



Wyandotte Creek Groundwater Sustainability Agency Agenda Transmittal

Agenda Item: 5

Subject: Consideration of a Resolution to Adopt the Wyandotte Creek GSA FY23-24 Annual Operations Budget.

Contact:

Phone: Phone

Meeting Date:

Regular Agenda

Department Summary:

The Wyandotte Creek Groundwater Sustainability Agency (Wyandotte Creek GSA) is establishing a long-term fee to fund the ongoing GSA administration, Groundwater Sustainability Plan (GSP) implementation activities, and Sustainable Groundwater Management Act (SGMA) compliance and reporting requirements. The Board approved updated five-year revenue projections in the approved 2023 Final Fee Report which included the following items:

- 1) GSA Administration costs.
- 2) GSP Implementation and SGMA Compliance costs.

The GSA Administration costs reflect the most cost-effective governance approach approved by the Wyandotte Creek GSA Board with a Program Manager to be hired by and housed in the Butte County Department of Water and Resource Conservation. The GSA Program Manager would oversee the long-term Wyandotte Creek GSA operations. In addition, no litigation services are included in the budget because the GSA is currently not faced with any litigation. If legal challenges can be avoided in the future the Wyandotte Creek GSA Board would be able maintain lower GSA costs and corresponding GSA fees to meet its long-term funding needs.

The GSA’s GSP implementation and SGMA compliance costs reflect the primary activities that the GSA will have to address to achieve SGMA compliance over the upcoming five-year period. This includes Annual Reporting to DWR regarding groundwater conditions, 2027 GSP Five-Year Update, GSA coordination (intra and inter-basin), maintaining functional GSA operations, completing updated surface-groundwater interaction modeling, updating and maintaining a data management system, conducting future financial planning and pursuit of additional grant funds to cover future GSA costs and projects.

The Wyandotte Creek GSA Board will annually review its GSA operational revenues and expenses and determine if any future adjustments to GSA fees may be necessary. However, fees would not exceed the maximum fee included in the Proposition 218 Notice. Staff expects to receive SGMA implementation grant funds (exact amount and timing of grants is not known at this time) that could provide the GSA Board with budget flexibility and facilitate fee adjustments for the Wyandotte Creek GSA FY24-25 budget process. If DWR grant funds are approved it should be noted that grant funds cannot cover GSA operations costs, only eligible GSP implementation and SGMA compliance costs. The Wyandotte Creek GSA FY23-24 budget reflects the most cost-effective way to achieve SGMA compliance and maintain local control over its groundwater resources without any regulation and oversight by the State Water Resources Regional Control Board (SWRCB).

Attachments:

- Exhibit A: Wyandotte Creek GSA Five-Year Revenue Projections
- Exhibit B: Wyandotte Creek GSA FY23-24 Annual Operations Budget
- Resolution approving Wyandotte Creek GSA FY23-24 Annual Operations Budget

Fiscal Impact: None

Staff Recommendation: Approve resolution to establish FY23-24 Wyandotte Creek GSA annual operations budget.

EXHIBIT A: WCGSA REVENUE PROJECTIONS

Wyandotte Creek GSA - Long Term Funding Strategy					
Five-Year GSA Operational Budget - GSP Implementation and SGMA Compliance Costs (w/Fee Implementation Costs)					
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Proposed	Year 1	Year 2	Year 3	Year 4	Year 5
Cost Category-GSA Admin.	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Professional Services - Admin.					
Auditor	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Financial Services	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Legal Services	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000
Program Manager (w/County management)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Professional Services - Admin. Sub-total	\$67,500	\$62,500	\$62,500	\$62,500	\$62,500
Office Expense					
Bank Fees	\$250	\$250	\$250	\$250	\$250
Insurance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Outreach (education and outreach)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Website	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Supplies	\$1,000	\$500	\$500	\$500	\$500
Office Expense Sub-total	\$7,250	\$6,750	\$6,750	\$6,750	\$6,750
Professional Services - GSP Implementation	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Legal Defense Reserve (build \$150,000/yr. balance)	\$0	\$0	\$0	\$0	\$0
Irrigated/Non-Irrigated Fee Implementation Costs	\$19,921	\$20,519	\$21,116	\$22,113	\$23,109
County Tax Roll Fee Support	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Contingency (10%)	\$10,967	\$10,477	\$10,537	\$10,636	\$10,736
GSA Admin. Sub-total	\$120,638	\$115,246	\$115,903	\$116,999	\$118,094
5-Year GSP Implementation Inflation Adjustment	0%	3%	3%	5%	5%
Cost Category-SGMA Compliance	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28
Annual Reporting (assumes DWR monitoring continues)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Five Year GSP Update w/Modeling Calibrations	\$43,750	\$43,750	\$43,750	\$43,750	\$35,000
Surface-GW Interaction Modeling	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
GSA Coordination & Outreach (w/in and between GSAs)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Data Management System Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Long Term Financial Planning/Fees	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Grant Procurement	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contingency (8%)	\$9,300	\$9,300	\$9,300	\$9,300	\$8,600
SGMA Compliance Sub-Total	\$125,550	\$125,550	\$125,550	\$125,550	\$116,100
TOTAL WDCGSA Administration (w/inflation adjustment)	\$120,638	\$118,703	\$122,857	\$129,869	\$136,990
TOTAL WDCGSA SGMA Compliance (w/inflation adjustment)	\$125,550	\$129,317	\$133,083	\$139,361	\$134,676
TOTAL WDCGSA Operational Budget	\$246,188	\$248,020	\$255,940	\$269,229	\$271,666

EXHIBIT B: WCGSA FY23-24 ANNUAL BUDGET

WYANDOTTE CREEK GROUNDWATER SUSTAINABILITY AGENCY FY23-24 Annual Operations Budget					
REVENUES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Proposition 218 Landowner Fees	\$246,008				
Proposition 218 Fee Agreements	\$0				
DWR SGMA Round 2 Grant Funding					
Interest	\$180				
TOTAL REVENUES	\$246,188	\$0	\$0	\$0	0.00%
EXPENSES	Budget	Actual	\$ Actual To Date	\$ Remaining	% Completed
Cost Category-GSA Admin.					
Professional Services - Admin.					
Auditor	\$5,000				
Financial Services	\$2,500				
Legal Services	\$10,000				
Program Manager (w/County management)	\$50,000				
Professional Services - Admin. Sub-total	\$67,500	\$0	\$0	\$0	0.00%
Office Expense					
Bank Fees	\$250				
Insurance	\$2,000				
Outreach (per education and outreach plan)	\$2,500				
Website	\$1,500				
Supplies	\$1,000				
Office Expense Sub-total	\$7,250	\$0	\$0	\$0	0.00%
Professional Services - GSP Implementation	\$10,000				
Legal Defense Reserve	\$0				
Irrigated/Non-Irrigated Fee Implementation Costs	\$19,921				
County Tax Roll Fee Support	\$5,000				
Contingency (10%)	\$10,967				
GSA Admin. Sub-total	\$120,638	\$0	\$0	\$0	0.00%
Cost Category-SGMA Compliance					
Annual Reporting (with continued DWR monitoring)	\$30,000				
Five Year GSP Update w/Modeling Calibrations	\$43,750				
Surface-GW Interaction Modeling	\$7,500				
GSA Coordination & Outreach (w/in and between GSAs)	\$10,000				
Data Management System Maintenance	\$5,000				
Long Term Financial Planning/Fees	\$10,000				
Grant Procurement	\$10,000				
Contingency (8%)	\$9,300				
SGMA Compliance Sub-Total	\$125,550	\$0	\$0	\$0	0.00%
TOTAL EXPENSES	\$246,188	\$0	\$0	\$0	%
Surplus (Deficit)	\$0	\$0	\$0	\$0	%

WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2023-02

CONSIDERATION OF A RESOLUTION TO ADOPT THE WYANDOTTE CREEK GSA FY23-24 ANNUAL OPERATIONS BUDGET

WHEREAS the WYANDOTTE CREEK Subbasin Groundwater Sustainability Agency (WCGSA) is authorized to establish an operations fee by Water Code Section 10730; and

WHEREAS Article XIIIID Section 6, the State of California's Constitution (Proposition 218) requires that public agencies establish certain fees based on reasonable long term revenue projections to support GSA Administration and GSP implementation and SGMA compliance costs for the WCGSA; and,

WHEREAS on May 25, 2023, the WCGSA, in accordance with the provisions of Proposition 218 prepared and approved a 2023 Fee Report which included updated revenue projections over the FY23-24 through FY27-28 period that were reasonable and provide immediate benefit to those subject to the WCGSA's proposed "Operations Fee"; and,

WHEREAS in accordance with the provisions of Proposition 218, the WCGSA will base long term fees on reasonable updated revenue projections for funds that can only be used to support GSA Administration and GSP implementation and SGMA compliance costs and purposes; and,

WHEREAS in accordance with the provisions of Proposition 218, the WCGSA Board will annually review the revenues and expenses of its budget and update long term fees as required to achieve SGMA compliance benefits for all landowners within the WCGSA service area.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY does hereby resolve, declare and order as follows:

- 1) The WCGSA Board has updated its long-term revenue projections which are reasonable to achieve SGMA compliance benefits for all landowners within the WCGSA service area.
- 2) Having reviewed the above results, the Board hereby verifies that the FY2023-24 Annual Operations Budget is consistent with updated revenue projections included in the approved 2023 Fee Report.
- 3) Therefore, in accordance with Proposition 218 principles and consistent with updated revenue projections, the Board does hereby approve the FY2023-24 Annual Operations Budget serving as the basis for the proposed Operations Fee that may be adopted at this meeting as a subsequent action item on this meeting agenda.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY this 27th day of July, 2023.

WCGSA Board of Directors Meeting Date: July 27, 2023, Meeting Packet.

AYES:

NOES:

ABSENT:

ABSTAIN:

CERTIFICATE OF RESOLUTION

We, the undersigned, hereby certify as follows:

1. That we are the Chair and Secretary of the WYANDOTTE CREEK SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY;
and
2. That the foregoing resolution, consisting of 2 pages, including this page, is a true and correct copy of a resolution of the Board of Directors of the WYANDOTTE CREEK Subbasin Groundwater Sustainability Agency, passed at the meeting of the Board of Directors held on July 27, 2023, at the Oroville City Council Chambers, 1735 Montgomery Street, Oroville, CA 95965.

IN WITNESS WHEREOF, we have signed this certificate this 27th day of July, 2023, at Oroville, California.

_____ Bill Connelly, Chair of the Board of Directors

_____ Kamie Loeser, Secretary