

**DATE:** June 24, 2019

**TO:** RMC Governing Board

**FROM:** Mark Stanley, Executive Officer

**SUBJECT:** **Item 9: Consideration of a resolution approving Watershed Conservation Authority's Fiscal Year 2019/2020 Final Budget**

---

**RECOMMENDATION:** That the RMC Governing Board approve the Watershed Conservation Authority's Final Budget for Fiscal Year 2019/2020

**BACKGROUND:** In accordance with the provisions of the Joint Powers Agreement, adoption of the WCA budget by the RMC Governing Board is required. The budget is separated into four revenue and expenditure components: Administrative, Personnel, Operations, and Grants and Special Projects with revenue totaling \$9,569,932 and expenditures total amount of \$9,691,676.

Attached as Exhibit A is the Fiscal Year 2019/2020 budgetary presentation with the final budget data included as an appendix to the presentation.

Page intentionally left blank



# **Watershed Conservation Authority**

## **Fiscal Year 2019 - 2020 Budget**



Page intentionally left blank

## Table of Contents

<b>Letter to the Governing Board</b> .....	<b>5</b>
<b>A Message from the Executive Officer</b> .....	<b>6</b>
<b>Our Mission</b> .....	<b>7</b>
<b>Watershed Conservation Authority Background</b> .....	<b>8</b>
Fiscal Year 2018 – 2019 Accomplishments	
Fiscal Year 2018 – 2019 Strategic Plan, Organizational Priorities & Challenges	
Fiscal Year 2018 – 2019 Program Highlights & Opportunities	
<b>Organizational Chart</b> .....	<b>11</b>
<b>Territory Map</b> .....	<b>12</b>
<b>Budgeting and Financial Processes</b> .....	<b>13</b>
<b>Schematic of Fund Structure</b> .....	<b>15</b>
<b>Description of Major Funds</b> .....	<b>16</b>
<b>Analysis of Net Position</b> .....	<b>19</b>
<b>Budget Overview</b> .....	<b>20</b>
<b>Revenue Overview</b> .....	<b>21</b>
Administrative & Operational Revenue	
Grants & Special Projects Revenue	
<b>Expenditure Overview</b> .....	<b>24</b>
Personnel Expenditure	
General Administrative Expenditure	
General Operational Expenditure	
Grants & Special Projects Expenditure	
<b>Appendix A</b>	
Consolidated Budget Fiscal Year 2019 – 2020.....	<b>31</b>

Page intentionally left blank

## Governing Board

### **Herlinda Chico**

Chair

Designee for Janice Hahn, LACBOS 4<sup>th</sup> District

### **Vincent Chang**

Board Member

Designee for Hilda Solis, LACBOS 1<sup>st</sup> District

### **Karly Katona**

Board Member

Designee for Mark Ridley-Thomas, LACBOS 2<sup>nd</sup> District

### **Sandra Maravilla**

Board Member

Designee for Kathryn Barger, LACBOS 5<sup>th</sup> District

### **Dan Arrighi**

Board Member

Rivers and Mountains Conservancy

### **Roberto Uranga**

Board Member

Rivers and Mountains Conservancy

### **Jorge Morales**

Board Member

Rivers and Mountains Conservancy

### **Carolina Hernandez**

Ex Officio Board Member

Designee for Mark Pestrella, LACDPW

On behalf of the Watershed Conservation Authority and its employees, we are pleased to present a budget for Fiscal Year 2019 - 2020 that provides a detailed forecast of anticipated revenue and expenditures for the upcoming year.

This budget demonstrates how resources will be utilized and allocated based on the Watershed Conservation Authority's Vision of

### ***Connecting Communities through Nature***

And was developed utilizing a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to achieve a balanced operating budget.

A Message from

Mark Stanley

*Executive Officer*



The Watershed Conservation Authority is approaching its 17th year of operation, and I cannot help but look back at its accomplishments in watershed enhancement and open space conservation. The Authority was awarded over \$10.37 million in grants and contracts, including additional funding for the Duck Farm and River Wilderness Park. I am looking forward to these two major projects complete soon!

Thank you for your support and advancing our mission into the new fiscal year. I look forward to sharing our efforts in conserving our resources here in the San Gabriel and Lower Los Angeles Rivers watersheds.

A handwritten signature in blue ink, appearing to read 'Mark Stanley', with a long horizontal line extending to the right.

## ***Our Mission***

*WCA serves communities in our region through the preservation of open space, and through the improvement of access to parks and trails.*

*By working with nature in our plans and projects, we seek to enhance local water resources, native plant habitats, wildlife, and to advance the overall quality of life in both our natural and urban communities.*





### ***Watershed Conservation Authority Background***

The Watershed Conservation Authority (WCA) was formed in 2003 as a Joint Powers Authority pursuant to the Joint Exercise of Powers Act of the San Gabriel and Lower Los Angeles Rivers & Mountains Conservancy (RMC), one of ten State of California conservancies, and the Los Angeles County Flood Control District (District) for the purpose of providing a comprehensive program to expand and improve the open space and recreational opportunities for the conservation, restoration, and environmental enhancement of the San Gabriel and Lower Los Angeles Rivers Watershed area consistent with the goals of flood protection, water supply, groundwater recharge, and water conservation.

Since its creation, the WCA has acquired six properties totaling approximately 457 acres, all of which are at various stages of being established as protected open space or parkland. Funding is primarily provided by grants from other governmental and/or private agencies with other limited funding from JPA Partner contributions and lease revenues generated from WCA-owned properties.

### ***Fiscal Year 2018 - 2019 Accomplishments***

While the WCA continues to look forward and strategically plan expansion of projects and development of open space in the San Gabriel and Lower Los Angeles River Watersheds, it is important to recap some of the accomplishments made during the year.

The following are a select number of project accomplishment highlights achieved during Fiscal Year 2018 - 2019:

#### ***Administrative and Accounting***

- Staffing – Hired two additional Project Manager II, totaling nine full-time positions (Executive Officer services without compensation)
- Contracted Personnel – Recruited a Construction Manager for the Duck Farm, Azusa River Wilderness Park and South Gate Parque Dos Rios Projects
- Billable Rate and Employee handbook updates
- Employer benefit liability obligations fully funded
- Fiscal Year 2017-2018 audit conducted in 2019 reported no significant deficiencies were identified

#### ***Grant & Contract Awards***

##### ***Grants***

- \$1,200,000 as a gap funding grant from the Rivers and Mountains Conservancy to complete the construction of the Duck Farm Phase 1A – Step 2 project that includes a pocket park and entry, parking, pedestrian amenities and access improvements, interpretive features, 1.25-mile trail, riparian landscape, a wildflower meadow and a river overlook.
- \$74,956 in additional grant funds from the Rivers and Mountains Conservancy for River Wilderness Park Entry Improvement Project's design consultant services and project administration.

- \$240,338.35 grant from the Rivers and Mountains Conservancy to complete a LA River Ranger study and Pilot Program recommendation to establish a network of river rangers along the 51-miles of the Los Angeles River and its tributaries to enhance public safety, provide watershed and environmental programming, and management of natural resources.
- \$85,723 grant from the National Forest Foundation for the East Fork Sustainable Access Project

***Contracts***

- \$250,000 award from Los Angeles County Flood Control District to support the development of a regional strategic implantation plan for the San Gabriel Valley Greenway Network and green infrastructure improvements.

***Major Project Milestones******Duck Farm Project***

- A Groundbreaking Ceremony was held on March 21, 2019 at the project site along the San Gabriel River at the future river overlook
- Demolition and earth work have begun on site

***San Gabriel River Confluence with Cattle Canyon Project***

- Final certified EIR was completed in October 2018 and project is in the process of being closed out

***River Ranger Program Implementation Project***

- The Los Angeles River Ranger Program Establishment Plan Executive Summary was delivered to Legislature
- The Plan is undergoing its final review by the Project Leads and the full Plan will be submitted to Legislature by May 2019

***Fiscal Year 2018-2019 Strategic Plan, Organizational Priorities & Challenges******Strategic Plan***

For finance, staff continues to keep operating cash flow staying positive. For marketing, staff is actively updating social media for increasing the WCA's presence and brand, as well as, engaging in community outreach and holding public meetings.

***Organizational Priorities and Challenges***

Additionally, goals and objects to support long-term financial sustainability were identified, including the implementation of our current Billable Rates Structure Plan and 10% indirect costs applied to eligible grants to appropriately capture overhead and administrative costs. It was also identified that current State funding sources only allow reimbursement of salary and benefit expenditures. Subsequently, WCA acknowledges the need to actively pursue funding sources that allow for distribution of operational and administration costs. Staff has been diligent in seeking contracts for services and partnerships that will provide more stability and long-term programs that will also provide additional stability in revenue generation. The operation and maintenance of our properties and parks when they are open to the public is an on-going concern for the Authority and mechanisms to fund this component are still required.

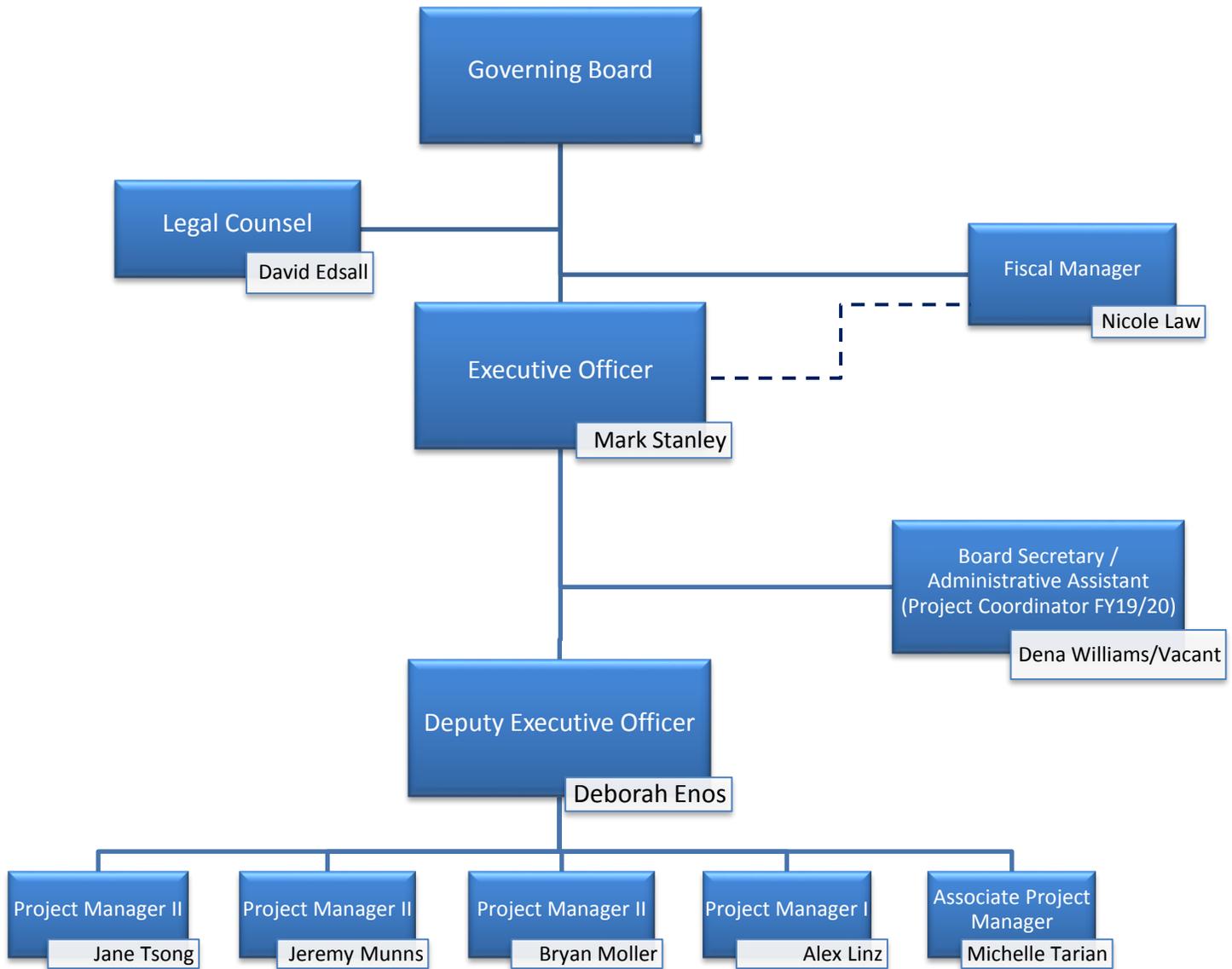
To ensure the transparency of our internal processes, financial and accounting policies and practices are reviewed periodically and updated, as necessary, with the goal of strengthening internal controls and improving organizational practices. The WCA periodically evaluates its organizational structure to ensure the current staff is efficiently utilized for project management and other important processes. Lastly, the WCA will benchmark employee compensation plan and review an established procedure for merit increase to retain and reward employee performance, as well as, to sustain the organization's competitiveness in the governmental job market.

***Fiscal Year 2019 - 2020 Program Highlights & Opportunities***

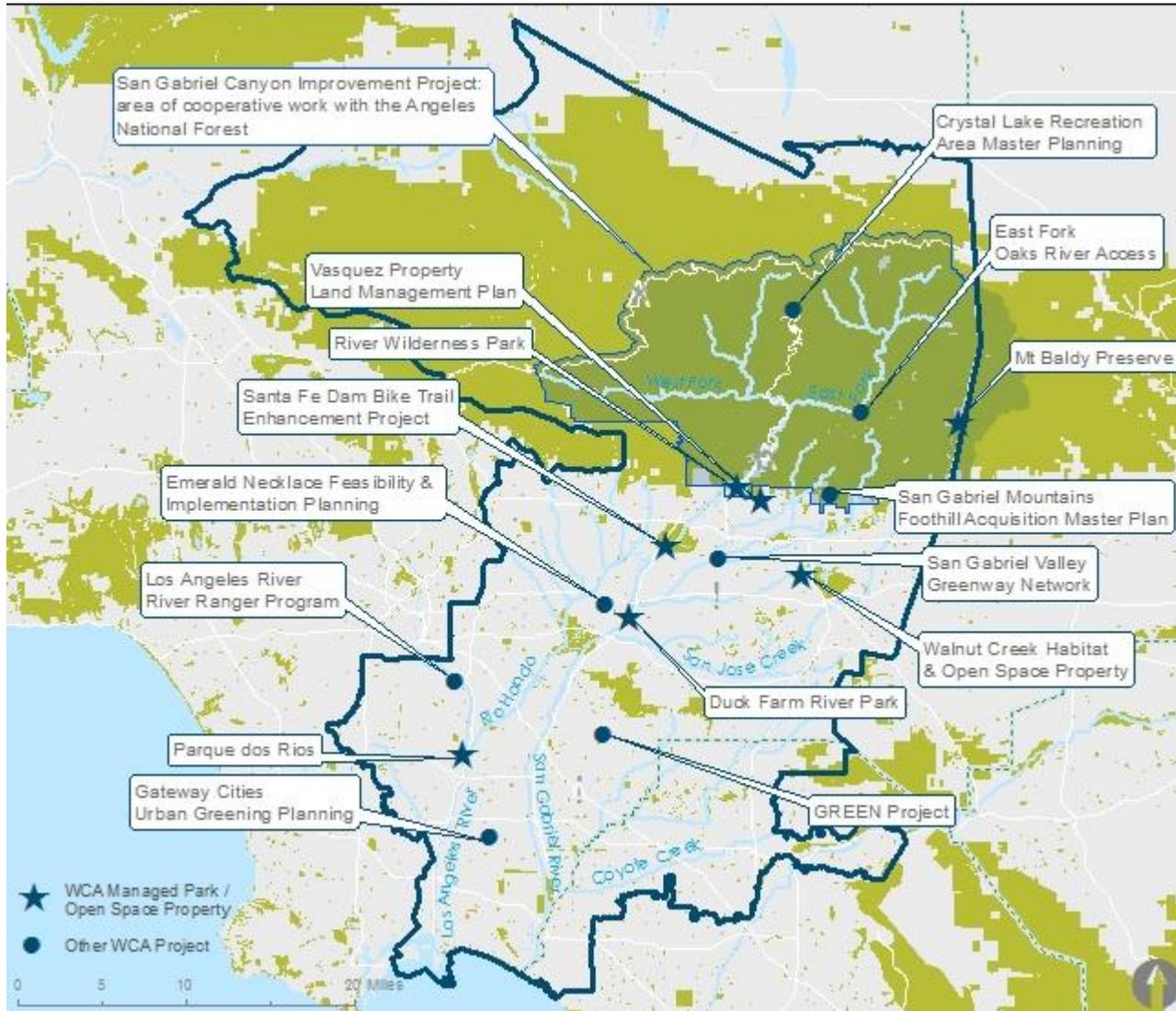
The WCA anticipates that this upcoming fiscal year will be very busy and will result in the achievement of a variety of high-profile milestones being reached, a few of which are highlighted below.

- The completion of the San Gabriel Foothills Master Plan and acquisition of one or more key properties for watershed protection and public access
- The Duck Farm River Park implementation project is scheduled to be completed by end of the fiscal year and open to the public that summer
- WCA will enter into a professional services contract with LACFCD to forward the implementation of SGV greenway initiative
- LA River Ranger Program Implementation Phase III, WCA will work with the RMC, SMMC and MRCA to seek to forward the plan along the LA River
- East Fork Access Improvement at the Oaks Picnic Area will be shovel ready to start construction following the summer peak-season 2020
- Crystal Lake Recreation Project is scheduled to be complete by the end of the fiscal year
- The Parque dos Rios/South Gate Riparian Project is scheduled to be completed and open to the public by the end of the fiscal year
- Completion of the Walnut Creek Trail Loop to the Antonovich Trail in collaboration with City of San Dimas

# Watershed Conservation Authority Organizational Chart



# Watershed Conservation Authority Territory Map



## Budgeting and Financial Processes

### **Budget Requirements and Processes**

The Watershed Conservation Authority is a Joint Powers Authority established to serve the interest of its partners, the San Gabriel and Lower Los Angeles Rivers & Mountains Conservancy (RMC) and the Los Angeles County Flood Control District (District) and is governed by a Joint Powers Authority Agreement, which requires the WCA to adopt a budget each fiscal year that is approved by its Governing Board, as well as, the Governing Boards of the RMC and the District. Public funds approved in the adopted budget may be expended. However, budgetary amendments may occur, through Governing Board approval on each fiscal item, through the revenue and expenditure report, as necessary for changes in revenue and/or expenditures. The intention is for a budgetary amendment process to be developed in the coming fiscal year to address the nature, timing, and magnitude as to when budgetary amendments will occur in any one fiscal year and as establishment between an administrative budget amendment and those requiring Governing Board approval.

The WCA's annual budget process involves a continual assessment of the needs required to maintain all owned properties. In the winter of each year, a cost to date analysis is completed to identify areas where there is potential for cost savings or cost increases passed along from vendors. An analysis of funding sources on-hand is completed, as well as, an assessment of available funding that can be carried into the next fiscal year. Of particular importance is a resource planning and indirect cost assessment to determine the diversity of funding available and how that funding can be utilized to both capture direct and indirect labor expenses. This assessment allows the WCA to determine the level of growth, including staffing, that the Authority can sustain to ensure timely project delivery and maximized organizational efficiency.

Ongoing review of budgeted figures to actual revenues and expenditures is the responsibility of staff and is completed and presented to the Governing Board at each meeting.

A preliminary and final budget is presented to the Governing Board in May and June, respectively, of each year and submitted for adoption by the RMC Board and the Los Angeles County Board of Supervisors.

### **Fiscal Controls and Processes**

The WCA, as required by its JPA Agreement, utilizes the District's accounting department, also referred to as the Los Angeles County Auditor-Controller, as its custodian and controller over the majority of WCA funds. Any receipts and expenditures are processed through the District/County's accounting system. The following establishes the responsibilities held by both parties concerning the accounting process and budgeting process:

WCA is responsible for:

- Development and adoption of an annual budget with continuous monitoring of budget vs. actual progress throughout the fiscal year
- Reporting and control of financial operations and accountability for WCA's operations, contracts, and grant programs and projects

- Establishing a framework of internal controls to safeguard against fraud and error
- Ensuring the validity of all requests for payment of obligations or deposit of receipts according to the WCA's supporting documents such as contractual payments, invoices, etc.
- Executing all managerial and financial decisions for the agency.

Los Angeles County Auditor-Controller is responsible for:

- Depositing and acting as custodian to WCA funds which are held in County's Treasury Pool for purposes of accruing interest.
- Verifying and reporting on a quarterly basis to the Authority the activity in each fund.
- Performing activities as the auditor and controller of the funds.

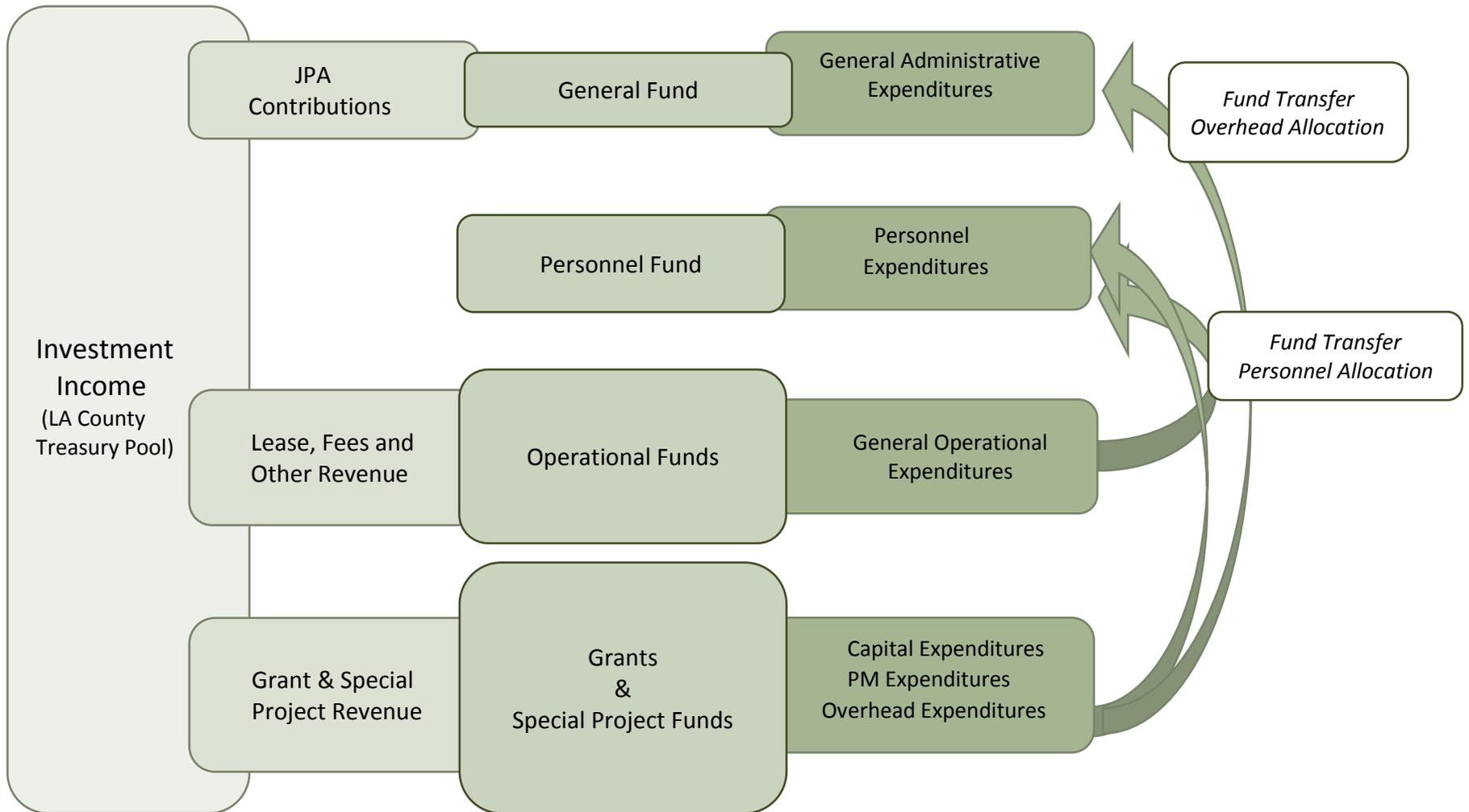
The financial statements are prepared in conformity with generally accepted accounting principles and are governed by accounting and financial reporting principles as established by the Governmental Accounting Standards Board. The fiscal year of the WCA is established as July 1<sup>st</sup> through June 30<sup>th</sup>. The WCA uses the modified accrual basis of accounting, where the WCA recognize revenues as cash is received during or soon after the end of the year and when it is earned and both measurable and available (generally expected within 60 days), and expenditures are recognized when the liability is incurred. The WCA's funds are categorized as enterprise/proprietary funds, which distinguishes operating revenues and expenses from non-operating items.

WCA continues to utilize a formal Billable Rate Structure Plan, developed in 2014, as a model that can be updated on a regular basis as approved by the Governing Board to allocate indirect costs among the agency's available funding sources. The model establishes four hourly rates, three of which are OMB compliant for each employee classification that could be allocated against various grant and contracts dependent on the varying degrees of allowable indirect costs. Indirect costs captured are utilized towards covering costs related to WCA general operating expenses, including administrative employees' wages and benefits. The Billable Rate Structure is updated as part of the budgeting process and may be updated during the year if a significant change in the budget occurs.

### **Policy Adoption**

A Purchasing and Contracting Policy was adopted alongside the Joint Powers Authority Agreement adoption in 2003, to establish rules and limitations to how the WCA would purchase goods and services and ensure a competitive and fair process for its contractual agreements. As the WCA expands, there exists the need to review and modify existing policies as well as introduce policies over additional WCA processes. The WCA continues to strategically plan and develop critical success factors that will guide the sustainability, growth, and realistic performance measures by which the agency is evaluated.

### Schematic of Fund Structure



## Description of Major Funds

**General Fund** – The purpose of this fund is to account for the annual JPA contributions and general administrative expenses.

**Personnel Funds** – The purpose of these funds is to hold funds for the purposes of expending payroll and creating a reserve for accrued employee leave.

**Duck Farm Operational Fund** – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the Duck Farm, as well as, those incurred on non-revenue generating WCA properties or cover general operational expenditures.

**El Encanto Operational Fund** – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the El Encanto/River Wilderness Park where the WCA offices are currently housed.

**Southgate Riparian Habitat Operational Fund** – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the South Gate/Parque Dos Rios property, as well as, those incurred on non-revenue generating WCA properties or cover general operational expenditures.

**Walnut Creek Operational Fund** – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the Walnut Creek property.

**Cattle Canyon Recreation Improvements Fund** – The purpose of this fund is to record funds from the National Forest Foundation and Resources Legacy Fund granted to the Authority for the Oaks Sustainable River Access Project.

**Conservation Easement Monitoring Fund** – The purpose of this fund is used to record all funds granted to the Authority to be utilized for conservation easement due diligence to accept CE's for the Puente Hills Habitat Authority.

**Duck Farm Phase 1A Implementation Fund** – The purpose of this fund is to record funds granted to the Authority for the Duck Farm Phase 1A Implementation project.

**Duck Farm Phase 1A-Step 2 Project Fund** – The purpose of this fund is to record funds granted to the Authority for the Duck Farm Phase 1A – Step 2 project.

**Duck Farm Phase 1A Prop A Fund** – The purpose of this fund is to record Prop A funds granted to the Authority for the Duck Farm Implementation project.

**Duck Farm Tree Planting Enhancement Prop A Fund** – The purpose of this fund is to record Prop A funds granted to the Authority to facilitate tree planting as part of the Duck Farm Implementation Project.

**Duck Farm Project River Parkway Fund** – The purpose of this fund is to record River Parkway funds granted to the Authority for the Duck Farm Implementation project.

**Duck Farm EEMP Fund** – The purpose of this fund is to record Environmental Enhancement Mitigation Program funds granted to the Authority for the Duck Farm Implementation project.

**Duck Farm Supplemental Environmental Project Fund** – The purpose of this fund is to record SEP funds granted to the Authority for the Duck Farm Phase 1A Implementation project.

**Duck Farm River Overlook LACFCD Fund** – The purpose of this fund is to record funds granted to the Authority from the LACFCD for use on the Duck Farm River Overlook project.

**Duck Farm House Project Fund** – The purpose of this fund is to record funds granted to the Authority for the Duck Farm House Landscape and Water Conservation Project.

**Gateway Cities & River Urban Greening Plan Fund** – The purpose of this fund is used to record California Resource Agency funds granted to the Authority to develop a plan to create inventory of greening opportunities, storm-water filtration and pedestrian linkages along gateway cities termed the Urban Greening Plan project.

**GREEN Project Fund** - The purpose of this fund is used to record funds granted to the Authority for collaborative planning and implementation of watershed-based greening efforts for the Green Regional Environmental Enhancement Network Project

**River Wilderness Park Entry Project Fund** – The purpose of this fund is to record funds granted to the Authority for the design of the River Wilderness Park Front Entry improvements.

**River Wilderness Park Arroyos Development Prop 1 Fund** – The purpose of this fund is to record Prop 1 funds granted to the Authority for the River Wilderness Park Arroyos Development project.

**River Wilderness Park Entry Prop A Fund** – The purpose of this fund is to record Prop A funds granted to the Authority for the design of the River Wilderness Park Front Entry project.

**River Wilderness Overlook Prop 50 Fund** – The purpose of this fund is to record funds granted to the Authority for the design of the River Wilderness Park Front Entry improvements.

**San Gabriel River Confluence Cattle Canyon Fund** – The purpose of this fund is to record funds granted to the Authority for the confluence of the East Fork of the San Gabriel River.

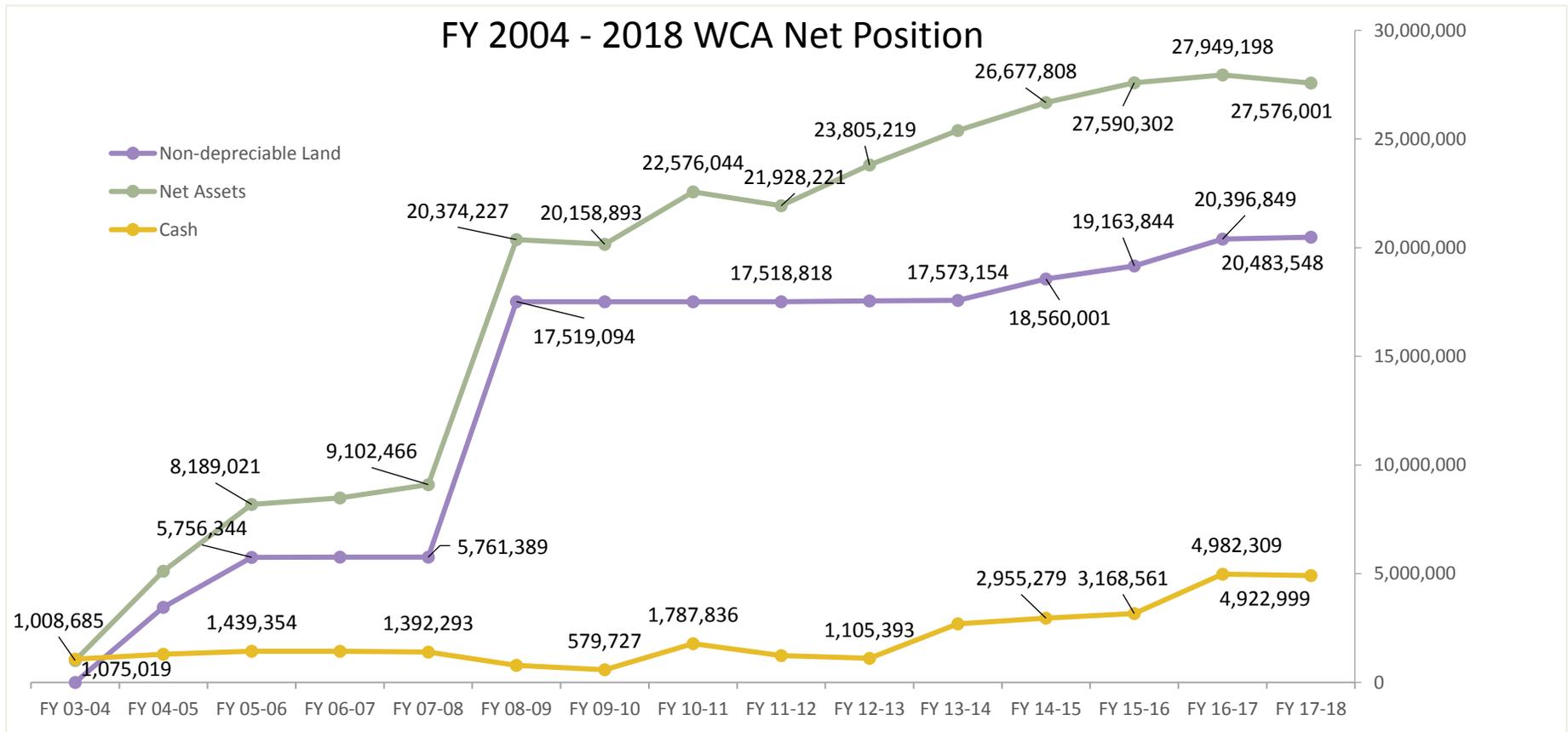
**South Gate Riparian/Parque Dos Rios Prop A Fund** – The purpose of this fund is to record Prop A funds granted to the Authority for the Parque Dos Rios Implementation project.

**Vasquez Property Acquisition Fund** – The purpose of this fund is used to record funds granted to the Authority for acquisition planning activities for the underdeveloped land in the Azusa Foothills area above the City of Azusa

**Note:** All other funds set up with the LA County Auditor Controller's office are either inactive, in the process of being closed, or have projects that have been completed.

## Analysis of Net Position

Net position measures the growth of an agency’s book value and is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. An analysis of an agency’s net position will show the agency’s growth and ability to manage its assets and liabilities diligently and efficiently and paints a picture of the financial stability of the agency. A majority of the Authority’s net assets are the result of an increase in the acquisitions of property since the agency’s inception and other capitalized construction in progress (CIP), buildings & improvements. The following chart analyzes the growth of the Authority’s net position since its inception through FY 17/18, the date of the last audited financials. Classification of the Authority’s net position is determined in accordance with GASB No. 34 and 63, which requires the classification of net position into three components: net investment in capital assets, restricted; and unrestricted. Net position is being presented in this chart as a total of all three components.



# Budget Overview

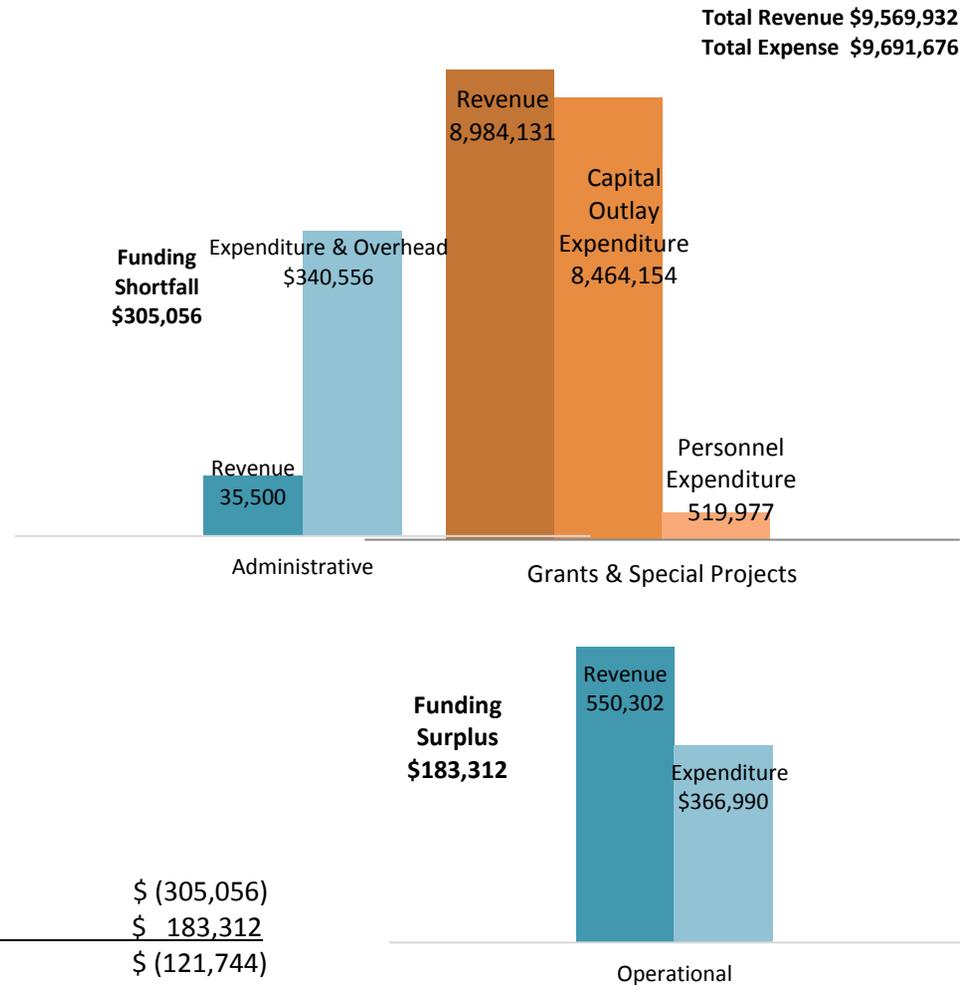
## CONSOLIDATED BUDGET FISCAL YEAR 2019-2020

	Budget FYE 2020 <sup>1</sup>
General Administrative Revenue	35,500
General Operational Revenue	550,301
Grants and Special Projects Revenue	8,984,131
<b>Total Revenue</b>	<b>9,569,932</b>
General Administrative Expenses	186,411
Personnel	674,121
General Operational Expenses	366,990
Grants and Special Projects Total Expense-Capital Outlay	8,464,154
<b>Total Expense</b>	<b>9,691,676</b>
<b>Change in Net Position Before Transfers</b>	<b>(121,744)</b>
<b>Transfers In</b>	<b>121,744</b>
<b>Transfers Out</b>	<b>0</b>
<b>Change in Net Position <sup>1</sup></b>	<b>-</b>

### Change in Net Position

Administrative Shortfall	\$ (305,056)
<u>Operational Surplus</u>	<u>\$ 183,312</u>
Transfers In <sup>2,3</sup>	\$ (121,744)

## REVENUE/EXPENDITURE COMPARISON BY CATEGORY



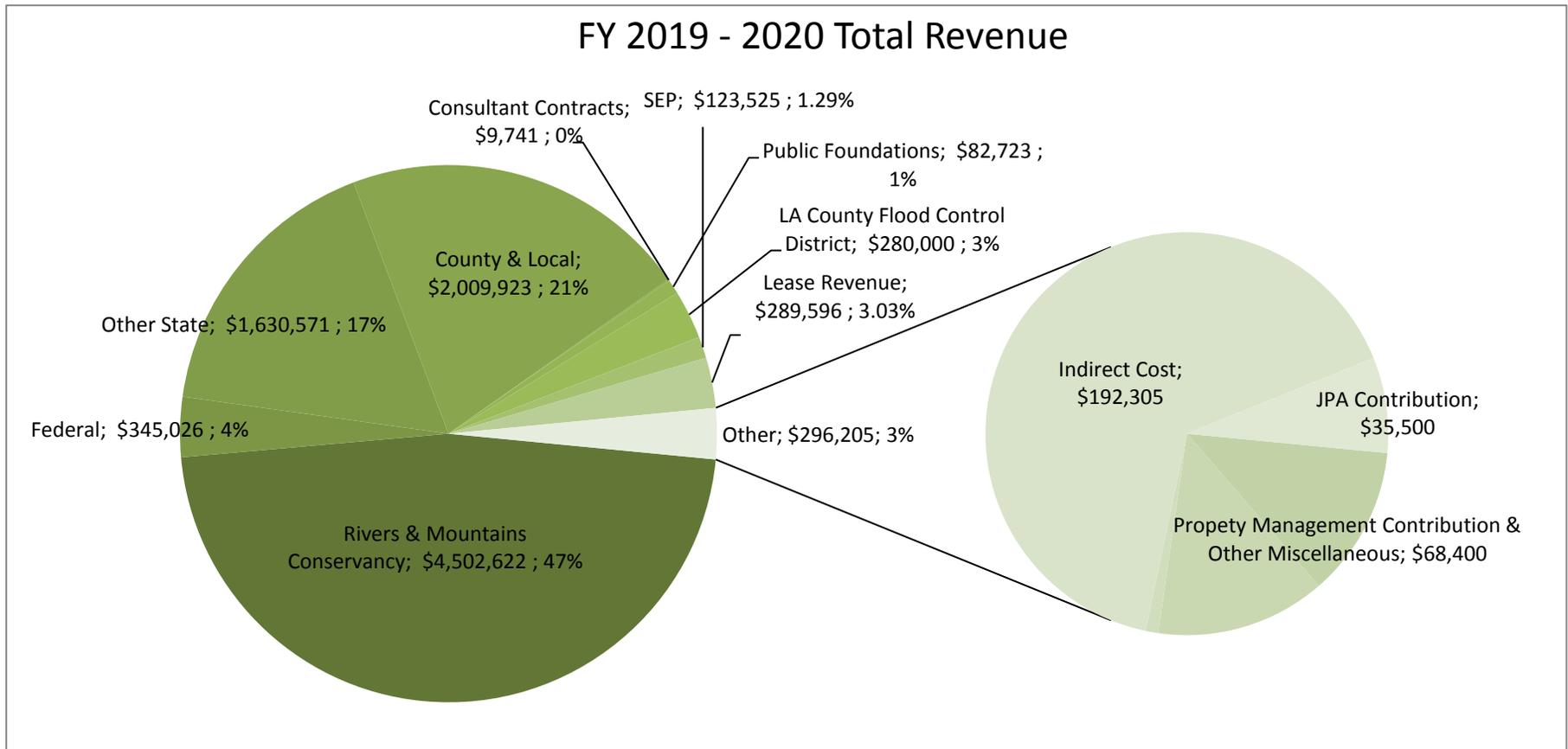
<sup>1</sup> – Budgeted figures do not include interest that might be accrued on funds held in the LA County Treasury Pool or Escrow funds or annual depreciation. The Authority presents a balanced budget in which revenue equals the Authority’s obligations including any budgeted reserves, if applicable. Any change in net assets comes primarily from acquisition of property and other capitalized buildings and improvements.

<sup>2</sup> – The difference of \$121,744 is expected to be funded by the WCA Billable Rate Structure Plan, indirect costs and reserve from operational funds.

<sup>3</sup> – Indirect allocation of up to 10% is being applied to eligible grant fund sources that allow application to offset remaining administrative expenditure.

## Revenue Overview

Fiscal Year 2019-2020 revenues are projected to total \$9,569,532. Revenue available for general administrative and operational expenditures totals \$357,996 or 3.7% of all revenue. Of the general administrative and operational revenue, \$289,596 is received from lease revenue generated on WCA owned properties. Revenue expecting to be available and utilized for grant and special projects during the fiscal year totals \$8,984,131, of which \$4,481,509 or 50% is expected to be derived from federal, state, county, local funds, consultant contracts and other project revenue and 50% or \$4,502,622 is expected to be derived from grants from the Rivers & Mountains Conservancy. In prior year fiscal budgets, Rivers & Mountains Conservancy revenue accounted for approximately 29% (FY 16/17), 20% (FY 17/18) and 34% (FY18/19) of the total grant and special project revenue. The WCA continues to strive for a diversified funding portfolio to allow for greater flexibility and allow for increased growth and sustainability and is continuing to achieve this goal with each fiscal year.



## Administrative & Operational Revenue

When the RMC and the District established the WCA as a Joint Powers Authority the parties agreed to contribute annually to the Authority a value not to exceed \$50,000 and \$25,000, respectively, plus an additional \$500 annually to cover postage expenditures.

### Administrative

Of the annual JPA contributions, the revenue for administrative expenditures totals \$35,500, consisting of member contributions of \$25,500 from the District and \$10,000 from RMC. These revenues have remained the same since 2010.

### Operational

Revenue available for operational expenditures totals \$357,996 which includes lease revenue generated from WCA owned properties (\$289,596), the annual property management contribution and a one-time contribution for ADA/seismic upgrade support from the RMC (\$40,000/\$19,500), citation fees (\$3,000), filming and park use permits (\$2,500) and utility fee revenue (\$3,400). Lease revenue is expected to remain fairly constant with slight anticipated increases being passed along to tenants/residences who had or will have a lease renewal during the upcoming fiscal year. Lease revenue, with the exception of revenue generated from freeway billboard contracts, has historically been budgeted at 95% of the total lease revenue to allow for potential tenant turnover and the cost and time needed for the WCA to locate a new tenant. The budgeted revenue for the Nursery at the Duck Farm property is also budgeted at 95% rather than 65% in former years as the lease was turned over to another financial stable commercial nursery entity. Citation and filming revenue generally is difficult to anticipate. However, staff projects an approximate citation receivable of \$3,000. Both the Duck Farm and South Gate properties produce more revenue than is needed to cover their current expenditures, which allow funds to be transferred and used at other properties that generate little to no revenue and for those properties that do not generate enough revenue to have expenditures covered.

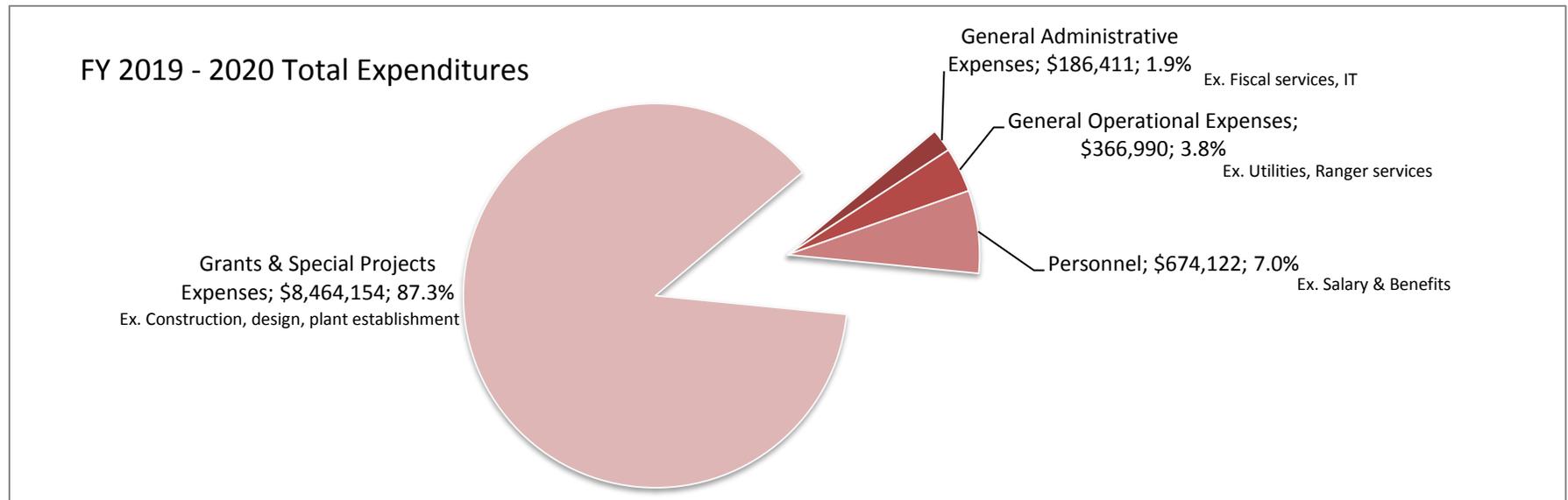
Budget FY19/20			
<i>Lease Revenue Detail</i>		Total Annual	Total Budgeted
<b>Duck Farm</b>			
451 S. Rall	Equestrian	\$20,400	\$19,380
455 S. Rall Ave.	Residential	\$26,658	\$25,326
Nursery	Commercial	\$55,224	\$52,463
Freeway Billboard	Commercial	\$44,000	\$44,000
<b>El Encanto</b>			
Unit 96	Residential	\$18,896	\$17,951
Unit 98	Residential	\$18,896	\$17,951
Unit 100a	Residential	\$18,786	\$17,847
Rainbow Ranch	Commercial	\$4,308	\$4,093
Unit 100-RMC	Commercial	\$49,564	\$47,086
<b>South Gate</b>			
Freeway Billboard	Commercial	\$ 43,500	\$43,500
<b>TOTAL</b>		<b>\$300,232</b>	<b>\$289,597</b>

## Grants & Special Projects Revenue

One of the goals highlighted during the strategic planning process has been to expand and diversify the Authority’s resources to allow the agency to become more financially sustainable and independent as well as support goals for growth into identified and targeted specialized industry areas. The Authority has successfully been awarded numerous grants in the previous fiscal year that support those goals and it continues to apply for grants that allow the agency to move forward with the completion of all planned phases of a project. Income from grants and other sources vary annually based on the number of active grants as identified in the Description of Major Funds, the timing for completion of those grants, agency staffing levels to complete the work required, and the estimated funding to be utilized in that particular fiscal year. In FY 19/20, there is an anticipated \$8,984,131 in revenue from grants and special projects. The proposed budget does not include revenues from projects and/or grants applied for and not yet awarded nor does it include grants in which a grant agreement and timeline has not been executed and established. After each Board meeting during the fiscal year, staff will review activity and changes that will require an amendment/modification and will recommend changes to projected revenues to the Board in accordance with an established budget amendment policy.

## Expenditure Overview

For FY 19/20, expenditures are projected to total \$9,691,676. This total reflects 10% or \$888,303 decrease from FY 18/19 budgeted expenses. The decrease is primarily due to an anticipated decrease in capital outlay projects and costs from awarded grants and contracts for the agency’s grants and special projects. The expenditure components are as follows: 1) General Administrative Expenses, \$186,411 or 2%, 2) General Operational Expenses, \$366,990 or 4%, 3) Personnel, \$674,122 or 7%, and 4) Grant & Special Projects Capital Outlay Expenses, \$8,464,154 or 87%.



## Personnel Expenditure

### Personnel Budget Explanation

Fiscal Year 2019-2020 budgeted expenditures for personnel are expected to total \$674,122, which includes salaries, benefits, employer taxes, and accruals for employee leave. Expenditures for personnel come solely from grant and special project revenue. Currently, the WCA staff comprises of nine full time employees. The Authority filled one budgeted Project Manager II and replaced Associate Project Manager with a new Project Manager II during the fiscal year. Additionally, the Authority plans to replace the Administrator Assistant position with a new Project Coordinator position. The change in staffing relates to capacity building needed to meet a planned project portfolio for FY19/20.

Salaries reflect a budgetary increase of \$41,315 and overall Personnel increase of \$58,468 for the aforementioned reasons. The employee handbook allows for an up to 2% merit increase for new hires upon completion of six months of full-time employment and upon a satisfactory employee evaluation of performance. All other positions have been budgeted for a Cost of Living Adjustment (COLA) of 2% despite the Consumer Price Index (CPI) change for the Los Angeles Metropolitan Area between December 2017 and December 2018 is 3%. The amount of the merit pool is calculated as 5% of the total compensation of all active positions.

Medical, dental and vision premium have been increased of approximately 5%, 9% and 3%, respectively, each year, therefore the Authority has projected \$15,347 increase in its overall health coverage for the year renewal occurs in December. No other changes have been made to employee benefits.

### Employee Benefit Summary

In February 2010, the WCA became an employer entity and worked with an outside consultant to develop employee policies that would become part of an employee handbook and to establish competitive employee benefits and salaries to establish the WCA as a viable employer in the marketplace. Since that time, staff has implemented numerous policies on how its benefits are applied as part of an employee's benefit package. Each fiscal year during the budgeting process, WCA's benefits are reevaluated to ensure that its benefit packages remain reasonable and competitive in comparison to similarly operated agencies. When benefits such as health and dental insurance renew each year, staff recommends plan changes that may result in cost savings or increased costs and resulting additional or reduced benefits to employees. Any plan changes or overall budget reductions require WCA to evaluate the level of benefits provided to employees and determine the amount of costs that might be passed along to employees if the WCA is unable to cover the increases. The Employee Handbook is also reviewed annually to ensure its compliance with any new federal or state legal requirements and the resulting budgetary impact, if any. An updated Employee Handbook will be presented to Board at the next meeting.

Employee Benefits	Standard Employer Contribution
Health Insurance	100% employee \$0 dependent
Dental Insurance	100% employee \$0 dependent
Vision Insurance	100% employee \$0 dependent
Life Insurance	\$25,000 employer paid optional addt'l amount paid by employee
Retirement (457b)	8% gross wage contribution optional addt'l deferral paid by employee
Accrued Vacation/Sick or Annual Leave	Accrual based on years of service, max. accrual 250 hours
Holidays	12 per year
<p><b>Note:</b> Certain employment stipulations dictate whether the WCA pays 100% of the benefit such as FT or PT designation. Most benefits also have varying waiting periods. Any dependent coverage added is the responsibility of the employee.</p>	

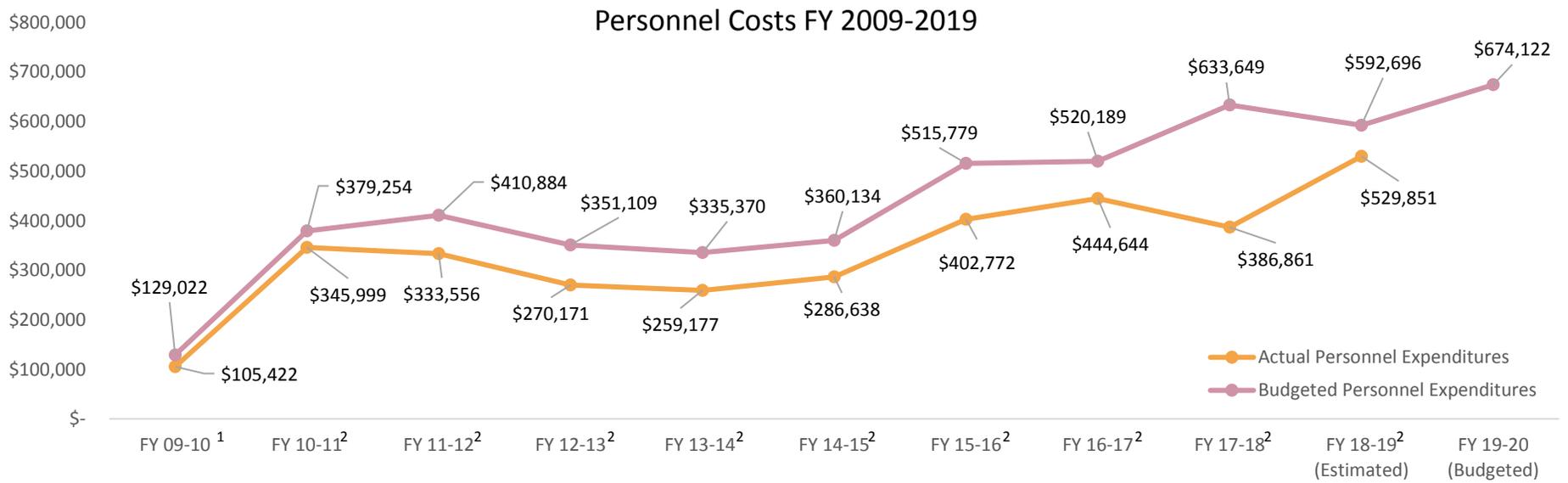
**Billable Rate Model and Overhead Cost Allocation**

As intended by the Billable Rate Structure Plan developed in 2014, all of the personnel costs (\$674,122) are expected to be offset by grant and special project revenue and indirect costs charged against eligible grants and project funds. In prior fiscal years, the WCA had employed a consultant to implement an indirect standard rate plan to allocate indirect costs to programs, grants, contracts, and agreements. The plan was limited in its application given the progress the Agency had made in program development and diversification of funding. The Standard Rate Plan was prepared using the WCA’s current fiscal budget. The evaluation and resulting rate schedule model provide an accountable means to allocate labor, overhead and administrative costs as allowed within the confines of the work program and according to the stipulations governing the WCA’s various funding mechanisms and is implemented in accordance with guidelines under federal OMB Circular A-87. It is essential for the WCA to continue to diversify its funding streams to ensure that an acceptable mix of programs, grants, contracts, and agreements allow enough overhead to be captured to cover personnel costs for the agency’s administrative positions and administrative/operational costs incurred in running the agency’s main office, El Encanto.

**Analysis of Historic Personnel Costs**

The following analysis provides a means of correlation between average number of employees and fiscal year audited salaries and benefits costs. Staff levels are expected to remain at nine full time employees, and personnel costs are expected to total \$674,122 in FY 19/20, the greatest number of full-time employees and highest personnel cost that the WCA has incurred since it became an employer in 2010.

Budget FY19/20	
<b>Expense Detail</b>	
Salaries	\$ 467,794
Merit Pool	\$ 34,936
Benefits	\$ 126,926
Fixed Fees	\$ 1,066
Employer Taxes	\$ 43,400
<b>Personnel Subtotal</b>	<b>\$ 674,122</b>



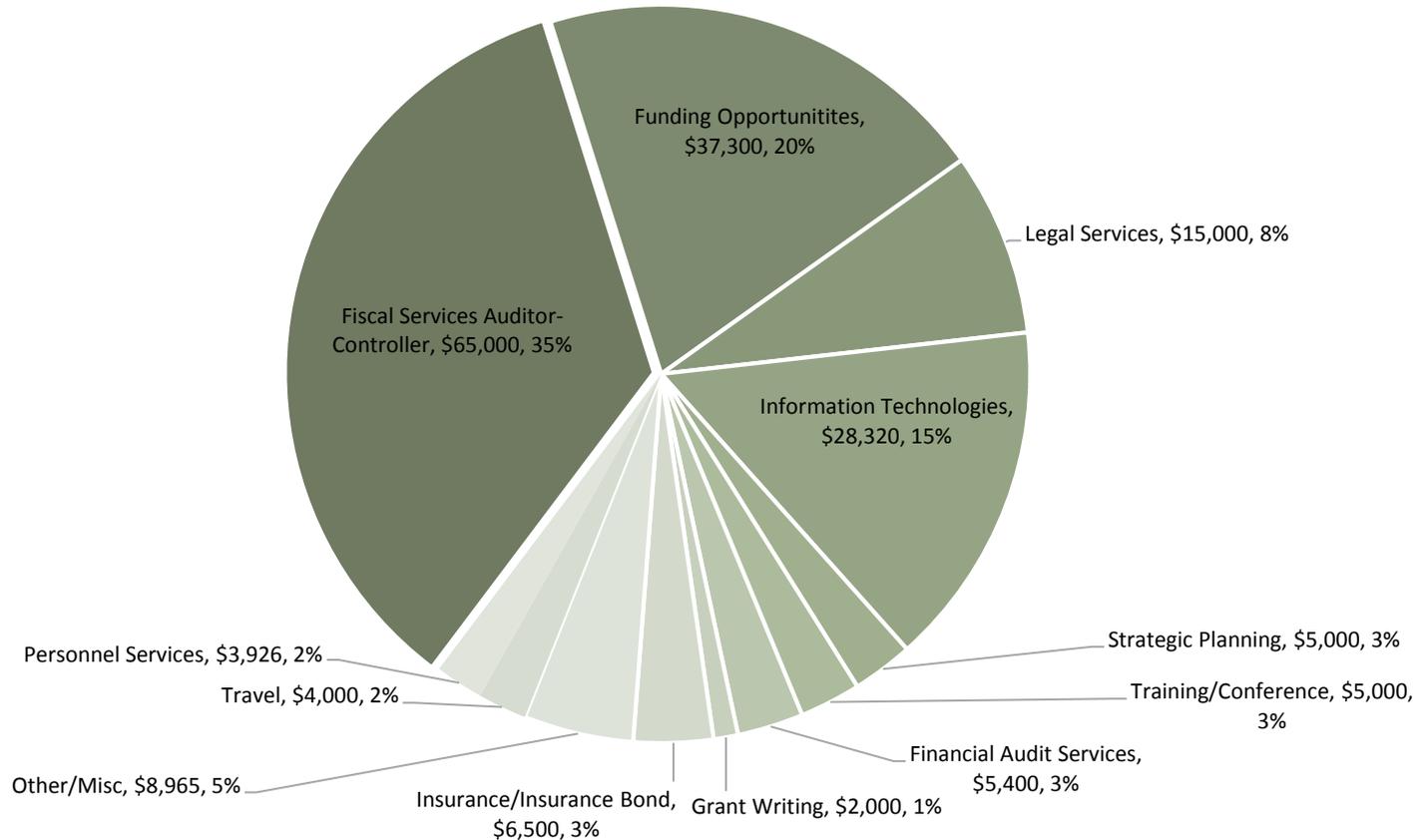
<sup>1</sup> WCA became an employer entity in February 2010; as such, FY 09-10 personnel costs are significantly low as they represent only 42% (or, 5 of 12 months) of that FY.

<sup>2</sup> Actual personnel expenditures appear less than budgeted personnel expenditures every fiscal year primarily due to timing of new hires to budgeted forecast.

## General Administrative Expenditure

General Administrative expenditures total \$186,411. Though JPA contribution revenue available for administrative costs total only \$35,500, the difference of \$150,911 is expected to be funded by the WCA Billable Rate Structure Plan and indirect costs charged against eligible grants and project funds. Planned administrative expenditures for FY 19/20 will increase by \$7,531 or 4% from previous year due to a combination of increased line items for Information Technologies and Other/Not Classified.

FY 2019 - 2020 General Administrative Expenditures



**Note- Other/Misc. category includes budgeted expenditures for office supplies, postage, printer supplies, non-capital equipment & software, dues & subscriptions, meeting supplies, and wireless phones combined.**

General Operational expenditures total \$366,990 and the revenue available for operational costs total \$357,996. The difference of \$8,994 is expected to be funded by overhead allocation in accordance with the WCA Billable Rate Structure Plan. Planned operational expenditures for FY 19/20 will increase by \$55,361 or 18% from the previous year due to a combination of cost savings and higher anticipated expenditures in several categories.

Below is an explanation of categories with larger anticipated increases from year-to-year:

- Expenditures for general liability and umbrella insurance in FY18/19 were higher than budgeted amounts resulting from the California wildfires in 2018; therefore, WCA increased its budget by \$14,576 or approximately 77% from FY18/19 budgeted expenses.
- Deferred maintenance contingency has historically been budgeted at 5% of lease revenue that allows the WCA to expend these funds on potential unplanned maintenance repairs that may need to be completed on tenant leased properties. However, the WCA plans to perform major maintenance and improvements to the El Encanto property, including ADA, seismic and water system improvements. As a result, WCA increased its budget by \$43,720 or nearly 138% from FY18/19 budgeted expenses.
- A budget increase of \$8,388 in Property Management as the Authority anticipates increased some day-to-day management of the El Encanto property.
- Weed Abatement is expected to remain constant with mid-year FY18/19 adjustment as the Authority implemented an interagency agreement for a not to exceed value of \$16,000 with LA County Department of Agriculture.
- Little to no budgetary changes is expected in the categories of Security, Electricity, Other Utilities, Ranger Services, and Property Tax. Ranger services are expected to remain constant with these specialty services continuing to be provided by the MRCA. MRCA provides support services that allow the rangers to patrol WCA-owned properties and provide on-call support for emergencies and events.

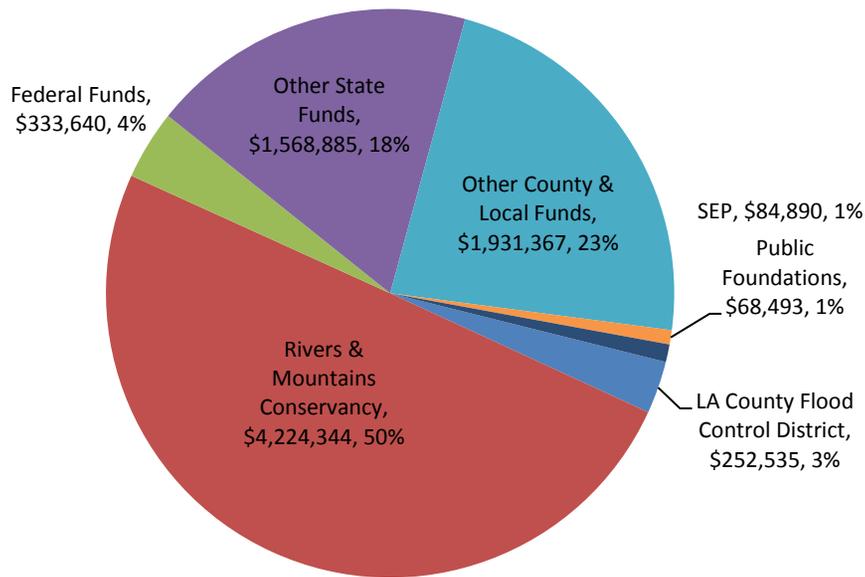
## FY 2019-2020 Projected Operational Expenditures

	Operational Duck Farm	Operational Mt. Baldy	Operational Citrus Heights	Operational El Encanto	Operational South Gate	Operational Walnut Creek	Budget FY 19/20	Budget FY 18/19
Insurance	9,218	1,719	12	20,141	781	1,712	33,583	19,007
Security	1,786	0	0	2,130	0	0	3,916	3,492
Building Maintenance and Repair	3,500	0	0	15,000	0	0	18,500	20,500
Grounds Maintenance and Repair	2,000	2,000	0	2,000	2,000	300	8,300	10,300
Electricity	907	0	0	16,000	0	0	16,907	15,840
Propane	0	0	0	8,000	0	0	8,000	6,000
Other Utilities	0	0	0	900	0	0	900	900
Waste Removal	3,222	0	0	6,314	0	0	9,536	8,117
Water System Operation/Irrigation	8,000	0	0	32,240	0	0	40,240	55,958
Property Management	6,500	2,200	250	22,000	600	1,100	32,650	19,450
Deferred Maintenance Contingency	7,314	0	0	68,000	0	0	75,314	31,593
Janitorial Services	0	0	0	10,583	0	0	10,583	9,792
Ranger Services	17,000	25,000	0	40,000	5,000	5,000	92,000	92,000
Weed Abatement	10,000	0	0	3,000	0	3,000	16,000	12,000
Property Tax	0	561	0	0	0	0	561	561
<b>General Operational Expenditures</b>	<b>69,447</b>	<b>31,480</b>	<b>262</b>	<b>246,308</b>	<b>8,381</b>	<b>11,112</b>	<b>366,990</b>	<b>305,510</b>

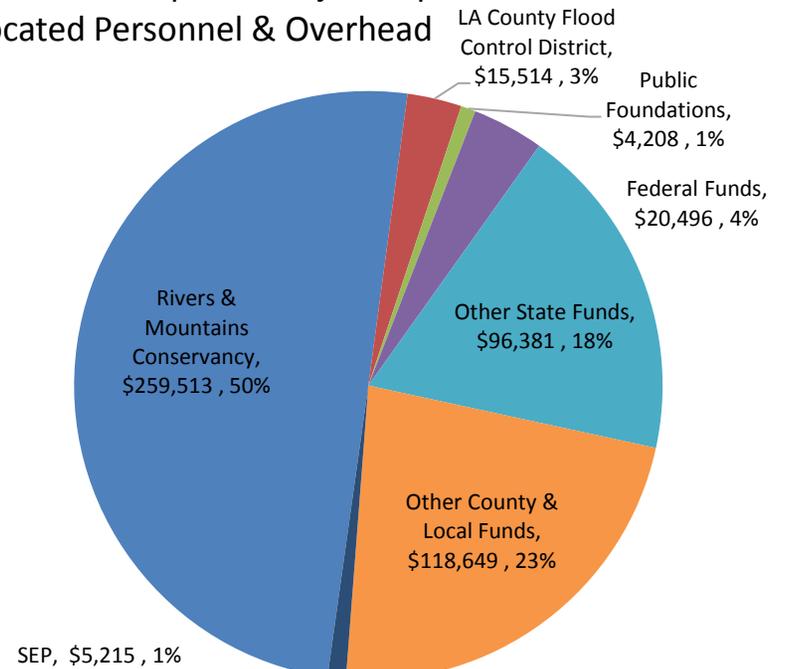
## Grants & Special Projects Expenditure

The WCA anticipates that it will utilize \$8,984,131 of its grants and special project funding in FY 19/20, with a portion on hand being carried from the previous fiscal year. The WCA currently has over 25 grants or contracts from a variety of agencies including the RMC, County of Los Angeles, United States Forest Service, and other local city and non-profit agencies and a myriad of programs and revenue pools from which those projects are funded. Some of its grants are being utilized towards the completion of one project such as in the case of both the Duck Farm and River Wilderness projects. The timeline and stipulations as to how the funds are spent are dictated by the granting agency. Staff is responsible for ensuring the timeliness of delivery of the project in accordance with the established timeline, and ensuring that budgeted targets have been met and are in accordance with allowable costs. Though the totality of grants and project funds granted exceed what is budgeted for in this fiscal year, WCA projects revenue and expenditures based on the aforementioned criteria on how much is expected to be received and utilized during the fiscal year. WCA historically analyzes and separates grant and projects funds into two categories: funds allocated for the administration or completion of the project by staff and those allocated to capital associated activity. Expenditures allocated to capital activity is expected to total \$8,464,154. Capital activity accounts for all project expenditures with the exception of personnel expenses and administrative overhead. Capital activity varies with each grant or project and is expended in accordance with the grant agreement and/or contract specific budget. These costs are monitored on a continuous basis in totality as part of this budget process but are additionally monitored as part of the requirements for each grant or project. The remaining \$519,977 is allocated to cover personnel expenses and administrative overhead as permitted by the grant and project agreements and in accordance with the WCA's Billable Rate Plan.

**FY 2019-2020 Grant & Special Project Expenditure  
Capital Outlay**



**FY 2019-2020 Grant & Special Project Expenditure  
Allocated Personnel & Overhead**



Appendix

**WATERSHED CONSERVATION AUTHORITY  
CONSOLIDATED BUDGET FISCAL YEAR 2019 - 2020**

	Mid Year Update FYE 2019	Actual as of 06/17/19	Additional Projected through 06/30/19	Forecasted FYE 2019	Budget FYE 2020	\$ Change Budget '19 vs. Budget '20
<b>Revenues</b>						
<b>General Administrative &amp; Operating Revenue</b>						
JPA Contributions						
LA County Flood Control District	25,500	25,500	-	25,500	25,500	0
Rivers and Mountains Conservancy	10,000	10,000	-	10,000	10,000	0
Lease Revenue	265,977	273,351	4,010	277,361	289,596	23,620
Property Management Contribution	59,500	40,000	-	40,000	59,500	0
Fees-Citation	13,775	3,759	-	3,759	3,000	(10,775)
Fees- Filming/Permits	2,000	1,285	-	1,285	2,500	500
Other Miscellaneous Revenue	57,411	39,757	207	39,964	195,705	138,294
<b>Subtotal-General Administrative &amp; Operating</b>	<b>434,163</b>	<b>393,652</b>	<b>4,217</b>	<b>397,869</b>	<b>585,801</b>	<b>151,639</b>
<b>Grants and Special Projects Revenue</b>						
Grant-Rivers & Mountains Conservancy <sup>1,5,6</sup>	4,195,567	975,950	87,933	1,063,883	4,502,622	307,055
Grant-LA County Flood Control District <sup>1,5</sup>	-	-	807	807	280,000	280,000
Grant-SEP <sup>2,5</sup>	-	-	-	-	123,525	123,525
Grant-Federal Funds <sup>1,5,6</sup>	538,672	176,806	52,899	229,705	345,026	(193,646)
Grant-Other State Funds <sup>4,5</sup>	715,178	129,435	123,090	252,525	1,630,571	915,393
Grant-Other County & Local Funds <sup>2,5</sup>	2,597,459	349,143	35,822	384,965	2,009,923	(587,536)
Grant-Public Foundations <sup>3,5</sup>	-	-	-	-	82,723	82,723
Other-Consultant Contracts <sup>3,5</sup>	43,669	-	-	-	9,741	(33,928)
<b>Subtotal-Grants and Special Projects</b>	<b>8,090,545</b>	<b>1,631,334</b>	<b>300,551</b>	<b>1,931,885</b>	<b>8,984,131</b>	<b>893,587</b>
<b>Total Revenue</b>	<b>8,524,707</b>	<b>2,024,986</b>	<b>304,768</b>	<b>2,329,754</b>	<b>9,569,932</b>	<b>1,045,225</b>
<b>Expenses</b>						
<b>General Administrative Expenses</b>						
Fiscal Services Auditor-Controller	65,000	56,953	8,047	65,000	65,000	0
Funding Opportunities	37,300	27,460	5,492	32,952	37,300	0
Legal Services	15,000	2,274	1,200	3,474	15,000	0
Information Technologies	20,000	16,410	1,045	17,455	28,320	8,320
Strategic Planning	5,000	83	-	83	5,000	0
Grant Writing	2,000	-	-	-	2,000	0
Travel	5,000	1,338	500	1,838	4,000	(1,000)
Financial Audit Services	5,400	4,929	-	4,929	5,400	0
Insurance/Insurance Bond	8,000	6,129	-	6,129	6,500	(1,500)
Training/Conferences	5,000	-	-	-	5,000	0
Meeting Supplies	500	165	-	165	500	0
Other/Not Classified	2,000	4,409	-	4,409	4,000	2,000
Wireless Phones	1,080	1,011	95	1,106	1,140	60
Personnel Services	3,750	3,445	250	3,695	3,926	176
Office Supplies	500	620	-	620	650	150
Postage	250	130	-	130	500	250
Printer Supplies	500	142	-	142	250	(250)
Equipment & Software	1,500	1,500	-	1,500	1,500	0
Dues & Subscriptions	1,100	425	-	425	425	(675)
<b>Subtotal-General Administrative</b>	<b>178,880</b>	<b>127,423</b>	<b>16,628</b>	<b>144,052</b>	<b>186,411</b>	<b>7,531</b>
<b>Personnel</b>						
Salaries	426,479	364,417	16,380	380,797	467,794	41,315
Merit Pool	32,807	-	-	-	34,936	2,129
Benefits	111,579	113,011	2,281	115,292	126,926	15,347
Benefits Plan Provider Admin Cost	1,066	811	297	1,108	1,066	0
Employer Taxes	43,722	31,314	1,340	32,654	43,399	(323)
<b>Subtotal-Personnel</b>	<b>615,654</b>	<b>509,553</b>	<b>20,298</b>	<b>529,851</b>	<b>674,122</b>	<b>58,468</b>
<b>General Operational Expenses</b>						
Insurance	19,007	33,961	-	33,961	33,583	14,576
Security	3,492	3,780	-	3,780	3,916	424
Building Maintenance and Repair	20,500	10,228	-	10,228	18,500	(2,000)
Grounds Maintenance and Repair	10,300	1,643	-	1,643	8,300	(2,000)
Electricity	15,840	13,311	949	14,259	16,907	1,067
Propane	6,000	7,290	-	7,290	8,000	2,000
Other Utilities	900	900	-	900	900	0
Waste Removal	8,117	8,812	-	8,812	9,536	1,419
Water System Operation/Irrigation	55,958	33,531	3,147	36,678	40,240	(15,718)
Property Management	24,262	30,175	1,295	31,470	32,650	8,388
Deferred Maintenance Contingency	31,593	12,410	-	12,410	75,314	43,721
Janitorial Services	11,099	10,775	-	10,775	10,582	(517)
Ranger Services	92,000	66,532	25,126	91,658	92,000	0
Weed Abatement	12,000	1,779	-	1,779	16,000	4,000
Property Tax	561	545	-	545	561	0
Legal Services	-	-	-	-	-	0
<b>Subtotal-General Operational</b>	<b>311,629</b>	<b>235,673</b>	<b>30,517</b>	<b>266,189</b>	<b>366,990</b>	<b>55,361</b>
<b>Grants and Special Projects Total Expense-Capital Outlay</b>						
Grant-Rivers & Mountains Conservancy	3,084,016	635,323	73,440	708,763	4,224,344	1,140,328
Grant-LA County Flood Control District	80,000	-	801	801	252,535	172,535
Grant-SEP	-	36,673	-	36,673	84,890	84,890
Grant-Federal Funds	423,672	147,209	52,899	200,108	333,640	(90,032)
Grant-Other State Funds	1,979,486	157,572	123,090	280,662	1,568,885	(410,601)
Grant-Other County & Local Funds	2,020,324	65,293	35,822	101,115	1,931,367	(88,957)
Grant-Public Foundations	109,713	85,723	-	85,723	68,493	(41,220)
Other-Consultant Contracts	-	2,718	-	2,718	-	0
Other-Mitigation Revenue	-	-	-	-	-	0
Other-Donations	-	-	-	-	-	0
Other-Miscellaneous	-	-	-	-	-	0
Carryover	-	-	-	-	-	0
<b>Subtotal-Grants and Special Projects</b>	<b>7,697,211</b>	<b>1,130,511</b>	<b>286,053</b>	<b>1,416,563</b>	<b>8,464,154</b>	<b>766,943</b>
<b>Total Expense</b>	<b>8,803,374</b>	<b>2,003,160</b>	<b>353,496</b>	<b>2,356,656</b>	<b>9,691,676</b>	<b>888,303</b>
<b>Change In Net Position Before Transfers</b>	<b>(278,666)</b>	<b>21,826</b>	<b>(48,728)</b>	<b>(26,901)</b>	<b>(121,744)</b>	
<b>Transfers In</b>	<b>278,666</b>		<b>48,728</b>	<b>26,901</b>	<b>121,744</b>	
<b>Transfers Out</b>		<b>(21,826)</b>				
<b>Change In Net Position</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	

1 - Labor Reimbursed at Salary & EB Only  
 2 - Labor Eligible to be Reimbursed at Admin & Billable Rate  
 3 - Labor Reimbursed at Consultant Rate  
 4 - Labor Reimbursed at Grantor Approved Compensation Rate  
 5 - Payment by Reimbursement Only  
 6 - Eligible for additional 10% for Indirect Costs

Exhibit A

WATERSHED CONSERVATION AUTHORITY  
EXPANDED BUDGET FISCAL YEAR 2019 - 2020

Item 9

	General Fund	Operational Duck Farm	Operational Mt. Baldy	Operational Citrus Heights	Operational El Encanto	Operational Parque Dos Rios	Operational Walnut Creek	Payroll and Accrued Leave	Grant & Special Project	Preliminary Budget FY 2019-2020
<b>Revenues</b>										
<b>General Administrative &amp; Operating Revenue</b>										
JPA Contributions	227,805	-	-	-	-	-	-	-	-	227,805
Lease Revenue	-	141,168	-	-	104,928	43,500	-	-	-	289,596
Property Management Contribution	-	2,000	3,500	500	49,500	2,000	2,000	-	-	59,500
Fees-Citation	-	-	2,000	-	1,000	-	-	-	-	3,000
Fees- Filming	-	-	500	-	2,000	-	-	-	-	2,500
Other Miscellaneous Revenue	-	1,000	-	-	2,400	-	-	-	-	3,400
<b>Subtotal-General Administrative &amp; Operating</b>	<b>227,805</b>	<b>144,168</b>	<b>6,000</b>	<b>500</b>	<b>159,828</b>	<b>45,500</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>585,801</b>
<b>Grants and Special Project Income</b>										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	4,502,622	4,502,622
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	280,000	280,000
Grant-SEP	-	-	-	-	-	-	-	-	123,525	123,525
Grant-Federal Funds	-	-	-	-	-	-	-	-	345,026	345,026
Grant-Other State Funds	-	-	-	-	-	-	-	-	1,630,571	1,630,571
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	2,009,923	2,009,923
Grant-Public Foundations	-	-	-	-	-	-	-	-	82,723	82,723
Other-Consultant Contracts	-	-	-	-	-	-	-	-	9,741	9,741
<b>Subtotal-Grants and Special Projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,984,131</b>	<b>8,984,131</b>
<b>Total Revenue</b>	<b>227,805</b>	<b>144,168</b>	<b>6,000</b>	<b>500</b>	<b>159,828</b>	<b>45,500</b>	<b>2,000</b>	<b>-</b>	<b>8,984,131</b>	<b>9,569,932</b>
<b>Expenses</b>										
<b>General Administrative Expenses</b>										
Fiscal Services Auditor-Controller	65,000	-	-	-	-	-	-	-	-	65,000
Funding Opportunities	37,300	-	-	-	-	-	-	-	-	37,300
Legal Services	15,000	-	-	-	-	-	-	-	-	15,000
Information Technologies	28,320	-	-	-	-	-	-	-	-	28,320
Strategic Planning	5,000	-	-	-	-	-	-	-	-	5,000
Grant Writing	2,000	-	-	-	-	-	-	-	-	2,000
Travel	4,000	-	-	-	-	-	-	-	-	4,000
Financial Audit Services	5,400	-	-	-	-	-	-	-	-	5,400
Insurance/Insurance Bond	6,500	-	-	-	-	-	-	-	-	6,500
Training/Conferences	5,000	-	-	-	-	-	-	-	-	5,000
Meeting Supplies	500	-	-	-	-	-	-	-	-	500
Other/Not Classified	4,000	-	-	-	-	-	-	-	-	4,000
Wireless Phones	1,140	-	-	-	-	-	-	-	-	1,140
Personnel Services	3,926	-	-	-	-	-	-	-	-	3,926
Office Supplies	650	-	-	-	-	-	-	-	-	650
Postage	500	-	-	-	-	-	-	-	-	500
Printer Supplies	250	-	-	-	-	-	-	-	-	250
Equipment & Software	1,500	-	-	-	-	-	-	-	-	1,500
Dues & Subscriptions	425	-	-	-	-	-	-	-	-	425
<b>Subtotal-General Administrative</b>	<b>186,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,411</b>
<b>Personnel</b>										
Salaries	-	-	-	-	-	-	-	467,794	-	467,794
Merit Pool	-	-	-	-	-	-	-	34,936	-	34,936
Benefits	-	-	-	-	-	-	-	126,926	-	126,926
Benefits Plan Provider Admin Cost	-	-	-	-	-	-	-	1,066	-	1,066
Employer Taxes	-	-	-	-	-	-	-	43,399	-	43,399
<b>Subtotal-Personnel</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>674,122</b>	<b>-</b>	<b>674,122</b>

Exhibit A

WATERSHED CONSERVATION AUTHORITY  
EXPANDED BUDGET FISCAL YEAR 2019 - 2020

Item 9

	General Fund	Operational Duck Farm	Operational Mt. Baldy	Operational Citrus Heights	Operational El Encanto	Operational Parque Dos Rios	Operational Walnut Creek	Payroll and Accrued Leave	Grant & Special Project	Preliminary Budget FY 2019-2020
<b>General Operational Expenses</b>										
Insurance	-	9,218	1,719	12	20,141	781	1,712	-	-	33,583
Security	-	1,786	-	-	2,130	-	-	-	-	3,916
Building Maintenance and Repair	-	3,500	-	-	15,000	-	-	-	-	18,500
Grounds Maintenance and Repair	-	2,000	2,000	-	2,000	2,000	300	-	-	8,300
Electricity	-	907	-	-	16,000	-	-	-	-	16,907
Propane	-	-	-	-	8,000	-	-	-	-	8,000
Other Utilities	-	-	-	-	900	-	-	-	-	900
Waste Removal	-	3,222	-	-	6,314	-	-	-	-	9,536
Water System Operation/Irrigation	-	8,000	-	-	32,240	-	-	-	-	40,240
Property Management	-	6,500	2,200	250	22,000	600	1,100	-	-	32,650
Deferred Maintenance Contingency	-	7,314	-	-	68,000	-	-	-	-	75,314
Janitorial Services	-	-	-	-	10,582	-	-	-	-	10,582
Ranger Services	-	17,000	25,000	-	40,000	5,000	5,000	-	-	92,000
Weed Abatement	-	10,000	-	-	3,000	-	3,000	-	-	16,000
Property Tax	-	-	561	-	-	-	-	-	-	561
Legal Services	-	69,447	-	-	-	-	-	-	-	69,447
<b>Subtotal-General Operational</b>	-	69,447	31,480	262	246,307	8,381	11,112	-	-	366,990
<b>Grants and Special Project Total Expense-Capital Outlay</b>										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	4,224,344	4,224,344
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	252,535	252,535
Grant-SEP	-	-	-	-	-	-	-	-	84,890	84,890
Grant-Federal Funds	-	-	-	-	-	-	-	-	333,640	333,640
Grant-Other State Funds	-	-	-	-	-	-	-	-	1,568,885	1,568,885
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	1,931,367	1,931,367
Grant-Public Foundations	-	-	-	-	-	-	-	-	68,493	68,493
Other-Consultant Contracts	-	-	-	-	-	-	-	-	-	-
<b>Subtotal-Grants and Special Projects</b>	-	-	-	-	-	-	-	-	8,464,154	8,464,154
<b>Total Expense</b>	186,411	69,447	31,480	262	246,307	8,381	11,112	674,122	8,464,154	9,691,676

**WATERSHED CONSERVATION AUTHORITY  
PERSONNEL BUDGET FISCAL YEAR 2019 - 2020**

	Budget Mid Year Update FYE 2019	Actual as of 06/17/19	Additional Projected through 06/30/19	Forecasted FYE 2019	Budget FYE 2020	\$ Change Budget '19 vs. Budget '20
<b>Expense Detail</b>						
Salaries	\$426,479	\$364,417	\$16,380	\$380,797	\$ 467,794	41,315
Merit Pool	\$32,807	\$0	\$0	\$0	\$ 34,936	2,129
Benefits	\$111,579	\$113,011	\$2,281	\$115,292	\$ 126,926	15,347
Fixed Fees	\$1,066	\$811	\$297	\$1,108	\$ 1,066	0
Employer Taxes	\$43,722	\$31,314	\$1,340	\$32,654	\$ 43,399	(323)
<b>Personnel Subtotal</b>	<b>\$615,654</b>	<b>\$509,553</b>	<b>\$20,298</b>	<b>\$529,851</b>	<b>\$674,122</b>	<b>58,468</b>
<b>Total Expense</b>	<b>\$615,654</b>	<b>\$509,553</b>	<b>\$20,298</b>	<b>\$529,851</b>	<b>\$674,122</b>	<b>58,468</b>

<b>Personnel Detail</b>		<b>FY 18/19</b>	<b>FY 19/20</b>	<b>Hrs</b>	<b>Proposed FY19/20 Salary</b>		<b>Benefits</b>	<b>Employer Taxes</b>	<b>Total Comp</b>
Deputy Executive Director (FT) <sup>1</sup>	Active	38.08	38.84	2080	\$ 80,783	\$ 24,885	\$ 8,984	\$ 114,651	
Fiscal Manager (FT) <sup>1,2</sup>	Active	28.00	28.56	2080	\$ 59,405	\$ 11,390	\$ 6,483	\$ 77,278	
Project Manager II (FT) <sup>1</sup>	Active	30.01	30.61	2080	\$ 63,669	\$ 19,254	\$ 6,903	\$ 89,826	
Project Manager II (FT) <sup>1,2</sup>	Active	30.01	31.21	2080	\$ 64,918	\$ 16,792	\$ 3,243	\$ 84,953	
Project Manager II (FT) <sup>1,2</sup>	Active	30.01	31.21	2080	\$ 64,918	\$ 16,952	\$ 2,702	\$ 84,572	
Project Manager I (FT) <sup>1</sup>	Active	25.07	25.58	2080	\$ 53,198	\$ 13,819	\$ 5,868	\$ 72,885	
Associate PM (FT) <sup>1</sup>	Active	20.80	21.22	2080	\$ 44,129	\$ 12,466	\$ 4,972	\$ 61,567	
Project Coordinator (FT) <sup>1,2</sup>	Active	0.00	17.68	2080	\$ 36,774	\$ 11,368	\$ 4,245	\$ 52,387	
<b>TOTAL</b>					<b>\$ 467,794</b>	<b>\$ 126,926</b>	<b>\$ 43,399</b>	<b>\$ 638,119</b>	

**Notes:**

- 1 - A 2% COLA adjustment is added to active employee salaries. Increase based on CPI U Dec 2017/18 change (3.2%), max 2%
- 2 - Eligible for up to 2% increase pending satisfactory completion of six-month review.

June 24, 2019 - Item 9

RESOLUTION 2019-23

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES  
RIVERS AND MOUNTAINS CONSERVANCY (RMC) APPROVING THE WATERSHED  
CONSERVATION AUTHORITY FISCAL YEAR 2019-2020 FINAL BUDGET

WHEREAS, The legislature has found and declared that the San Gabriel River and its tributaries, the Lower Los Angeles River and its tributaries, and the San Gabriel Mountains, Puente Hills, and San Jose Hills constitute a unique and important open space, environmental, anthropological, cultural, scientific, educational, recreational, scenic, and wildlife resource that should be held in trust to be preserved and enhanced for the enjoyment of, and appreciation by, present and future generations; and

WHEREAS, the RMC is a state agency created to acquire and manage public lands within the Lower Los Angeles River and San Gabriel River watersheds, and to provide open space, low impact recreational and educational uses, water conservation, watershed improvement and wildlife and habitat restoration and protection; and

WHEREAS, the Los Angeles County Flood Control District ("DISTRICT"), is a flood control district, whose purpose is to provide for the control and conservation of the flood, storm and other waste waters of said district, to conserve such waters for beneficial and useful purposes and to protect from damage from such flood or storm waters, the harbors, waterways, public highways and property; and

WHEREAS, it is the goal of both the RMC and the DISTRICT to provide for a comprehensive program to expand and improve the open space and recreational opportunities for the conservation, restoration and environmental enhancement of the San Gabriel and Lower Los Angeles Rivers Watershed area consistent with the goals of flood protection, water supply, groundwater recharge and water conservation; and

WHEREAS, The Watershed Conservation Authority has been established as a joint powers agency between the RMC and the District to implement projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, The RMC must approve the Watershed Conservation Authority final budget; and

WHEREAS, This action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); and NOW

*Therefore be it resolved that the RMC hereby:*

1. FINDS that this action is consistent with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Act and is necessary to carry out the purposes and objectives of Division 22.8 of the Public Resources Code.

- 2. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
- 3. ADOPTS the staff report dated June 24, 2019.
- 4. APPROVES the final budget for FY 10/20 budget for the Watershed Conservation Authority.

~ End of Resolution ~

Passed and Adopted by the Board of the  
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS  
CONSERVANCY on June 24, 2019.

Motion \_\_\_\_\_ Second: \_\_\_\_\_

Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

\_\_\_\_\_  
Frank Colonna, Chair

ATTEST: \_\_\_\_\_  
David Edsall, Jr.  
Deputy Attorney General