.00** | |
| **Total Estimated FY 25/26 through 27/28 Budget** | | | | | **$ 162,500** |

| | Table 2 Consultant Cost Estimates for GSP Implementation | | | | | |
|---|---|---|---|---|---|---|
| | **Consultant Cost Estimates for GSP Implementation** | | | | | |
| | | **Adopted FY 25/26** | **Estimated year End FY 25/26** | **Proposed FY 26/27** | **Estimated FY 27/28** | **Total Estimated FY 25/26 through 27/28** |
| 1 | Annual GSP Implementation. Includes efforts to fill data gaps, collect data, monitor and track basin metrics (sustainable management criteria), coordination with environmental consultant on on GDEs and the public engagement consultant on outreach, support with non de minimis and de minimis well monitoring programs. | $ 40,000 | $ 26,769 | $ 20,000 | $ 20,000 | $ 66,769 |
| 2 | Outreach Consultant for GSP Implementation. Includes outreach for helping fill data gaps and best management practices for non-municipal wells. | $ 30,000 | $ 4,725 | $ - | $ - | $ 4,725 |
| 3 | Surveying existing, or newly placed Benchmarks in , and semiannual monitoring by licensed land surveyor | $ 24,000 | $ 14,605 | $ 24,000 | $ 30,000 | $ 68,605 |
| 4 | State-Required Annual Report on GSP | $ 30,000 | $ 35,000 | $ 35,000 | $ 30,000 | $ 100,000 |
| 5 | Annual Model Maintenance. Update model with new data. | $ 10,000 | $ 20,000 | $ 20,000 | $ 20,000 | $ 60,000 |
| 6 | Installation of 2 Piezometers up to 50 feet deep and data evaluation. SCV Water would download data logger info and upload to DMS. | $ 35,000 | $ - | | | |
| 7 | Destruction of GDE-A, Installation of up to four shallow peizometers with data loggers. | | $ - | $ 25,000 | $ 130,000 | $ 155,000 |
| 8 | GDE Evaluation Support | $ 35,000 | $ 22,984 | $ 35,000 | $ 35,000 | $ 92,984 |
| 9 | On Call Senior Biologist Support Services | $ 25,000 | $ - | $ 10,000 | $ 10,000 | $ 20,000 |
| 10 | Data Management System Includes inputting data into the DMS, preparation of reports and charts to display basin metrics, provision of charts and data for Annual Report. | $ 25,000 | $ 4,586 | $ 10,000 | $ 10,000 | $ 24,586 |
| 11 | SCV Water Capital Planning and Studies "Feasibility Study and Environmental Docs (GSP)" | $ 100,000 | $ - | $ 100,000 | $ 100,000 | $ 200,000 |
| 12 | HCM Update 23/24 (assemble e logs and available data and import into leapfrog, hire a hydrogeologist to help in data assembly) 24/25 hydrogeologist support with lithologic correlation and geologic interpretation, updating leapfrog model, begin using updated HCM to respond to DWR determination letter. Anticipate team approach, more than one consultant contract. | $ 125,000 | $ 44,391 | $ - | $ - | $ 44,391 |
| 13 | Additonal E Log Review for to respond to DWR comments on subsidence | | $ 19,000 | $ 19,000 | $ - | $ 38,000 |
| 14 | Technical Support for DWRs Recommended Corrective Actions. (SMC, including for chronic lowering of water levels and for water quality, general impacts to BUs from water levels and water quality, more detailed minimum thresholds to identify undesirable results. DWR guidance on ISW, subsidence? | $ 125,000 | $ 156,489 | $ 67,000 | $ - | $ 223,489 |
| 15 | DWR Recommended Corrective Actions Phase 2: Develop the Periodic evaluation | | $ - | $ 118,955 | $ - | $ 118,955 |
| 16 | High level technical advisement on periodic evaluation from original GSP development consultant | | $ - | $ 30,000 | $ - | $ 30,000 |
| 17 | Contract for Outreach Component for GSP 5-Year Update | $ 50,000 | $ 15,267 | $ 54,953 | $ - | $ 70,220 |
| 18 | NEW Drafting 5-Year Update GSP (Consultant Team TBD) Work Complete middle of 26/27 (Effort not needed 25/26, effort transitioned to other row) | $ 50,000 | $ - | $ - | $ - | $ - |

| | | | | | | |
|---|---|---|---|---|---|---|
| 19 | Consider next step with DWR ISW guidance. Specific tasks are unknown because the guidance not released. We will reevaluate cost of required work when guidance has been completed | | $ - | $ - | $ 25,000 | $ 25,000 |
| 20 | **Subtotal FY Consultant Cost Estimate for GSP Implementation** | $ 704,000 | $ 363,815 | $ 568,908 | $ 410,000 | $ 1,342,723 |
| 21 | 10% Contingency for Consultant Costs (does not include capital projects) | $ 70,400.00 | $ - | $ 56,890.82 | $ 41,000.00 | $ 97,891 |
| | **Adopted Budget FY 25/26** | **$ 774,400.00** | | | | |
| | Year End 25/26 Budget Estimate | $ 363,814.99 | | | | |
| | Year End 25/26 Budget Estimate minus Adopted 24/25 Budget | $ (410,585.01) | | | | |
| | **Proposed Budget (FY 26/27)** | | | **$ 625,799** | | |
| | Previous Year's Estimated 26/27 budget | | | $ ~~706,900~~ | $554,400 | |
| | Proposed FY 26/27 Budget minus Previous Year's Estimated 26/27 budget | | | $ ~~(81,100.99)~~ | $71,399.01 | |
| | **Budget Estimate 27/28** | | | | **$ 451,000** | |
| | **Total Estimated FY 25/26 through 27/28 Budget** | | | | | **$ 1,440,614** |

| Table 2 Proposed FY 26/27 Costs Categories 1 and 2 | | | | | |
|---|---|---|---|---|---|
| | **Adopted FY 25/26** | **Estimated year End FY 25/26** | **Proposed FY 26/27** | **Estimated FY 27/28** | **Total Estimated FY 25/26 through 27/28** |
| Budget Estimate Summary | **$ 926,900** | **$ 516,315** | **$ 788,299** | **$ 593,500** | **$ 1,898,114** |

| Table 3. Proposed 26/27 Operating Budget Summary Including Anticipated Revenue | | | | | |
|---|---|---|---|---|---|
| | **Adopted FY 25/26** | **Estimated year End FY 25/26** | **Proposed FY 26/27** | **Estimated FY 27/28** | **Total Estimated FY 25/26 through 27/28** |
| **Table 1. Total Estimated SCV Water Staff** | $ 105,000 | $ 105,000 | $ 95,000 | $ 95,000 | $ 295,000 |
| **Table 2. Total Estimated Consultant Services*** | $ 821,900 | $ 411,315 | $ 693,299 | $ 498,500 | $ 1,603,114 |
| **Estimated Staff and Consultant Cost** | **$ 926,900** | **$ 516,315** | **$ 788,299** | **$ 593,500** | **$ 1,898,114** |
| | | | | | |
| | | | | | |
| **Estimated SGMA R2 Grant Revenue (not capital cost reimbursement)** | $ 73,000 | $ 64,515 | $ - | | $ 64,515 |
| **Member Agency Contributions** | $ 80,000 | $ 80,000 | $ 80,000 | $ 80,000 | $ 240,000 |
| **Subtotal Anticipated Revenue** | **$ 153,000** | **$ 144,515** | **$ 80,000** | **$ 80,000** | **$ 304,515** |
| | | | | | |
| Additional Revenue Required* | **$ 773,900** | **$ 371,800** | **$ 708,299** | **$ 513,500** | **$ 1,593,599** |
| | | | | | |
| **Total Estimated Revenue Required for GSP Development and Implementation** | **$ 926,900** | **$ 516,315** | **$ 788,299** | **$ 593,500** | **$ 1,898,114** |
| **Balance** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| *SCV Water may, in its discretion, advance these funds, or provide a voluntary non reimbursable Member contribution. | | | | | |