



Date: February 24, 2016
TO: LOCSD Board of Directors
FROM: Rob Miller, District Engineer
SUBJECT: **Agenda Item 12B – Board Meeting Date: March 3, 2016**
Consideration of Basin Management Committee Operating Budget for Calendar Year 2016

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DESCRIPTION

The Basin Management Committee (BMC) previously approved an operating budget for calendar year 2016. This issue was previously discussed at the February 11, 2016 LOCSD Board meeting, and a number of questions were raised that required additional clarification. The issues raised in February are addressed in this staff report.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the Basin Management Committee budget with respect to costs anticipated in Fiscal Year 2015/16 in the amount of \$63,270, and direct staff to include funding in the draft 2016/17 budget in the amount of \$56,278 for BMC expenses through calendar year 2016.

DISCUSSION

The BMC previously approved an operating budget for calendar year 2016. Based on the anticipated schedule of BMC activities, this calendar year budget has been split into two fiscal years. Table 1 (attached) provides the estimated expenses for Fiscal Years 2015/16 and 2016/17. Given the level of effort required to complete an annual report prior to the end of June, 2016, the BMC is expected to spend 53% of its annual budget in FY 2015/16. A breakdown by fiscal year is provided below:

- FY 2015/16: \$63,270
- FY 2016/17: \$56,278
- Total for Calendar Year 2016: \$119,548

Each BMC member is allocating staff resources to the functioning of the BMC outside of the shared operating budget. This staff time is often termed "in lieu" services since it benefits the BMC without cost sharing among the parties. At this time, the parties are seeking to perform proportionate services, and therefore no reimbursement of in lieu services is anticipated. The only known exception to this approach relates to the maintenance of the web site for the BMC at www.slocountywater.org. The County has requested reimbursement for this service on an annual basis, with an estimate cost of \$500 to \$1,000. This cost can be absorbed into other BMC budget items given its nominal magnitude. In addition, the County performed clerk duties for the first three BMC meetings, including the preparation of minutes. These duties will pass to the Executive Director's staff after approval of the budget by the parties.

FINANCIAL IMPACT

Adequate funding exists within Fund 500 for the FY 2015/16 allocation of \$63,270, including the following specific items:

- ISJ cost sharing (G/L 9155): \$28,747 remaining in fund
- Basin Management Plan reserve (G/L 3165): \$34,523 transfer from 3165 to 9155. A balance of \$4,765 would remain in G/L 3165.

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

ATTACHMENT TABLE 1

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

Item	Description	Cost	Projected Total in LOCS D FY 2015/16	Projected Total in LOCS D FY 2016/17	Comments
1	Monthly meeting administration, including preparation, staff notes, and attendance	\$50,000	\$30,000	\$20,000	Assumes 20 to 25 hours per month, on average
2	Meeting expenses - facility rent	\$4,000	\$1,500	\$2,500	
3	Meeting expenses - audio services	\$4,000	\$2,000	\$2,000	\$30/hr for non-profit
4	Legal counsel (special counsel for funding measure)	\$10,000	\$5,000	\$5,000	Normal matters to be handled by BMC member attorneys
5	Semi annual seawater intrusion monitoring	\$12,000	\$6,000	\$6,000	
6	Annual report - not including Year 1 start up costs	\$30,000	\$30,000	\$0	Not including services contributed directly from BMC member staff
7	Annual report - Year 1 costs	\$14,000	\$14,000	\$0	Equipment, well head surveying, set up
8	Grant writing (outside consultant)	\$12,000	\$4,000	\$8,000	BMC member staff may also contribute to grant efforts
9	Basin boundary definition (CHG only)	\$20,000	\$20,000	\$0	Not including County staff time
10	Funding measure including initial feasibility report, final report, and proposition 218 process	\$120,000	\$35,000	\$85,000	Consultant time only, not including BMC member staff time
11	Conservation programs (not including member programs)	\$10,000	\$5,000	\$5,000	Bulk of cost will be budgeted by individual BMC members
	Subtotal	\$286,000		\$5,000	
	10% Contingency	\$28,600	\$14,000	\$14,600	
	Total	\$314,600	\$166,500	\$148,100	
	LOCS D (38%)	\$119,548	\$63,270	\$56,278	
	GSWC (38%)	\$119,548			
	County of SLO (20%)	\$62,920			
	S&T Mutual (4%)	\$12,584			