

DATE: July 20, 2020
TO: RMC Governing Board
FROM: Salian Garcia, Staff Services Manager I
THROUGH: Mark Stanley, Executive Officer
SUBJECT: Item 12: Consideration of a resolution to approve the Watershed Conservation Authority's Final Fiscal Year 2020/2021 Annual Budget

RECOMMENDATION: That the RMC Governing Board approve the Watershed Conservation Authority's Final Budget for Fiscal Year 2020/2021.

BACKGROUND: In accordance with the provisions of the Joint Powers Agreement, adoption of the WCA budget by the WCA 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 \$5,918,973 and expenditures total amount of \$5,972,080.

Attached as Exhibit A is the Fiscal Year 2020/2021 budgetary presentation with the final budget data included as an appendix to the presentation.



Watershed Conservation Authority

Fiscal Year 2020 - 2021 Budget



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On behalf of the Watershed Conservation Authority and its employees, we are pleased to present a budget for Fiscal Year 2020 - 2021 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 18th year of operation, and I cannot help but look back at our many accomplishments in watershed enhancement and open space conservation. Progress continues to be made as we work alongside community groups and strategic partners here in the San Gabriel and Lower Los Angeles Rivers watersheds.

I am proud of our team here at WCA as we've learn to make adjustments to our work habit and communication methods in light of recent events surrounding the COVID-19 pandemic. Without a doubt, as the situation continues to evolve, each of us at the Watershed Conservation Authority is committed to do everything we can to ensure continuity of operations through this challenging time. We remain diligent as ever and believe our joint efforts will enable us to maintain a steadfast focus on our vision.

We invite you to come alongside us as we begin a deep dive into our plans for the coming fiscal year with a reflection on our current and past milestone achievements.

As always, thank you for your continuing support.

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 properties along urban rivers and within our mountains and foothills totaling approximately 497 acres, all of which are at various stages of being established as protected open space or parkland. Two flagship river park properties, the Duck Farm in La Puente and Parque Dos Rios in South Gate, are under construction and are expected to be open to the public in FY20/21. 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 2019 - 2020 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 2019 - 2020:

Administrative and Accounting

- Staffing – Replaced an outgoing Project Manager II with a new staff member who began in April 2020, totaling seven full-time positions (Executive Officer services without compensation)
- Contracted Personnel – Recruited a Project Manager consultant to forward the implementation of a Lower LA River Reach Zone Pilot Program
- Established a \$1.5 Million Subvention Fund agreement with the RMC to provide WCA with project cash flow stability
- Billable Rate and Employee handbook updates
- Employer benefit liability obligations fully funded
- Fiscal Year 2018-2019 audit conducted in 2020 reported no significant deficiencies were identified

Acquisition of Property

- \$1,064,200 grant from the Rivers and Mountains Conservancy for Vasquez Overlook Acquisition Project. Acquisition of the 40-acre Vasquez Overlook parcel protects one of the last remaining undeveloped provide holdings along the foothill interface between the San Gabriel Valley and

the San Gabriel Mountains National Monument from development, in order to support watershed restoration, community-driven stewardship, and compatible public uses.

Grant & Contract Awards

Grants

- \$2,024,020 grant from the Rivers and Mountains Conservancy for Duck Farm River Center Development Project. The project will transform a 1929 Spanish colonial revival iconic farmhouse into a waterwise educational resource and visitor center for the public.
- \$250,000 grant from the Rivers and Mountains Conservancy for the LA River Environmental Flows Study Supplemental Analysis. The analysis will provide technically sound recommendations and alternatives to the Water Boards for consideration and implementation of a water flow standard that takes into consideration the existing and planned recreation and habitat uses of the Los Angeles River.
- \$250,000 grant from the Rivers and Mountains Conservancy for LA River Ranger Program Reach Zones project. The project will develop interpretive programming, recreation and education programs and providing on-going public engagement to let river-adjacent communities know that the pilot is coming and gauge overall public views and evaluation of the program.
- \$130,000 grant from the Rivers and Mountains Conservancy for Gateway Cities and Rivers Urban Greening Plan. The plan will provide preliminary planning concepts and connection opportunities to the rivers, green streets, open space, parks greenways and overall water and air quality improvements within the 27 cities that are included within the Gateway Cities of Southeast Los Angeles County.
- \$128,700 grant from the Rivers and Mountains Conservancy for the East Fork Sustainable River Access Project at the Oaks Areas. The project would serve as a model for sustainable recreational, balancing recreational uses and resource protection.

Major Project Milestones

Duck Farm Project

- On February 27, 2020, several members of both the WCA & RMC Board of Directors participated in a construction site tour highlighting elements construction and landscaping elements of the entry park, west plaza, outdoor classroom, dry streambed/riparian bioswale and the river overlook.
- As of May 2020, a number of important tasks/deliverables have been completed, and their status is as shown below:
 - 100% of SCE undergrounding of their above ground facilities
 - 90% of the landscape mounds once SCE was able to underground their facilities
 - 95% completion of the upper riparian bioswale construction
 - 90% of the site utilities, including new potable water and fire lines to the Farmhouse location, and the new ROMTEC restroom
 - 70% of all irrigation in the park
 - 75% of all tree planting in the park
 - 50% of all hardscape in the park
 - 100% of the structural steel for the overhead structures

Parque Dos Rios

- WCA, contracted with the Conservation Corps of Long Beach to construct the habitat improvements and overlook bike stop along the Lower Los Angeles River in the City of South Gate. The project was close to completion when COVID-19 hit. The Project will remobilize the construction team in July 2020 and will complete by August 2020. The site will highlight two overlooks with a focus on 7 acres of native plant habitat and the cliff swallows that call the underside of the Imperial Highway bridge home.

Vasquez Habitat and Open Space

- WCA completed the acquisition of the 40-acre Vasquez II parcel (“Overlook”) from the Vasquez Ranch. The Grant Deed and Access Easement were recorded on January 24, 2020.

Fiscal Year 2019-2020 Strategic Plan, Organizational Priorities & Challenges***Strategic Plan***

For finance, staff continues to keep operating cash flow staying positive.

For marketing, staff has developed templates for reports and presentations that reinforces the WCA branding and is actively involved in posting interesting topics and project updates to social media. WCA also continues to support partners in community outreach and attending public meetings to forward projects that meet the mission of the Agency.

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.

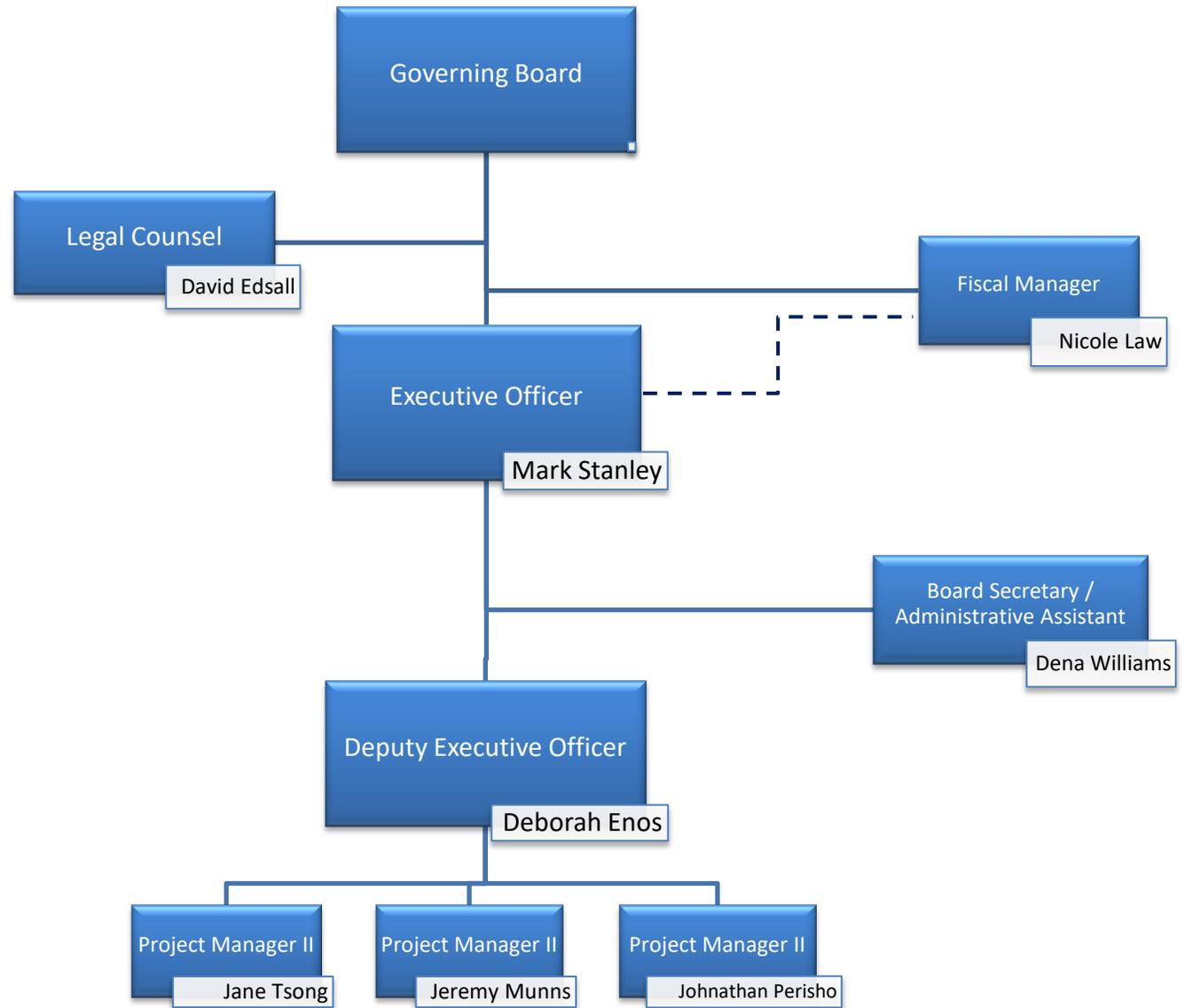
In June 2020, the WCA issued a Request for Proposal (RFP) and will award a contract with a qualified consulting firm to develop a compensation analysis plan and associated compensation recommendations. The intent of the compensation plan is to achieve comparable equity with the local market

and peer agencies in order to attract and retain experienced and dedicated staff and ensure competitiveness in the marketplace. The completed plan will be brought before the Governing Board for consideration to adopt the plan and recommendations at a future meeting.

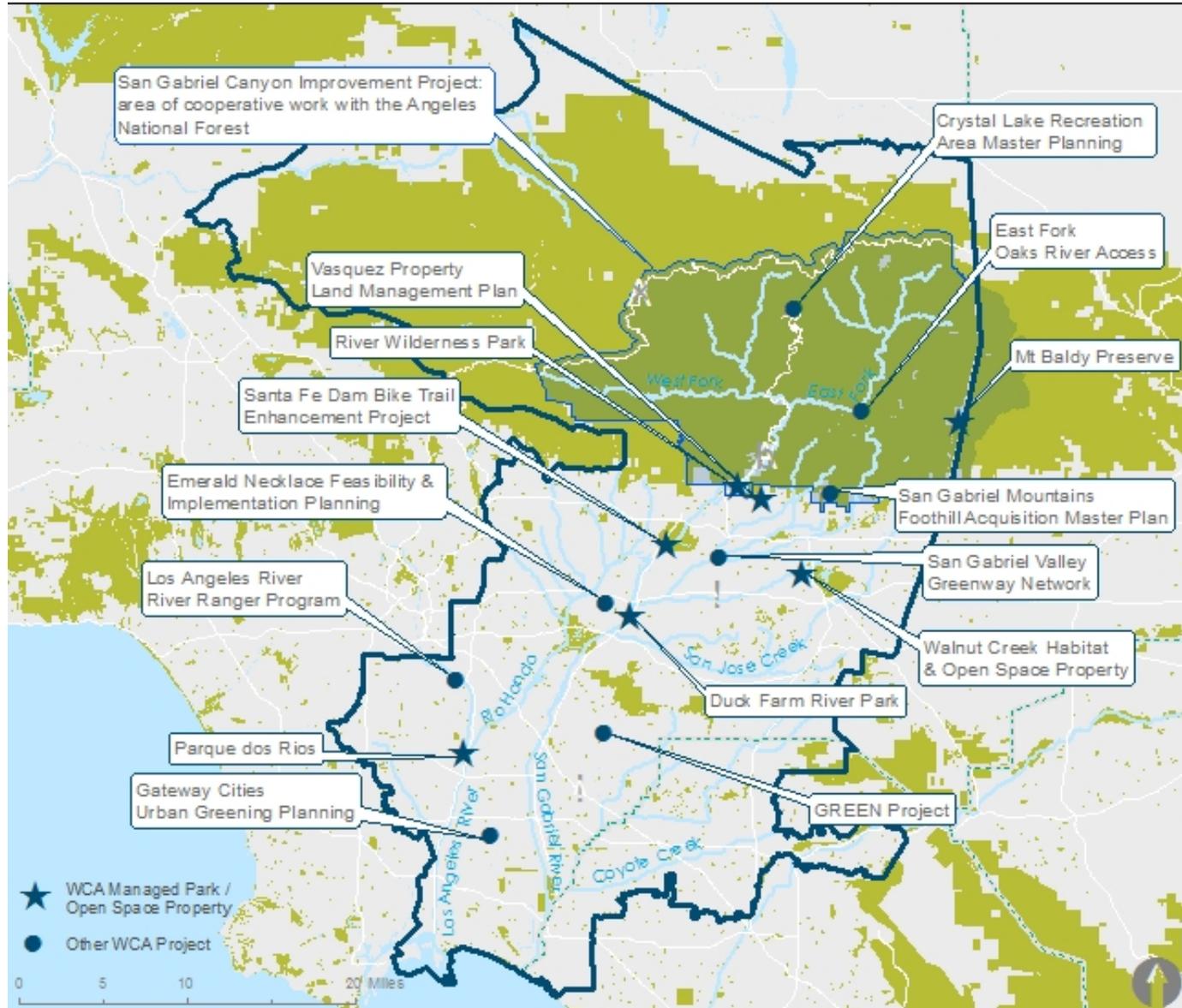
Fiscal Year 2020 - 2021 Program Highlights & Opportunities

- Duck Farm River Park implementation project – the 30-acre park will be completed during the new fiscal year and arrangements will be made to open the park to the public.
- Parque dos Rios/South Gate Riparian Project – the 7-acre habitat restoration and overlook bike stop along the Lower LA River will be completed in August 2020 and will soon after be open to the public.
- Duck Farm House Landscape and Water Project – Partial funding has been secured through grants from the RMC and an application for SEP funding is pending. WCA will apply for gap funding through the upcoming County Measure A grant program which is anticipated to be released in early Fall.
- Crystal Lake Improvements – WCA, under a participatory agreement with the U.S. Forest Service, will complete this fiscal year a series of small project improvements in the Crystal Lake Recreation Area including two new camp host sites, trash transfer station, restroom and outbuilding demolition and visitor center exterior upgrades and landscaping.
- Emerald Necklace – The working group will continue to meet in an effort to identify funding, prepare grant applications and seek to partner to develop projects identified in the Emerald Necklace Plan.
- Gateway Cities and Rivers Urban Greening Master Plan – WCA will soft launch the website that contains the Vision Plan and greening toolkit for stakeholder feedback during the summer and early fall. A full public launch is expected by the end of this fiscal year. The plan will be integrated into the GREEN project portal in the future.
- GREEN project including design of a sustainable equestrian center at the Duck Farm and Framework for a GREEN portal, as well as, the San Gabriel Mountains Foothill Acquisition Master Plan and Vasquez Overlook Acquisition projects will be completed by April 2021.
- Los Angeles River Environmental Flows Study Supplemental Analysis – this scientific study is being facilitated by the WCA who will continue to spearhead the outreach and stakeholder engagement to inform the study.
- River Ranger Program Implementation Project – WCA, the RMC and a variety of stakeholders and potential program consultants are actively meeting to develop program scope and contracts necessary to launch a pilot project in the first REACH zone at the Confluence of the Rio Hondo and Lower LA River.
- River Wilderness Park – WCA is finalizing design and seeking gap funding to complete infrastructure utility improvements for the river park project in Azusa. WCA continues to coordinate with City of Azusa and Caltrans to achieve necessary project approvals and permits.

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.

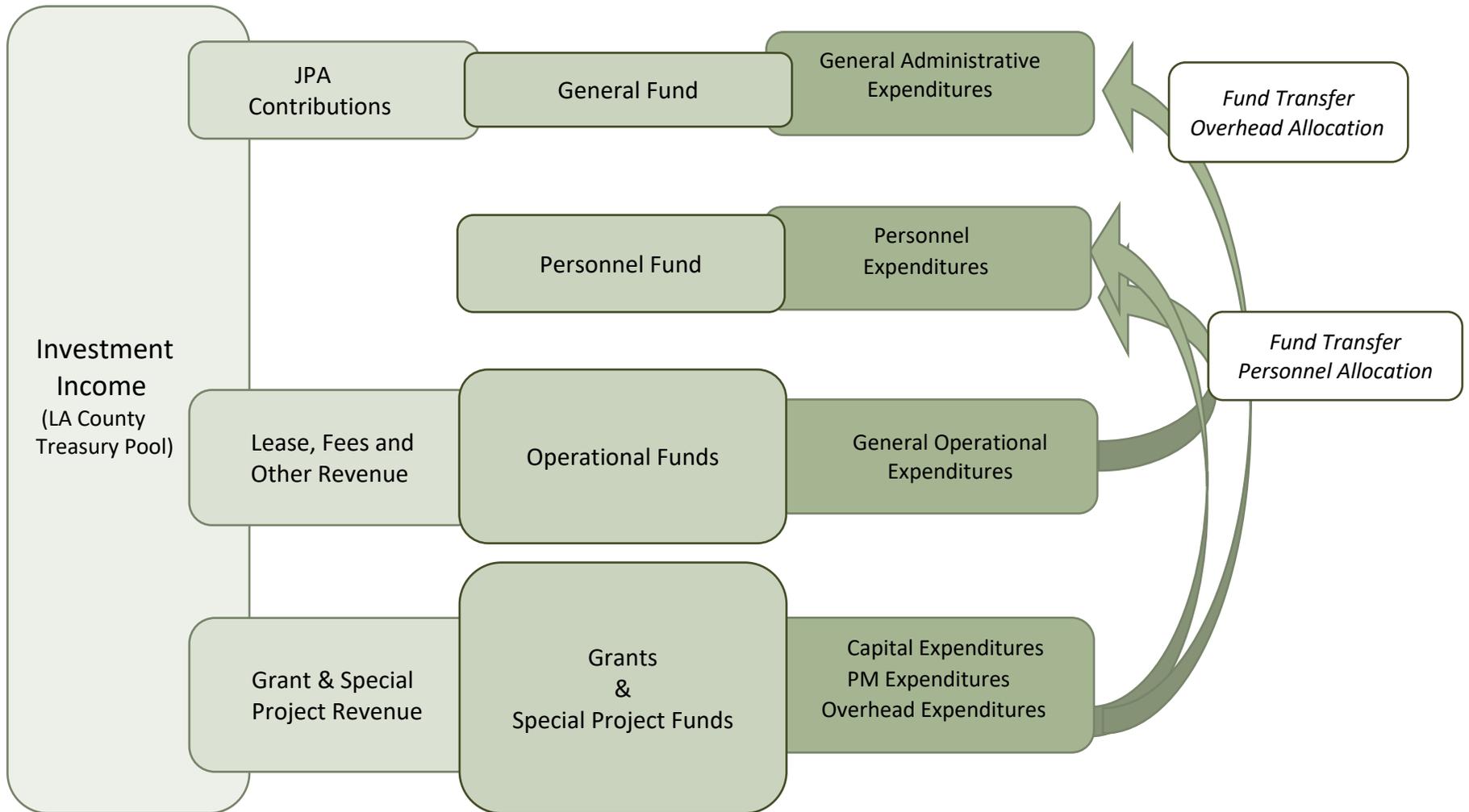
The financial statements are prepared in conformity with generally accepted accounting principles and are governed by accounting and financial reporting principles as established by the Governmental Accounting Standards Board. The fiscal year of the WCA is established as July 1st through June 30th. The 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.

Crystal Lake Fund – The purpose of this fund is to record funds from the U.S. Forest Service to address the need for development that will support sustainable recreation.

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

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

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

Duck Farm Phase 1A-Step 2 Project Fund – The purpose of this fund is to record RMC funds granted to the Authority for use of 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 use of 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 use of 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 use of Duck Farm Phase 1A 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 River Overlook Fund – The purpose of this fund is to record LACFCD funds granted to the Authority for use on the Duck Farm River Overlook project.

East Fork Sustainability River Access Project Fund – The purpose of this fund is to record RMC funds granted to the Authority for use on the planning for the East Fork Sustainability River Access Project at the Oaks Areas.

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.

Gateway Greening Fund – The purpose of this fund is used to record RMC funds granted to the Authority for use of providing preliminary planning concepts and connection opportunities to the rivers, green streets, open space, parks greenways and overall water and air quality improvements within the 27 cities that are included within the Gateway Cities of Southeast Los Angeles County.

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

LA River Flow Study Fund – The purpose of this fund is used to record RMC funds granted to the Authority for the analysis of potential recreation and wildlife impacts to the Lower Los Angeles River.

LA River Ranger Fund – The purpose of this fund is used to record RMC funds granted to the Authority for use of LA River Range Program Implementation project.

LA River Ranger Program Reach Zones Fund – The purpose of this fund is used to record RMC funds granted to the Authority for use of implementation of the LA River Ranger Program Reach Zones.

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

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

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 RMC funds granted to the Authority for the design of the River Wilderness Park Front Entry improvements.

San Gabriel Foothill & Mountains Master Plan Fund – The purpose of this fund is to record RMC funds granted to the Authority for San Gabriel Foothills & Mountains Acquisitions Master Plan Project.

San Gabriel River Confluence Cattle Canyon Fund – The purpose of this fund is to record RMC 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 use of the Parque Dos Rios Implementation project.

San Gabriel Valley Greenway Network Fund – The purpose of this fund is to record LACFCD funds granted to the Authority for use of San Gabriel Valley Greenway Network Strategic Implementation Plan.

Subvention Aids – The purpose of these funds is to hold funds for the purposes of ensure the Authority has available cash outside of its restricted and operational funds to continue the implantation and construction of projects.

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

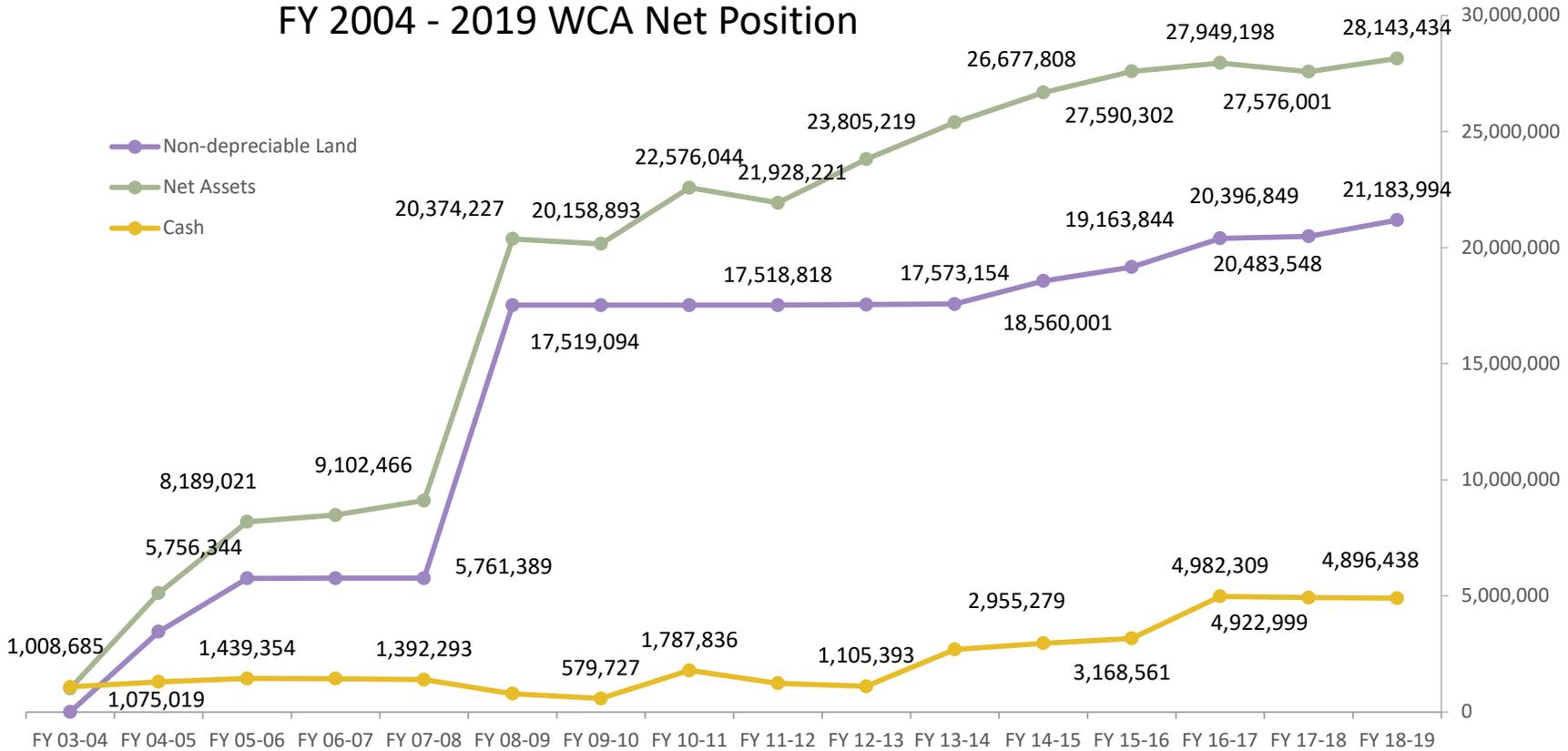
Vasquez Overlook Acquisition Fund – The purpose of this fund is used to record RMC funds granted to the Authority for the acquisition of Vasquez Overlook.

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 18/19, 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.

FY 2004 - 2019 WCA Net Position

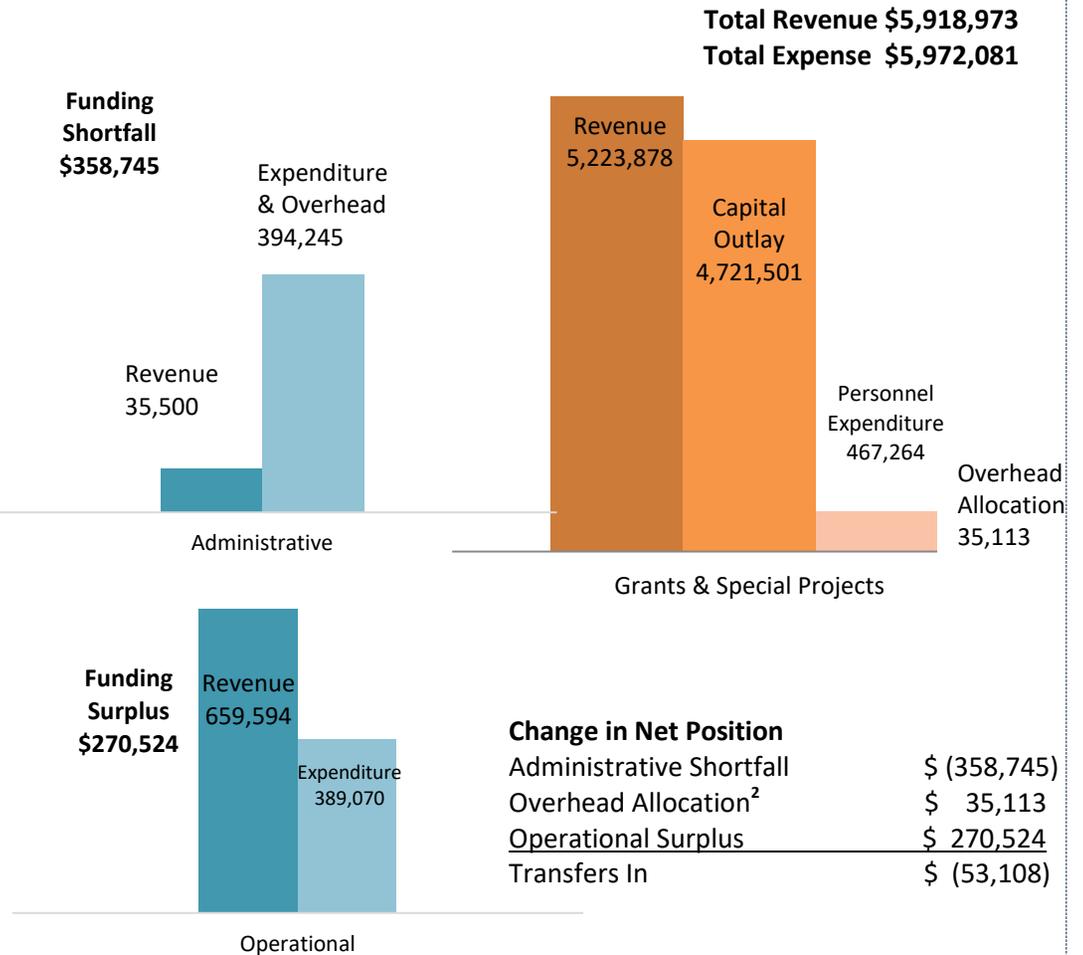


Budget Overview

CONSOLIDATED BUDGET FISCAL YEAR 2020-2021

| | Budget FYE 2020 ¹ |
|--|------------------------------------|
| General Administrative Revenue | 35,500 |
| General Operational Revenue | 659,594 |
| Grants and Special Projects Revenue | 5,223,879 |
| Total Revenue | 5,918,973 |
| General Administrative Expenses | 179,797 |
| Personnel | 681,713 |
| General Operational Expenses | 389,070 |
| Grants and Special Projects Total Expense-Capital Outlay | 4,721,501 |
| Total Expense | 5,972,081 |
| Change in Net Position Before Transfers | (53,108) |
| Transfers In | 53,108 |
| Transfers Out | 0 |
| Change in Net Position¹ | - |

REVENUE/EXPENDITURE COMPARISON BY CATEGORY



¹ – 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.

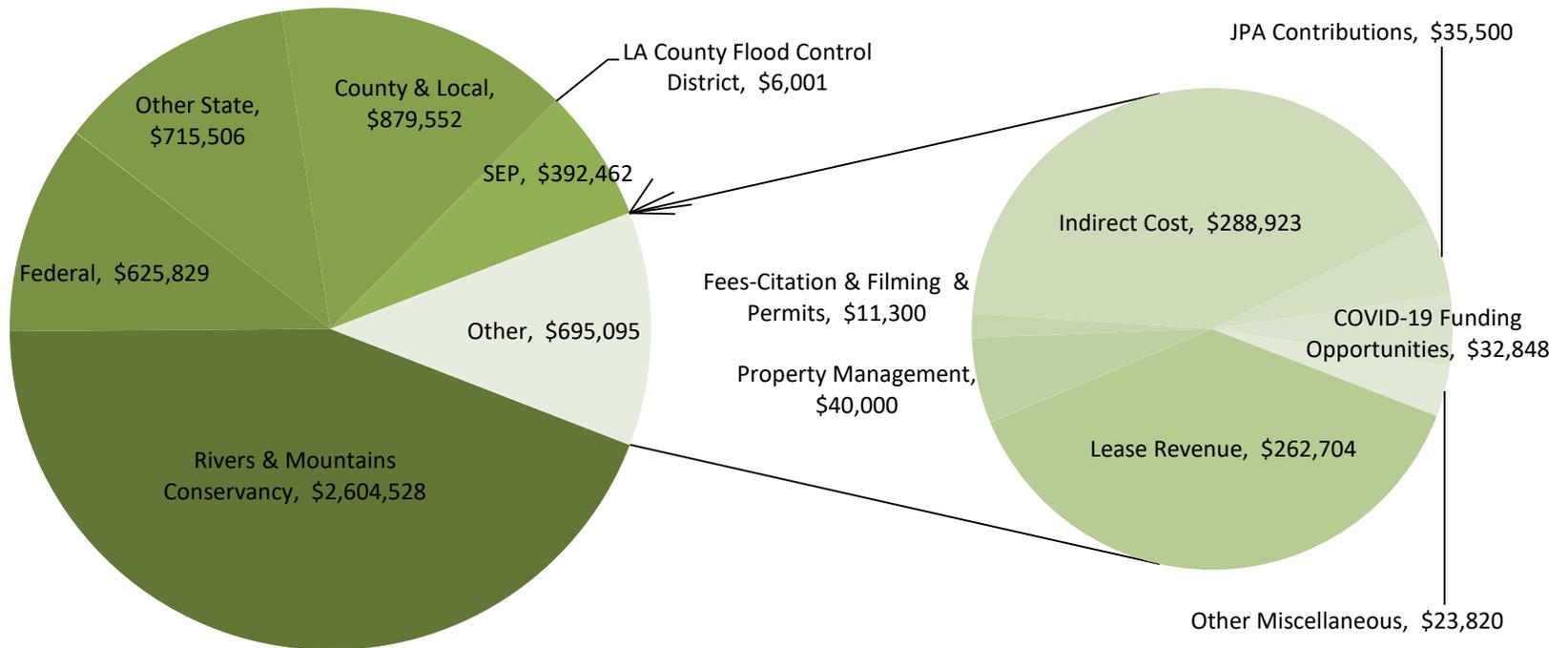
² – The overhead allocation is intended to cover a portion of administrative/operational expenditures incurred. Overhead Allocation is calculated based on an assumption of a precise level of chargeable staff completing work on a number of projects that allow overhead to be retained.

³ 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 2020-2021 revenues are projected to total \$5,918,973. Revenue available for general administrative and operational expenditures totals \$695,094 or 12% of all revenue. Of the general administrative and operational revenue, \$262,703 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 \$5,223,878, of which \$2,619,351 or 50% is expected to be derived from federal, state, county, local funds, consultant contracts and other project revenue and 50% or \$2,604,528 is expected to be derived from grants from the Rivers & Mountains Conservancy. In prior year fiscal budgets, Rivers & Mountains Conservancy revenue accounted for approximately 20% (FY 17/18), 34% (FY 18/19) and 50% (FY19/20) 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.

FY 2020-2021 Total Revenue



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 \$370,671 which includes lease revenue generated from WCA owned properties (\$262,703), the annual property management contribution and a one-time contribution for ADA/seismic upgrade support from the RMC (\$40,000/\$19,500), citation fees (\$7,300), filming and park use permits (\$4,000), utility fee revenue (\$4,320) and COVID-19 funding opportunities (\$32,848).

Lease revenue 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 Authority to locate a new tenant.

For FY20/21, the Authority will experience a 30% and 15% reduction in Billboard revenue from Duck Farm and South Gate property respectively due to the COVID-19 response. It is important to note that the Authority relies heavily on its lease revenue to cover maintenance expenditures at all its properties. Both the Duck Farm and South Gate properties currently produce more revenue than is needed to cover its current expenditures, which allows funds to be transferred and used at other properties that generate insufficient revenue to cover their respective expenditures.

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 financially stable commercial nursery entity.

| Budget FY20/21 | | | |
|-----------------------------|-------------|------------------|------------------|
| <i>Lease Revenue Detail</i> | | Total Annual | Total Budgeted |
| Duck Farm | | | |
| 451 S. Rall | Equestrian | \$20,400 | \$19,380 |
| 455 S. Rall Ave. | Residential | \$26,658 | \$25,326 |
| Nursery | Commercial | \$56,328 | \$53,512 |
| Freeway Billboard | Commercial | \$37,400 | \$37,400 |
| El Encanto | | | |
| Unit 96 | Residential | \$18,000 | \$17,100 |
| Unit 98 | Residential | \$19,274 | \$18,310 |
| Unit 100a | Residential | \$19,037 | \$18,085 |
| Rainbow Ranch | Commercial | \$4,482 | \$4,258 |
| Unit 100-RMC | Commercial | \$49,560 | \$47,082 |
| South Gate | | | |
| Freeway Billboard | Commercial | \$ 22,250 | \$22,250 |
| TOTAL | | \$273,389 | \$262,703 |

Citation and filming revenue generally is difficult to anticipate. However, staff projects an approximate citation receivable of \$7,300 for FY20/21. In addition, staff continues to look for an emergency financial assistance to cover any potential losses on lease revenue and expenditures due to the COVID-19 response.

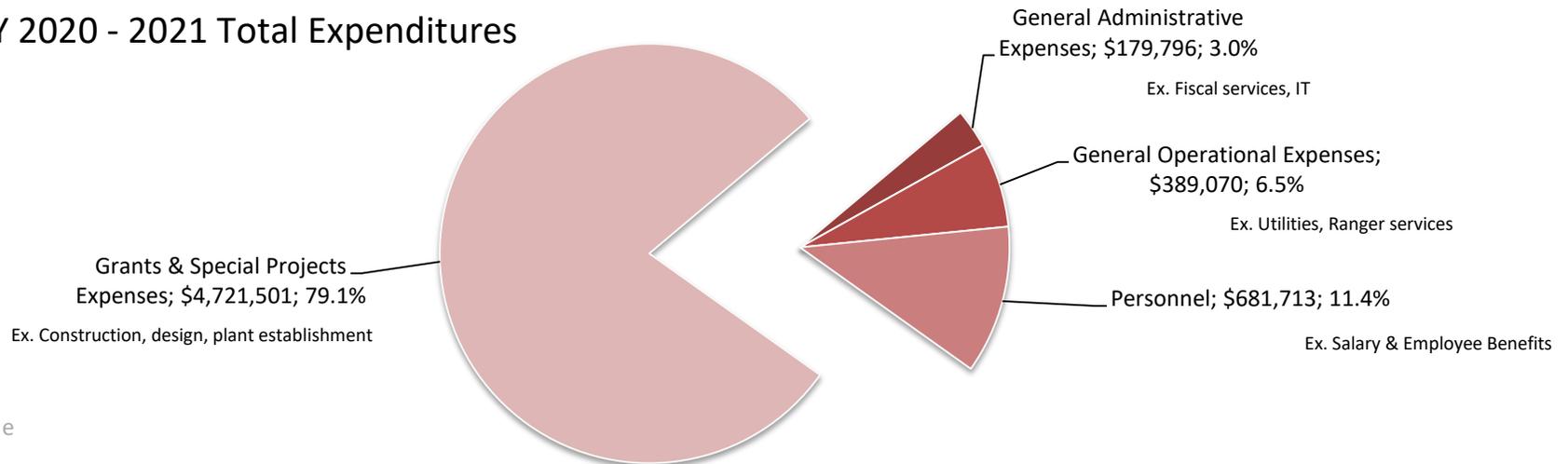
Grants & Special Projects Revenue

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 20/21, there is an anticipated \$5,223,878 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 20/21, expenditures are projected to total \$5,972,080. This total reflects 38% or \$3,719,596 decrease from FY 19/20 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, \$179,797 or 3%, 2) General Operational Expenses, \$389,069 or 7%, 3) Personnel, \$681,713 or 11%, and 4) Grant & Special Projects Capital Outlay Expenses, \$4,721,501 or 79%.

FY 2020 - 2021 Total Expenditures



Personnel Expenditure

Personnel Budget Explanation

Fiscal Year 2020-2021 budgeted expenditures for personnel are expected to total \$681,713, which includes salaries (\$403,441), employee benefits (\$116,208), compensation plan adjustment (\$117,777), fixed fees (\$1,520), employer taxes (\$42,767), no cost of living adjustment and no merit pool. Currently, the WCA staff comprises of seven full time employees which the Authority replaced an outgoing Project Manager II with a new staff member who began in April 2020. Additionally, the Authority has a plan to bring on a part-time accounting clerk soon. The change in staffing relates to capacity building needed to meet a planned project portfolio for FY20/21 and expenditures for personnel come solely from grant and special project revenue.

In June 2020, the WCA issued a Request for Proposal (RFP) and will award a contract with a qualified consulting firm to develop a compensation analysis plan and associated compensation recommendations. The intent of the compensation plan is to achieve comparable equity with the local market and peer agencies in order to attract and retain experienced and dedicated staff and ensure competitiveness in the marketplace. The completed plan will be brought before the Governing Board for consideration to adopt the plan and recommendations at a future meeting.

Medical, dental and vision premium have been increased of approximately 5% each year and the Authority has projected \$10,718 decrease in its overall health coverage for the year renewal which 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 |
| Note: 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. | |

Billable Rate Model and Overhead Cost Allocation

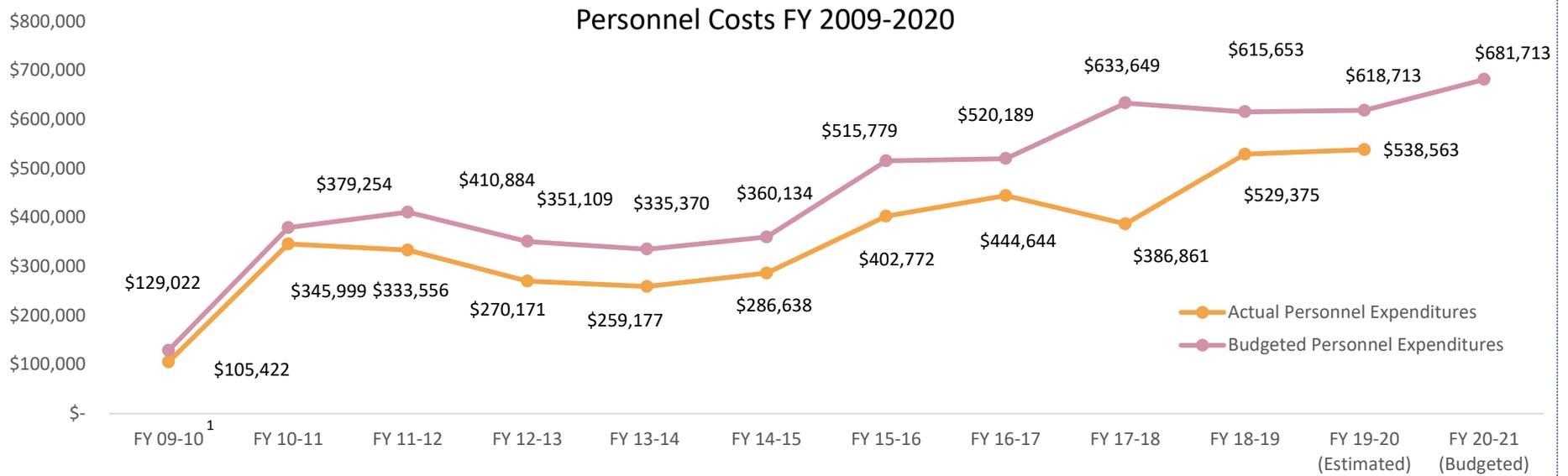
As intended by the Billable Rate Structure Plan developed in 2014, all of the personnel costs (\$681,713) are expected to be offset by grant and special project revenue and indirect costs charged against eligible grants and project funds. In prior fiscal years, the WCA had employed a consultant to implement 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. Staffing for FY20/21 represents eight (8) staff members that include an Executive Officer (Services without compensation), Deputy Executive Officer, Fiscal

Manager, new Accounting Clerk, three (3) Project Manager II, and Administrative Assistant and the personnel costs are expected to total \$681,713 in FY 20/21, the highest personnel cost that the WCA has incurred since it became an employer in 2010.

| Budget FY20/21 | |
|---------------------------|-------------------|
| Expense Detail | |
| Salaries | \$ 403,441 |
| Compensation Plan Adj | \$ 117,777 |
| Benefits | \$ 116,208 |
| Fixed Fees | \$ 1,520 |
| Employer Taxes | \$ 42,767 |
| Personnel Subtotal | \$ 681,713 |



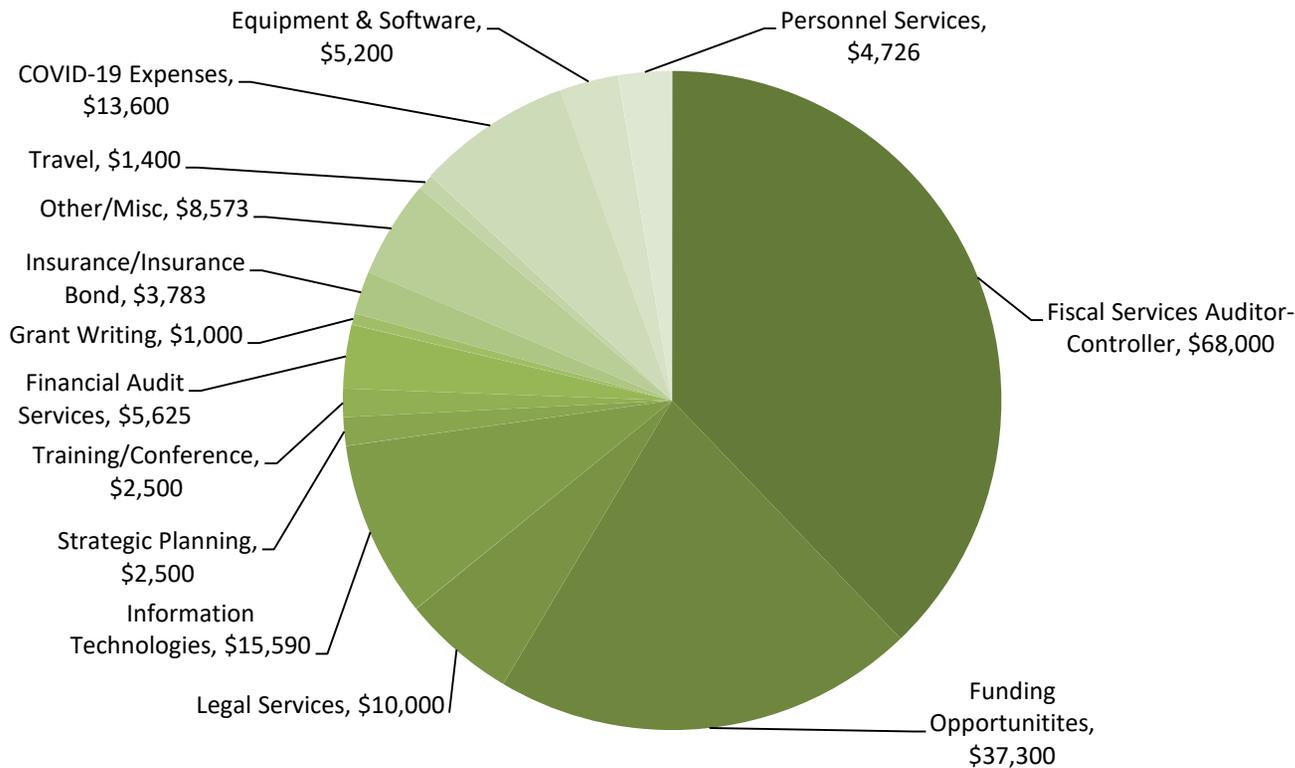
¹ WCA became an employer entity in February 2010; as such, FY 09-10 personnel costs are significantly low as they represent only 42% (or, 5 of 12 months) of that FY.

² 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 \$179,797. Though JPA contribution revenue available for administrative costs total only \$35,500, the difference of \$144,297 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 20/21 will increase by \$6,614 or 3% from previous year mainly due to a combination of increased line items for COVID-19 expenses, Equipment & Software and Postage & Delivery but partially offset by decreased line items for Legal Services, Information Technologies, Strategic Planning, Grant Writing, Travel and Training/Conferences.

FY 2020-2021 General Administrative Expenditures



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

General Operational Expenditure

General Operational expenditures total \$389,070 and the revenue available for operational costs total \$659,594. The surplus of \$270,524 will be utilized to partially offset administrative expenses and administrative overhead.

Below is an explanation of categories with key changes:

- General liability and umbrella insurance premiums – California wildfires in 2018 have dramatically impacted insurance estimates for potential losses. This year continuance of major fires in Northern California has caused a reevaluation by insurance providers to those holding open space assets within California, spiking premiums significantly. The Authority had already addressed approximately 62% or \$20,819 increases in the April 2020 budget update; therefore, staff anticipates at least 5% potential increase in the total cost of insurance for FY20/21.
- In October 2019, the Authority contracted a part-time Park Host/Caretaker, David Andrade, for El Encanto property. In exchange for the duties that David performs, staff recommends offering approximately \$300 monthly stipend to help offset 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.
- Ranger services – Staff anticipates at least 5% potential increase for 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.
- COVID-19 Expenses – Janitorial, Waste Removal & Ranger Services - Due to coronavirus disease outbreak, staff recommends inclusion of these three new expenditure line items to cover potential expenditures due to the COVID-19 response. Expenses include additional disinfecting (\$2,686) and restroom (\$3,163) cleaning services at agency's main office, El Encanto and extra ranger services provide by the MRCA (\$13,400); therefore, necessitating a budget increase in the total cost of \$19,249 for FY20/21.

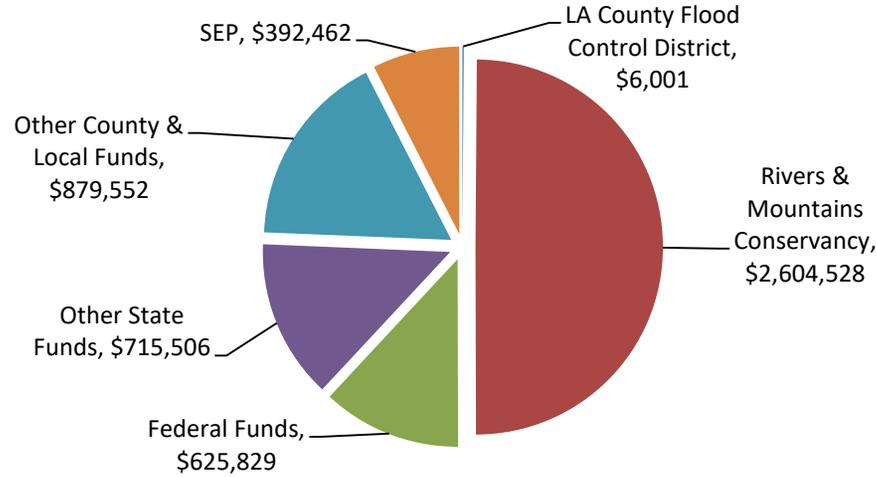
FY 2020-2021 Projected Operational Expenditures

| Fiscal Year 2020 – 2021 Projected Operational Expenditures | Operational Duck Farm | Operational Mt. Baldy | Operational Citrus Heights | Operational El Encanto | Operational South Gate | Operational Walnut Creek | Budget FY 20/21 | Budget FY 19/20 |
|---|--------------------------|--------------------------|----------------------------------|---------------------------|---------------------------|--------------------------------|--------------------|--------------------|
| Insurance | 7,282 | 15,131 | 126 | 33,955 | 504 | 125 | 57,123 | 33,583 |
| Security | 1,875 | 0 | 0 | 2,251 | 0 | 0 | 4,126 | 3,916 |
| Building Maintenance and Repair | 3,500 | 0 | 0 | 15,000 | 0 | 0 | 18,500 | 18,500 |
| Grounds Maintenance and Repair | 1,500 | 850 | 0 | 1,350 | 1,000 | 300 | 5,000 | 8,300 |
| Electricity | 630 | 0 | 0 | 9,570 | 0 | 0 | 10,200 | 16,907 |
| Propane | 0 | 0 | 0 | 8,000 | 0 | 0 | 8,000 | 8,000 |
| Other Utilities | 0 | 0 | 0 | 918 | 0 | 0 | 918 | 900 |
| Waste Removal | 2,620 | 0 | 0 | 6,900 | 0 | 0 | 9,520 | 9,536 |
| Water System Operation/Irrigation | 6,233 | 0 | 0 | 40,030 | 0 | 0 | 46,263 | 40,240 |
| Property Management | 7,200 | 6,000 | 250 | 16,800 | 1,500 | 1,100 | 32,850 | 32,650 |
| Deferred Maintenance Contingency | 7,039 | 0 | 0 | 46,200 | 0 | 0 | 53,239 | 75,314 |
| Janitorial Services | 0 | 0 | 0 | 10,771 | 0 | 0 | 10,771 | 10,583 |
| Ranger Services | 17,850 | 26,250 | 0 | 42,000 | 5,250 | 5,250 | 96,600 | 92,000 |
| Weed Abatement | 10,000 | 3,000 | 0 | 3,000 | 0 | 0 | 16,000 | 16,000 |
| Property Tax | 0 | 711 | 0 | 0 | 0 | 0 | 711 | 561 |
| COVID-19 Expenses - Janitorial Services | 0 | 0 | 0 | 2,686 | 0 | 0 | 2,686 | 0 |
| COVID-19 Expenses - Waste Removal | 0 | 0 | 0 | 3,163 | 0 | 0 | 3,163 | 0 |
| COVID-19 Expenses - Ranger Services | 2,476 | 3,641 | 0 | 5,827 | 728 | 728 | 13,400 | 0 |
| General Operational Expenditures | 68,205 | 55,583 | 376 | 248,421 | 8,982 | 7,503 | 389,070 | 366,990 |

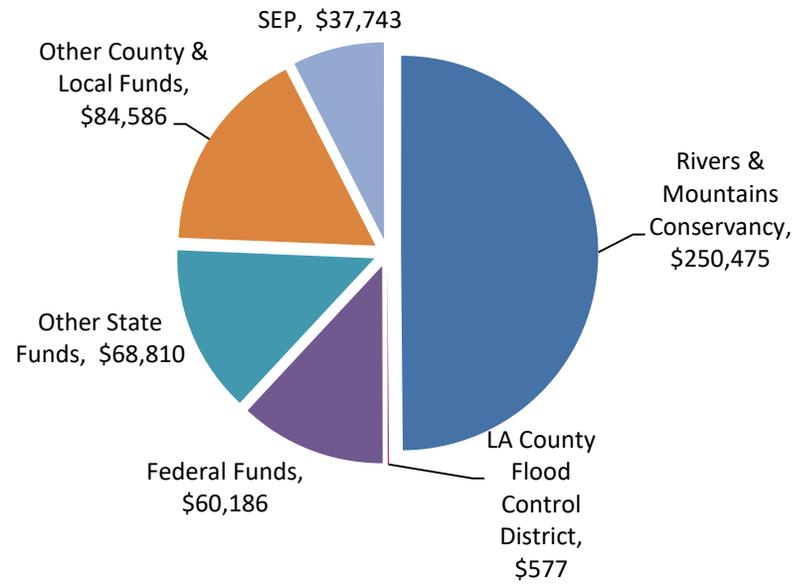
Grants & Special Projects Expenditure

The WCA anticipates that it will utilize \$5,223,878 of its grants and special project funding in FY 20/21, with a portion on hand being carried from the previous fiscal year. The WCA currently has over 35 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 are expected to total \$4,721,501. 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 \$502,377 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.

FY2020-2021 Grant & Special Project Expenditure Capital Outlay



FY2020-2021 Grant & Special Project Expenditure Allocated Personnel & Overhead



Appendix

**WATERSHED CONSERVATION AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2020-2021**

| | Annual Update FYE 2020 | Actual as of 05/31/20 | Additional Projected through 06/30/20 | Forecasted FYE 2020 | Budget FYE 2021 | \$ Change Budget '20 vs. Budget '21 |
|---|---------------------------|--------------------------|--|---------------------------|-----------------------|---|
| Revenues | | | | | | |
| General Administrative & Operating Revenue | | | | | | |
| 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 | 278,532 | 262,019 | 21,016 | 283,035 | 262,703 | (15,829) |
| Property Management Contribution | 59,500 | 40,000 | - | 40,000 | 59,500 | 0 |
| Fees-Citation | 3,000 | - | 7,245 | 7,245 | 7,300 | 4,300 |
| Fees- Filming/Permits | 2,500 | 8,576 | - | 8,576 | 4,000 | 1,500 |
| COVID-19 Funding Opportunities | 8,500 | - | - | - | 32,848 | 24,348 |
| Other Miscellaneous Revenue | 195,705 | 132,553 | 16,300 | 148,853 | 293,243 | 97,538 |
| Subtotal-General Administrative & Operating | 583,237 | 478,648 | 44,561 | 523,209 | 695,094 | 111,857 |
| Grants and Special Projects Revenue | | | | | | |
| Grant-Rivers & Mountains Conservancy ^{1,5,6} | 5,415,350 | 2,495,632 | 140,000 | 2,635,632 | 2,604,528 | (2,810,822) |
| Grant-LA County Flood Control District ^{2,5} | 280,000 | 250,000 | 1,000 | 251,000 | 6,001 | (273,999) |
| Grant-SEP ^{2,5} | 123,525 | - | 11,517 | 11,517 | 392,462 | 268,937 |
| Grant-Federal Funds ^{1,5,6} | 345,026 | - | 24,725 | 24,725 | 625,830 | 280,804 |
| Grant-Other State Funds ^{4,5} | 1,630,571 | 409,643 | 331,724 | 741,368 | 715,506 | (915,065) |
| Grant-Other County & Local Funds ^{2,5} | 2,009,923 | 594,395 | 95,057 | 689,452 | 879,552 | (1,130,371) |
| Grant-Public Foundations ^{3,5} | 82,723 | - | - | - | - | (82,723) |
| Other-Consultant Contracts ^{3,5} | 9,741 | - | - | - | - | (9,741) |
| Subtotal-Grants and Special Projects | 9,896,859 | 3,749,671 | 604,024 | 4,353,695 | 5,223,878 | (4,672,980) |
| Total Revenue | 10,480,096 | 4,228,319 | 648,585 | 4,876,904 | 5,918,973 | (4,561,123) |
| Expenses | | | | | | |
| General Administrative Expenses | | | | | | |
| Fiscal Services Auditor-Controller | 65,000 | 65,000 | - | 65,000 | 68,000 | 3,000 |
| Funding Opportunities | 37,300 | 31,900 | 2,900 | 34,800 | 37,300 | 0 |
| Legal Services | 15,000 | - | - | - | 10,000 | (5,000) |
| Information Technologies | 28,320 | 16,025 | 250 | 16,275 | 15,590 | (12,730) |
| Strategic Planning | 5,000 | - | - | - | 2,500 | (2,500) |
| Grant Writing | 2,000 | - | - | - | 1,000 | (1,000) |
| Travel | 4,000 | 1,694 | 500 | 2,194 | 1,400 | (2,600) |
| Financial Audit Services | 5,400 | 503 | 4,524 | 5,027 | 5,625 | 225 |
| Insurance/Insurance Bond | 3,603 | 3,603 | - | 3,603 | 3,783 | 180 |
| Training/Conferences | 5,000 | - | - | - | 2,500 | (2,500) |
| Meeting Supplies | 500 | - | - | - | 500 | 0 |
| Other/Not Classified | 4,000 | 3,631 | 369 | 4,000 | 4,000 | 0 |
| Wireless Phones | 1,140 | 658 | 200 | 858 | 648 | (492) |
| Personnel Services | 4,726 | 4,029 | 570 | 4,599 | 4,726 | 0 |
| Office Supplies | 650 | 650 | - | 650 | 700 | 50 |
| Postage & Delivery | 500 | 120 | - | 120 | 2,050 | 1,550 |
| Printer Supplies | 250 | 175 | - | 175 | 250 | 0 |
| Equipment & Software | 1,500 | 937 | - | 937 | 5,200 | 3,700 |
| Dues & Subscriptions | 425 | 425 | - | 425 | 425 | 0 |
| COVID-19 Expenses | 4,750 | 3,906 | 300 | 4,206 | 13,600 | 8,850 |
| Subtotal-General Administrative | 189,064 | 133,256 | 9,613 | 142,869 | 179,797 | (9,267) |
| Personnel | | | | | | |
| Salaries | 387,439 | 329,062 | 27,280 | 356,342 | 403,441 | 16,002 |
| Compensation Plan Adjustment | 148,262 | - | - | - | 117,777 | (30,485) |
| Benefits | 114,565 | 113,022 | 8,648 | 121,670 | 116,208 | 1,643 |
| Benefits Plan Provider Admin Cost | 1,501 | 1,097 | 365 | 1,462 | 1,520 | 19 |
| Employer Taxes | 29,946 | 28,518 | 2,324 | 30,842 | 42,767 | 12,821 |
| Subtotal-Personnel | 681,713 | 471,699 | 38,617 | 510,316 | 681,713 | 0 |
| General Operational Expenses | | | | | | |
| Insurance | 54,402 | 54,402 | - | 54,402 | 57,122 | 2,720 |
| Security | 3,916 | 3,505 | 411 | 3,916 | 4,126 | 210 |
| Building Maintenance and Repair | 18,500 | 17,186 | 1,314 | 18,500 | 18,500 | 0 |
| Grounds Maintenance and Repair | 8,300 | 1,588 | 1,000 | 2,588 | 5,000 | (3,300) |
| Electricity | 16,907 | 10,553 | 2,000 | 12,553 | 10,200 | (6,707) |
| Propane | 8,000 | 8,000 | - | 8,000 | 8,000 | 0 |
| Other Utilities | 900 | 825 | 75 | 900 | 918 | 18 |
| Waste Removal | 9,536 | 8,452 | 1,084 | 9,536 | 9,520 | (16) |
| Water System Operation/Irrigation | 43,326 | 39,791 | 3,535 | 43,326 | 46,263 | 2,937 |
| Property Management | 32,650 | 25,380 | 3,000 | 28,380 | 32,850 | 200 |
| Deferred Maintenance Contingency | 46,192 | - | - | - | 53,239 | 7,047 |
| Janitorial Services | 10,582 | 9,617 | 965 | 10,582 | 10,771 | 189 |
| Ranger Services | 92,000 | 57,866 | 24,000 | 81,866 | 96,600 | 4,600 |
| Weed Abatement | 16,000 | 4,779 | - | 4,779 | 16,000 | 0 |
| Property Tax | 561 | 690 | - | 690 | 711 | 150 |
| COVID-19 Expenses - Janitorial Services | - | - | - | - | 2,686 | 2,686 |
| COVID-19 Expenses - Waste Removal | - | - | - | - | 3,163 | 3,163 |
| COVID-19 Expenses - Ranger Services | - | - | - | - | 13,400 | 13,400 |
| Subtotal-General Operational | 361,772 | 242,635 | 37,383 | 280,018 | 389,070 | 27,297 |
| Grants and Special Projects Total Expense-Capital Outlay | | | | | | |
| Grant-Rivers & Mountains Conservancy | 5,121,293 | 2,247,158 | 4,851 | 2,252,009 | 2,211,527 | (2,909,766) |
| Grant-LA County Flood Control District | 252,535 | 85,987 | - | 85,987 | - | (252,535) |
| Grant-SEP | 84,890 | 41,272 | - | 41,272 | 392,462 | 307,572 |
| Grant-Federal Funds | 333,640 | 94,236 | - | 94,236 | 593,029 | 259,389 |
| Grant-Other State Funds | 1,568,885 | 566,202 | - | 566,202 | 666,529 | (902,356) |
| Grant-Other County & Local Funds | 1,931,367 | 658,790 | - | 658,790 | 857,954 | (1,073,413) |
| Grant-Public Foundations | 68,493 | 73,313 | - | 73,313 | - | (68,493) |
| Subtotal-Grants and Special Projects | 9,361,103 | 3,766,958 | 4,851 | 3,771,809 | 4,721,501 | (4,639,602) |
| Total Expense | 10,593,652 | 4,614,548 | 90,464 | 4,705,012 | 5,972,080 | (4,621,572) |
| Change In Net Position Before Transfers | (113,556) | (386,229) | 558,120 | 171,891 | (53,108) | |

- 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

**WATERSHED CONSERVATION AUTHORITY
EXPANDED BUDGET FISCAL YEAR 2020-2021**

| | 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 |
|--|----------------|-----------------------|-----------------------|----------------------------|------------------------|-----------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|
| Revenues | | | | | | | | | | |
| General Administrative & Operating Revenue | | | | | | | | | | |
| JPA Contributions | 35,500 | - | - | - | - | - | - | - | - | 35,500 |
| Lease Revenue | - | 135,618 | - | - | 104,493 | 22,250 | - | - | - | 262,361 |
| Property Management Contribution | - | 7,200 | 3,500 | 500 | 24,800 | 2,000 | 2,000 | - | - | 40,000 |
| Fees-Citation | - | - | 5,000 | - | 300 | - | 2,000 | - | - | 7,300 |
| Fees- Filming | - | - | 2,000 | - | 2,000 | - | - | - | - | 4,000 |
| COVID-19 Funding Opportunities | 13,600 | 2,476 | 3,641 | - | 11,675 | 728 | 728 | - | - | 32,848 |
| Other Miscellaneous Revenue | 288,923 | 720 | - | - | 3,600 | - | - | - | - | 293,243 |
| Subtotal-General Administrative & Operating | 338,023 | 146,014 | 14,141 | 500 | 146,869 | 24,978 | 4,728 | - | - | 675,252 |
| Grants and Special Project Income | | | | | | | | | | |
| Grant-Rivers & Mountains Conservancy | - | - | - | - | - | - | - | - | 2,604,528 | 2,604,528 |
| Grant-LA County Flood Control District | - | - | - | - | - | - | - | - | 6,001 | 6,001 |
| Grant-SEP | - | - | - | - | - | - | - | - | 392,462 | 392,462 |
| Grant-Federal Funds | - | - | - | - | - | - | - | - | 625,830 | 625,830 |
| Grant-Other State Funds | - | - | - | - | - | - | - | - | 715,506 | 715,506 |
| Grant-Other County & Local Funds | - | - | - | - | - | - | - | - | 879,552 | 879,552 |
| Grant-Public Foundations | - | - | - | - | - | - | - | - | - | - |
| Other-Consultant Contracts | - | - | - | - | - | - | - | - | - | - |
| Subtotal-Grants and Special Projects | - | - | - | - | - | - | - | - | 5,223,878 | 5,223,878 |
| Total Revenue | 338,023 | 146,014 | 14,141 | 500 | 146,869 | 24,978 | 4,728 | - | 5,223,878 | 5,899,131 |
| Expenses | | | | | | | | | | |
| General Administrative Expenses | | | | | | | | | | |
| Fiscal Services Auditor-Controller | 68,000 | - | - | - | - | - | - | - | - | 68,000 |
| Funding Opportunities | 37,300 | - | - | - | - | - | - | - | - | 37,300 |
| Legal Services | 10,000 | - | - | - | - | - | - | - | - | 10,000 |
| Information Technologies | 15,590 | - | - | - | - | - | - | - | - | 15,590 |
| Strategic Planning | 2,500 | - | - | - | - | - | - | - | - | 2,500 |
| Grant Writing | 1,000 | - | - | - | - | - | - | - | - | 1,000 |
| Travel | 1,400 | - | - | - | - | - | - | - | - | 1,400 |
| Financial Audit Services | 5,625 | - | - | - | - | - | - | - | - | 5,625 |
| Insurance/Insurance Bond | 3,783 | - | - | - | - | - | - | - | - | 3,783 |
| Training/Conferences | 2,500 | - | - | - | - | - | - | - | - | 2,500 |
| Meeting Supplies | 500 | - | - | - | - | - | - | - | - | 500 |
| Other/Not Classified | 4,000 | - | - | - | - | - | - | - | - | 4,000 |
| Wireless Phones | 648 | - | - | - | - | - | - | - | - | 648 |
| Personnel Services | 4,726 | - | - | - | - | - | - | - | - | 4,726 |
| Office Supplies | 700 | - | - | - | - | - | - | - | - | 700 |
| Postage | 2,050 | - | - | - | - | - | - | - | - | 2,050 |
| Printer Supplies | 250 | - | - | - | - | - | - | - | - | 250 |
| Equipment & Software | 5,200 | - | - | - | - | - | - | - | - | 5,200 |
| Dues & Subscriptions | 425 | - | - | - | - | - | - | - | - | 425 |
| COVID-19 Expenses | 13,600 | - | - | - | - | - | - | - | - | 13,600 |
| Subtotal-General Administrative | 179,797 | - | - | - | - | - | - | - | - | 179,797 |
| Personnel | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | 403,441 | - | 403,441 |
| Merit Pool | - | - | - | - | - | - | - | 117,777 | - | 117,777 |
| Benefits | - | - | - | - | - | - | - | 116,208 | - | 116,208 |
| Benefits Plan Provider Admin Cost | - | - | - | - | - | - | - | 1,520 | - | 1,520 |
| Employer Taxes | - | - | - | - | - | - | - | 42,767 | - | 42,767 |
| Subtotal-Personnel | - | - | - | - | - | - | - | 681,713 | - | 681,713 |

**WATERSHED CONSERVATION AUTHORITY
EXPANDED BUDGET FISCAL YEAR 2020-2021**

| | 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 |
|--|----------------|-----------------------|-----------------------|----------------------------|------------------------|-----------------------------|--------------------------|---------------------------|-------------------------|---------------------------------|
| General Operational Expenses | | | | | | | | | | |
| Insurance | - | 7,281 | 15,131 | 126 | 33,954 | 504 | 125 | - | - | 57,122 |
| Security | - | 1,875 | - | - | 2,250 | - | - | - | - | 4,126 |
| Building Maintenance and Repair | - | 3,500 | - | - | 15,000 | - | - | - | - | 18,500 |
| Grounds Maintenance and Repair | - | 1,500 | 850 | - | 1,350 | 1,000 | 300 | - | - | 5,000 |
| Electricity | - | 630 | - | - | 9,570 | - | - | - | - | 10,200 |
| Propane | - | - | - | - | 8,000 | - | - | - | - | 8,000 |
| Other Utilities | - | - | - | - | 918 | - | - | - | - | 918 |
| Waste Removal | - | 2,620 | - | - | 6,900 | - | - | - | - | 9,520 |
| Water System Operation/Irrigation | - | 6,233 | - | - | 40,030 | - | - | - | - | 46,263 |
| Property Management | - | 7,200 | 6,000 | 250 | 16,800 | 1,500 | 1,100 | - | - | 32,850 |
| Deferred Maintenance Contingency | - | 7,039 | - | - | 46,200 | - | - | - | - | 53,239 |
| Janitorial Services | - | - | - | - | 10,771 | - | - | - | - | 10,771 |
| Ranger Services | - | 17,850 | 26,250 | - | 42,000 | 5,250 | 5,250 | - | - | 96,600 |
| Weed Abatement | - | 10,000 | 3,000 | - | 3,000 | - | - | - | - | 16,000 |
| Property Tax | - | - | 711 | - | - | - | - | - | - | 711 |
| COVID-19 Expenses - Janitorial Services | - | - | - | - | 2,686 | - | - | - | - | 2,686 |
| COVID-19 Expenses - Waste Removal | - | - | - | - | 3,163 | - | - | - | - | 3,163 |
| COVID-19 Expenses - Ranger Services | - | 2,476 | 3,641 | - | 5,827 | 728 | 728 | - | - | 13,400 |
| Subtotal-General Operational | - | 68,205 | 55,583 | 376 | 248,420 | 8,982 | 7,503 | - | - | 389,070 |
| Grants and Special Project Total Expense-Capital Outlay | | | | | | | | | | |
| Grant-Rivers & Mountains Conservancy | - | - | - | - | - | - | - | - | 2,211,527 | 2,211,527 |
| Grant-LA County Flood Control District | - | - | - | - | - | - | - | - | - | - |
| Grant-SEP | - | - | - | - | - | - | - | - | 392,462 | 392,462 |
| Grant-Federal Funds | - | - | - | - | - | - | - | - | 593,029 | 593,029 |
| Grant-Other State Funds | - | - | - | - | - | - | - | - | 666,529 | 666,529 |
| Grant-Other County & Local Funds | - | - | - | - | - | - | - | - | 857,954 | 857,954 |
| Grant-Public Foundations | - | - | - | - | - | - | - | - | - | - |
| Other-Consultant Contracts | - | - | - | - | - | - | - | - | - | - |
| Subtotal-Grants and Special Projects | - | - | - | - | - | - | - | - | 4,721,501 | 4,721,501 |
| Total Expense | 179,797 | 68,205 | 55,583 | 376 | 248,420 | 8,982 | 7,503 | 681,713 | 4,721,501 | 5,972,080 |

**WATERSHED CONSERVATION AUTHORITY
PERSONNEL BUDGET FISCAL YEAR 2020-2021**

| | Annual Update FYE 2020 | Actual as of 05/31/20 | Additional Projected through 06/30/20 | Forecasted FYE 2020 | Budget FYE 2021 | \$ Change Budget '20 vs. Budget '21 |
|------------------------------|---------------------------|--------------------------|---|---------------------------|-----------------------|--|
| Expense Detail | | | | | | |
| Salaries | 387,439 | 329,062 | 27,280 | 356,342 | 403,441 | (16,002) |
| Compensation Plan Adjustment | 148,262 | - | - | - | 117,777 | 30,485 |
| Benefits | 100,565 | 113,022 | 8,648 | 121,670 | 116,208 | (15,643) |
| Fixed Fees | 1,501 | 1,097 | 365 | 1,462 | 1,520 | (19) |
| Employer Taxes | 43,946 | 28,518 | 2,324 | 30,842 | 42,767 | 1,179 |
| Personnel Subtotal | 681,713 | 471,699 | 38,617 | 510,316 | 681,713 | (0) |
| Total Expense | 681,713 | 471,699 | 38,617 | 510,316 | 681,713 | (0) |

| Personnel Detail | | | FY 19/20 | FY20/21 | Hrs | Proposed FY20/21 Salary | Benefits | Employer Taxes | Total Comp |
|------------------------------------|--------|----|----------|----------|------|----------------------------|-------------------|------------------|-------------------|
| Deputy Executive Director (FT) | Active | \$ | 39.32 | \$ 39.32 | 2080 | \$ 81,786 | \$ 25,921 | \$ 8,656 | \$ 116,363 |
| Fiscal Manager (FT) | Active | \$ | 29.49 | \$ 29.49 | 2080 | \$ 61,339 | \$ 12,302 | \$ 6,445 | \$ 80,086 |
| Project Manager II (FT) | Active | \$ | 30.99 | \$ 30.99 | 2080 | \$ 64,459 | \$ 19,641 | \$ 6,681 | \$ 90,781 |
| Project Manager II (FT) | Active | \$ | 31.60 | \$ 31.60 | 2080 | \$ 65,728 | \$ 16,466 | \$ 6,770 | \$ 88,964 |
| Project Manager II (FT) | Active | \$ | 31.60 | \$ 31.60 | 2080 | \$ 65,728 | \$ 16,441 | \$ 6,770 | \$ 88,939 |
| Accounting Clerk (PT) ¹ | Active | \$ | 19.00 | \$ 19.38 | 1664 | \$ 31,932 | \$ 9,110 | \$ 3,633 | \$ 44,675 |
| Admin Assistant (FT) | Active | \$ | 15.61 | \$ 15.61 | 2080 | \$ 32,469 | \$ 16,328 | \$ 3,811 | \$ 52,608 |
| | | | | | | \$ 403,441 | \$ 116,208 | \$ 42,767 | \$ 562,416 |

Note:

1 - Eligible for up to 2% increase pending satisfactory completion of six-month review.

July 20, 2020 – Item 12

RESOLUTION 2020-29

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES
RIVERS AND MOUNTAINS CONSERVANCY (RMC) APPROVING THE
WATERSHED CONSERVATION AUTHORITY FINAL FY 2020/2021 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.

Resolution No. 2020-29

- 3 ADOPTS the staff report dated July 20, 2020.
- 4 APPROVES the final budget for FY 2020/2021 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 July 20, 2020.

Motion _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Frank Colonna, Chair

ATTEST: _____
David Edsall, Jr.
Deputy Attorney General