

**DATE:** January 17, 2019

**TO:** WCA Governing Board

**FROM:** Nicole Law, Fiscal Manager

**THROUGH:** Mark Stanley, Executive Officer

**SUBJECT:** Item 17: Consideration of a resolution to approve an update to Fiscal Year 2018/2019 Annual Budget

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**RECOMMENDATION:** That the WCA Governing Board approve an update to the Fiscal Year 2018/2019 Budget.

**BACKGROUND:** At the start of each fiscal year, staff brings before the Board the WCA budget for approval. However, significant changes from planned events warrant a mid-year update to the current fiscal year budget. Attached as Exhibit A is an updated Fiscal Year 2018/2019 budget.

#### **A) GRANTS AND SPECIAL PROJECTS – REVENUE & CAPITAL OUTLAY**

**Duck Farm Phase 1A Step 2 Project (RMC18002):** In December 2018, the Authority was approved for a \$1,200,000 as a gap funding grant from the Rivers and Mountains Conservancy to complete the construction of the Duck Farm Phase 1A – Step 2 project that includes a pocket park and entry, parking, pedestrian amenities and access improvements, interpretive features, 1.25-mile trail, riparian landscape, a wildflower meadow and a river overlook.

**LA River Ranger Program Implementation Phase II (RMC18005):** In October 2018, the Authority accepted a grant of \$240,338.35 to complete a LA River Ranger study and Pilot Program recommendation to establish a network of river rangers along the 51-miles of the Los Angeles River and its tributaries to enhance public safety, provide watershed and environmental programming, and management of natural resources.

**Rio Hondo Trailhead Acquisition Project (RMC14004):** In November 2018, due to unforeseen delay and potential unavailability of intended property for acquisition, the Authority proposed to close the project and disencumber remaining funds of \$983,205.08 to the Rivers and Mountains Conservancy. If the property, which had been sold to a new developer, becomes available again a new grant application for funding will be made.

**Rio Hondo Trailhead Acquisition Project (58M8-15-2546):** In October 2018, due to unavailability of intended property for acquisition within the grant period, the grant for \$3,000,000 was returned to the 1<sup>st</sup> Supervisorial District's Excess Funds Accounts for reallocation by the Regional Park and Open Space District at the direction of Supervisor Hilda L. Solis.

**River Wilderness Park Entry Improvements Project (RMC14001):** In December 2018, the Authority was approved for a \$74,956 in additional grant funds from the Rivers and Mountains Conservancy for design consultant services and project administration to implement a two-phase construction implementation plan.

**San Gabriel River Confluence with Cattle Canyon Improvement (RMC09105):** In December 2018, the Authority was approved for a \$20,000 additional grant funds from the Rivers and Mountains Conservancy for consultant services and project administration to close-out the grant. The authority anticipates the funding will be expended this fiscal year.

**San Gabriel Valley Greenway Network Strategic Implementation Plan (V2B-SGVGrnFCD):** In November 2018, the Authority was approved for up to a \$2,050,000 grant from Los Angeles County Flood Control District to support the development of a regional strategic implementation plan for the San Gabriel Valley Greenway Network and green infrastructure improvements over a 5 to 7-year period. The Authority received \$250,000 as the FY2018/2019 initial funding deposit in December 2018.

**The Gateway Cities and Rivers Urban Greening Plan:** The Authority will enter into a grant agreement for up to \$135,000 for the Urban Greening Plan to complete the greening guide and online toolkit identifying opportunities for green streets, open space, parks greenways and overall water and air quality improvements within the Gateway Cities of Southeast Los Angeles County.

## **B) PERSONNEL EXPENSES**

There are four budget modifications in the personnel expense category: First, the Authority replaced one Associate PM that resigned in November 2018 with two new Project Manager II staff members, one started on January 7, 2019 and one will begin on February 4, 2019. Second, a temporary 5% salary increase for Administration Clerk classification effective from July 9, 2018 until on or before March 31, 2019 to provide support to the Rivers and Mountains Conservancy. Third, for employer taxes, The California Unemployment Insurance rate increased from 2.20% to 2.60% for Calendar Year 2019. Last, the Authority personnel budget is reflecting the cost of our enrolled the health insurance plan to the existing provider, Blue Shield of California, in December 2018; rather than the original budgeted cost of joining CalPERS health care plan. The above changes reflect an increase in Salary and Benefits of 4% or \$22,958 through the end of this fiscal year and the increase in personnel expense shall be funded from billable professional services.

## **C) GENERAL OPERATIONAL EXPENSES**

There are two budget modifications in the general operational expense category: line items "Property Management" and "Janitorial Services." First, the Authority has an ongoing issue regarding water-system repair due to damage resulting from power surges that occurred in June/July 2018; therefore, necessitating a budget increase of \$4,812 for property management through the end of this fiscal year. Second, the Authority signed an amendment with Britework, Inc. in September 2018 to reflect an increase in minimum labor rate effective January 2019 which resulted in a budget increase of \$1,307 for janitorial services through the end of this fiscal year. The increase in operating expenses shall be funded from property management contribution.

**FISCAL INFORMATION:** The proposed amended FY 2018/19 budget decreases WCA Grants and Special Projects Capital Revenue by \$2,279,911 and Capital Outlay Expenses by \$2,029,870; while it increases personnel expense by \$22,958 and general operational expense by \$6,119.

**WATERSHED CONSERVATION AUTHORITY**  
**CONSOLIDATED BUDGET FISCAL YEAR 2018 - 2019**

	Budget FYE 2019	Mid Year Update FYE 2019	\$ Change Budget '19 vs. Mid Year Budget '19
<b>Revenues</b>			
<b>General Administrative &amp; Operating Revenue</b>			
JPA Contributions			
LA County Flood Control District	25,500	25,500	0
Rivers and Mountains Conservancy	10,000	10,000	0
Lease Revenue	265,976	265,976	0
Property Management Contribution	59,500	59,500	0
Fees-Citation	13,775	13,775	0
Fees- Filming/Permits	2,000	2,000	0
Other Miscellaneous Revenue	57,411	57,411	0
<b>Subtotal-General Administrative &amp; Operating</b>	<b>434,162</b>	<b>434,162</b>	<b>0</b>
<b>Grants and Special Projects Revenue</b>			
Grant-Rivers & Mountains Conservancy <sup>1,5</sup>	3,508,111	4,195,567	687,456
Grant-LA County Flood Control District <sup>1,6</sup>	-	-	0
Grant-SEP <sup>2,6</sup>	-	-	0
Grant-Federal Funds <sup>1,6,7</sup>	538,672	538,672	0
Grant-Other State Funds <sup>4,6</sup>	715,178	715,178	0
Grant-Other County & Local Funds <sup>2,6</sup>	5,564,826	2,597,459	(2,967,367)
Grant-Public Foundations <sup>3,6</sup>	-	-	0
Other-Consultant Contracts <sup>3,6,8</sup>	43,669	43,669	0
<b>Subtotal-Grants and Special Projects</b>	<b>10,370,456</b>	<b>8,090,545</b>	<b>(2,279,911)</b>
<b>Total Revenue</b>	<b>10,804,618</b>	<b>8,524,707</b>	<b>(2,279,911)</b>
<b>Expenses</b>			
<b>General Administrative Expenses</b>			
Fiscal Services Auditor-Controller	65,000	65,000	0
Funding Opportunities	37,500	37,300	(200)
Legal Services	15,000	15,000	0
Information Technologies	20,000	20,000	0
Strategic Planning	5,000	5,000	0
Grant Writing	2,000	2,000	0
Travel	5,000	5,000	0
Financial Audit Services	5,400	5,400	0
Insurance/Insurance Bond	8,000	8,000	0
Training/Conferences	5,000	5,000	0
Meeting Supplies	500	500	0
Other/Not Classified	2,000	2,000	0
Wireless Phones	1,080	1,080	0
Personnel Services	3,750	3,750	0
Office Supplies	500	500	0
Postage	500	250	(250)
Printer Supplies	500	500	0
Equipment & Software	1,500	1,500	0
Dues & Subscriptions	1,100	1,100	0
<b>Subtotal-General Administrative</b>	<b>179,330</b>	<b>178,880</b>	<b>(450)</b>
<b>Personnel</b>			
Salaries	400,074	426,479	26,405
Merit Pool	31,588	32,807	1,219
Benefits	115,424	111,579	(3,845)
Benefits Plan Provider Admin Cost	1,066	1,066	0
Employer Taxes	44,544	43,722	(822)
<b>Subtotal-Personnel</b>	<b>592,696</b>	<b>615,654</b>	<b>22,958</b>

**WATERSHED CONSERVATION AUTHORITY**  
**CONSOLIDATED BUDGET FISCAL YEAR 2018 - 2019**

	Budget FYE 2019	Mid Year Update FYE 2019	\$ Change Budget '19 vs. Mid Year Budget '19
<b>General Operational Expenses</b>			
Insurance	19,007	19,007	0
Security	3,492	3,492	0
Building Maintenance and Repair	20,500	20,500	0
Grounds Maintenance and Repair	10,300	10,300	0
Electricity	15,840	15,840	0
Propane	6,000	6,000	0
Other Utilities	900	900	0
Waste Removal	8,117	8,117	0
Water System Operation/Irrigation	55,958	55,958	0
Property Management	19,450	24,262	4,812
Deferred Maintenance Contingency	31,593	31,593	0
Janitorial Services	9,792	11,099	1,307
Ranger Services	92,000	92,000	0
Weed Abatement	12,000	12,000	0
Property Tax	561	561	0
Legal Services	-	-	0
<b>Subtotal-General Operational</b>	<b>305,510</b>	<b>311,629</b>	<b>6,119</b>
<b>Grants and Special Projects Total Expense-Capital Outlay</b>			
Grant-Rivers & Mountains Conservancy	3,113,886	3,084,016	(29,870)
Grant-LA County Flood Control District	80,000	80,000	0
Grant-SEP	-	-	0
Grant-Federal Funds	423,672	423,672	0
Grant-Other State Funds	1,979,486	1,979,486	0
Grant-Other County & Local Funds	4,020,324	2,020,324	(2,000,000)
Grant-Public Foundations	109,713	109,713	0
Other-Consultant Contracts	-	-	0
Other-Mitigation Revenue	-	-	0
Other-Donations	-	-	0
Other-Miscellaneous	-	-	0
Carryover	-	-	0
<b>Subtotal-Grants and Special Projects</b>	<b>9,727,081</b>	<b>7,697,211</b>	<b>(2,029,870)</b>
<b>Total Expense</b>	<b>10,804,617</b>	<b>8,803,374</b>	<b>(2,001,243)</b>
<b>Change In Net Position Before Transfers</b>	<b>1</b>	<b>(278,667)</b>	

<sup>1</sup>Labor Reimbursed at Salary & EB Only

<sup>2</sup>Labor Eligible to be Reimbursed at Admin & Billable Rate

<sup>3</sup>Labor Reimbursed at Consultant Rate

<sup>4</sup>Labor Reimbursed at Grantor Approved Compensation Rate

<sup>5</sup>Eligible for Advances

<sup>6</sup>Payment by Reimbursement Only

<sup>7</sup>Eligible for additional 10% for Indirect Costs

<sup>8</sup>Primarily SGRDCA, NET, & Los Alamitos

**WATERSHED CONSERVATION AUTHORITY**  
**EXPANDED BUDGET FISCAL YEAR 2018 - 2019**

**Item 17**  
Preliminary  
Budget  
FY 2018-2019

	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	Budget FY 2018-2019
<b>Revenues</b>										
<b>General Administrative &amp; Operating Revenue</b>										
JPA Contributions	89,411	-	-	-	-	-	-	-	-	89,411
Lease Revenue	-	135,998	-	-	86,478	43,500	-	-	-	265,976
Property Management Contribution	-	12,000	7,500	500	31,500	1,500	6,500	-	-	59,500
Fees-Citation	-	1,000	4,775	-	8,000	-	-	-	-	13,775
Fees- Filming	-	-	500	-	1,500	-	-	-	-	2,000
Other Miscellaneous Revenue	-	1,000	-	-	2,500	-	-	-	-	3,500
<b>Subtotal-General Administrative &amp; Operating</b>	<b>89,411</b>	<b>149,998</b>	<b>12,775</b>	<b>500</b>	<b>129,978</b>	<b>45,000</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>434,162</b>
<b>Grants and Special Project Income</b>										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	4,195,567	4,195,567
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	-	-
Grant-SEP	-	-	-	-	-	-	-	-	-	-
Grant-Federal Funds	-	-	-	-	-	-	-	-	538,672	538,672
Grant-Other State Funds	-	-	-	-	-	-	-	-	715,178	715,178
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	2,597,459	2,597,459
Grant-Public Foundations	-	-	-	-	-	-	-	-	-	-
Other-Consultant Contracts	-	-	-	-	-	-	-	-	43,669	43,669
<b>Subtotal-Grants and Special Projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,090,545</b>	<b>8,090,545</b>
<b>Total Revenue</b>	<b>89,411</b>	<b>149,998</b>	<b>12,775</b>	<b>500</b>	<b>129,978</b>	<b>45,000</b>	<b>6,500</b>	<b>-</b>	<b>8,090,545</b>	<b>8,524,707</b>
<b>Expenses</b>										
<b>General Administrative Expenses</b>										
Fiscal Services Auditor-Controller	65,000	-	-	-	-	-	-	-	-	65,000
Funding Opportunities	37,300	-	-	-	-	-	-	-	-	37,300
Legal Services	15,000	-	-	-	-	-	-	-	-	15,000
Information Technologies	20,000	-	-	-	-	-	-	-	-	20,000
Strategic Planning	5,000	-	-	-	-	-	-	-	-	5,000
Grant Writing	2,000	-	-	-	-	-	-	-	-	2,000
Travel	5,000	-	-	-	-	-	-	-	-	5,000
Financial Audit Services	5,400	-	-	-	-	-	-	-	-	5,400
Insurance/Insurance Bond	8,000	-	-	-	-	-	-	-	-	8,000
Training/Conferences	5,000	-	-	-	-	-	-	-	-	5,000
Meeting Supplies	500	-	-	-	-	-	-	-	-	500
Other/Not Classified	2,000	-	-	-	-	-	-	-	-	2,000
Wireless Phones	1,080	-	-	-	-	-	-	-	-	1,080
Personnel Services	3,750	-	-	-	-	-	-	-	-	3,750
Office Supplies	500	-	-	-	-	-	-	-	-	500
Postage	250	-	-	-	-	-	-	-	-	250
Printer Supplies	500	-	-	-	-	-	-	-	-	500
Equipment & Software	1,500	-	-	-	-	-	-	-	-	1,500
Dues & Subscriptions	1,100	-	-	-	-	-	-	-	-	1,100
<b>Subtotal-General Administrative</b>	<b>178,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,880</b>

**WATERSHED CONSERVATION AUTHORITY  
EXPANDED BUDGET FISCAL YEAR 2018 - 2019**

**Item 17**  
Preliminary

	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	Budget FY 2018-2019
<b>Personnel</b>										
Salaries	-	-	-	-	-	-	-	426,479	-	426,479
Merit Pool								32,807	-	32,807
Benefits	-	-	-	-	-	-	-	111,579	-	111,579
Benefits Plan Provider Admin Cost								1,066	-	1,066
Employer Taxes	-	-	-	-	-	-	-	43,722	-	43,722
<b>Subtotal-Personnel</b>	-	-	-	-	-	-	-	615,654	-	615,654
<b>General Operational Expenses</b>										
Insurance	-	4,025	1,421	12	13,489	50	10	-	-	19,007
Security	-	1,692	-	-	1,800	-	-	-	-	3,492
Building Maintenance and Repair	-	5,500	-	-	15,000	-	-	-	-	20,500
Grounds Maintenance and Repair	-	2,000	4,000	-	2,000	2,000	300	-	-	10,300
Electricity	-	840	-	-	15,000	-	-	-	-	15,840
Propane	-	-	-	-	6,000	-	-	-	-	6,000
Other Utilities	-	-	-	-	900	-	-	-	-	900
Waste Removal	-	2,232	-	-	5,885	-	-	-	-	8,117
Water System Operation/Irrigation	-	7,000	-	-	48,958	-	-	-	-	55,958
Property Management	-	6,000	4,000	250	11,512	1,500	1,000	-	-	24,262
Deferred Maintenance Contingency	-	7,042	-	-	24,551	-	-	-	-	31,593
Janitorial Services	-	-	-	-	11,099	-	-	-	-	11,099
Ranger Services	-	17,000	25,000	-	40,000	5,000	5,000	-	-	92,000
Weed Abatement	-	6,000	-	-	4,000	-	2,000	-	-	12,000
Property Tax	-	-	561	-	-	-	-	-	-	561
Legal Services	-	-	-	-	-	-	-	-	-	-
<b>Subtotal-General Operational</b>	-	59,331	34,982	262	200,194	8,550	8,310	-	-	311,629
<b>Grants and Special Project Total Expense-Capital Outlay</b>										
Grant-Rivers & Mountains Conservancy	-	-	-	-	-	-	-	-	3,084,016	3,084,016
Grant-LA County Flood Control District	-	-	-	-	-	-	-	-	80,000	80,000
Grant-SEP	-	-	-	-	-	-	-	-	-	-
Grant-Federal Funds	-	-	-	-	-	-	-	-	423,672	423,672
Grant-Other State Funds	-	-	-	-	-	-	-	-	1,979,486	1,979,486
Grant-Other County & Local Funds	-	-	-	-	-	-	-	-	2,020,324	2,020,324
Grant-Public Foundations	-	-	-	-	-	-	-	-	109,713	109,713
Other-Consultant Contracts	-	-	-	-	-	-	-	-	-	-
<b>Subtotal-Grants and Special Projects</b>	-	-	-	-	-	-	-	-	7,697,211	7,697,211
<b>Total Expense</b>	<b>178,880</b>	<b>59,331</b>	<b>34,982</b>	<b>262</b>	<b>200,194</b>	<b>8,550</b>	<b>8,310</b>	<b>615,654</b>	<b>7,697,211</b>	<b>8,803,374</b>

January 17, 2019 – Item 17

**RESOLUTION 2019-05**

**RESOLUTION TO ADOPT AN UPDATE TO THE FISCAL YEAR  
2018/2019 BUDGET**

**WHEREAS**, The Watershed Conservation Authority has been established as a joint powers agency between the Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District (District); and

**WHEREAS**, the Watershed Conservation Authority (WCA) has further been established to focus on 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**, this action adopts an update to the Fiscal Year 2018/2019 budget; and

**WHEREAS**, the proposed action is exempt from the provisions of the California Environmental Quality Act; NOW

*Therefore be it resolved that the WCA hereby:*

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).
3. **ADOPTS** the staff report dated January 17, 2019.
4. **APPROVES** the adoption of an update to the Fiscal Year 2018/2019 budget.

*~ End of Resolution ~*

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

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

Passed and Adopted by the Board of the  
WATERSHED CONSERVATION AUTHORITY  
On January 17, 2019

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Dan Arrighi, Governing Board Vice Chair

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