

MADERA

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HEART OF CALIFORNIA

COUNTY



# County GSA Financial Update

## Outline

Description of County GSA

Budgeting Process

County GSA Admin Fee Key Concepts

Financial Analysis of County GSA Admin Fee

Potential Cost Saving Measures



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# Description of County GSA

Agency for 220,000 acres in three subbasins

- 120,000 irrigated acres
- 100,000 acres of rangeland (never irrigated)
- Multiple GSP development, revision and amendment
- Annual reports & periodic evaluation
- Installation of monitoring wells and regular measurement

Projects and Management Actions include

- Demand Reduction with three measurement options
- Meter Verification Project (MVP)
- Recharge with multiple grants
- Land Repurposing with multiple grants
- Domestic well mitigation development
- Grower outreach and education



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# Budgeting Process

- December – Budget Directions Distributed to Departments for next fiscal year (i.e. 25/26)
- January – February – internal department budget development
- March – submittal of draft budget to County Admin
- April/May – meetings with County Admin on draft budget
- Budget hearing (public meeting) in June for fiscal year starting in July (25/26)
  - Proposed budget for next fiscal year
  - Budget to Actuals from previous year
  - Prior fiscal year close out does not occur until August



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# County GSA Admin Fee Key Concepts

- Fee adopted prior to GSPs (Section 10730 of the Water Code)
- Revenue can be used only for administration, planning and regulatory compliance (not projects)
- Rate study from 2019 outlined major categories:
  - Regulatory Compliance
  - Professional Services
  - Staffing
  - Administrative Expenses
  - 10% of budget for prudent reserve + \$160,000 for GSPs/year



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# Financial Analysis of County GSA Admin Fee

- Revenue major categories
  - Grant revenue
  - Interfund revenue
  - Meter data collection (ending in 2021/2022)
  - GSA Admin Fee, penalties and interest
- Expenditure major categories:
  - **Regulatory Requirements**
    - GSP Annual Reports
    - GSP Development/Periodic Evaluations/Amendments
    - Other (Point of Contact)
    - Data Management Systems
    - Wells
    - Demand Management
  - **Professional Services**
    - Legal
    - Land Repurposing (SALC, LandFlex, Multi-Benefit) (grant-funded)
    - Financial
    - Recharge (grant-funded)
    - Miscellaneous
  - **Staffing**
  - **Administrative Expenses**
- Prudent Reserve – Most agencies have 6-12 months of expenses in reserve

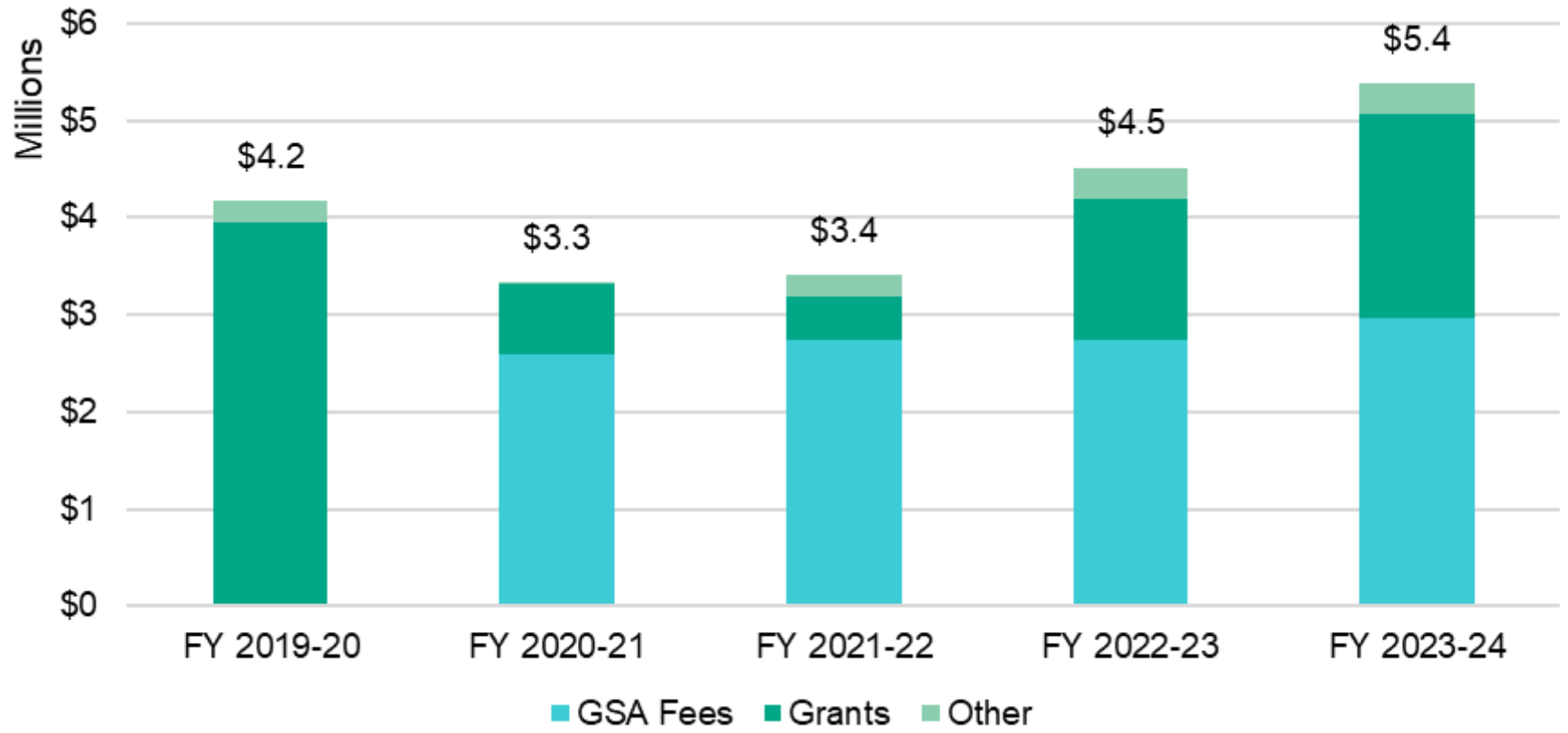


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# GSA Revenue Summary

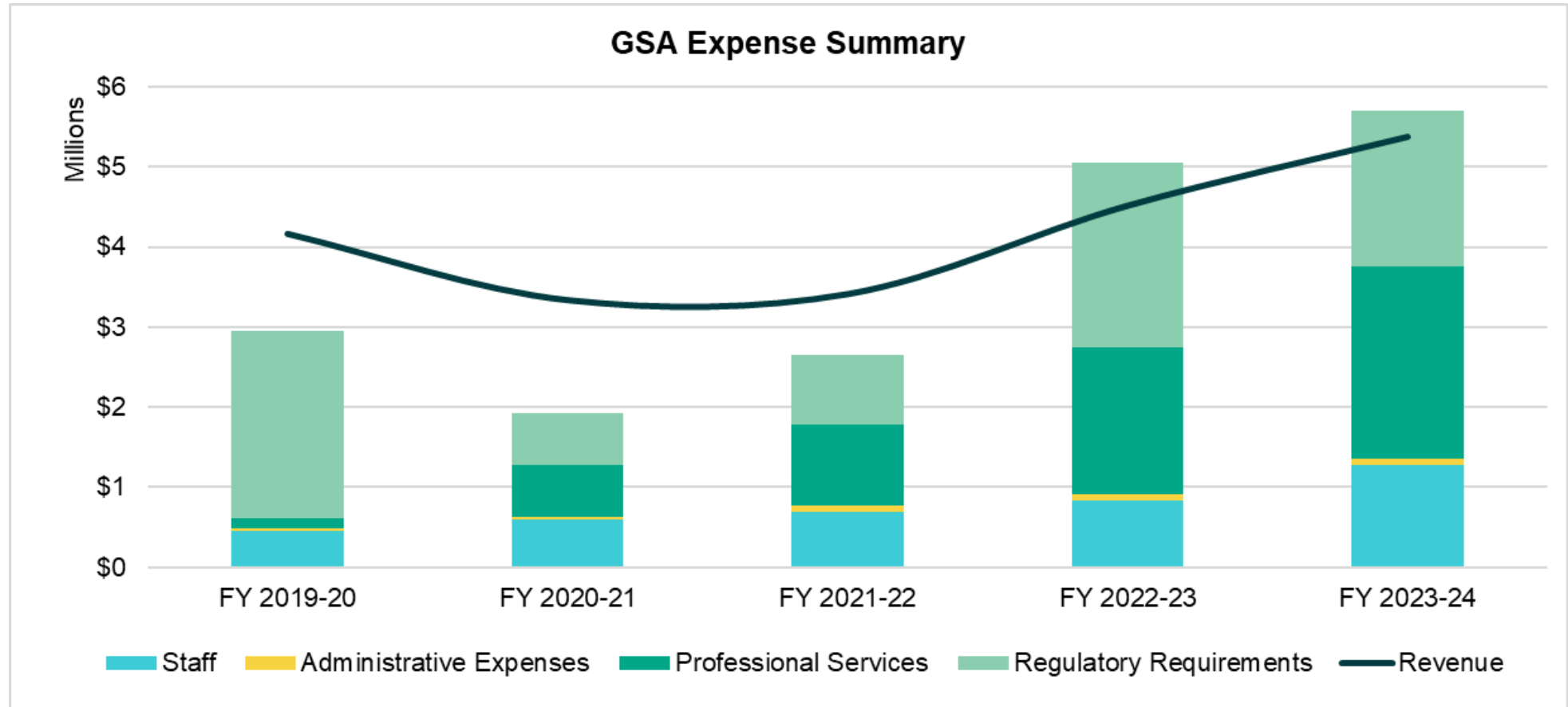


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# GSA Expenses Summary



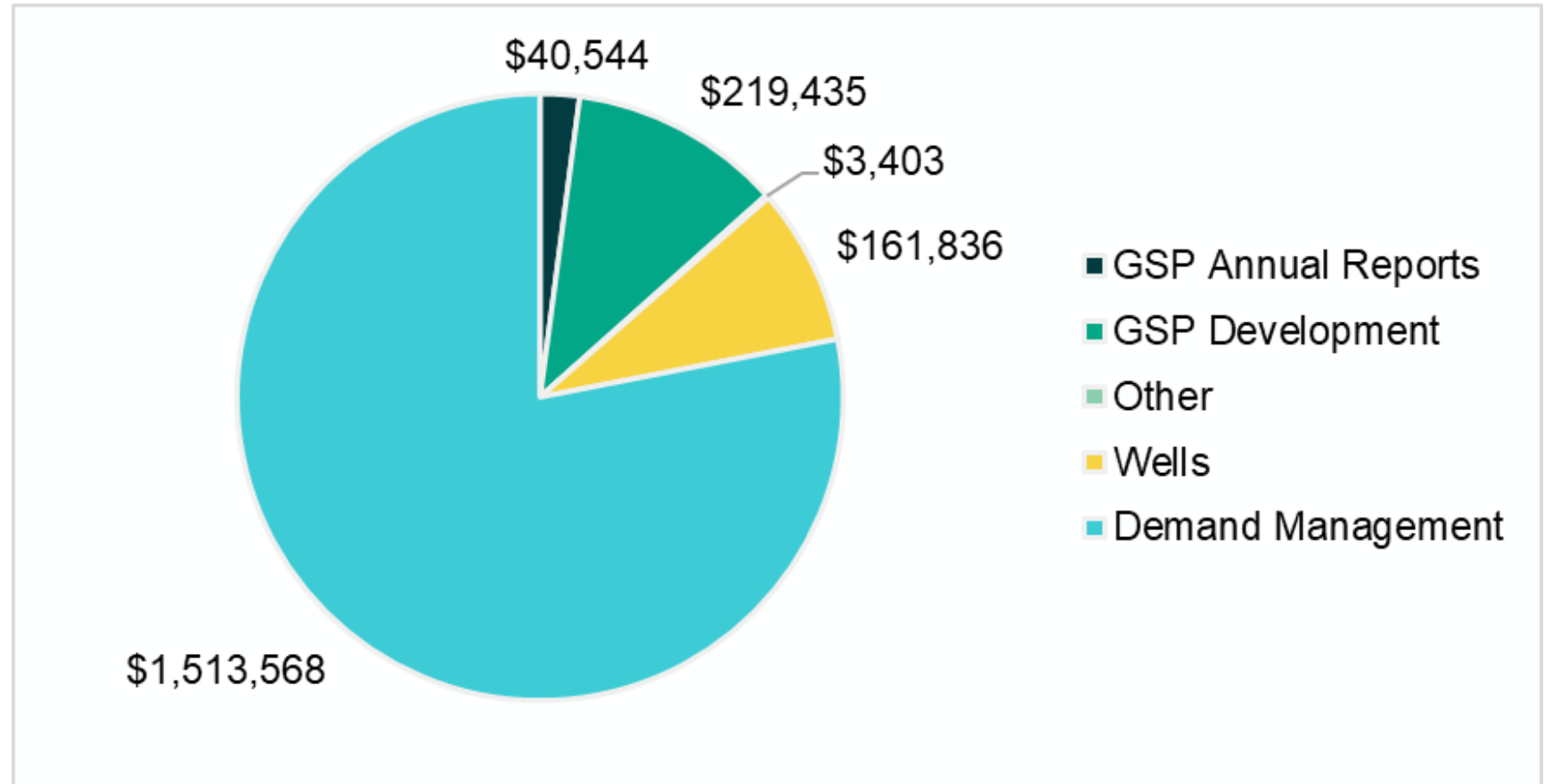
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# GSA Expenses – Regulatory Requirements (FY 2023/2024)

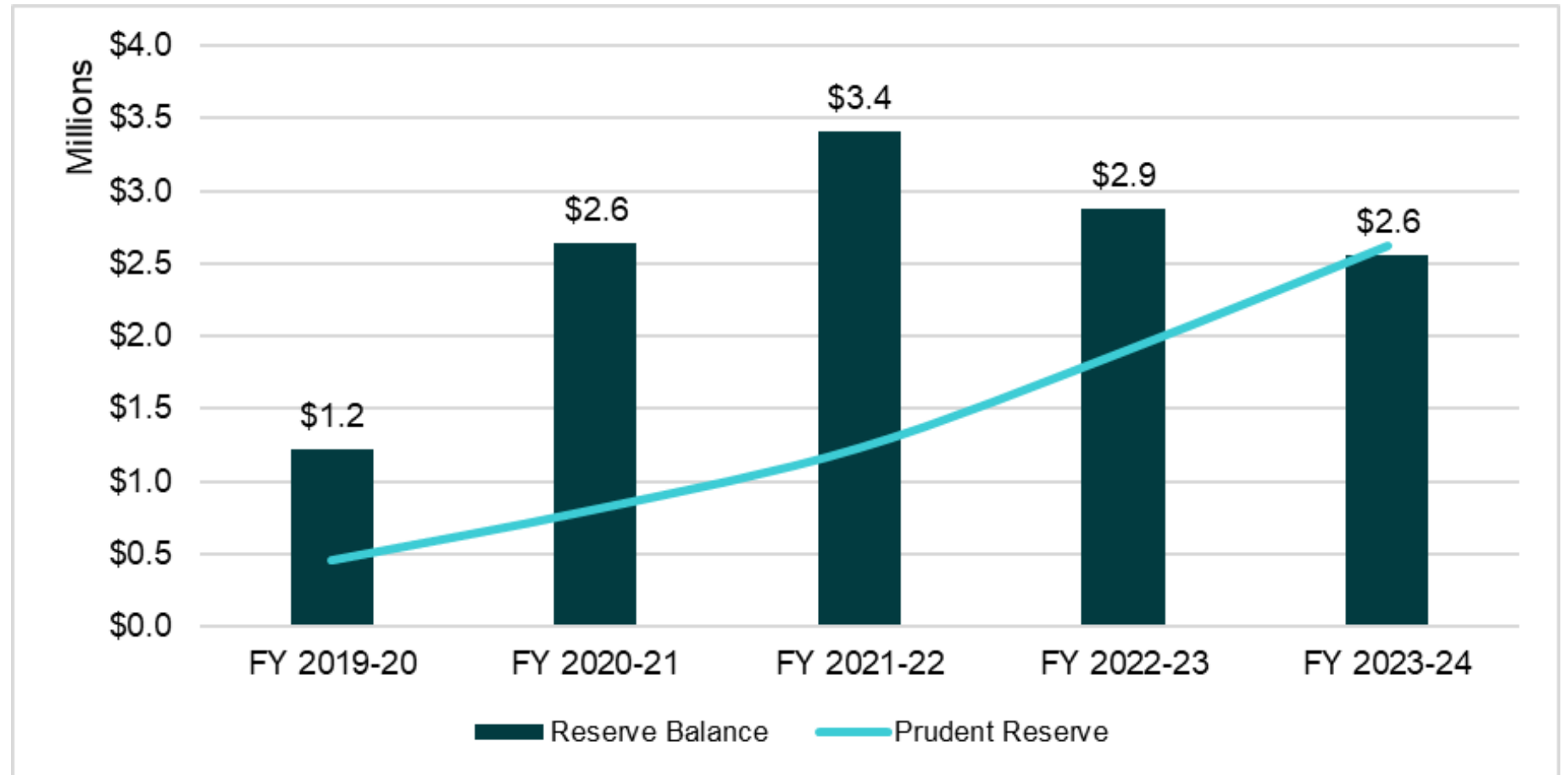


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# GSA Reserve Balance Summary



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# Financial Observations

- Budget process is transparent with public meetings
- Audits are a regular part of county activities
- Grants allow the agency to function as a larger agency (temporarily) moving ahead with projects and programs, engineering and planning
- Staffing is at a minimal level with consultant support
- Grants are not a long-term sustainable source of funding
  - Currently, the state has little funding for grants
- Litigation should be anticipated and contributes greatly to costs and cost fluctuations
- Offering three measurement options represents input from growers
- 10% prudent reserve + funds for GSP five-year periodic evaluation and amendment are important
- Completing first five-year cycle



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# Current Cost Saving Measures

- In-house field work for verification and land following
- Financial analysis is conducted mostly in-house
- In-house translation for multiple programs
- In-house communications and outreach work
- In-house grant administration
- In-house legislative tracking of water issues
- Partnerships for outreach



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# Proposed Next Steps

- Refine financial analysis as requested by the Board
- Meet with constituents as requested
- Distribute financial reports via mail to constituents



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