

DATE: May 21, 2026

TO: WCA Governing Board

FROM: WCA Staff

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 10: Consideration of a resolution to approve the preliminary Budget Fiscal Year 2026/2027

RECOMMENDATION: That the Watershed Conservation Authority (WCA) Governing Board approve a preliminary budget for Fiscal Year 2026/2027.

BACKGROUND: In accordance with the provisions of the Joint Powers Agreement, the adoption of the WCA budget by the WCA Governing Board is required. The attached budget, Exhibit A, includes four expenditure components: Administrative, Personnel, Operations, and Grants and Special Projects.

1. ADMINISTRATIVE

The anticipated General Administrative and Operating Revenue for FY2026/27 is projected at \$2,591,237, representing a significant increase of approximately \$1,773,960 compared to the FY2025/26 Mid-Year Budget Update. The increase is primarily driven by a substantial rise of approximately \$1,745,468 in indirect revenue collected from eligible grants, along with an increase of approximately \$20,986 in lease revenue.

Projected administrative expenditures for FY2026/27 total \$184,761, reflecting a decrease of approximately \$36,196 compared to the FY2025/26 Mid-Year Budget Update. The decrease is primarily attributable to reduced equipment and software expenditures, as well as lower information technology costs.

The remaining balance in available general administrative and operating revenue is expected to be applied toward personnel expenses and administrative overhead through the WCA Billable Rate Structure Plan and overhead allocations charged against eligible grants, projects, and contracted funding. If the preliminary budget for FY2026/27 is approved, the Billable Rate Structure Plan will be updated and presented to the Governing Board for approval in July 2026.

Key budgeted general administrative expenditures include LA County Auditor-Controller Services (\$85,202), Financial Audit Services (\$20,000), and Information Technology Services (\$36,060).

2. PERSONNEL

Personnel expenses for FY2026/27 are budgeted at \$279,176, covering salaries, benefits, employer taxes, cost-of-living adjustments, and accruals for employee leave. This reflects an increase of approximately \$136,512, or 0.91%, compared to the FY2025/26 Mid-Year Budget Update. The increase is primarily attributable to the planned

hiring of a Facilities Assistant to support facilities-related work and a contracted accountant to assist with routine fiscal operations who has the potential to transfer into a fulltime staff employee for WCA. Of the total personnel budget, \$59,831 is allocated for consultant support related to administrative work, while \$160,451 is designated for in-house staffing costs. The remaining balance represents benefits, employer taxes, and other related personnel expenses.

3. OPERATIONS

Revenue for operational uses is received from a variety of sources, including property and commercial leases (budgeted at 95% of projected revenue, totaling \$236,032), annual RMC JPA property management contributions (\$88,517), indirect revenue collected from eligible grants (\$2,118,756), and utilities reimbursements (\$1,200).

Lease revenue is conservatively budgeted at 95% of total projected lease income to account for potential tenant turnover and the time and costs associated with securing new tenants. The Authority heavily relies on lease revenue to fund maintenance expenditures across all its properties. Revenue funds collected may also be transferred between properties to cover respective expenditures as needed.

Operational expenditures for FY2026/27 are budgeted at \$180,919, reflecting a projected decrease of approximately \$98,011 compared to the FY2025/26 Mid-Year Budget Update. The decrease is primarily attributable to reductions in deferred maintenance contingency, legal services, and water system operation costs. Planned operational expenditures, together with projected operational revenue, are expected to generate an operational surplus that will partially offset administrative expenses and overhead costs.

4. CAPITAL OUTLAY- GRANTS AND SPECIAL PROJECTS

The Authority anticipates that it will utilize approximately \$30.71 million of its grants and special project funding in FY2026/27, in addition to available funds carried over from the previous fiscal year. WCA historically analyzes and separates grant and project funds into two categories: 1) funds utilized by staff for project management and administrative support, and 2) consultant and capital expenditures.

Budgeted revenue for FY2026/27 from grants and special projects is expected to total \$30,368,656, with \$30,062,296 allocated to capital activity. The remaining \$306,360 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.

**WATERSHED CONSERVATION AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2026-2027**

	Mid Year Budget FYE 2026	Actual as of 4/30/2026	Forecasted FYE 2027	\$ Change Budget FYE 2026 vs. Budget FYE 2027
Revenues				
General Administrative & Operating Revenue				
JPA Contributions				
LA County Flood Control District	52,685	52,685	54,476	1,791
Rivers and Mountains Conservancy	82,453	82,453	85,256	2,803
Lease Revenue	215,046	191,286	236,032	20,986
Property Management Contribution - RMC	85,606	85,606	88,517	2,911
Fees- Filming/Permits	7,000	-	7,000	0
Indirect Collected from Eligible Grants	373,287	356,508	2,118,756	1,745,468
Utilities Reimbursements	1,200	866	1,200	0
Subtotal-General Administrative & Operating	817,277	769,405	2,591,237	1,773,960
Grants and Special Projects Revenue				
Grant-Rivers & Mountains Conservancy ^{1,2,5,6,7}	5,025,656	3,251,147	27,568,613	22,542,956
Grant-LA County Flood Control District ^{1,3,5}	-	-	-	0
Grant-SEP ^{2,5}	65,284	1,422,532	125,841	60,557
Grant-Federal Funds ^{1,5,7}	146,173	301,658	36,476	(109,698)
Grant-Other State Funds ^{4,5}	162,087	-	2,389,694	2,227,607
Grant-Other County & Local Funds ^{2,5}	-	-	248,034	248,034
Subtotal-Grants and Special Projects	5,399,201	4,975,337	30,368,656	24,969,456
Total Revenue	6,216,477	5,744,742	32,959,893	26,743,416
Expenses				
General Administrative Expenses				
Fiscal Services Auditor-Controller	82,400	61,800	85,202	2,802
Legal Services	5,000	4,503	7,720	2,720
Information Technologies	47,778	37,131	36,060	(11,718)
Travel	2,400	160	2,400	0
Financial Audit Services	20,000	-	20,000	0
Insurance/Insurance Bond	221	221	221	0
Training/Conferences	1,000	-	1,000	0
Meeting Supplies	100	-	100	0
Other/Not Classified	7,500	604	7,500	0
Wireless Phones	2,000	1,233	2,000	0
Personnel Services	12,000	8,299	12,000	0
Office Supplies	700	-	700	0
Postage & Delivery	360	222	360	0
Printer Supplies	50	-	50	0
Equipment & Software	39,448	34,997	9,448	(30,000)
Subtotal-General Administrative	220,957	149,169	184,761	(36,196)
Personnel				
Salaries				
In-House Staff	94,262	64,630	160,451	126,020
Consultant Support (Administrative)	45,664	13,786	59,831	
Benefits	31,236	8,170	42,607	11,371
Benefits Plan Provider Admin Cost	1,593	-	-	(1,593)
Employer Taxes	15,573	5,122	16,287	714
Subtotal-Personnel	188,328	91,709	279,176	136,512
General Operational Expenses				
Insurance	70,000	63,486	70,000	0
Legal Services	32,757	18,289	10,000	(22,757)
Security	2,430	1,841	2,430	0
Building Maintenance and Repair	11,000	7,441	6,000	(5,000)
Grounds Maintenance and Repair	5,000	-	5,000	0
Electricity	13,989	13,716	18,000	4,011
Propane	11,000	6,928	10,000	(1,000)
Other Utilities	354	-	354	0
Waste Removal	7,541	7,296	7,200	(341)
Water System Operation/Irrigation	16,839	1,188	2,400	(14,439)
Property Management	20,000	8,590	21,194	1,194
Deferred Maintenance Contingency	70,621	20,621	11,802	(58,819)
Janitorial Services	12,540	9,500	12,540	0
Facilities and Grounds Services	1,000	-	1,000	0
Weed Abatement	3,000	-	3,000	0
Property Tax	860	-	-	(860)
Subtotal-General Operational	278,931	158,897	180,919	(98,011)
Grants and Special Projects Total Expense-Capital Outlay				
Grant-Rivers & Mountains Conservancy	5,025,656	3,159,420	27,290,500	22,264,844
Grant-LA County Flood Control District	0	-	-	0
Grant-SEP	65,284	73,256	124,571	59,288
Grant-Federal Funds	130,046	146,433	36,108	(93,938)
Grant-Other State Funds	146,400	-	2,365,587	2,219,187
Grant-Other County & Local Funds	0	9,859	245,531	245,531
Subtotal-Grants and Special Projects	5,367,385	3,388,968	30,062,296	24,694,911
Total Expense	6,055,601	3,788,742	30,707,153	24,697,216
Change in Net Position Before Transfers	160,877	1,955,999	2,252,740	2,046,200

1 - Labor Eligible to be Reimbursed at Salary & EB Rate
 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
 6 - Payment by Advance Request
 7 - Eligible for 10% - 20% for Indirect Costs

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RESOLUTION 2026-17

**RESOLUTION OF THE WATERSHED CONSERVATION
AUTHORITY TO APPROVE
THE PRELIMINARY BUDGET FOR FISCAL YEAR 2026/2027**

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 approves a preliminary budget for Fiscal Year 2026/2027; 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 May 21, 2026.
4. **APPROVES** the Watershed Conservation Authority a preliminary budget for Fiscal Year 2026/2027.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution 2026-17

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On May 21, 2026

Vincent Chang
Governing Board Chair

ATTEST: _____
John Natalizio
Deputy Attorney General