

SWEETWATER AUTHORITY

Governing Board

January 8, 2025



Consideration to Approve the FY 2024-25 Water Conservation Garden Authority Contribution Payment

RECOMMENDATION

Staff defers to the Governing Board for direction.

OVERVIEW

The Authority's FY 2024-25 contribution payment to The Water Conservation Garden Authority (The Garden) is \$75,828 and requires Board approval as, per policy, the General Manager's approval limit is set at \$75,000. Staff received The Garden's invoice for the FY 2024-25 contribution payment in July 2024 and paid the 1st half of the annual contribution in the amount of \$37,914, which was within the General Manager's authority to pay. The second half of the annual payment is due in the amount of \$37,914.

At its December 11, 2024 meeting, the Board directed staff to pay The Garden contribution up to the amount of \$48,000 that was initially included in the FY 2024-25 Budget. This second payment of \$10,806 in addition to the first payment in the amount of \$37,914 will result in a total payment to The Garden of \$48,000 and is within the General Manger's approval limit.

Staff requests Board direction for a third payment in the amount of \$27,828 that, combined with the previous payments, will provide for the full of \$75,828 requested by The Garden. The additional \$27,828 payment requires Board approval as it will bring the total payments to The Garden in excess of the General Manager's approval limit.

Background

The Authority is currently a member of The Garden, a Joint Powers Authority (JPA). Membership with The Garden renews annually, and any changes to membership requires a one-year notification by June 30, with the changes taking effect the following fiscal year. On June 26, 2024, the Board provided notification to The Garden that the Authority would terminate its membership in the JPA. If no additional board direction is provided, by June 30th the Authority's membership will be terminated.

The Garden itself is located adjacent to Cuyamaca College and was founded in 1992 as a Joint Powers Authority (JPA) with the current membership as follows:

Agency	Membership as of
Otay Water District	1992
Helix Water District	1992
Grossmont-Cuyamaca College District	1992
City of San Diego	2003
Padre Dam Water District	2003
Sweetwater Authority	2006

In 2011, The Garden transferred operations to the non-profit organization Friends of the Water Conservation Garden (Friends). The Friends hired an executive director responsible for operating the conservation garden and reported directly to the Friends Board.

The Garden suffered a significant setback this fiscal year when the Friends depleted financial resources for operations early in the fiscal year and subsequently ceased operating The Garden in the fall of 2023. In early 2024, the JPA Board and Helix Water District began the process of restarting The Garden operations after the Friends abandoned its responsibilities. A new operating agreement for the future operations of The Garden is in development and has not yet been completed.

The Authority’s contribution to The Garden has been fixed at \$48,000 since FY 2021-22. Per the Authority’s agreement with The Garden, the Authority is required to continue membership through FY 2024-25. At its June 7, 2024 meeting, The Water Conservation Garden JPA voted to increase the Member Agency contributions for FY 2024-25 as follows:

Agency Annual Cost by Cost Share

SDCWA	30%	\$151,657
Helix	20%	\$101,105
Otay	20%	\$101,105
Sweetwater	15%	\$75,828
City of San Diego	15%	\$75,828
Grossmont-Cuyamaca CCD (contribution of land in lieu of cash)	0%	\$0
Total	100%	\$505,523

The Authority’s FY 2024-25 Budget, that included The Garden’s contribution at \$48,000, was in process to be adopted on June 12, 2024 by the time The Garden made the decision to increase the member contributions on June 7, 2024. The Authority is being requested to pay \$75,828 instead of the \$48,000 previously approved by the JPA back in June 2023.

FISCAL IMPACT

The FY 2024-25 Budget Operating Expense line item 10-30-350-5638 – Administrative Services - Water Efficiency includes \$48,000 in funding to pay a portion of the FY 2024-25 Water Conservation Garden contribution payment with additional funding needed from the FY 2024-25 Expense Contingency Fund.

The Garden’s FY 2024-25 Contribution Payment	
FY 2024-25 Budget funds budget for payment	\$ 48,000
Less 1 st half of the annual payment paid in July 2024 ¹⁾	<37,914>
Less 2 nd Payment to meet budgeted expense	<10,086>
Balance of FY 2024-25 Budget funds budget for payment	\$0
Remaining amount due to meet The Garden’s FY 2024-25 contribution request of \$75,828 ²⁾	\$27,828

- 1) *Staff took the offered option to pay The Garden contribution in two equal payments of \$37,914, for a total payment of \$75,828.*
- 2) *Funding for the additional payment of \$27,828 is available in the FY 2024-25 Budget Operation Expense line item 10-10-100-5999 Contingency Fund*

OPTIONS

1. Approve the FY 2024-25 Water Conservation Garden Authority contribution payment.
2. Other direction as determined by the Governing Board.

Staff Contact:

Carlos Quintero, General Manager

Roberto Yano, Assistant General Manager

Rich Stevenson, Director of Finance

SUPPORTING INFORMATION

Attachments

The Water Conservation Garden Authority Invoice No. 002 (amended to reflect recent payment)

Strategic Plan

Governing Board Policy 517 – Financial Policies: Policy for the Procurement of Services (including Construction), Supplies, and Equipment Requirements for Comprehensive Procurement Procedures

- Contract Approval Authority: Procurement of services, supplies, and equipment in an amount over \$75,000 requires approval by the Board, even if the Board has authorized funds for the procurement within the annual budget

Past Board Actions

December 11, 2024 The Governing Board approved the FY 2024-25 Water Conservation Garden Authority contribution payment not-to-exceed the previously approved amount of \$48,000.

June 26, 2024 The Governing Board selected to end its membership with The Water Conservation Garden Authority, and directed the General Manager to send a letter to the Water Conservation Garden Authority providing notice to withdraw effective July 1, 2025.

June 12, 2024 The Governing Board adopted Resolution 24-08, Approving the Budget for FY 2024-25, and adopted Resolution 24-09, Approving Updated Financial Policies (Board Policy 517).