



**Sacramento Groundwater Authority
2020 - 2021 FYE Budget Summary**

Attachment A

	<u>Actual FY19</u>	<u>Proposed FY20</u>	<u>Projected FY20</u>	<u>Proposed FY21</u>	<u>Notes</u>
Operating Revenues					
Groundwater Fees	\$ 406,859	\$ 399,700	\$ 399,700	\$ 415,084	Increase in GW fees per unit from \$6.00 to \$6.60 per AF
Base Fee	\$ 309,000	\$ 310,800	\$ 310,800	\$ 327,572	Five percent increase for FY21 (\$10,100 to \$10,605 min. base fee)
Grant Income	\$ 50,912	\$ 350,000	\$ 345,000	\$ 270,000	Represents SGMA, including GSP Development started in FY19
Partner Fees	\$ 149,043	\$ 52,800	\$ 57,450	\$ 42,000	Reflects SGMA partner fees collected from participants
Interest Income	\$ 35,521	\$ 11,700	\$ 20,000	\$ 15,000	Adjusted in accordance with available cash
Total	<u>\$ 951,335</u>	<u>\$ 1,125,000</u>	<u>\$ 1,132,950</u>	<u>\$ 1,069,656</u>	
Operating Expenses					
Staff	\$ 459,177	\$ 543,500	\$ 448,500	\$ 602,949	Reflects 2.8 FTE (includes annuitant), salary and benefit costs
Office	\$ 54,519	\$ 68,350	\$ 68,350	\$ 72,950	No significant changes expected in FY21
Professional Fees	\$ 120,020	\$ 137,750	\$ 95,750	\$ 164,350	Support & PM consulting
Other	\$ 3,812	\$ 7,450	\$ 6,000	\$ 11,400	Computer Server Replacements and Office Equipment
Special Projects	\$ 361,235	\$ 450,000	\$ 600,000	\$ 470,000	Reflects costs related to SGMA grant
Total Expenses	<u>\$ 998,763</u>	<u>\$ 1,207,050</u>	<u>\$ 1,218,600</u>	<u>\$ 1,321,649</u>	
Fees in Excess of Expenses/(Expenses in Excess of Fees)	<u>\$ (47,428)</u>	<u>\$ (82,050)</u>	<u>\$ (85,650)</u>	<u>\$ (251,993)</u>	Includes SGMA retainage
Cash, beginning	\$ 771,587	\$ 788,136	\$ 724,159	\$ 638,509	
Source (Use) of Funds	\$ (47,428)	\$ (82,050)	\$ (85,650)	\$ (251,993)	
Cash, ending	<u>\$ 724,159</u>	<u>\$ 706,086</u>	<u>\$ 638,509</u>	<u>\$ 386,516</u>	
DESIGNATIONS					Change in Designations
Operating Fund	\$ 324,600	\$ 378,500	\$ 337,400	\$ 344,916	\$ 7,516
Pension Plan	\$ 47,500	\$ -	\$ -	\$ -	\$ -
Groundwater Modeling	\$ -	\$ -	\$ -	\$ -	\$ -
SGMA Implementation	\$ 262,700	\$ 190,000	\$ 208,000	\$ 54,700	\$ (153,300)
Update GSP	\$ -	\$ -	\$ -	\$ -	\$ -
Maintain DMS	\$ -	\$ -	\$ -	\$ -	\$ -
Office Equipment	\$ 6,050	\$ -	\$ -	\$ -	\$ -
Un-designated	\$ 83,309	\$ 137,586	\$ 93,109	\$ (13,100)	\$ (106,209)
	<u>\$ 724,159</u>	<u>\$ 706,086</u>	<u>\$ 638,509</u>	<u>\$ 386,516</u>	<u>\$ (251,993)</u>
No. of months cash pays for operations	<u>8.8</u>	<u>8.3</u>	<u>8.3</u>	<u>4.7</u>	



Proposed 2020 - 2021 FYE Budget Summary

Attachment A

Major Assumptions

Revenues

- 1) For Fiscal Year 2021, minimum base fee is set @ \$10,605 plus \$1.37 per connection for connections over 6,000. The groundwater fee is \$6.60 per AF. This is an approximate 4% fee increase overall. Each agencies FY21 fee is different depending upon their groundwater use and number of connections.
- 2) Groundwater fees reflect decreased pumping.
- 3) Base fees are projected at 5% higher from last year. The base fee should cover approximately 40% of costs.
- 4) Assumes 5 year acre foot average groundwater pumped of: 62,892
- 5) A new grant for SGMA actions, including GSP Development started in FY19.
- 6) Interest income has increased as rates have slightly increased.

Expenses

- 1) Staffing costs includes partial use of the Project Assistant. Total 2.8 FTEs allocated to SGA including an annuitant (.5 FTE) and ten percent of RWA Legislative Affairs Manager position (.10 FTE). Overall staffing costs also budgeted for a 4% merit and 2% cola increase and follows the compensation policy.
- 2) Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for 2.2 FTEs. FY 2020 budget anticipates an increase in medical costs of 6.5%, other costs at 3% and specific increases to OPEB costs. Employees pay their entire 7% of their employee portion of PERS pension.
- 3) SGA continues to budget for additional payments towards its unfunded pension plan. A CalPERS revised July 2019 letter estimates the June 30, 2019 balance at \$94,530 (increased from prior estimate at \$56,500) at a 7.0% discount rate. This balance includes \$47,500 in payments made towards this liability during FY19. This budget spreads out the remaining unfunded liability over 3 years (after the FY20 payment of \$14,500) versus 30 years as done by CalPERS.
- 4) Professional fees include public relations, human resources, audit, accounting, actuarial, and legal expenses. It also includes higher actuarial costs due to OPEB rule changes.
- 5) Program consultants for FY21 includes updating the basin management report, monitoring water quality levels, groundwater management plan, maintaining the data management system, regional contamination issues, grant application assistance, and groundwater modeling. FY19 and beyond also represents some initial increased costs for newly passed legislation related to the Sustainable Groundwater Management Act.
- 6) Special projects reflects the costs associated with the DWR grants related to the SGMA.
- 7) Leasing costs began increasing in FY19 due to a renegotiation of the lease on the Birdcage building.
- 8) General cost increases were projected at 3% unless specific cost increases could be identified.

Expenses in Excess of Fees

- 1) In FY21, it is anticipated that SGA fees will be approximately \$251,993 less than expenses when including SGMA retention. Expenses in excess of fees will be mainly funded from designated funds and the balance from non-designated funds accumulated from previous years.

Designations/Restrictions

- 1) Excluding any SGMA costs, the Operating fund is projected to be over four months for FY21, which meets policy guidelines.
- 2) The remaining groundwater modeling designation of \$148,300, the update GSP designation of \$50,000, and maintaining the DMS designation of \$10,000 (totaling \$208,300) from FY19 will move to the SGMA implementation designation to pay for SGMA costs in FY19 and FY20. An additional \$54,700 from the program budget in FY19 will be designated for the SGMA costs to be spent in FY20. There are no remaining designated funds for SGMA as of FY21.

FY22 and Beyond

- 1) A projected increase of approximately 4% is anticipated in FY21. Future increases will be higher than actual expense increases to balance out fees and expenses over time.
- 2) In FY22, staff expense includes the addition of a Senior Project Manager (1.0 FTE) and an ongoing portion of the Project Assistant and Legislative Affairs Manager for a total FTE of 3.3 FTE. The retired annuitant contract ends in January 2022.

**SGA
Proposed FY' 2020-2021 OPERATING BUDGET PROJECTION**

5-Year Projection

	SGA FY 19 Per Audit	SGA FY 20 Budget	SGA FY 20 Actual at Dec. 2019	SGA FY 20 Projected	SGA FY 21 Proposed Budget	NOTES	SGA Projected FY 22	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY 25
ANNUAL REVENUES										
GW Fee FY 20 Final Budget	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	1	\$7.35	\$7.85	\$8.30	\$8.70
Proposed GW Fee FY 21 Budget					\$6.60	1	\$7.54	\$8.45	\$8.85	\$9.30
Proposed Base Fee	\$10,100	\$10,100	\$10,100	\$10,100	\$10,605	2	\$12,195	\$13,600	\$14,280	\$14,995
Proposed Per Connection Fee	\$1.31	\$1.31	\$1.31	\$1.31	\$1.37	2	\$1.62	\$2.12	\$2.22	\$2.35
Proposed Fee Increase %	0%	0%		0%	3.74%		15.00%	17.00%	5.00%	5.00%
OPERATING REVENUES										
General Assessments/Fees										
→ Groundwater fees	\$ 406,859	\$ 399,700	\$ 399,685	\$ 399,700	\$ 415,084	1	\$ 474,300	\$ 566,554	\$ 589,917	\$ 622,472
→ Base Fee	\$ 309,000	\$ 310,800	\$ 310,824	\$ 310,824	\$ 327,572	2	\$ 382,514	\$ 433,252	\$ 455,739	\$ 478,466
→ SGMA Grant Income	\$ 50,912	\$ 350,000	\$ 20,555	\$ 345,000	\$ 270,000	3	\$ 145,000			
→ SGMA Partner Fees	\$ 149,043	\$ 52,800	\$ 57,450	\$ 57,450	\$ 42,000	3	\$ -			
Interest/Misc Income	\$ 35,521	\$ 11,700	\$ 12,474	\$ 20,000	\$ 15,000	4	\$ 5,005	\$ 4,876	\$ 4,780	\$ 5,037
TOTAL REVENUE	\$ 951,335	\$ 1,125,000	\$ 800,988	\$ 1,132,974	\$ 1,069,656		\$ 1,006,819	\$ 1,004,682	\$ 1,050,436	\$ 1,105,975
STAFF EXPENSES (General):										
Staff Salaries/Wages	\$ 291,599	\$ 373,600	\$ 169,488	\$ 316,982	\$ 394,777	5	\$ 454,652	\$ 471,178	\$ 500,062	\$ 523,342
Benefits	\$ 139,277	\$ 117,800	\$ 62,555	\$ 108,000	\$ 136,400	6	\$ 177,277	\$ 197,321	\$ 206,965	\$ 217,420
Pension - Unfunded Liability		\$ 14,500	\$ -	\$ 14,500	\$ 26,700	7	\$ 26,700	\$ 26,700	\$ -	\$ -
Payroll Taxes	\$ 23,328	\$ 27,100	\$ 8,190	\$ 25,359	\$ 31,582	8	\$ 36,372	\$ 37,694	\$ 40,005	\$ 41,867
Meals/Travel/Conferences	\$ 4,973	\$ 8,000	\$ 3,325	\$ 6,500	\$ 10,240	9	\$ 10,550	\$ 10,800	\$ 11,125	\$ 11,450
Professional Development/Training		\$ 2,500	\$ 502	\$ 1,500	\$ 3,250	10	\$ 3,350	\$ 3,450	\$ 3,550	\$ 3,650
TOTAL STAFF EXPENSES	\$ 459,177	\$ 543,500	\$ 244,060	\$ 472,841	\$ 602,949		\$ 708,901	\$ 747,143	\$ 761,707	\$ 797,729

**SGA
Proposed FY' 2020-2021 OPERATING BUDGET PROJECTION**

5-Year Projection

	SGA FY 19 Per Audit	SGA FY 20 Budget	SGA FY 20 Actual at Dec. 2019	SGA FY 20 Projected	SGA FY 21 Proposed Budget	NOTES	SGA Projected FY 22	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY25
OFFICE EXPENSES:										
Rent & Utilities Contract	\$ 15,407	\$ 16,200	\$ 9,732	\$ 16,200	\$ 17,800	11	\$ 17,800	\$ 17,800	\$ 20,225	\$ 20,225
General Liability Insurance	\$ 14,131	\$ 14,500	\$ 19,217	\$ 18,718	\$ 14,900	12	\$ 15,300	\$ 15,800	\$ 16,300	\$ 16,800
Office Maintenance	\$ -	\$ 300	\$ -	\$ 300	\$ 350	13	\$ 400	\$ 500	\$ 500	\$ 500
Postage and Postal Meter	\$ 1,294	\$ 1,500	\$ 2,305	\$ 1,500	\$ 1,600	14	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000
Telephone/internet/web hosting	\$ 5,952	\$ 6,500	\$ 1,877	\$ 6,850	\$ 8,000	15	\$ 8,200	\$ 8,400	\$ 8,600	\$ 8,800
Meetings	\$ 1,145	\$ 1,200	\$ 75	\$ 1,200	\$ 1,300	16	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,700
Printing/Supplies/Copier	\$ 6,773	\$ 10,600	\$ 3,362	\$ 7,000	\$ 10,900	17	\$ 11,200	\$ 11,500	\$ 11,800	\$ 12,100
Dues & Subscriptions	\$ 4,647	\$ 5,800	\$ 1,877	\$ 5,500	\$ 6,000	18	\$ 6,200	\$ 6,400	\$ 6,600	\$ 6,800
Computer hardware/software		\$ 2,800		\$ 2,800	\$ 2,900	19	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300
Computer maintenance	\$ 5,170	\$ 8,950	\$ 2,065	\$ 6,000	\$ 9,200	20	\$ 9,500	\$ 9,800	\$ 10,100	\$ 10,400
TOTAL OFFICE EXPENSES	\$ 54,519	\$ 68,350	\$ 40,510	\$ 66,068	\$ 72,950		\$ 74,700	\$ 76,600	\$ 80,825	\$ 82,625
PROFESSIONAL FEES:										
SGA Legal	\$ 27,009	\$ 40,000	\$ 8,572	\$ 20,000	\$ 42,000	21	\$ 44,100	\$ 46,300	\$ 48,600	\$ 51,000
Audit Fees and GASB report	\$ 13,450	\$ 13,750	\$ 13,450	\$ 17,000	\$ 14,050	22	\$ 14,350	\$ 14,650	\$ 15,400	\$ 16,170
ADP & Banking Fees	\$ 1,066	\$ 1,100	\$ 822	\$ 968	\$ 1,200	23	\$ 1,300	\$ 1,400	\$ 1,500	\$ 1,600
SGA Support Services	\$ 78,495	\$ 52,900	\$ 1,251	\$ 47,500	\$ 47,100	24	\$ 53,000	\$ 61,200	\$ 58,900	\$ 58,300
SGA Consultants - Program Mgmt		\$ 30,000	\$ -	\$ -	\$ 60,000	25	\$ 51,500	\$ 53,000	\$ 54,800	\$ 55,400
TOTAL PROFESSIONAL FEES	\$ 120,020	\$ 137,750	\$ 24,095	\$ 85,468	\$ 164,350		\$ 164,250	\$ 176,550	\$ 179,200	\$ 182,470
TOTAL OPERATING EXPENSES	\$ 633,716	\$ 749,600	\$ 308,665	\$ 624,377	\$ 840,249		\$ 947,851	\$ 1,000,293	\$ 1,021,732	\$ 1,062,824
OTHER EXPENSES:										
Office furniture/remodel/equip	\$ 3,812	\$ 1,400	\$ 268	\$ 2,800	\$ 1,400		\$ 1,500	\$ 1,500	\$ 1,600	\$ 1,600
Office Move		\$ 6,050								
Computer Server					\$ 10,000					
TOTAL Other Expenses	\$ 3,812	\$ 7,450	\$ 268	\$ 2,800	\$ 11,400		\$ 1,500	\$ 1,500	\$ 1,600	\$ 1,600
Special Projects Expenses										
SGMA Grant Expenses	\$ 361,235	\$ 450,000	\$ 297,016	\$ 600,000	\$ 470,000	26	\$ 70,000			
SGMA/GSP Cost Share Designation					\$ -					\$ 60,000
TOTAL Special Proj. Expenses	\$ 361,235	\$ 450,000	\$ 297,016	\$ 600,000	\$ 470,000		\$ 70,000			\$ 60,000

**SGA
Proposed FY' 2020-2021 OPERATING BUDGET PROJECTION**

5-Year Projection

	SGA FY 19 Per Audit	SGA FY 20 Budget	SGA FY 20 Actual at Dec. 2019	SGA FY 20 Projected	SGA FY 21 Proposed Budget	NOTES	SGA Projected FY 22	SGA Projected FY 23	SGA Projected FY 24	SGA Projected FY25
TOTAL EXPENSES	\$ 998,763	\$ 1,207,050	\$ 605,949	\$ 1,227,177	\$ 1,321,649	27	\$ 1,019,351	\$ 1,001,793	\$ 1,023,332	\$ 1,124,424
Net Income (Loss)	\$ (47,428)	\$ (82,050)	\$ 195,039	\$ (94,203)	\$ (251,993)	28	\$ (12,532)	\$ 2,889	\$ 27,104	\$ (18,449)
CASH SUMMARY										
AVAILABLE CASH, Beginning	\$ 771,587	\$ 788,136	\$ 724,159	\$ 724,159	\$ 629,957	29	\$ 377,963	\$ 365,431	\$ 368,320	\$ 395,424
SOURCE (USE) OF FUNDS	\$ (47,428)	\$ (82,050)	\$ 195,039	\$ (94,203)	\$ (251,993)		\$ (12,532)	\$ 2,889	\$ 27,104	\$ (18,449)
CASH, Ending	\$ 724,159	\$ 706,086	\$ 919,198	\$ 629,957	\$ 377,963		\$ 365,431	\$ 368,320	\$ 395,424	\$ 376,975
DESIGNATIONS										
Operating Fund (four to six mos)	\$ 316,800	\$ 378,500		\$ 306,300	\$ 323,263	30	\$ 345,431	\$ 348,320	\$ 375,424	\$ 376,975
Pension Plan Assignment	\$ 47,500				\$ -	31	\$ -	\$ -	\$ -	\$ -
Groundwater Modeling	\$ 148,300	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
SGMA Implementation		\$ 190,000		\$ 208,000	\$ 54,700	32	\$ -	\$ -	\$ -	\$ -
Update GSP to SGMA	\$ 50,000	\$ -		\$ -	\$ -	33	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Maintain DMS to SGMA	\$ 10,000	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
Office Equipment Designation	\$ -	\$ -			\$ -		\$ -	\$ -	\$ -	\$ -
Un-designated	\$ 151,559	\$ 137,586		\$ 115,657	\$ -		\$ -	\$ -	\$ -	\$ -
CASH IN BANK, Ending	\$ 724,159	\$ 706,086		\$ 629,957	\$ 377,963	34	\$ 365,431	\$ 368,320	\$ 395,424	\$ 376,975
No. of months cash pays for oper.	8.8	8.3		8.3	4.7		4.5	4.3	4.4	4.2

SGA
FY 2020-2021 BUDGET PROJECTION NOTES

- 1 SGA general assessment fees methodology splits the fee into two parts: a base fee based upon the number of connections per agency and a per acre foot fee based upon a trailing five-year average volume of groundwater pumped. This portion represents the per acre foot fee component. Overall, SGA is proposing to increase fees by 3.74%. The groundwater per unit fee is proposed to increase to \$6.60 in FY21. A trailing five-year pumping average is used (FY15-FY19). FY20 through FY24 pumping extraction reflects members estimates provided to SGA using expected wet year data. As the amount of acre-feet pumped declines, revenues will decline, even though operations are independent of groundwater pumping. Consequently, the fee per acre feet must increase to continue to pay for existing services.
- 2 SGA total base fees are calculated using the number of connections per agency, plus a minimum base fee. The proposed base fee is to be calculated as follows: a minimum base fee of \$10,605 plus \$1.37 per connection for connections in excess of 6,000. For each subsequent year, the base fee is set to increase as the overall expenses increases, exclusive of special project costs as these can vary year to year. The share of fees paid for by base fees may need adjusting from time to time to achieve or target 40% fees supported by base fees.
- 3 SGA received a new grant from DWR for SGMA actions, including GSP development and should be completed by January 31, 2022. SGMA partner fees are collected from the other four Groundwater Sustainability Agencies in the North American Subbasin to assist in funding the consultant work to complete the SGMA program activities.
- 4 Interest income from the SGA Local Agency Investment Fund (LAIF) account. As available cash decreases, interest earned is expected to decrease.
- 5 For budget purposes, staff salaries include 50% of four full time positions, 20% of the assistant project manager, 10% of the legislative affairs manager, a retired annuitant at .5 FTE for a total of 2.8 FTEs.
- 6 Benefits include employer PERS, medical, vision, dental, disability insurance, OPEB and workers' compensation for staff members. FY 2021 budget anticipates an increase in medical costs of 6.5% and other costs at 3%. In FY19, classic employees began paying their entire 7% share of CalPERS contribution.
- 7 Represents the estimated payment of the allocated unfunded pension liability to SGA over four years at an estimated 7.0% discount rate. A revised CalPERS letter estimates the unfunded liability balance of \$94,530 at June 30, 2019. Since this liability is being paid over a shorter time frame of 4 years, SGA can expect swings, both positive and negative as the liability is recomputed to reflect the actual results compared to assumptions.
- 8 Payroll taxes for seven staff members (2.8 FTEs).

SGA
FY 2020-2021 BUDGET PROJECTION NOTES

- 9 Includes meal costs. Also includes conference attendance and the associated travel costs (transportation, lodging, meals).
- 10 Includes computer training and other professional development classes.
- 11 In accordance with the building rental lease. RWA's lease includes full use of the Board room. The RWA Board approved a new lease on the Birdcage building on January 11, 2018. The new lease began in August 2018. The first two years the lease will be \$1.00 SF and the last three years will be \$1.10 per SF with an option for a two-year renewal at \$1.15 SF. Forecasted at \$1.25 SF in FY24 and FY25.
- 12 Increase in costs for property and liability coverage obtained through ACWA JPIA forecasted for the coming year.
- 13 Includes costs for office maintenance needs.
- 14 Reflects mailing activities and cost of postage machine rental.
- 15 Includes telephone and conference call costs, web hosting for the website and internet service costs.
- 16 Miscellaneous meeting charges including food/refreshments.
- 17 Includes printing costs for letterhead. Also includes copier maintenance and copier lease costs.
- 18 Major cost component is ACWA dues. Other dues include AWWA, Groundwater Resources Association, Water Education Foundation and Sacramento Metro Chamber of Commerce. Subscriptions include Business Journal.
- 19 Acquisition of new hardware/software to replace aging and out-of-date components including replacement of the server in FY21.
- 20 General computer maintenance service includes cloud back up for more security and should reduce downtime if something happens to the server.
- 21 Legal expenses in support of general SGA board meetings, resolutions, regulatory analyses, services related to contracts, and GMP development. Legal fees are projected to be higher due to the implementation of SGMA.
- 22 Audit fees are set by the awarded proposal. A new contract with Gilbert Associates started in FY19. The audit costs shown as quoted for five years.
- 23 Payroll service costs for 7 employees (2.8 FTE).
- 24 Represents actuarial, budgeting and accounting assistance, website, and human resource/recruiting support.
- 25 Fees for groundwater management program implementation. (See separate program consulting budget).

SGA
FY 2020-2021 BUDGET PROJECTION NOTES

- 26 Consulting expenses for grant-funded SGMA actions, including GSP development. Matching funds to pay for costs also come from SGA and SGMA partners.
- 27 Total expenses for SGA.
- 28 Represents the difference between total monies received versus total expenses incurred during the year.
- 29 Available cash is derived from Beginning Cash Balance plus the Source (Use) of Funds - verified in prior year audit report.
- 30 Represents the operating fund designation to pay for operating expenditures. Per SGA policy #400.2, this fund range target is four to six months of operating expenses. Government Code Section 53646(b) (3) suggests that an agency should have sufficient cash flow to meet the next six months of budgeted expenses. Cash reserves can be used to pursue new grant opportunities unknown during the budget development. This calculation is based upon the ending cash in bank. It does not include special project expenses funded by grants or one time expenditures.
- 31 CalPERS provides estimated unfunded liabilities for pooled agency members, such as SGA. SGA began making their share of the liability payment starting in FY17. The pension plan assignment had set aside amounts to make partial payments towards this unfunded pension liability in future years. SGA's revised estimated unfunded liability balance at June 30, 2019 is approximately \$94,500 reflecting the liability discounted at 7.0%. This estimate was based upon the CalPERS communication letter reflecting the most recent payment of \$47,500 in FY19. Since SGA now budgets an annual payment towards the unfunded liability, SGA will not also set aside an assignment for these ongoing payments.
- 32 SGA designated a total of \$208,300 from the FY16, FY17 & FY18 budget for groundwater modeling, updating the GSP, and maintaining the DMS for FY19 with approximately \$25,500 used in FY19. These designations will now move to the SGMA designation to fund the SGMA Cost Share to be spent in FY19 and FY20. For FY19, SGA will also designate approximately \$54,700 of unused program costs towards the SGMA to be spent in FY20. These total approximate remaining funds of \$237,200 will allow SGA to meet its cost share with the other NASb GSAs. The cost share is required to receive a \$994,276 grant from the Sustainable Groundwater Planning Grant Program to help fund the required groundwater management components resulting from SGMA. Among the required components is development of a NASb groundwater model, a NASb groundwater database, installation of monitoring wells and monitoring equipment, groundwater quality sampling, and preparation of a GSP by January 31, 2022.
- 33 Designation for future GSP Updates to the SGMA Plan due in 2025 (approximately \$60k)
- 34 Amount of cash over and above designation policy - "undesignated cash."

**SGA Consulting Budget
Approved and Proposed**

4-Year Projection (1)

	Approved FY19 + designation	FY 19 Projected	SGA FY 19 Per Audit	Approved FY20 + designation	FY20 Projected	Projected FY 21	Projected FY 22	Approved FY22 + designation	Projected FY 23	Approved FY23 + designation	Projected FY 24	Approved FY24 + designation	Projected FY 25	NOTES
Outside Consultant Assistance - Projects														
Annual Basin Management Report	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 10,000	\$ 10,500		\$ 11,000		\$ 11,600		\$ 12,200	1
Update GSP	\$ 20,000	Designate	\$ 20,000	\$ 5,000	\$ -	\$ 10,000	Designate	\$ 20,000	Designate	\$ 20,000	Designate	\$ 20,000	\$ 60,000	2
Monitor water quality/levels (AB 303)	\$ 10,000	\$ 10,000	\$ -	\$ 5,000	\$ -	\$ 10,000	\$ 10,500		\$ 11,000		\$ 11,600		\$ 11,600	3
Maintain/Improve DMS	\$ 5,000	\$ 600	\$ 4,400	\$ 5,000	\$ -	\$ 10,000	\$ 10,500		\$ 11,000		\$ 11,600		\$ 11,600	4
Pursue short-term banking/exchange	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5
Regional contamination issues	\$ 10,000	Designate	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6
Groundwater modeling	\$ 20,000	Designate	\$ 20,000	\$ 10,000	\$ -	\$ 20,000	\$ 20,000		\$ 20,000		\$ 20,000		\$ 20,000	7
Subsidence Monitoring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8
TOTAL PROGRAM	\$ 65,000	\$ 10,600	\$ 54,400	\$ 30,000	\$ -	\$ 60,000	\$ 51,500	\$ 20,000	\$ 53,000	\$ 20,000	\$ 54,800		\$ 115,400	

notes are OK

Move design

Move design

Move design

Move design

- (1) Assumes 5% annual increase in consulting labor costs.
- (2) Approved FY19 designation total amount of \$208,300 included in SGMA cost share job report in FY19.
- (3) Unused FY19 funds from GSP, DMS, Regional Contamination and Groundwater Modeling are designated to FY20 for SGMA cost share.
- (4) In December 2019, SGA Board approved a budget amendment to reduce Outside Consultant Assistance to fund six months of annuitant salary. In FY21, annuitant salary is part of the staffing costs and budget allocations have been re-established.

SGA Program
FY 2020-2021 BUDGET PROJECTION NOTES

- 1 SGA had traditionally prepared a biennial Basin Management Report as part of its Groundwater Management Program. The 2014 Sustainable Groundwater Management Act (SGMA) will require annual reporting. For FY20, SGA anticipates a report for the SGA area only. Beginning in FY21, an annual budget is assumed to pay for SGA's portion of an annual report for the North American Subbasin (NASb).
- 2 SGMA requires a Groundwater Sustainability Plan (GSP) for the NASb be submitted by January 31, 2022. In anticipation of preparing a single GSP with the other NASb Groundwater Sustainability Agencies (GSAs), SGA has been collecting funds for its contribution to funding the effort, which ends in FY21. However, funding is also being identified in the out years to prepare for any unforeseen expenses related to GSP development and 2025 GSP Update.
- 3 This funding is to respond to any monitoring needs for issues that emerge of a regional interest during the course of the fiscal year.
- 4 Consulting support to enter data and perform maintenance on the Data Management System (DMS). SGMA requires development of a common database for the NASb, so FY18 funds were designated as part of SGA's contribution to database development for the NASb. For FY19, \$5,000 is proposed for SGA's contribution to NASb database development, of which \$4,400 is being designated to FY20 towards the SGMA. There are no remaining designated funds for SGMA as of FY21.
- 5 Much of this work has been assigned over to the RWA Regional Water Reliability Plan (RWRP), so no projected expenses are identified at this time.
- 6 This activity is currently coordinated through the SGA Regional Contamination Issues Committee, and the intent is to have the planning funded by responsible parties and will be coordinated with RWA IRWMP effort. These funds will allow for consultant staff to support meetings as needed on regional contamination such as the McClellan Stakeholder's Forum and the Regional Contamination Issues Committee. Unused FY19 funds will be designated to FY20 towards the SGMA funding. There are no remaining designated funds for SGMA as of FY21.
- 7 SGMA will require additional modeling work in the NASb to determine the sustainable yield and water budget for the basin. SGA budgeting for a model update commencing in FY17. There were funds in the amount of \$98,300 that were designated and approved at the SGA board meeting on April 13, 2017 for FY18. For FY18, an additional \$50,000 was also budgeted. All of these funds, totaling \$148,300 were designated into FY19 with an additional \$20,000 budgeted for FY19. These funds plus the designated funds from updating the GSP and maintaining the DMS are needed for SGA's contribution to the NASb model development in support of SGMA for a total of \$208,300. The model update commenced in FY19. An additional \$54,700 of unspent funds from FY19 will be designated towards SGMA for FY20. There are no remaining designated funds for SGMA as of FY21.
- 8 Subsidence monitoring is a required component of GSPs developed under SGMA. There are currently no projected expenses identified. Potential monitoring expenses will be identified during development of the NASb GSP.

SGA 2020-21 Administrative Budget Fees Structure

Attachment B

Agency	Retail Connections FY20	Retail Connections FY21	Base Fee	FY 20 Groundwater Average Extraction Acre Feet (2014 - 2019)	FY 20 Supplemental Groundwater Fees at \$6.60 / AF	Proposed FY 2020-2021 Total Estimated Fees	Actual FY 2020 Fees	\$ Diff from FY20 to Proposed	% Diff
California American Water	26,526	26,307	\$ 38,426	9,547	\$ 63,011	\$ 101,437	\$ 98,671	\$ 2,766	2.80%
Carmichael Water District	11,695	11,694	\$ 18,406	2,405	\$ 15,873	\$ 34,279	\$ 32,399	\$ 1,880	5.80%
Citrus Heights Water District	19,757	19,819	\$ 29,537	986	\$ 6,505	\$ 36,042	\$ 33,977	\$ 2,065	6.08%
Del Paso Manor Water District	1,799	1,799	\$ 10,605	1,161	\$ 7,660	\$ 18,265	\$ 17,583	\$ 682	3.88%
Fair Oaks Water District	14,031	14,241	\$ 21,895	2,110	\$ 13,925	\$ 35,820	\$ 31,254	\$ 4,566	14.61%
Folsom, City of	1,072	1,102	\$ 10,605	-	\$ -	\$ 10,605	\$ 10,100	\$ 505	5.00%
Golden State Water Company	1,750	1,750	\$ 10,605	820	\$ 5,413	\$ 16,018	\$ 15,506	\$ 512	3.30%
Natomas Mutual Water Company	125	125	\$ 10,605	29	\$ 189	\$ 10,794	\$ 10,310	\$ 484	4.69%
Orange Vale Water Company	5,729	5,809	\$ 10,605	-	\$ -	\$ 10,605	\$ 10,100	\$ 505	5.00%
Rio Linda/Elverta Water District	4,637	4,640	\$ 10,605	2,350	\$ 15,507	\$ 26,112	\$ 24,866	\$ 1,246	5.01%
Sacramento, City of	46,661	47,145	\$ 66,974	19,291	\$ 127,323	\$ 194,297	\$ 157,086	\$ 37,211	23.69%
Sacramento, County of	3,332	3,328	\$ 10,605	4,421	\$ 29,180	\$ 39,785	\$ 37,198	\$ 2,587	6.95%
Sacramento Suburban	46,661	47,525	\$ 67,494	19,772	\$ 130,498	\$ 197,992	\$ 226,709	\$ (28,717)	-12.67%
San Juan Water District	3,414	3,416	\$ 10,605	-	\$ -	\$ 10,605	\$ 10,100	\$ 505	5.00%
TOTALS	187,189	188,700	\$ 327,572	62,892	\$ 415,084	\$ 742,656	\$ 715,859	\$ 26,797	3.74%

Notes:

- (1) Retail connections are based on SGA boundaries or service area boundaries that are dependent upon SGA for management of the groundwater basin. Information derived from information collected from members and subject to refinement.
- (2) Minimum base fee is set @ \$10,605 plus \$1.37 per connection for connections over 6,000. The base fee is set to increase annually by the overall percentage of expense increase for administrative costs. The groundwater fee is \$6.60 per AF.