



January 30, 2019

TO: LOCSD Board of Directors

FROM: Renee Osborne, General Manager
Rob Miller, District Engineer

SUBJECT: Agenda Item 7B – 2/7/2019 Board Meeting
Consideration of the District's Portion of the Basin Management Committee Operating Budget for Calendar Year 2019

President
Marshall E. Ochylski

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Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Wornack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Greg Alex

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.lososocsd.org

DESCRIPTION

Consideration and approval of the District's Portion of the Basin Management Committee's (BMC) 2019 Annual Operating Budget.

STAFF RECOMMENDATION

Motion: I move that the Board approve the District's portion of the Basin Management Committee Budget with respect to the costs anticipated in Fiscal Year 2018/19 in the amount of \$33,288 and direct staff to include funding in the draft 2019/2020 budget in the amount of \$22,458 for BMC expenses through Calendar year 2019.

DISCUSSION

At the January 16, 2019 BMC meeting, the Committee approved selected items from the draft 2019 Proposed Budget (Items 1 through 7). In summary, the items include BMC administration, preparation of the annual report, adaptive management, lower aquifer sampling, and grant writing. The proposed amounts were as follows, based on the percentage split of: LOCSD (38%); GSWC (38%); SLO County (20%); and, S&T Mutual (4%).

LOCSD 2019 Costs:

- FY 2017/18: \$33,288
- FY 2018/19: \$22,458
- Total for Calendar Year 2016: \$55,746

Additional budget costs totaling approximately \$140,000 for the District's share for calendar 2019 may be forthcoming to cover the remaining items in the BMC budget. If approved by the BMC, these items will be considered by the District Board in a future meeting.

FINANCIAL IMPACT

The District had set aside \$50,654 for the BMC 2018-2019 budget. The impact would affect the 2018-2019 budget by \$5,092. There are adequate funds in Fund 500/Water to cover the anticipated increased costs.

Attachment - BMC 2019 Annual Budget Report

TO: Los Osos Basin Management Committee

FROM: Rob Miller, Interim Executive Director

DATE: January 16, 2019

SUBJECT: Item 7b – Adoption of Basin Management Committee Annual Budget

Recommendations

Staff recommends that the Committee adopt the Calendar Year 2019 budget as drafted.

Discussion

Section 5.13.2 of the Stipulated Judgment requires that the parties develop an annual budget to fund its activities. Staff has prepared a draft budget (attached), which includes the following key items:

- Basin Management Committee general administration for Calendar Year 2019, including venue and meeting expenses. In general, these items were within budget in 2018.
- Similar to 2018, a budget line item has been included for adaptive management studies if requested by the Committee. This item also includes \$5,000 for well head surveying as recommended in the draft 2019 Work Plan, which was considered by the BMC at the November 2018 meeting.
- Consultant services for the preparation of the 2018 Annual Report, including monitoring. Note that the total cost of items 5 and 6 total \$62,700. This allocation is similar to 2018, with a 12% increase to account for additional technical analysis in response to comments from the last annual report.
- Consultant services to assist in the pursuit of grants
- Additional studies regarding recycled water recharge in Los Osos Creek as recommended in the draft 2019 Work Plan
- Installation of a new monitoring well in Cuesta by the Sea, which was carried over from 2018.
- Jointly pursued water conservation efforts, including sufficient funding for a pilot program for septic tank repurposing.
- Feasibility study for stormwater and perched water recovery as indicated in draft 2019 Work Plan.

Given that the parties operate on different fiscal calendars, staff believes a standard calendar year to be the appropriate budget interval. The total recommended budget for 2019 is approximately 17% more than 2018. However, the monitoring well budget for 2018 was rolled over into 2019 in the amount of \$115,000. If the monitoring well budget had been expended in 2018, the proposed 2019 budget would have been reduced to less than the 2018 budget.

Financial Considerations

The total budget proposed for 2019 is \$346,200. The budget also includes a 5% contingency for unforeseen expenses. The estimated cost to each party is summarized as follows:

LOCSD (38%): \$131,556
GSWC (38%): \$131,556
County of SLO (20%): \$69,240
S&T Mutual (4%): \$13,848

Table 1: BMC 2019 Budget for 12 month period, allocated by fiscal year

Item	Description	Cost	Projected Total in LOCS D FY 2018/19	Projected Total in LOCS D FY 2019/20	Comments
1	Monthly meeting administration, including preparation, staff notes, and attendance	\$50,000	\$25,000	\$25,000	Assumes 20 to 25 hours per month, on average
2	Meeting expenses - facility rent (if SBCC needed for larger venue)	\$1,000	\$500	\$500	\$30/hr for non-profit
3	Meeting expenses - audio and video services	\$6,000	\$3,000	\$3,000	
4	Adaptive Management - Groundwater Modeling and Well Head Surveying	\$15,000	\$10,000	\$5,000	Includes \$5k for surveying, and the remainder represents modeling studies as requested and approved by BMC
5	Semi annual seawater intrusion monitoring	\$29,200	\$14,600	\$14,600	
6	2018 Annual Report	\$33,500	\$28,000	\$5,500	Not including services contributed directly from BMC member staff
7	Grant writing (outside consultant)	\$5,000	\$3,000	\$2,000	BMC member staff may also contribute to grant efforts
8	Creek Recharge and Replenishment Studies	\$50,000	\$15,000	\$35,000	Grant pursuit, additional baseline modeling
9	Cuesta by the Sea monitoring well	\$115,000	\$40,000	\$75,000	Well ownership to be determined prior to construction
10	Stormwater and Perched Water Recovery Project - Feasibility Study	\$15,000	\$5,000	\$10,000	
11	Conservation programs (not including member programs)	\$10,000	\$5,000	\$5,000	Consider pilot program for septic tank conversion rebates
	Subtotal	\$329,700			
	5% Contingency (rounded to nearest \$100)	\$16,500	\$8,300	\$8,200	
	Total	\$346,200	\$157,400	\$188,800	
	LOCS D (38%)	\$131,556	\$59,812	\$71,744	
	GSWC (38%)	\$131,556			
	County of SLO (20%)	\$69,240	\$31,480	\$37,760	
	S&T Mutual (4%)	\$13,848			