

SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
CALIFORNIA

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For the Agenda of:
June 10, 2009

APPROVED
BOARD OF DIRECTORS

Date 06-10-09

By *Darrell K. Eck*

Clerk of the Board

To: Board of Directors
Sacramento Central Groundwater Authority

From: Staff

Subject: Adoption Of The Fiscal Year 2009-2010 Sacramento Central Groundwater Authority Budget, Fiscal Year 2009-2010 Well Protection Program Trust Fund Budget , And Authorization To Collect Annual Contributions

Contact: Darrell K. Eck, Executive Director, 874-5039

Overview

The Sacramento Central Groundwater Authority (Authority) was established to maintain the long-term sustainable yield of the Central Sacramento County Groundwater Basin (Central Basin). The Joint Powers Agreement (JPA) between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento creating the Authority provides the funding mechanism necessary to implement Central Sacramento County Groundwater Management Plan (Central Basin GMP). Collection of the contributions described in the JPA and adoption of the Authority's 2009-2010 fiscal year budget provide the means for the Authority to implement the Central Basin GMPs administrative programs. The JPA also provides for the operation of any Well Protection Program (WPP) that may be prescribed by the Central Basin GMP. While current economic conditions have curtailed any activity on the WPP, adoption of a budget provides an administrative means to report on the status of the fund.

Recommendations

Adopt Resolution No. 2009-01 to fund the Authority's administrative budget for fiscal year 2009-2010 and provide for the collection of the annual contributions as described in the JPA; adopt the WPP Trust Fund budget for fiscal year 2009-2010.

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BACKGROUND:

On August 29, 2006 the Cities of Folsom, Elk Grove, Rancho Cordova and Sacramento and the County of Sacramento executed a joint powers agreement creating the Sacramento Central Groundwater Authority (Authority). The purpose of the Authority is to maintain the long-term sustainable yield of the Central Basin; ensure implementation of the Basin Management Objectives (BMOs) that are prescribed by the Central Basin GMP; oversee the operation of Well Protection Program prescribed by the Central Basin GMP; manage the use of groundwater in the Central Basin and facilitate implementation of an appropriate conjunctive use program by water purveyors; coordinate efforts among those entities represented on the governing body of the joint powers authority to devise and implement strategies to safeguard groundwater quality; and work collaboratively with other entities, including other groundwater management authorities that may be formed in the County of Sacramento and adjacent political jurisdictions, in order to promote coordination of policies and activities throughout the region.

On November 8, 2006 the Board adopted the Central Basin GMP. The Central Basin GMP reviews current and future water supply and demands and contains BMOs that address the rate of groundwater extraction, groundwater elevation, land surface subsidence, surface water flows and groundwater contamination. The Central Basin GMP also contains “trigger points” and remedies to ensure full implementation of the BMOs. It also provides for the protection of private groundwater wells and establishes cooperative relationships with Sacramento County’s Environmental Management Department and other regulatory agencies to address groundwater contamination.

DISCUSSION:

The proposed 2009-2010 fiscal year budget was developed based on the program requirements (GMP Related Expenses) described in the Central Basin GMP. The budget also provides for overhead expenses (Staff Expenses) including the Executive Director, Administration Support, Legal Counsel, and Financial support. The proposed budget also includes some funding for consultant services (Consultant Expenses). Funding has also been identified to provide limited staff support for activities related to the Well Protection Program.

In December 2008, the Authority was awarded a Local Groundwater Assistance Grant by the State of California Department of Water Resources (DWR) to update the Authority’s Data Management System (DMS). Based on this award and subsequent grant agreement with DWR, the Authority entered into a contract with WRIME to complete the necessary tasks to update the DMS with the expectation that the cost to do so would be reimbursed in a timely manner by the State. Work began on the contract in January 2009 and shortly thereafter the Authority was informed by DWR that reimbursement would be delayed because of the State’s budget problems. In budget letter 09-09 the State assured grantees that, “the state eventually intends to pay the costs to which it has committed through a valid agreement...” Based on this assurance the Authority authorized WRIME to proceed with the update of the DMS based on a slightly modified scope that provided an intermediate deliverable by July 1, 2009 that could be used by staff in their implementation of the Central Basin GMP. Recent conversations with DWR staff has not provided any additional insight into when the State will be able to reimburse these costs.

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During the preparation of the budget it was determined that sufficient funds are available in the Authority's reserve that would allow for the completion of the update of the DMS by WRIME. Given the indeterminate delay in the receipt of grant funding from the State and the need for the Authority to move forward in the implementation of the GMP it has been recommended that sufficient funds be taken from the Authority's reserve to complete the WRIME contract. Once reimbursement is received from the State, any funds previously advanced to complete the WRIME contract can be returned to the Authority's reserve.

During the 2008-2009 fiscal year the Authority established the WPP Trust Fund anticipating that program implementation would begin in early 2009. In March 2009, the Board acknowledged that development rates were so low that it would be impossible to establish a new fee program with the support of the building industry and placed the program on hiatus. However, in order to provide an administrative means to report on the status of the WPP Trust Fund the Authority's financial staff has advised adoption of a budget even though it will not be funded.

The proposed budget for SCGA and WPP was presented, discussed and approval recommended by the SCGA Budget Committee on May 28, 2009. Budget Committee members include Ed Crouse, Herb Niederberger and Walt Sadler.

Staff recommends adoption of Resolution No. 2009-01 to fund the Authority's administrative budget for fiscal year 2009-2010 and provide for the collection of the annual contributions as described in the JPA. Staff further recommends adoption of the aforesaid resolution for the WPP Trust Fund budget for fiscal year 2009-2010.

Attachments:

Resolution No. 2009-01

Attachment A – The Fiscal Year 2009-2010 Authority's Budget

Attachment B – The Fiscal Year 2009-2010 Well Protection Program Trust Fund Budget

Attachment C – The Fiscal Year 2009-2010 Annual Contribution

Attachment D – The Fiscal Year 2009-2010 Authority's Budget Detail

Attachment E – The Fiscal Year 2009-2010 Well Protection Program Trust Fund Budget Detail

RESOLUTION NO. 2009-01

**SACRAMENTO CENTRAL GROUNDWATER AUTHORITY
RESOLUTION ADOPTING AND ASSIGNING COSTS TO FUND SCGA'S
ADMINISTRATIVE AND PROGRAM BUDGETS FOR FISCAL YEAR 2009-2010 AND
PROVIDE FOR THE COLLECTION OF ANNUAL CONTRIBUTIONS, AND
ADOPTING AND ASSIGNING COSTS FOR FISCAL YEAR 2009-2010 FOR THE
WELL PROTECTION PROGRAM**

WHEREAS, on August 29, 2006 the Joint Powers Agreement Between the City of Elk Grove, the City of Folsom, the City of Rancho Cordova, the City of Sacramento and the County of Sacramento Creating the Sacramento Central Groundwater Authority ("JPA") established a separate public entity identified as the Sacramento Central Groundwater Authority ("AUTHORITY") with its own Board of Directors ("BOARD"); and

WHEREAS, the AUTHORITY was created to maintain the long-term sustainable yield of the Central Basin in accordance with the Central Sacramento County Groundwater Management Plan; and

WHEREAS, the JPA provides for the collection of annual contributions to fund implementation of the Central Sacramento County Groundwater Management Plan;

WHEREAS, the JPA provides for the operation of any Well Protection Program that may be prescribed by the GMP; and

WHEREAS, the AUTHORITY's administrative budget for fiscal year 2009-2010 is specified in Attachment A. The budget includes projections of revenues, staff expenses, consultant expenses, office expenses and Groundwater Management Plan related expenses. The administrative budget is required to finance the administrative activities necessary to manage the Central Groundwater Basin; and

WHEREAS, the Well Protection Program Trust Fund's administrative and program budget for fiscal year 2009-2010 is specified in Attachment B. The budget includes projections of revenues, registration expenses, and well replacement cost expenses. The administrative and program budget is required to finance activities necessary to implement the Central Basin Well Protection Program

NOW, THEREFORE, be it resolved by the BOARD as follows:

1. The above recitals are correct and the BOARD so finds and determines.
2. The BOARD finds and determines that:
 - a. The SCGA administrative budget for fiscal year 2009-2010 as specified in Attachment A is hereby adopted; and
 - b. The Well Protection Program Trust Fund administrative and program budget for fiscal year 2009-2010 as specified in Attachment B is hereby adopted; and
 - c. The annual contribution for the SCGA administrative budget for fiscal year 2009-2010 budget will be collected from the contributors as directed in the JPA pursuant to Appendix C; and
 - d. Billing for the annual contribution shall be mailed not later than thirty (30) days following the adoption of this resolution with payment to be made within thirty (30) days of receipt of billing.

PASSED AND ADOPTED by the BOARD at their regular board meeting on June 10, 2009.

By: 
Chair



ATTACHMENT A - Fiscal Year 2009-2010 Authority's Budget

FUND: Sacramento Central Groundwater Authority (096B)
 ACTIVITY: Groundwater Supply Operations (0960001)
 FISCAL YEAR: 2009-10

	Actual 2007-08	Adopted 2008-09	Estimate 2008-09	Requested 2009-10
MEANS OF FINANCING				
Reserves:				
Prior Year Fund Balance	190,514	146,529	146,529	(74,403)
Revenues:				
Contributions from other Agencies	270,471	263,336	263,336	267,146
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	0	0	0
Reserve Release	0	12,780	27,425	76,557
Interest Income	0	249,964		15,000
AB303 Grant				
Total Means of Financing	460,985	672,609	437,290	284,300
FINANCING USES				
Provision for Reserves	88,485	86,145	86,145	0
Interfund Charges (Transfer In / Out) reimbursement from SCGA WPP fund	0	(50,000)	0	0
Salaries / Benefits	225,971	636,464	309,828	284,300
Services & Supplies	0	0	0	0
Other Charges	0	0	0	0
Total Financing Uses	314,456	672,609	115,720	284,300
Encumbrance Roll to FY 09 -10	146,529	0	(74,403)	(0)
ENDING FUND BALANCE				

See Attachment D for Budget Detail

Beginning Reserve Balance	88,485	88,485	88,485	174,630
Increase/(Decrease) in Reserve Balance	0	86,145	86,145	(76,557)
Ending Reserve Balance	88,485	174,630	174,630	98,073

need reserve of 20% of expenditures.

56,860

ATTACHMENT B - Fiscal Year 2009-2010 Well Protection Program Trust Fund Budget

FUND: SCGA - Well Protection Program Trust (09##)
 ACTIVITY: Well Protection Program Operations (096###)
 FISCAL YEAR: 2009-10

	Actual 2007-08	Adopted 2008-09	Estimate 2008-09	Requested 2009-10
MEANS OF FINANCING				
Prior Year Fund Balance	0	0		0
Revenues:				
Contributions from other Agencies	0	134,000		0
Interfund Charges (Transfer In / Out)	0	0		0
Interest Income	0	0		0
Total Means of Financing	0	134,000		0
FINANCING USES				
Salaries / Benefits	0			0
Services & Supplies	0	56,600		0
Other Charges	0	0		0
Interfund Charges (Transfer In / Out) reimbursement to SCGA fund	0	50,000		0
Total Financing Uses	0	106,600		0
ENDING FUND BALANCE	0	27,400		0

See Attachment E for Budget Detail

ATTACHMENT C

Sacramento Central Groundwater Authority Funding
(2009-2010)

	Annual Contribution Paragraph 8(d)(i)	Annual Contribution/Surface Water Paragraph 8(d)(ii)	Annual Contribution/Groundwater Paragraph 8(d)(iii)	Annual Contribution/Ag Paragraph 8(d)(iv)	Annual Contribution/Ag/Res Paragraph 8(d)(v)	Total Annual Contribution
Board Members						
City of Folsom	\$ 10,000.00					\$ 10,000.00
City of Rancho Cordova	\$ 10,000.00					\$ 10,000.00
City of Sacramento	\$ 10,000.00					\$ 10,000.00
City of Elk Grove	\$ 10,000.00					\$ 10,000.00
County of Sacramento	\$ 10,000.00					\$ 10,000.00
Agricultural Interests				\$ 88,493.00		\$ 88,493.00
Agriculture-Residential					\$ 3,881.00	\$ 3,881.00
Commercial/Industrial Self Supplied						
Conservation Landowners						
Public Agencies/Self Supplied						
Elk Grove Water Service			\$ 1,940.28			\$ 1,940.28
Omochumne-Hartnell Water District						
Rancho Muirleta CSD	\$ 6,000.00	\$ 6,000.00				\$ 12,000.00
California-American Water Co.	\$ 11,761.05	\$ 6,000.00	\$ 38,774.55			\$ 56,535.60
Golden State Water Company	\$ 17,761.05	\$ 6,000.00	\$ 54,295.89			\$ 78,056.94
Sacramento County Water Agency						
Sacramento Regional County Sanitation District						
Total	\$ 50,000.00	\$ 18,000.00	\$ 106,771.77	\$ 88,493.00	\$ 3,881.00	\$ 267,145.77
Annual Contribution/Groundwater is \$2.07/acre-foot of groundwater pumped from the basin averaged over previous three calendar years and excluding the first 5000 acre-foot						
Annual Contribution by Agriculture is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Annual Contribution by Agriculture/Residential is 25-percent of the estimated annual pumping (as determined by SCWA) at the rate of \$2.07/acre-foot and paid out of SCWA Zone 13 funds						
Groundwater/Purveyors						
Commercial/Industrial Self Supplied	0	0	0	2.07		\$ 2.07
Public Agencies/Self Supplied	0	0	0	2.07		\$ 2.07
Elk Grove Water Service	5,937	5000	937	2.07		\$ 12,400.59
Omochumne-Hartnell Water District	0	0	0	2.07		\$ 2.07
Rancho Muirleta CSD	0	0	0	2.07		\$ 2.07
California-American Water Co.	23,732	5000	18,732	2.07		\$ 48,835.44
Golden State Water Company	10,682	5000	5,682	2.07		\$ 11,761.05
Sacramento County Water Agency - Zone 41	31,230	5000	26,230	2.07		\$ 54,295.89
Groundwater/Ag						
		25% of estimated pumping				
Agricultural Interests	171000	0.25	42750	2.07		\$ 88,493.00
Conservation Landowners	0	0.25	0	2.07		\$ 2.07
Groundwater/Ag/Res						
Agriculture-Residential	7500	0.25	1875	2.07		\$ 3,881.00

ATTACHMENT D - Fiscal Year 2009-2010 Authority's Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	(74,403)
Revenues:		
Contributions from Other Agencies		
Annual Contribution	\$	50,000
Surface Water Contribution	\$	18,000
Groundwater Contribution	\$	106,772
Agricultural Contribution	\$	88,493
Ag/Res Contribution	\$	3,881
<hr/>		
Subtotal of Contributions	\$	267,146
AB303 Grant	\$	-
Interest Income	\$	15,000
Total Means of Financing	\$	207,743

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies:		
Staff Expenses	\$	76,100
Consultant Expenses	\$	53,000
Office Expenses	\$	3,400
GMP Related Expenses	\$	136,800
Well Protection Program	\$	15,000
Reporting Expenses	\$	-
Other Charges	\$	-
Total Financing Uses	\$	284,300
ENDING FUND BALANCE	\$	(76,557)

ATTACHMENT E - Fiscal Year 2009-2010 Well Protection Program Trust Fund Budget Break-down

MEANS OF FINANCING

Prior Year Fund Balance	\$	-
Revenues:		
Well Protection Fee Collection	\$	-
Interfund Charges (Transfer In/Out)	\$	-
Interest Income	\$	-
Total Means of Financing	\$	-

FINANCING USES

Salaries/Benefits	\$	-
Services & Supplies		
Well Impact Claims	\$	-
Well Registration	\$	-
Subtotal of Services & Supplies	\$	-
Other Charges	\$	-
Interfund Charges (Transfer In/Out)		
Reimburse to SCGA Fund	\$	-
Total Financing Uses	\$	-
ENDING FUND BALANCE	\$	-