

**DATE:** May 18, 2020  
**TO:** RMC Governing Board  
**FROM:** Mark Stanley, Executive Officer  
**SUBJECT:** Item 9: Consideration of a resolution approving an amendment to the Subvention Agreement with the Watershed Conservation Authority (RMC19606)

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**PROGRAM AREA:** All

**PROJECT TYPE:** All

**JURISDICTION:** All

**PROJECT MANAGER:** Salian Garcia

**RECOMMENDATION:** That the RMC Governing Board approve an amendment to extend Subvention Agreement through Fiscal Year 2020/2021 with the Watershed Conservation Authority.

**PROJECT DESCRIPTION:**

Exhibit A: Subvention Fund Accounting Worksheet

In order to support the Watershed Conservation Authority (WCA) in developing and constructing projects in the Lower Los Angeles and San Gabriel River watersheds, the Rivers and Mountains Conservancy (RMC) provided in aid of a not-to-exceed amount of One Million and Five Hundred Thousand Dollars (\$1,500,000). The disbursed funds is currently being held in a separate fund with the County of Los Angeles Auditor-Controller, WCA's fiscal agent, for the sole purpose of the aid, which is a perpetual fund – similar to a revolving, non-wasting cash fund – to support the WCA while it awaits reimbursements from its various grantors.

The RMC has evaluated the performance of the subvention aid as well as WCA's cash flow, and it is meeting the aid's intended purpose and in compliance with agreed upon fund obligations.

The aid provided temporary relief of approximately \$1,832,258 worth of expenditures over the performance period of July 2019 through April 2020, during which time WCA received \$559,360, leaving a current fund balance of approximately \$227,102 (see Exhibit A: Subvention Fund Accounting Worksheet). The RMC found WCA still needs to complete a transfer with its fiscal agent in the amount of \$248,338 to replenish the Subvention Fund as the WCA has already received reimbursements from its various funding sources. The WCA is currently awaiting approximately \$981,000 from its various funding sources for reimbursement against the expenditures charged against the Subvention Fund, of which at least \$557,000 is expected to be received by the WCA by the end of this fiscal year. Lastly, the WCA has accrued \$5,291 in interest during the aforementioned performance period.

As stipulated in the Subvention Agreement, the RMC has met with the WCA in the last quarter of Fiscal Year 2019/2020 to review whether the Subvention fund needs to renew, adjusted, or discontinued. It is determined the WCA has appropriately accounted for and justified its use of the Subvention Fund, and that RMC recommends the Subvention Fund to continue through Fiscal Year 2020/21 with all other terms and conditions remaining the same. As such, the RMC will continue to meet the WCA at least quarterly to review fund activity. In the last quarter of Fiscal Year 2020/21, and every fiscal year thereafter, the RMC will bring to the board to a provide recommendation to renew, adjust, or discontinue the agreement. Though the current fund balance is close to the minimum cash balance of \$100,000, approximately two-thirds of the expenditures charged against the fund were made during this quarter, which is typical for many grantees to spend as well as claim reimbursement before the end of the fiscal year. The RMC recommends, however, the WCA submits reimbursement requests to its grantors on at least a quarterly basis so that the fund is replenished more frequently to further ensure the balance does not reach at or below the minimum cash balance.

**BACKGROUND:** The WCA was established in 2003 pursuant to the Joint Excise of Powers Act under Government Code, Section 6500, et. seq. It is a local public entity of the State of California exercising joint powers of the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and the Los Angeles County Flood Control District. The role of the WCA is to facilitate the development and implementation of a comprehensive program to improve open space and recreational opportunities with int the San Gabriel and Lower Los Angeles River Watersheds that are consistent with the goals of flood protection, water supply, groundwater recharge, and water conservation. The WCA is also empowered to acquire and protect lands for watershed protection, conservation, natural open space, and recreational purposes. The WCA is funded primarily by grants and receives limited funding from JPA Partner contributions and lease revenues for operational expenses. Furthermore, WCA is limited to operating within the confines of a strictly cash position with Los Angeles County Auditor Controllers Office. Additionally, the WCA does not have the power to acquire raise revenues or incur debt through taxation, assessment, and/or levy of any kind, further restricting the WCA to have limited available funding.

The WCA historically has been able to leverage funding from available operational funds to self-sustain while awaiting reimbursement from its various grantors, including local, state, and federal agencies. However, as project activity increased over the last few fiscal years, so has the level of meticulous administrative and operational tasks associated with the projects. The intention of the Subvention aid is to primarily ensure the WCA has available cash outside of its restricted and operational funds to continue the implementation and construction of projects. The joint powers authority whom members are the RMC and Los Angeles County Flood Control District, is a critical element to the watersheds of the Lower Los Angeles River and San Gabriel River. The RMC and its relationship with the County of Los Angeles as a fiduciary partner, in addition to its other roles, willingness to continue the financial feasibility of the WCA is based on current and future construction projects to support the watersheds and the public benefits from them, such as passive recreational activity, habitat restoration, and open space and art elements.

By extending the Subvention Agreement to continue into Fiscal Year 2020/21, the benefits accruing as a result of the transactions completed by this a, including, without limitation, (i) fulfillment of the WCA mission, (ii) direct benefits such as revenues from the projects and increased revenues from property, parking, local businesses, (iii) the enhanced economic opportunities for business surrounding the projects and in the Lower Los Angeles and San Gabriel River watersheds, and (iv) the benefits such as revitalization of the Lower Los Angeles River together with the WCA's obligations to its communities, partners, and grantors.

**FISCAL INFORMATION:** Funding for the Subvention Agreement has already been allocated from the Rivers and Mountains Conservancy's general fund to the Watershed Conservation Authority. The Subvention Fund will remain with WCA through Fiscal Year 2020/21; all other terms remain the same. No additional funding to the Subvention fund is being requested as this time.

Budget Act of 2018 (Senate Bill No. 840, Chapter 29)

For local assistance, Secretary of the Natural Resources Agency: Los Angeles River Community Restoration and Revitalization Projects, in the amount of twenty million dollars (\$20,000,000), of this amount, allocation to Rivers and Mountains Conservancy is nineteen million dollars (\$19,000,000).

**LEGISLATIVE AUTHORITY AND RMC ADOPTED POLICIES/AUTHORITIES:** The Rivers and Mountains Conservancy (RMC) statute provides in part that:

Section 32602: There is in the Resources Agency, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, which is created as a state agency for the following purposes:

- (a) 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, wildlife and habitat restoration and protection, and watershed improvement within the territory.
- (b) To preserve the San Gabriel River and the Lower Los Angeles River consistent with existing and adopted river and flood control projects for the protection of life and property.
- (c) To acquire open-space lands within the territory of the conservancy.

Section 32604: The conservancy shall do all of the following:

- (a) Establish policies and priorities for the conservancy regarding the San Gabriel River and the Lower Los Angeles River, and their watersheds, and conduct any necessary planning activities, in accordance with the purposes set forth in Section 32602.
- (b) Approve conservancy funded projects that advance the policies and priorities set forth in Section 32602.
- (d) To provide for the public's enjoyment and enhancement of recreational and educational experiences on public lands in the San Gabriel Watershed and Lower Los Angeles River, and the San Gabriel Mountains in a manner consistent with the protection of lands and resources in those watersheds.

Section 32614: The conservancy may do all of the following:

- (b) Enter into contracts with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties, and enter into a joint powers agreement with a public agency, in furtherance of the purposes set forth in Section 32602.
- (e) Enter into any other agreement with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties for the purposes set forth in Section 32602.

- (f) Recruit and coordinate volunteers and experts to conduct interpretive and recreational programs and assist with construction projects and the maintenance of parkway facilities.

Further, Section 32614 provides that: The conservancy may do all of the following:

- (g) Undertake, within the territory, site improvement projects, regulate public access, and revegetate and otherwise rehabilitate degraded areas, in consultation with any other public agency with appropriate jurisdiction and expertise, in accordance with the purposes set forth in Section 32602. The conservancy may also, within the territory, upgrade deteriorating facilities and construct new facilities as needed for outdoor recreation, nature appreciation and interpretation, and natural resources protection. The conservancy may undertake those projects by itself or in conjunction with another local agency; however, the conservancy shall provide overall coordination of those projects by setting priorities for the projects and by ensuring a uniform approach to projects. The conservancy may undertake those projects with prior notification to the legislative body of the local agency that has jurisdiction in the area in which the conservancy proposes to undertake that activity.

Section 32614.5:

- (a) The conservancy may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of this division.
- (b) Grants to nonprofit organizations for the acquisition of real property or interests in real property shall be subject to all of the following conditions:
  - (1) The purchase price of any interest in land acquired by the nonprofit organization may not exceed fair market value as established by an appraisal approved by the conservancy.
  - (2) The conservancy approves the terms under which the interest in land is acquired.
  - (3) The interest in land acquired pursuant to a grant from the conservancy may not be used as security for any debt incurred by the nonprofit organization unless the conservancy approves the transaction.
  - (4) The transfer of land acquired pursuant to a grant shall be subject to the approval of the conservancy and the execution of an agreement between the conservancy and the transferee sufficient to protect the interests of the state.
  - (5) The state shall have a right of entry and power of termination in and over all interests in real property acquired with state funds, which may be exercised if any essential term or condition of the grant is violated.
  - (6) If the existence of the nonprofit organization is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the state, except that, prior to that termination, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property, by recording its acceptance of title, together with the conservancy's approval, in writing.
- (c) Any deed or other instrument of conveyance whereby real property is acquired by a nonprofit organization pursuant to this section shall be recorded and shall set forth the executor interest or right of entry on the part of the state.

Exhibit A: Subvention Fund Accounting Worksheet

|  |                        |
|--|------------------------|
| <b>ORIGINAL SUBVENTION FUNDS</b>                           | <b>\$ 1,500,000.00</b> |
| Min. Subvention Funds Balance                              | \$ 100,000.00          |
| Reserve - 10% Retention for Parque Project                 | \$ 150,000.00          |
| Reserve - 10% Retention for RiverParkway Duck Farm Project | \$ 400,000.00          |
| Reserve - 10% Retention for RMC Grants                     | \$ 100,000.00          |
| <b>AVAILABLE CASH BALANCE</b>                              | <b>\$ 750,000.00</b>   |

| No. | Invoice # / Billing Period                                   | Vendor Name                | DF or Parque | Grant Fund No.     | Payment Request | Record Date | Reference No.                | Sub-Total    | Fund Balance |
|-----|--|----------------------------|--------------|--------------------|-----------------|-------------|------------------------------|--------------|--------------|
| 1   | RMC Subvention FY19/20                                       | State of California        |              | V2D                | S629751         | 10/11/19    | Deposit - FY19/20            | 1,500,000.00 | 1,500,000.00 |
| 2   | 2K19_083_03 / 07/11/19                                       | Tidal Influence            |              | V99                | 20-0014         | 10/14/19    | Reimbursed - RMC16001 PR#4   | (7,875.00)   | 1,492,125.00 |
| 3   | INV#4849 / 08/01/19-08/31/19                                 | The Solis Group            | DF Project   | V52 (RMC18002)     | 20-0065         | 10/17/19    | Reimbursed - RMC18002 PR#1   | 0.00         | 1,492,125.00 |
| 4   | INV#140-1984412-32-1 & 140-1984413-32-1 / 12/21/18           | Orange Coast Title Company |              | V2A                | 19-0239         | 10/17/19    | 08/08/19 - RMC17019 PR#1     | (3,500.00)   | 1,488,625.00 |
| 5   | INV#7950 / 04/08/19, File#5428-19                            | Buss-Shelger Associates    |              | V2A                | 19-0249         | 10/17/19    | 08/08/19 - RMC17019 PR#1     | (3,500.00)   | 1,485,125.00 |
| 6   | JOB# 1802-1 / 05/17/19                                       | Thomas W. Erickson         |              | V2A                | 19-0286         | 10/17/19    | 08/08/19 - RMC17019 PR#1     | (3,500.00)   | 1,481,625.00 |
| 7   | INV#2 / 4/23/18-5/13/18                                      | Treestack                  |              | V85                | 18-0290         | 10/17/19    | Reimbursed - WCA13002 PR#3   | (9,000.00)   | 1,472,625.00 |
| 8   | 2K19_083_03 / 07/11/19                                       | Tidal Influence            |              | V99                | 20-0014         | 10/21/19    | Reimbursed - RMC16001 PR#4   | 7,875.00     | 1,480,500.00 |
| 9   | 1557911-11 / 09/01/19-09/30/19                               | Norcal Engineering         | DF Project   | V52 (RMC18002)     | 20-0087         | 10/23/19    | Reimbursed - RMC18002 PR#1   | (1,521.00)   | 1,478,979.00 |
| 10  |  | The Solis Group            | DF Project   | V52 (RMC18002)     | 20-0092         | 10/23/19    | Reimbursed - RMC18002 PR#1   | (2,322.00)   | 1,476,657.00 |
| 11  | INV#WCA-DF-7 / 05/09/19-10/21/19                             | BlueGreen Consulting       | DF Project   | V52 (RMC18002)     | 20-0105         | 10/23/19    | Reimbursed - RMC18002 PR#1   | (5,329.36)   | 1,471,327.64 |
| 12  | INV#415474 & 415517 / 08/30/19 & 09/10/19                    | Willdan Engineering        | Parque       | V48 (V52 Temp)     | 20-0107         | 10/23/19    | 12/24/19 - PROPASGR #57      | (8,450.00)   | 1,462,877.64 |
| 13  | INV#0166784 / 06/24/19                                       | Perkins+Will               |              | V85                | 19-0334         | 10/28/19    | Pending - WCA13002 PR#6      | (7,000.00)   | 1,455,877.64 |
| 14  | INV#224135 / 11/06/19  | RWG Law                    |              | V61                | 20-0127         | 11/07/19    | Pending - RMC09105 PR#7      | (6,814.89)   | 1,449,062.75 |
| 15  | INV#19505-01 / 11/06/19                                      | Lyric Design & Planning    |              | V52(RMC18003)      | 20-0125         | 11/07/19    | Pending - RMC18003 PR#2      | (7,778.00)   | 1,441,284.75 |
| 16  | INV#400000029458 / 10/25/19                                  | EFI Global Inc             |              | V99                | 20-0111         | 11/08/19    | Pending - RMC16001 PR#5      | (2,000.00)   | 1,439,284.75 |
| 18  | INV#0166784 / 06/24/19                                       | Perkins+Will               |              | V85                | 19-0334         | 11/12/19    | Pending - WCA13002 PR#6      | (10,909.72)  | 1,428,375.03 |
| 19  | INV#5067 / 10/01/19-10/31/19                                 | The Solis Group            | DF Project   | V52 (RMC18002)     | 20-0129         | 11/18/19    | Reimbursed - RMC18002 PR#1   | (2,322.00)   | 1,426,053.03 |
| 20  | INV#WD-0165052 / 07/01/19-06/30/19                           | SWRCB                      | DF Project   | V38                | 20-0136         | 11/19/19    | 12/12/19 - RMC3609 PR#22     | (1,313.00)   | 1,424,740.03 |
| 21  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V38                | 20-0139         | 11/20/19    | Reimbursed - RMC3609 PR#22   | (107,471.60) | 1,317,268.43 |
| 22  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | Prop A - DF        | 20-0140         | 11/20/19    | Pending - Prop A DF PR#14    | (45,600.00)  | 1,271,668.43 |
| 23  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V52 (RMC17023)     | 20-0142         | 11/20/19    | Reimbursed - RMC17023 PR#2   | (211,375.00) | 1,060,293.43 |
| 24  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V52 (RMC18002)     | 20-0143         | 11/20/19    | Reimbursed - RMC18002 PR#1   | (178,630.40) | 881,663.03   |
| 25  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V79                | 20-0144         | 11/20/19    | Reimbursed - RPGDF PR#3      | (54,007.50)  | 827,655.53   |
| 26  | INV#368484 / 11/06/19  | SCE                        | DF Project   | V38                | 20-0138         | 11/20/19    | 12/12/19 - RMC3609 PR#22     | (11,735.40)  | 815,920.13   |
| 27  | INV#19505-02 / 11/20/19                                      | Lyric Design & Planning    |              | V52(RMC18003)      | 20-0148         | 11/22/19    | Pending - RMC18003 PR#2      | (4,177.00)   | 811,743.13   |
| 28  | INV#0163740 & 0164627/ 02/18/19 & 03/25/19                   | Perkins+Will               |              | V85                | 19-0275         | 11/25/19    | Pending - WCA13002 PR#6      | (14,924.34)  | 796,818.79   |
| 29  | INV#AR230121/ 12/01/17-06/30/18                              | Cal Poly Pomona Foundation |              | V85                | 19-0157         | 11/25/19    | Pending - WCA13002 PR#6      | (5,653.16)   | 791,165.63   |
| 30  | INV# DFS11.13.19 / 11/20/19                                  | SGVCC                      | DF Project   | V38                | 20-0132         | 12/04/19    | 12/12/19 - RMC3609 PR#22     | (1,920.00)   | 789,245.63   |
| 31  | INV#AR230121/ 12/01/17-06/30/18                              | Cal Poly Pomona Foundation |              | V85                | 19-0157         | 12/09/19    | Pending - WCA13002 PR#6      | (8,126.80)   | 781,118.83   |
| 32  | INV# 0156717, 0157697, 0158415 & 0159785 / 03/19/18-08/31/18 | Perkins+Will               |              | V85                | 19-0123         | 12/09/19    | Pending - WCA13002 PR#6      | (10,226.82)  | 770,892.01   |
| 33  | INV# 0156717, 0157697, 0158415 & 0159785 / 03/19/18-08/31/18 | Perkins+Will               |              | V85                | 19-0123         | 12/23/19    | Pending - WCA13002 PR#6      | (15,138.02)  | 755,753.99   |
| 34  | INV#19505-03 / 12/16/19                                      | Lyric Design & Planning    |              | V52(RMC18003)      | 20-0181         | 12/26/19    | Pending - RMC18003 PR#2      | (7,540.00)   | 748,213.99   |
| 35  | INV#WCA-DF-8 / 10/22/19-11/25/19                             | BlueGreen Consulting       | DF Project   | V52 (RMC18002)     | 20-0154         | 12/26/19    | Pending - RMC18002 PR#2      | (8,381.54)   | 739,832.45   |
| 36  | INV#WCA-DF-9 / 04/01/19-12/03/19                             | BlueGreen Consulting       | DF Project   | V52 (RMC18002)     | 20-0182         | 12/26/19    | Pending - RMC18002 PR#2      | (6,938.00)   | 732,894.45   |
| 37  | INV#224564 / 10/01/19-10/31/19                               | RWG Law                    |              | V61                | 20-0161         | 12/26/19    | Pending - RMC09105 PR#7      | (2,876.27)   | 730,018.18   |
| 38  | INV#5149 / 11/01/19-11/30/19                                 | The Solis Group            | DF Project   | V52 (RMC18002)     | 20-0169         | 12/31/19    | Pending - RMC18002 PR#2      | (2,322.00)   | 727,696.18   |
| 39  | INV#021827 / 05/06/19-07/26/19                               | Cal Poly Pomona Foundation |              | v96                | 20-0216         | 01/28/20    | Pending - RMC15112 PR#4      | (5,000.00)   | 722,696.18   |
| 40  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V52 (RMC18002)     | 20-0143         | 01/28/20    | Reimbursed - RMC18002 PR#1   | 178,630.40   | 901,326.58   |
| 41  | INV#19505-04 / 01/16/20                                      | Lyric Design & Planning    |              | V52(RMC18003)      | 20-0210         | 01/29/20    | Pending - RMC18003 PR#2      | (15,400.00)  | 885,926.58   |
| 42  | INV#2 / 11/04/19-12/15/19                                    | North East Tree            | Parque       | V48 (V52 Temp)     | 20-0230         | 02/06/20    | 12/24/19 - PROPASGR #58      | (13,306.48)  | 872,620.10   |
| 43  | INV#WCA-CL-4 / 05/21/19-12/01/19                             | BlueGreen Consulting       |              | V52 (Crystal Lake) | 20-0241         | 02/19/20    | Pending - Crystal Lake PR#4  | (70,150.82)  | 802,469.28   |
| 44  | INV#WCA-OA3-02 / 10/21/19-12/30/19                           | BlueGreen Consulting       |              |                    | 20-0243         | 02/24/20    | Pending - Reconcile Oaks RLF | (9,020.20)   | 793,449.08   |
| 45  | INV #5 / 10/22/19  | Fast-Track Construction    | DF Project   | V38                | 20-0139         | 02/24/20    | Reimbursed - RMC3609 PR#22   | 107,471.60   | 900,920.68   |



May 18, 2020 – Item 9

RESOLUTION 2020-20

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC) APPROVING AN AMENDMENT TO THE SUBVENTION AGREEMENT WITH THE WATERSHED CONSERVATION AUTHORITY

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 may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of Division 22.8 the Public Resources Code; and

WHEREAS, The Watershed Conservation Authority is a local public entity of the State of California exercising joint powers of the RMC and the Los Angeles County Flood Control District pursuant to Government Code Section 6500, et. seq; and

WHEREAS, The fund resulting from the amended Subvention agreement is to continue support of the Watershed Conservation Authority in developing and construction projects in the Lower Los Angeles and San Gabriel River watersheds; and

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 May 18, 2020.
- 4 AUTHORIZES the execution of an amendment to the Subvention Agreement with the Watershed Conservation Authority.

~ End of Resolution ~

Resolution No. 2020-20

Passed and Adopted by the Board of the  
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS  
CONSERVANCY on May 18, 2020.

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

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

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

ATTEST:

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