

**DATE:** January 15, 2026

**TO:** WCA Governing Board

**FROM:** Nicole Law, Fiscal Manager

**THROUGH:** Mark Stanley, Executive Officer

**SUBJECT:** Item 11: Consideration of a resolution to approve an update to the Fiscal Year 2025/26 Annual Budget

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### **RECOMMENDATION**

That the WCA Governing Board approves an update to the Fiscal Year 2025/26 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 2025/26 budget.

### **A) GENERAL ADMINISTRATIVE AND OPERATING REVENUE**

The projected general administrative and operating revenue has been updated to \$817,277, reflecting a 9% increase of \$70,000 compared to the original FY 2025/26 budget. This notable increase is mainly due to indirect cost from eligible grant, in accordance with grant agreement. The Authority anticipates significant indirect collection from Rivers and Mountains Conservancy, particularly related to the San Gabriel River and Gardens Phase II project.

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

The recently updated projection for grant revenue and expenses is \$5,399,201 and \$5,367,385, respectively. This reflects decreases of 15% in grant revenue and 7% in grant expenses, or \$971,166 and \$386,437, respectively, compared to the original FY 2025/26 budget.

During Q3–Q4 of FY 2025/26, the Authority will continue to focus on ongoing construction projects, including the Oaks East Fork River Access, Azusa River Wilderness Entry Development Project, and the San Gabriel River and Gardens Phase II Project. In addition, the Community Connections to Wildlands program and Regional Wildfire Prevention efforts remain active.

### **C) GENERAL ADMINISTRATIVE EXPENSES**

The recently updated projection for general administrative expenses is \$220,958, reflecting an approximate 14% decrease, or \$37,000, compared to the original FY 2025/26 budget. This decrease is mainly due to a reduction in legal services. The reduction occurred because the Authority engaged Best Best & Krieger, LLP to manage tenant-related matters; as a result, legal costs were reclassified, and a new line item was created under General Operational Expenses to more accurately reflect actual costs of incurred as of December 2025, along with a projected cost through June 2026.

**D) PERSONNEL**

The projected personnel costs have been updated to \$188,328, reflecting a significant 78% decrease, or \$656,967, compared to the original FY 2025/26 budget. This substantial reduction is primarily due to two factors. First, consultant support costs previously reported under personnel were corrected and reclassified as billable costs under Grant and Special Projects, with only non-billable costs remaining under personnel. Second, the current staffing mix consists of one full-time in-house fiscal employee supported by five contracted service providers, with plans to hire an additional full-time in-house staff member to serve as a facilities administrator, partially responsible for property management–related work.

**E) GENERAL OPERATIONAL EXPENSES**

The recently updated projection for general operational expenses is \$278,931, reflecting a significant 52% increase, or \$94,835, compared to the original FY 2025/26 budget. This increase is primarily due to reclassified legal services, water system replacement, and a deferred maintenance contingency. The increase is partially offset by a decrease in electricity costs.

The Authority engaged the Conservation Corps of Long Beach to provide maintenance services as part of a workforce development initiative. In addition, the Authority plans to replace the water system at the El Encanto office and has budgeted 25% of the total cost, or \$12,500, for this work during the fiscal year.

**FISCAL INFORMATION**

The proposed amended FY 2025/26 budget outlines several adjustments to key financial elements within the WCA. The updated projection for the change in net position is \$160,876, reflecting a significant 41% increase, or \$84,403, compared to the original FY 2025/26 budget. This mid-year update represents a balanced and strategic realignment of the budget, ensuring continued financial stability and adaptability to current conditions.



January 15, 2026 – Item 11

**RESOLUTION 2026-03**

**RESOLUTION TO APPROVE AN UPDATE TO THE FISCAL YEAR 2025/26 BUDGET**

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

**WHEREAS**, The Watershed Conservation Authority (WCA) has been established to facilitate joint projects between the Rivers and Mountains Conservancy and Los Angeles County Flood Control District; and

**WHEREAS**, The Watershed Conservation Authority has 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 approves an update to the Fiscal Year 2025/26 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 15, 2026.
4. **APPROVES** an update to the Fiscal Year 2025/26 budget.

*~ End of Resolution ~*

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

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

Resolution 2026-03

Passed and Adopted by the Board of the  
**WATERSHED CONSERVATION AUTHORITY**  
On January 15, 2026

\_\_\_\_\_  
Vincent Chang  
Governing Board Chair

ATTEST: \_\_\_\_\_  
John Natalizio  
Deputy Attorney General