



Las Posas Valley Watermaster Fiscal Committee

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INTERIM EXECUTIVE OFFICER

Introduction

- ▶ Agenda items are Las Posas Valley Watermaster only
- ▶ 3 inter-related budget items
 - ▶ Overlap between what programs LPV and FCGMA fees
 - ▶ What the second installment of the basin assessment should be this year
 - ▶ 24-25 LPV Watermaster budget development study session
- ▶ Las Posas Valley Watermaster Assessment and Fund
- ▶ Policy direction

Background

- ▶ The Adjudication Judgment appointed FCGMA as Watermaster to implement Judgment
- ▶ Judgment requires Watermaster to take Management Actions by certain dates
- ▶ Judgment requires Watermaster to set, levy, and collect Basin Assessments & fees from Water Rights Holders to fund Management Actions and Basin Optimization Projects

LPV Watermaster Funding

- ▶ LPV Watermaster funded by FCGMA prior to assessment
 - ▶ Staff time tracked, but paid by FCGMA
- ▶ Initial Assessment of \$64 adopted December 15, 2023
 - ▶ First instalment of \$32 levied March 1, 2024, delinquent May 6, 2024
- ▶ Separate fund created April 2024
 - ▶ Staff time and consultant invoices coded to this fund
 - ▶ Remaining funds at end of fiscal year held in LPV Watermaster Fund and available for following fiscal year
 - ▶ Judgment requires annual audits of Watermaster finances and full certified audits every three years

Direction on Policy Needed

- ▶ Staff assumptions:
 - ▶ All Watermaster responsibilities called out in judgement are funded by LPV fund
 - ▶ FCGMA payments after Judgement entered should be paid by LPV Watermaster fund
 - ▶ LPV fund balance should stay above \$0

Watermaster responsibilities called out in judgement

- ▶ Court retains full jurisdiction overseeing implementation of the judgment
- ▶ Section 3.3

In some instances, this Judgment assigns certain responsibilities to the FCGMA as the GSA, and in others, as Watermaster. Similarly, in some instances this Judgment refers to certain functions based on SGMA statutory authority and requirements, and others, arising out of the Judgment and Physical Solution.

FCGMA funded Early Judgment Implementation

- ▶ FCGMA funded implementation of Basin Management Actions July 2023 – April 2024
 - ▶ Staff time developing programs and budget
 - ▶ Legal Fees
 - ▶ Advisory
 - ▶ Judicial review
 - ▶ Contract support

LPV fund balance should stay above \$0.00

- ▶ Initial budget adopted with no operating reserves
- ▶ Significant delinquent payments
- ▶ Timing of assessment payments creates cash flow issue in FY 24-25

Item D – Reconciliation of the LPV Basin Assessment with the FCGMA charges

▶ Process

- ▶ Initial budget assumed Initial Assessment will fund all LPV Basin Management Actions
- ▶ Identify sections of the Judgment and attachments to identify overlap efforts
- ▶ **Missing – FCGMA Workplan Tasks that don't apply in LPV**
- ▶ [FY23-24 Adopted Workplan](#)
- ▶ [Agenda linked to Judgment](#)

Potential Duplicative Elements

- ▶ Basin Management - Annual Reports and the GSP 5-Year Evaluations and Updates reduction
 - ▶ \$218,812 from 5-year Evaluation
 - ▶ \$ 54,710 from GSP Implementation
- ▶ \$146,980 budget reduction identified in Board meetings and notices

Item E – LPV Watermaster Fiscal Year 2023-24 Mid-Year Budget Review and Assessment Evaluation

- ▶ Initial Assessment of \$64 adopted December 15, 2023
 - ▶ First instalment of \$32 levied March 1, 2024, delinquent May 6, 2024
 - ▶ Second installment scheduled for June 1, 2024
 - ▶ subject to a mid-year accounting of expenditures prepared by Agency staff and review by your Board

Expenditures and Year-End Estimate

Expenditures through March 2024		Year-End Estimate
Actuals		
Staff	\$ 171,852	\$250,000
Legal Advisory	\$ 106,000	\$140,000
Judicial Review	\$ 306,000	\$400,000
Estimates		
Fiscal Services	\$ 65,525	\$ 86,667
Information Tech	\$ 50,000	\$ 65,000
Contract Support		
TAC	\$ 0	\$ 30,000
RGS	\$0	\$ 25,000
Total	\$671,217	\$996,667

Year-End Fund Balance

Revenue Shortfall	
Estimated Revenue	\$1,280,000
Revenue as of May 6, 2024	\$ 894,607.01
Difference	(\$ 385,393)

Projected Year-end Fund Balance	
Revenue as of May 6, 2024	\$ 894,607.01
Estimate Year-End Expenditures	\$ 996,667
Projected Year-end Fund Balance	(\$102,060)

Discussion - Second Installment of Initial LPV Assessment

- ▶ Negative fund balance projected, no operating reserves
 - ▶ Significant delinquent assessment payments
- ▶ June 1, 2024 assessment will not cure negative fund balance
- ▶ Timing of 24-25 Assessment not decided
- ▶ Technical Advisory Committee ramping up
- ▶ Loan from FCGMA Operating Reserves may be possible

Item F – LPV Fiscal Year 2024-25

Budget Development Study Session

- ▶ The Watermaster Budget is divided into seven principal tasks consistent with the requirements in the Judgment
 - ▶ Watermaster Administration
 - ▶ Allocations & Record Keeping
 - ▶ Basin Management
 - ▶ Committee Coordination and Consultations
 - ▶ Budget and Assessments
 - ▶ Calleguas Aquifer Storage & Recovery Project
 - ▶ Legal Services

Item F – LPV Fiscal Year 2024-25 Budget Development Study Session

- ▶ The proposed draft FY 24-25 Watermaster Budget was developed substantially from the Initial FY 23-24 Watermaster Budget adopted December 15, 2023
- ▶ Labor cost estimate is based on a blended hourly rate of \$212
- ▶ Significant changes
 - ▶ Reduction in Meeting and Notices of \$135,168
 - ▶ PAC Administrator and a PAC Administrative Assistant - \$170,000
 - ▶ Data management system - \$200,000
 - ▶ Proposed Operating Reserve - \$300,000
- ▶ LPV Watermaster Assessment will be based off of 40,000 AF Operating Yield