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**COUNTY OF INYO
WATER DEPARTMENT**

October 23, 2017

TO: Owens Valley Groundwater Authority Members
FROM: Inyo County Water Department
SUBJECT: Final 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 third and final draft GSP Development Budget for adoption at the October 26, 2017 Owens Valley Groundwater Authority (OVGA) meeting. The first draft distributed on September 11 has been modified based on comments from the City of Bishop and information from the DWR SGMA Groundwater Sustainability Plan Preparation Workshop held on September 20 in Clovis, California; the second draft was presented at the October 5 OVGA meeting.

The two tables below make up the GSP Development Budget. Table 1 identifies administrative expenses that will be borne by GSA members in one fashion or another over the three-year plan preparation period. 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. Changes made to the version of this budget discussed at the October 5 meeting are the addition of four OVGA meetings (Table 1, line item 9), and the addition of four public workshops (Table 1, line item 12). Also, the grant funding for grant contract administration has been moved out of Table 1 to better distinguish between locally-funded and state-funded activities. These changes resulted in a reduction in the GSP administrative expenses from \$138,125 to \$108,260.

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. 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 about equally over three years. Changes made to the second draft are consolidation of the hydrogeologic conceptual model, water budget, groundwater conditions, and management areas into a single "Basin setting" line item (Table 2, line item 5). This change made the budget align more clearly with DWR's "Groundwater Sustainability Plan Annotated Outline." Other changes are an additional \$5,000 for developing/refining groundwater monitoring (Table 2, line item 8), an additional \$23,000 for projects and management actions (Table 2, line item 9),

As you can see, the Budget seems promising and workable. Even without obtaining a grant that will substantially reduce out-of-pocket costs, \$747,585 for three years equates to \$249,193 per year. Split equally between the 11 member agencies (not accounting for Associate member contributions) the cost is \$22,654 per member per year with each agency sharing equally in voting. If only four (4) of the 11 member agencies agree to fund equal amounts of the GSP (and assuming no partial funding) the cost is \$62,299 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 that covers plan preparation costs, then \$108,260 split among 11 member agencies for three years would be \$3,281 annually. 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 further.

In accordance with the JPA language quoted above, this memo provides each OVGA Member with notice that the GSP development budget is complete and ready for approval at the OVGA Board meeting which is scheduled for October 26, 2017 at 2PM at the Fire Training Facility in Bishop. Upon adoption of this budget by the OVGA Board, Members are equipped to return to their respective board for deciding their financial contribution and concomitant voting role in the OVGA.

Table 1. GSA Administrative Tasks and Budget

Task	Description	Responsible Party	Deliverable	Approximate hours	Cost
1. Submit JPA to State	Comply with JPA formation requirements.	Inyo	JPA accepted by State	8	500
2. Submit OVGA GSA notice to DWR	JPA submits required material to DWR to form a GSA.	JPA membership	Notice accepted by DWR	8	500
3. Withdraw existing GSA notices	Four existing GSA's withdraw their notices.	Inyo, Mono, Bishop, TVGMD	Notices withdrawn by DWR	8	500
4. Preparation of initial budget	Inyo WD prepares initial budget for JPA members to identify funding level.	Inyo, review by OVGA membership	Initial budget adopted by JPA board	10	680
5. Website development	Website development and maintenance for meeting information and SGMA related documents.	OVGA member or Contractor	Web site developed and maintained	\$7,700 for devel. + \$2,000/yr maint.	11,700
6. Initial meeting	JPA members commit to funding levels, elect officers.	OVGA members	Meeting held	8	600
7. Grant proposal	Develop and submit proposal to DWP for funds to prepare plan.	Inyo	Complete grant proposal submitted to DWR	40 - 80	5,100
9. GSA meeting preparation and archiving	Notice meetings and public hearings; prepare agendas, minutes, other materials; maintain contact list.	OVGA	22 meetings producing agendas, minutes, & meeting materials	150 - 200 + room rental	15,400
10. GSA counsel	Attorney services to GSA - Brown Act compliance, bylaws preparation.	OVGA member(s)	Legal services for JPA	300 - 450	36,000
11. Associates and interested parties	Contact potential Associates and Interested Parties to determine their interest in participation.	OVGA	Address Article V of JPA	30	2,200
12. Public workshops	4 meetings to keep public informed of GSA/GSP activities	OVGA	Agendas, meeting materials and presentations, and meeting summaries	80 - 100 + room rental	7,200
13. Basin boundary modification	GSA may request a basin boundary modification, either for TV/Owens division or extrication of Starlite.	OVGA members desiring basin boundary modification	Submit complete basin boundary modification to DWR	0 - 80	5,100
14. Data submittal to State	CASGEM compliance has to be maintained	CASGEM monitoring entities (Mono, TVGMD)	CASGEM monitoring entities submit data to DWR	20 - 40	2,040
15. Procure consultant	Prepare and circulate RFP/RFQ for contractor to prepare plan, enter contract.	Inyo	RFP/RFQ circulated, contract entered	40	3,400
16. Plan review	Review of contractor's product.	OVGA, stakeholders, public	JPA member review plan	150 - 200	14,960
17. Plan approval	Approval of final plan for submittal.	OVGA	JPA board adopts plan	Budgeted in meetings	--
18. Plan submittal to DWR	Submit plan to DWR.	OVGA, Contractor	Plan is submitted to DWR	4	340
19. DWR plan review	DWR reviews plan.	DWR	DWR identifies revisions to plan	DWR task	--
20. GSP revision and resubmittal to DWR	GSA revises plan as DWR's review may require.	OVGA, Contractor	Revises Plan	20 - 40	2040
GSA Administrative Tasks Total					108,260

Table 2. Groundwater Sustainability Plan Preparation Tasks and Budget

Task	Description	Responsible Party	Deliverable	Approximate Hours	Cost
1. Initial meeting	Plan preparation consultant meets with GSA and public to discuss GSP requirements, GSP goals and objectives, and GSP outline.	Contractor	Presentation materials and meeting summary.	60 – 90 + travel	15,000
2. Data and document 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 identified. Compilation of groundwater data. Develop a system for storing and accessing documents and data.	Contractor	Library of documents; database/repository of groundwater data.	250 – 350	60,000
3. Interagency agreements	Develop coordination and data sharing agreements with other agencies that managing groundwater in basin that are not subject to SGMA (LADWP, tribes, State, Feds)	Contractor	Plan content (Interagency Agreements)	100 - 150	25,000
4. GSP area and GSA information	Describe institutional and jurisdictional framework, demographics, and land use plans and practices, additional information related to gw management in GSA/GSP area.	Contractor	Plan content (Description of Plan Area)	100 - 150	22,000
5. Basin setting.	Presentation of existing and historical conditions, water budget, hydrogeologic conceptual model, and management areas in context of SGMA undesirable results	Contractor	Plan content (Basin Setting)	625 -950	132,500
6 Sustainable management criteria	Identify and discuss SGMA undesirable results' applicability to Owens Valley Basin. Show where undesirable results are or are not present. Identify minimum thresholds and measurable objectives.	Contractor	Plan content (Sustainable Management Criteria)	125 - 175	27,000
7. Progress report public meeting	Report on progress in a public workshop setting and receive public comment	Contractor	Meeting presentation materials and meeting notes	60 – 90 + travel	15,000
8. Develop/refine monitoring program	Refine existing monitoring programs as necessary to track basin conditions with respect to sustainability criteria.	Contractor	Plan content (Sustainable Management Criteria)	100 - 150	30,000
9. Identify and describe projects and management actions	Identify projects to mitigate groundwater problems, including monitoring network improvements, studies to circumstances that may lead to 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.	Contractor	Plan content (Projects and Management Actions to Achieve/Maintain Sustainability Goals)	300 - 400	70,000

10. Develop implementation schedule & budget	Develop schedule and estimate ongoing monitoring, management, and reporting costs for GSA.	Contractor	Plan content (Plan Implementation)	30 - 40	7,000
11. Develop system for annual reporting.	Develop strategy and tools for streamlining annual reporting process.	Contractor	Templates and procedures for producing and submitting annual reports	50 - 70	12,000
12. 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.	Contractor	Final Plan for submittal to DWR	600 - 750	135,000
13. Address deficiencies and corrective actions, and resubmit.	Address deficiencies and corrective actions identified by DWR, and resubmit.	Contractor	Revised final plan accepted by DWR	60 - 80	15,000
14. Coordination meetings	Monthly or bimonthly calls with GSA staff to coordinate plan development activities and maintain progress throughout project.	Contractor	Call notes and action items	125 - 175	32,000
Contractor cost subtotal					597,500

Contract administration	Administration of DWR contract by GSA fiscal agent (contracting, invoicing, reporting).	Inyo	7% of Contractor cost subtotal		41,825
				Plan Preparation Total	639,325

3-Year Budget Total

				GSA Administrative Budget	108,260
				Plan Preparation Contractor and contract administration	639,325
				Total	747,585



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**COUNTY OF INYO
WATER DEPARTMENT**

October 26, 2017

TO: Owens Valley Groundwater Authority Member Board

FROM: Inyo County Water Department

SUBJECT: Updated information from Calif. Department of Water Resources

Since your October 5, 2017 meeting, we have conversed with DWR staff concerning some grant application and groundwater sustainability plan preparation matters, summarized below.

Question from Inyo Water Department staff: Must a GSA submit a notice of intent to prepare a GSP for the GSA to be eligible for a Category 2 Sustainable Groundwater Planning Grant?

DWR reply: The Final PSP does not identify specific requirements with regards to the initial notification. However, the grant agreement template (available online at the following link: http://water.ca.gov/irwm/grants/sgwp/sgwp_docs/GrantAgreementTemplate_Prop1-SGWP_DRAFT.pdf) specifies in the Basic Conditions (#5 on page 3) that “1. Prior to execution of this grant agreement, selected applicants (Groundwater Sustainability Agency) for Category 2 projects must submit evidence of a notification to the public and DWR prior to initiating development of a GSP in compliance with California Code of Regulations, Title 23, Division 2, Chapter 1.5, Subchapter 2 (GSP Regulations) and Water Code Section 10727.8”

Question from Inyo Water Department staff: We understand that grant applications will be reviewed by DWR and any gaps or errors can be discussed and remedied prior to the November 13, 2017 grant submittal deadline. What is the time line or deadline for DWR review of applications?

DWR reply: DWR will not provide input on draft of preliminary applications. DWR will initiate eligibility and completeness reviews of submittals after an email is received at sgwp@water.ca.gov notifying DWR that the proposal submittal is ready for DWR's review. The submittals will be considered final by DWR, as indicated by receipt of the email notification sent to sgwp@water.ca.gov. In the event that information is missing or DWR needs clarification on an item, DWR may contact the applicant to request the missing information or clarification. The applicant would have until the close of the open filing period to provide responses. It may be challenging to complete reviews of all applications received during the last week of open filing,

depending on the volume of applications DWR receives. Therefore, DWR would encourage applicants to submit applications a few weeks before the close of the open filing period if they are concerned about the eligibility and completeness of their proposal submittal.

Question from Inyo Water Department staff: If the grant was awarded to Inyo County, and at some point in the future Inyo County withdrew its GSA status so that a GSA formed through a joint powers agreement could take over as GSA, could the grant be transferred to the new GSA, or would Inyo need to remain as grantee and act as fiscal agent on behalf of the JPA/GSA?

No reply to this question has been received from DWR.