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**COUNTY OF INYO
WATER DEPARTMENT**

September 11, 2017

TO: Owens Valley Groundwater Authority Members
FROM: Inyo County Water Department
SUBJECT: Draft GSP Development Budget

The Joint Exercise of Powers Agreement creating the Owens Valley Groundwater Authority (Article II Section 4.1 – GSP Development Budget) requires that:

...within six months of the formation of the Authority, the Inyo County Water Department shall, with input from any Members and as it otherwise deems appropriate, develop the Authority's initial budget for development of the GSP [Groundwater Sustainability Plan] over a multi-year period (i.e. until the GSP is approved for implementation) within the requirements of the SGMA (hereinafter referred to as the "GSP Development Budget"). The GSP Development Budget shall function as a forecasting tool for the Members to guide them in their respective Funding Contribution decisions...

Upon notice from the Inyo County Water Department that the GSP Development Budget is complete and ready for approval, the Authority shall place the matter on the next possible Board meeting agenda. The Board of Directors shall adopt the GSP Development Budget as submitted by the Inyo County Water Department. In other words, approval of the GSP Development Budget shall be a ministerial act of the Board of Directors, provided, however, that it may be modified by the Board at a subsequent meeting(s) by a majority of the votes of the Directors appointed by the Members and Associates.

The Water Department has prepared a draft GSP Development Budget, and is soliciting input from the Authority Members concerning the draft budget. The two tables below make up the initial budget for development of the GSP. Table 1 delineates administrative expenses that will be borne by GSA members in one fashion or another. For purposes of budgeting (and demonstrating match requirements in any grant application) the costs of these tasks should be recognized in the budget, however, it is assumed that these tasks could be performed by member

agencies and credited against their respective funding commitments or on a contract reimbursement basis. As you review this draft budget, if you believe that your agency may be interested in performing any of the identified administrative tasks, please let us know along with your proposed hourly rate. While discussions of which agency may provide which services can be discussed and agreed upon later, along with the resulting contract agreements, knowing what folks may be interested in doing now, and for what price would be helpful in refining the budget before it is submitted to the JPA Board for Approval.

Table 2 describes tasks that would be undertaken by a contractor preparing the GSP, which may be funded by a grant if the GSA is a successful grant applicant. The GSP Development Budget set out below is assumed to be a three-year project, anticipating that the GSP would be prepared and submitted to DWR for review by mid-2021 and implemented well prior to the January 31, 2022 deadline by which the basin must be managed under a GSP. The Administrative Budget (Table 1) is based on Water Department staffs' experience with grants, proposals, RFP/RFQs, meeting preparation, and contract management. The Plan Preparation Budget (Table 2) was developed based on budgets from other basins, with consideration of basin-specific aspects of the Owens Valley Groundwater Basin. This draft budget is approximate, with a likely range of uncertainty of $\pm 30\%$. As noted above, this budget can be modified in the future by the GSA Board of Directors. This budget is not yet refined into annual budgets, but approximate annual budgets can be determined by assuming these figures will be distributed equally over three years.

Table 1. GSA Administrative Tasks and Budget

| Task | Description | Deliverable | Cost |
|---|--|--|-------------|
| 1. Submit JPA to State | Comply with JPA formation requirements. Responsible party: Inyo. | JPA accepted by State | 500 |
| 2. Submit GSA notice to DWR | JPA submits required material to DWR to form a GSA. Responsible party: JPA member(s). | Notice accepted by DWR | 500 |
| 3. Withdraw existing GSA notices | Four existing GSA's withdraw their notices so that JPA/GSA can assume GSA status for whole basin. Responsible parties: Inyo, Mono, TVGMD, Bishop | Notices withdrawn by DWR | 500 |
| 4. Preparation of initial budget | Inyo WD prepares initial budget for JPA members to identify funding level. Responsible party: Inyo with input from others. | Initial budget adopted by JPA board | 680 |
| 5. Website development | Website development and maintenance for meeting information and SGMA related documents. Responsible Party: JPA member(s) or contractor. | Web site developed and maintained | 15,700 |
| 6. Initial meeting | JPA members commit to funding levels, elect officers. Responsible party: JPA members. | Meeting held | 600 |
| 7. Grant proposal | Develop and submit proposal to DWP for funds to prepare plan. Responsible party: GSA member(s), contractor | Complete grant proposal submitted to DWR | 5,100 |
| 8. Grant administration and technical assistance. | Manage contract for plan preparation and provide technical assistance to contractor. Responsible party: GSA or GSA member acting as fiscal agent. | Grant billing and reporting maintained. | 52,450 |
| 9. Meeting preparation and archiving | Notice meetings and public hearings; prepare agendas, minutes, other materials; maintain contact list. Responsible party: GSA member(s). | 18 meetings | 12,600 |
| 10. GSA counsel | Attorney services to GSA – Brown Act compliance, bylaws preparation. Responsible party: GSA member(s). | Legal services for JPA | 36,000 |
| 11. Associates and interested parties | Contact potential Associates and Interested Parties to determine their interest in participation: GSA. | Address Article V of JPA | 2,200 |
| 12. Basin boundary modification | GSA may request a basin boundary modification, either for TV/Owens division or extrication of Starlite. GSA or GSA members desiring boundary modification. | Submit complete basin boundary modification to DWR | 5,100 |

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| 13. Data submittal to State | CASGEM compliance has to be maintained. Responsible parties: CASGEM monitoring entities. | CASGEM monitoring entities submit data to DWR | 2,040 |
| 14. RFP/RFQ for plan preparation | Prepare and circulate RFP/RFQ for contractor to prepare plan. Responsible party: GSA member(s). | RFP/RFQ circulated | 2040 |
| 15. Plan review | Review of contractor's product. Responsible party: GSA, stakeholders, public. | JPA member review plan | 14,960 |
| 16. Plan approval | Approval of final plan for submittal. Responsible party: GSA | JPA board adopts plan | -- |
| 17. Plan submittal to DWR | Submit plan to DWR. Responsible party: GSA | Plan is submitted to DWR | 340 |
| 18. DWR plan review | DWR reviews plan. Responsible party: DWR | DWR identifies revisions to plan | -- |
| 19. GSP revision and submittal to DWR | GSA revises plan as DWR's review may require. Responsible party: GSA, contractor | JPA revises plan and DWR approves | 2040 |

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| GSA Administrative Tasks Total | 154,030 |
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Table 2. Groundwater Sustainability Plan Preparation Tasks and Budget

| Task | Description | Deliverable | Cost |
|---|---|--|-------------|
| 1. Initial meeting | Plan preparation consultant meets with GSA and public to discuss GSP requirements, GSP goals and objectives, and GSP outline. | Presentation materials and meeting summary. | 15,000 |
| 2. Data compilation, review, and management | Consultant works with GSA members to compile available documents and data related to GSP preparation, including technical standards, monitoring plans, reporting protocols, reports, studies, plans, models, and court documents. Describe current basin condition with respect to SGMA sustainability criteria. Data gaps are identified. Develop a system for storing and accessing data. | Plan content. | 35,000 |
| 3. GSP area and GSA information | Describe institutional and jurisdictional framework, demographics, and land use in GSA/GSP area | Plan content | 35,000 |
| 4. Hydrogeologic conceptual model | Describe groundwater system (structural geology, hydrostratigraphy, recharge and discharge zones, hydraulic parameters, basin boundary conditions, water quality). Includes maps, cross-sections, and other graphical rendering of content. | Plan content | 22,000 |
| 5. Identify management areas | Identify management areas based on hydrogeologic and managerial considerations based on Tasks 2, 3, and 4. | Plan content | 24,000 |
| 6. Water budget | Quantify budgets based on Tasks 2, 4, and 5. Identify basin-wide and management-area water budgets. | Plan content | 47,500 |
| 7. Define sustainability criteria | Identify and discuss SGMA undesirable results' applicability to Owens Valley Basin. Show where undesirable results are not present. Identify minimum thresholds and measurable objectives. | Plan content | 27,000 |
| 8. Progress report public meeting | Report on progress in a public workshop setting and receive public comment | Meeting presentation materials and meeting notes | 15,000 |
| 9. Develop/refine monitoring program | Refine existing monitoring programs as necessary to track basin conditions with respect to sustainability criteria. | Plan content | 25,000 |
| 10. Identify and describe projects and management actions | Identify projects to mitigate groundwater problems, including monitoring network improvements, studies to cause(s) of undesirable groundwater conditions, revisions and updates to groundwater models, and management area specific projects. Develop goals and objectives, scope, tasks, budget, and schedule for projects. | Plan content | 47,000 |
| 11. Develop system for annual reporting. | Develop strategy and tools for streamlining annual reporting process. | Templates and procedures for producing and submitting annual reports | 20,000 |
| 12. Develop implementation schedule budget | Estimate ongoing monitoring, management, and reporting costs for GSA. | Plan content | 7,000 |
| 13. Compilation, presentation, and submittal of GSP | Compile GSP administrative draft for internal review; revise based on internal review, compile public release draft; attend public hearing; based on public hearing and direction from GSA, compile final draft. Submit final draft to state for review. | Final Plan for submittal to DWR | 135,000 |

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| 14. Revise according to DWR evaluation and assessment | Address deficiencies and corrective actions identified by DWR, and resubmit. | Revised final plan accepted by DWR | 15,000 |
| 15. Coordination meetings | Monthly or bimonthly calls with GSA staff to coordinate plan development activities and maintain progress throughout project. | Call notes and action items | 60,000 |
| Contractor cost subtotal | | | 524,500 |
| Contract administration | 10% administrative costs for GSA fiscal agent | | 52,450 |
| Plan Preparation Total | | | 576,950 |

3-Year Budget Total

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|------------------------------------|----------------|
| GSA Administrative Budget | 154,030 |
| Plan Preparation Contractor | 524,500 |
| Total | 678,530 |

As you can see, the Budget seems promising and workable. Even without obtaining a grant that will substantially reduce costs, \$678,530 for three years equates to \$226,176 a year. Split equally between the 11 member agencies (not accounting for Associate member cost sharing) the cost is \$20,562 per member per year with each agency sharing equally in voting. If only four (4) of the 11 member agencies agree to fund the JPA (and assuming no partial funding) the cost is \$56,544 per year for those four (4) agencies with each of the four (4) agencies having an equal number of votes. If we are successful in obtaining a grant for the plan preparation total, then \$154,030 split among 11 member agencies for three years would be \$4,668 annually, or less if the contract administration is funded through the grant. This analysis is preliminary and we hope, once the Board is constituted and votes apportioned based on funding commitments, that contributions from Associates and/or a successful grant application can reduce member contributions even further.

Please provide any feedback regarding the proposed budget, and your agencies interest and cost for providing certain administrative tasks by September 30. We are also happy to meet to discuss the draft budget in person before the JPA Board meeting which we are trying to schedule sometime in the next few weeks.