DATE: **June 18, 2026**

TO: **WCA Governing Board**

FROM: **WCA Staff**

THROUGH: **Mark Stanley, Executive Officer**

SUBJECT: **Item 11: Consideration of a resolution to approve the final Budget Fiscal Year 2026/2027**

RECOMMENDATION: That the Watershed Conservation Authority (WCA) Governing Board approve final 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 budget is separated into four revenue and expenditure components: Administrative, Personnel, Operations, and Grants and Special Projects with revenue totaling $32,957,518 and expenditures total amount of $30,739,794 (before net position transfer of $2,217,724).

Attached as Exhibit A is the Fiscal Year 2026/2027 budgetary presentation with the final budget data included as an appendix to the presentation.

Watershed Conservation Authority

Fiscal Year 2026 - 2027 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 2026-2027 that provides a comprehensive forecast of anticipated revenue and expenditures for the upcoming year.

This budget illustrates how resources will be allocated and utilized in accordance with the Watershed Conservation Authority's Vision of

Connecting Communities through Nature.

The budget was developed employing a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to attain a balanced operating budget.

A Message from

Mark Stanley

Executive Officer

The Watershed Conservation Authority was established as a Joint Powers Authority comprising the Rivers and Mountains Conservancy and the Los Angeles County Flood Control District. Its primary objective is to adopt a comprehensive approach to address the intersection of public open space benefits and nature-based flood safeguards for the enhancement of our watersheds. The relevance of this mission only strengthens over time.

The unprecedented environmental impacts in the Los Angeles metropolitan area underscore the pressing need for nature-based resilience strategies to mitigate climate change effects in our project area. For WCA, addressing systemic environmental equity disparities remains paramount to any proposed solutions. Whether through integrative planning or implementation, the WCA collaborates with non-profit and agency partners to achieve its objectives. This upcoming year will be pivotal for the WCA, marking positive enhancements and substantial expansions of public spaces. The coming year promises institutional growth, new partnerships, and groundbreaking projects that continue to be goal achieving for the WCA. Our primary focus will remain on strengthening partnerships throughout our community to ensure that initiatives are aligned, and beneficial outcomes are accomplished.

We invite you to come, to join us, as we make significant progress towards our mission by connecting communities through nature.

As always, thank you for your continuing support.

See you on the trails,

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 throughout the San Gabriel and Los Angeles watershed 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), governed, as a separate entity, by the County of Los Angeles Board of Supervisors, for the purpose of providing a comprehensive program to expand and improve 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 totaling more than 500 acres, from foothills wilderness lands to parks along our urban waterways which run through some of the most dense and diverse communities in our region. The agency has been integral in the development of significant plans, projects, and initiatives throughout the territory to advance the missions of the RMC, District, and WCA. Funding is primarily provided by grants from governmental and/or private agencies with other limited funding from JPA Partner contributions and lease revenues generated from WCA-owned properties.

Fiscal Year 2025–2026 Accomplishments

The following are a select number of project accomplishment highlights achieved during Fiscal Year 2025- 2026:

Administrative and Accounting

- The WCA joint powers agreement (JPA) was amended and allows for CPI increases yearly. Both the RMC and the District increased their contributions to WCA, with the RMC contributing $168,059 and the District contributing $52,685, totaling $220,744.
- Implementing a cloud-based software solution for enhancing our financial and project management capabilities.
- Established a payroll-specific bank account with Citizens Business Bank to support payroll processing services.
- Staff include one full-time employee, one part-time employee, and support from five consultants. (Executive Officer services without compensation).
- Updates to billable rates.
- Employer benefit liability obligations fully funded.

Grant Awards

- $4,350,000 from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the San Gabriel River Center and Gardens Phase II Project.
- $270,000 from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the Bluebird, Colby, and Easley Preacquisition Project
- $199,901 from California Department of Transportation for the Lower LA River Access and Cleanup Project – SR-1 to LA River Mouth
- $199,901 from California Department of Transportation for the Lower LA River Access and Cleanup Project – I-105 to SR-91
- $199,901 from California Department of Transportation for the Lower LA River Access and Cleanup Project – E. Slauson Ave to Rio Hondo Confluence.

Major Project Highlights

San Gabriel River Center and Gardens

- The second phase of construction began in February with the demolition of the Parkhouse, the building was in severe disrepair.
- Phase 2, includes placing a modular unit on the property to service as the visit center, final buildout of the garden, signage and walkways.
- The demonstration center will be a welcomed addition to the San Gabriel River Park.

River Ranger Program

- Conservation Corps of Long Beach conducted workforce development cohorts in the reach zone at the confluence of the Rio Hondo River with the Los Angeles River.
- Supported regular events and engagement in partnership with the communities within the reach zone.
- Continued communications with agency partners, local jurisdictions, and community groups around improving visibility and operations within the first REACH (River, Education, Adventure, Community and Habitat) Zone.

Community Connections to Wildlands

- Program activity started in FY23/24 continued with trips to Catalina Island and soon within the San Gabriel Mountains.
- The program targets youth from communities throughout Southeast Los Angeles are invited to experience wildness activities over a 24-hour period.
- The program pays for all activities related to providing the service to eliminate any barriers to providing a highly educational, enjoyable and comfortable experience.

Azusa Wilderness Park

- Signed an agreement with Cumming Group to provide construction management service.
- Environmental compliance measures and final approvals in process to prepare for groundbreaking in Fall 2025.
- Coordination activities continue with the City of Azusa and Caltrans to include Highway 39 improvements during relocation of Old San Gabriel Road.
- Improvements will support the experience of transitioning from the urban area of Los Angeles into Los Angeles national areas within the San Gabriel Mountains for travelers on Highway 39.

West Coyote Hills Acquisition

- Executed a Purchase and Sales Agreement for the acquisition of approximately 483 acres of West Coyote Hills, City of Fullerton, Orange County, California
- Funding partners include the California Coastal Conservancy, Wildlife Conservation Board, California Fish & Wildlife, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

Azusa Foothills Open Space Planning

- Program completion took place this year.
- Land management guidelines for WCA's Azusa Foothills Open Space lands include Access and Stewardship Guidelines, which summarize conversations over the course of eight workshops conducted in late 2022 and early 2023, and Invasive Species Management Guidelines, which will become the basis of future requests for qualifications to manage invasives species on these newly acquired public lands.

San Gabriel Mountains Broom Removal

- The work of being proactive in the prevention of wildfires within the San Gabriel Mountains was expanded to allow for brush clearance at various sites. The coordinate efforts include working with the United States Forest Service, Rivers and Mountains Conservancy, Conservation Corps and non-profits.

Oaks East Fork River Access Project

- Signed an agreement with Albert Webb & Associates to provide construction management service.
- Construction is scheduled to begin in the summer of 2026.

San Gabriel River Park

- The park is under a long-term lease agreement that begins on FY 23/24 with the Los Angeles County Parks and Recreation.
- The park functions as a natural park with a native landscape and includes walking trails, river front overlook and space for community gardening.
- Additional planting was concluded in the first half of the fiscal year through a grant from the Rivers and Mountains Conservancy and the Los Angeles County Parks and Open Space District.

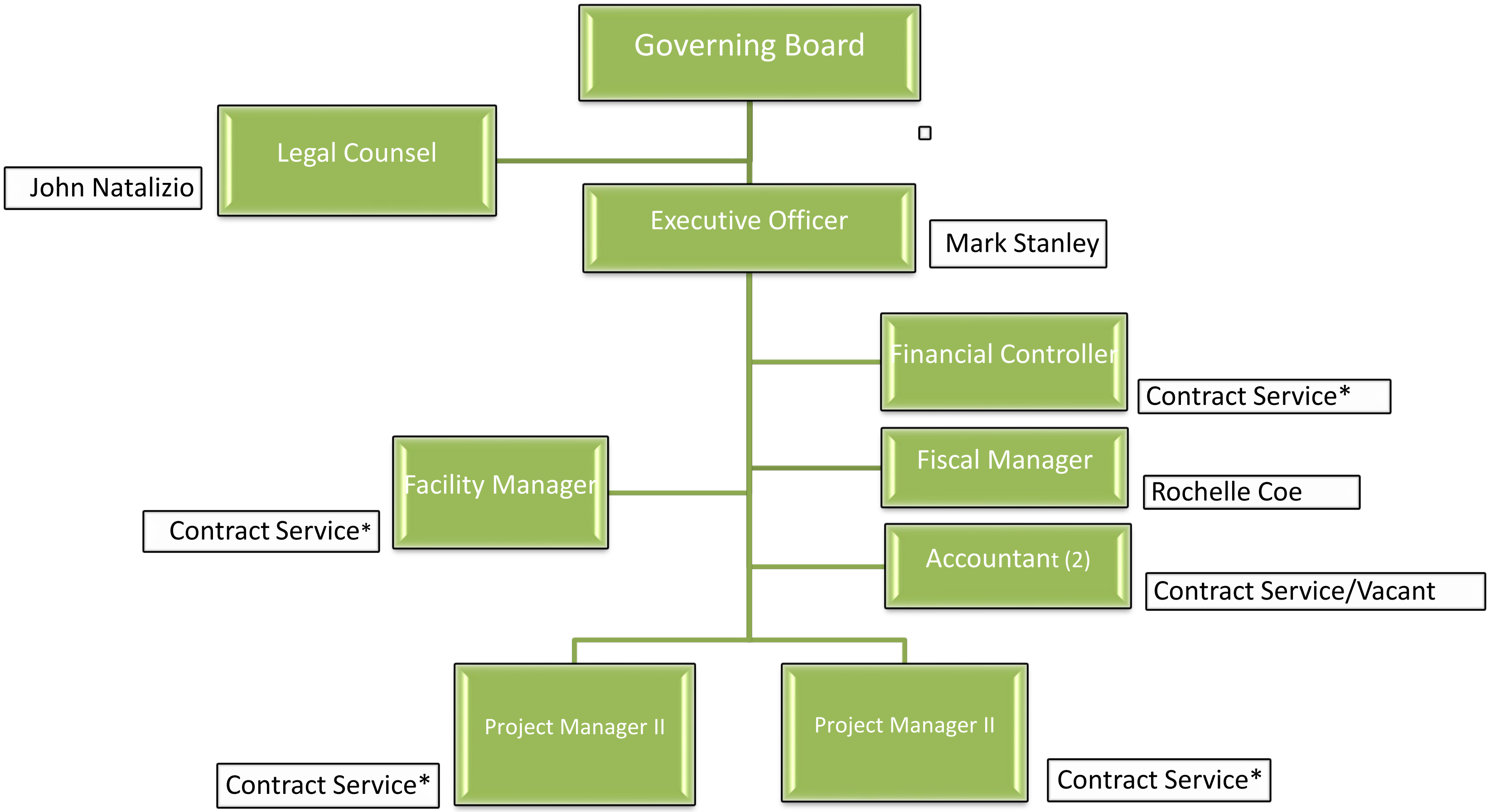
Glendora Regional Conservancy Property Transfers

- Contracted for preacquisition due diligence services for the Bluebird, Colby, and Easley Properties Acquisitions
- The Glendora Regional Conservancy will provide community support for land management.

Fiscal Year 2026–2027 Program Highlights & Opportunities

- Community Connections to Wildlands—Expanded coverage of the Southeast communities for overnight trips to Catalina Island and San Gabriel Mountains.
- Azusa River Wilderness Park—Break ground in construction and completion of the nature play area as well as Old San Gabriel Road alinement in Fall 2025 with Phase Two, grading and landscaping, in Spring 2025.
- San Gabriel River Center and Gardens—Phase Two placement of a modular building inclusive of restrooms, utilities and new electrical, completion of the area of round the building with garden space for Spring 2026 opening.
- River Ranger Program Implementation Project—Phase Three of the pilot program will use lesson learned from the last two years to conclude the pilot with a recommendation on the usefulness of having ambassadors on the Los Angeles River.
- East Fork Oaks Sustainable River Access—Groundbreaking for the site will start in late Summer 2025. The selection process for a construction manager was completed at the end of FY 24/25 to facilitate selection of construction general contractor. The project is also referred to as the East Fork San Gabriel River Trash TMDL Implementation and Recreation Improvements Project, Phase One.
- San Gabriel Mountains Foothill Acquisition Master Plan findings reached conclusion. The plan provides direction for engagement around management and future foothill acquisitions and will continue to be refined over time.
- For FY 25/26 plan are in development to fund staff in the coordination of San Gabriel Mountains Community initiative for the national monument an effort to enhancement habitat and visitation amenities within the San Gabriel mountains National Monument area.
- Wildfire grant funds continue to be applied for broom removal at locations throughout the San Gabriel Mountains.
- Lower LA River Technical Support—Staff will continue to connect with local communities and projects lead to development and prepare project concepts significant in meeting RMC and WCA priorities to be competitive for funding opportunities.
- San Gabriel River Watershed Technical Assistance and Planning—The work done through water temperature monitoring and associated biological inventories will continue to be used to educate and inform the public and consider future watershed enhancement opportunities.
- Crystal Lake and Coldbrook Campground —Under its Master Participating Agreement with the Angeles National Forest, WCA will complete the remaining camp host site improvements.
- West Coyoted Hills – staff is engaging with funding partners and working with the seller of West Coyote Hills to conduct due diligence for the acquisition of Phase II of a three-part acquisition process.
- Florence Place Revitalization Project – Staff is working through the due diligence process for the acquisition and revitalization of the two-acre property located in Bell Gardens to transform the brownfield into a community-serving open space.
- Wrigley Heights River Park Acquisition – Property acquisition due diligence will continue throughout the first half of the fiscal year with the expectation that all requirements will be met for WCA ownership by fiscal year end.
- Wrigley Heights River Park Planning Project – Working with a consultant team staff will manage the process of conceptualize and engaging the community for the development of new park space.

Watershed Conservation Authority Organizational Chart



*Third party management and financial service. Currently contracted with Nicole Law, Faby Sarwono, and Cumming Group.

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 contractors and vendors. An analysis of funding sources on-hand is completed, as well as an assessment of available funding that can be carried out into the next fiscal year. Of particular importance is 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, so that the Authority can sustain to ensure timely project delivery and maximize 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, 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 fiscal 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:

The 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.

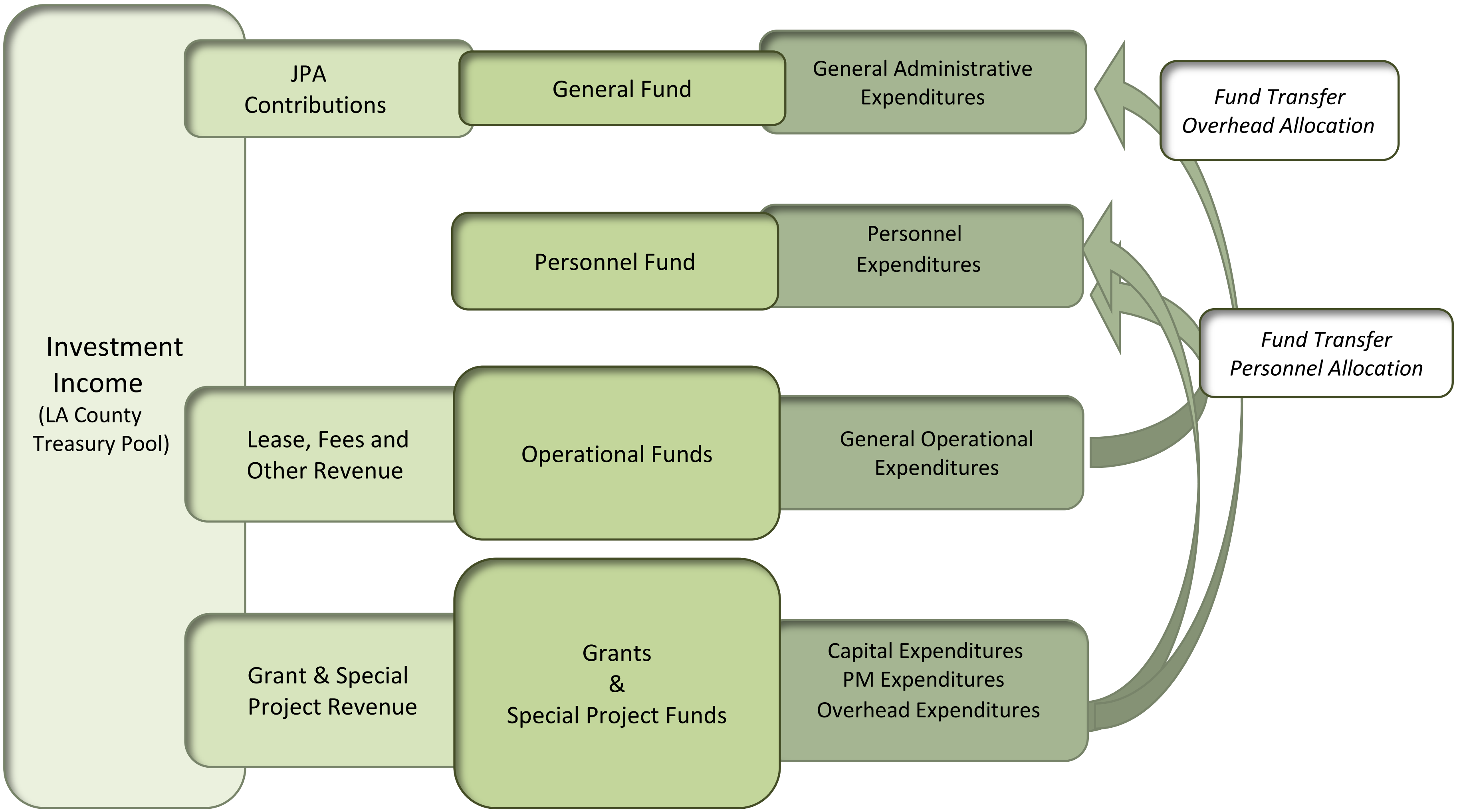
The financial statements are prepared in conformity with generally accepted accounting principles and are governed by accounting and financial reporting principles as established by the Governmental Accounting Standards Board. The fiscal year of the WCA is established as July 1st through June 30th. The WCA uses the modified accrual basis of accounting, where the WCA recognizes 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 grants 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 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 Fund – The purpose of these funds is to hold funds for the purposes of expending payroll and creating a reserve for accrued employee leave.

River Park Operational Fund (V19) – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the San Gabriel River Park in Avocado Heights, as well as those incurred on non-revenue generating WCA properties or cover general operational expenditures.

El Encanto Operational Fund (V20) – 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 (V31) – 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 (V72) – The purpose of this fund is to account for lease and/or other revenue and O&M expenditures for the Walnut Creek property.

Azusa River Wilderness Park Fund (V52 RMC22021) – The purpose of this fund is to record RMC funds granted to the Authority for use of Azusa River Wilderness Park project.

Bluebird, Colby, and Easley Preacquisition Fund (V52 RMC25010) – The purpose of this fund is to support due diligence for acquisition of properties known as Easly, Colby, and Bluebird including deed and title reports research, appraisals, draft agreements for property transfer, and identifying future land management funding and partnerships regarding stewardship, maintenance, patrolling, and monitoring.

Community Connection to Wildlands Fund (V52 RMC22027) – The purpose of this fund is to record RMC funds granted to the Authority for use of Community Connection to Wildland project.

Florence Place Revitalization Fund (V52 RMC24015) – The purpose of this fund is to acquire and revitalize the two-acre property located at 6845 Florence Place in the City of Bell Gardens, including planning to transform the brownfield into a community-serving open space, providing much needed green infrastructure and recreational benefits in a highly urbanized neighborhood.

Foothills Open Space Acquisition Stakeholder Engagement Fund (V52 RMC21014) - The purpose of this fund is to record RMC funds granted to the Authority for finalize and publish the San Gabriel Mountains (SGM) Foothills Open Space Acquisition Master Plan.

LA River Ranger Program Reach Zones Fund (V52 RMC19005) – The purpose of this fund is to record RMC funds granted to the Authority for use of LA River Range Program Reach Zones project.

LA River Ranger Pilot Program Implementation Fund (V52 RMC21015) – The purpose of this fund is to record RMC funds granted to the Authority for use of LA River Range Program Implementation project.

Oaks East Fork River Access Project Fund (V52 RMC22022) – The purpose of this fund is to record RMC funds granted to the Authority for use of Oaks East Fork River Access project.

Regional Wildfire Prevention Project (V52 RMC23014) – The purpose of this fund is to focus on areas of risk for wildfire, such as the forest areas of the San Gabriel Mountains, brush along urban waterways and vegetative overgrowth in the Puente Hills and Palos Verde Hills, including areas in upper Orange County within area of more significant wildlife.

River Park EEMP Fund (V64) – The purpose of this fund is to record Environmental Enhancement Mitigation Program funds granted to the Authority for the use of River Park in Avocado Heights Implementation project.

River Park Supplemental Environmental Project Fund (V46) – The purpose of this fund is to record SEP funds granted to the Authority for use of River Park Phase 1A Implementation project.

River Wilderness Park Entry Prop A Fund (V52 RWP PROP A) – 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 (**V52 RWP CNRA**) – 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 River Center and Gardens Fund (V52 RMC22013) – The purpose of this fund is to record RMC funds granted to the Authority for use of San Gabriel River Center and Gardens Project.

San Gabriel River Center and Gardens Phase II Fund (V52 RMC25009) – The purpose of this fund is to remove the current Parkhouse and replace it with a new prefabricated facility.

San Gabriel River Center and Gardens SEP Fund (V2E) – The purpose of this fund is to record LACSD funds granted to the Authority for use of San Gabriel River Center and Gardens Project.

San Gabriel River Park Phase 1 Vegetation Enhancement (V52 RMC24013) – The purpose of this fund is for additional plantings on the south end of the park, including their establishment as well as ongoing negotiations with the bond surety caused during the Park’s construction.

San Gabriel Valley Greenway Network Fund (V2B) – 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.

SELA Cultural Center Plan Development and Implementation (V52 RMC23017) – The purpose of this fund is to provide for the public's enjoyment and enhancement of recreational and educational experiences on public lands in the watersheds of San Gabriel River, Lower Los Angeles River, and the Dominguez Channel; and Santa Catalina Island in a manner consistent with the protection of lands and resources in those watersheds.

Subvention Aids (V2D) – The purpose of these funds is to hold funds for the purpose of ensuring the Authority has available cash outside of its restricted and operational funds to continue the implantation and construction of projects.

Technical Assistance LLAR Fund (V52 RMC21008) – The purpose of this fund is to record RMC funds granted to the Authority for use of technical service grant for the Lower LA River Jump Start Projects and Stakeholder Engagement.

West Coyote Hills Phase II Fund (V52 RMC23021) – The purpose of this fund is to acquire the remaining of the West Coyote Hills (WCH) in two to three large phases, remove residential development rights, and manage the property in perpetuity for the benefit of sensitive species and public access.

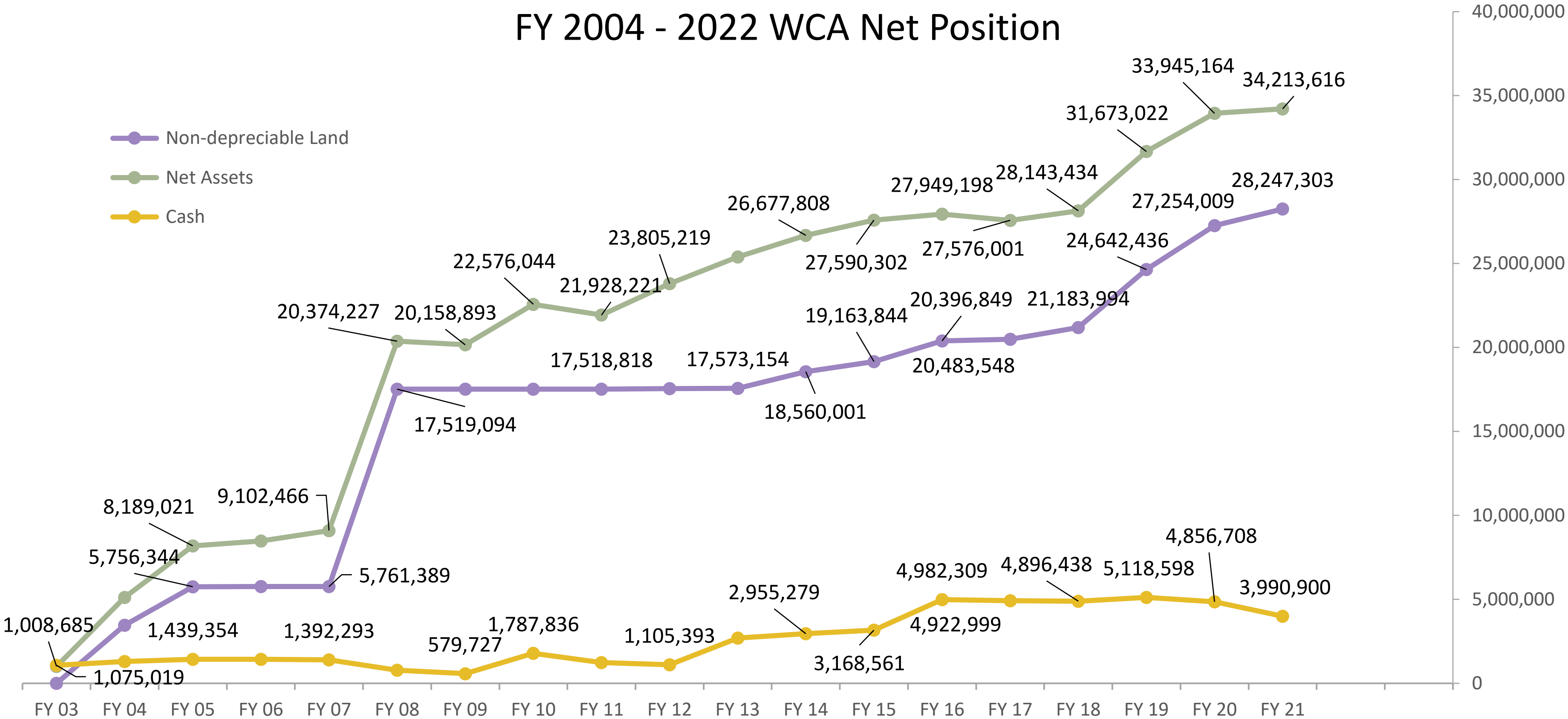
Wrigley Heights River Park Fund (V52 RMC24008) – The purpose of this fund is to acquire 5.32 gross acres of undeveloped open space, also known as "Amebco/McDonald" property located within the Wrigley Heights River Park Opportunity Area in the Lower Los Angeles River.

Wrigley Heights River Park Planning Fund (V52 RMC24009) – The purpose of this fund is to support the planning, development, and implementation of the Wrigley Heights River Park in the City of Long Beach.

Note: *The funds listed above represent the primary funds. 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

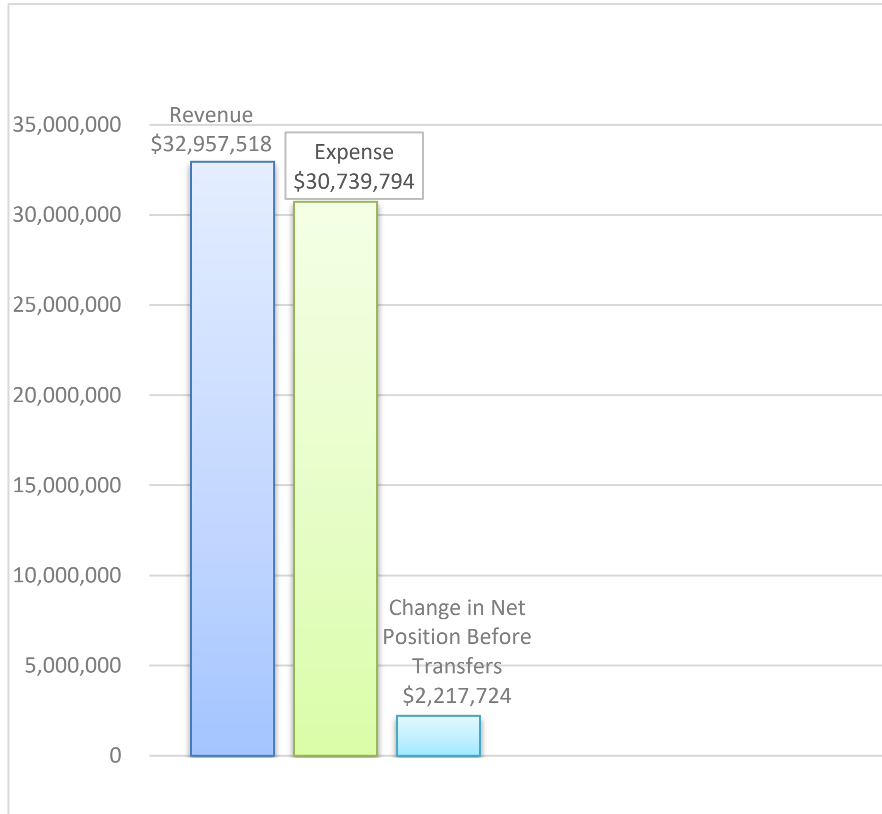
The net position measures the growth of an agency's book value and is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. An analysis of an agency's net position will show the agency's growth and ability to manage its assets and liabilities diligently and efficiently and paint 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 21/22, the date of the last audited financials. **Please note that the audited financial statements for FY 2022 through FY 2025 are expected to be available in FY 2026–27**. 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. The net position is presented in this chart as a total of all three components.



Budget Overview

CONSOLIDATED BUDGET FISCAL YEAR 2026-2027

	Budget FYE 2027
General Administrative Revenue	139,732
General Operational Revenue	2,449,129
Grants and Special Projects Revenue	30,368,657
Total Revenue	32,957,518
General Administrative Expenses	215,121
Personnel	279,176
General Operational Expenses	183,201
Expense-Capital Outlay	30,062,296
Total Expense	30,739,794
Change in Net Position Before Transfers	2,217,724
Transfers In	0
Transfers Out	(2,217,724)
Change in Net Position	-

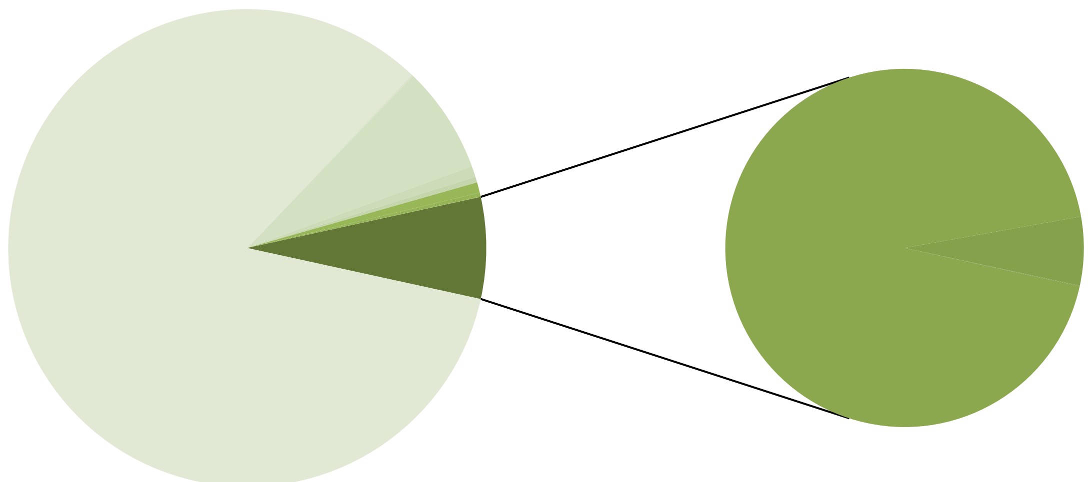


[1] – Budgeted figures do not include interest that might be accrued on funds held in the LA County Treasury Pool or Escrow funds or annual depreciation. The Authority presents a balanced budget in which revenue equals the Authority's obligations including any budgeted reserves, if applicable. Any change 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 20% is being applied to eligible grant fund sources that allow application to offset remaining administrative expenditure.

Revenue Overview

Fiscal Year 2026-2027 revenues are projected to total $32,957,518. Revenue available for general administrative and operational expenditures totals $2,588,862 or 7.86% of all revenue. Of the general administrative and operational revenue, $233,657 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 $30,368,656 of which $2,800,043 or 9.22% is expected to be derived from federal, state (non-RMC), county, local funds, consultant contracts and other project revenue and 90.78% or $27,568,613 is expected to be derived from grants from the Rivers & Mountains Conservancy. In prior year fiscal budgets, Rivers & Mountains Conservancy revenue accounted for approximately 83% (FY23/24), 89% (FY24/25), and 93% (FY25/26) 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; however staffing levels and changes have slowed progress towards greater diversity.

FY 2026-2027 Total Revenue



Rivers & Mountains Conservancy	$27,568,613
SEP	$125,840
Federal Funds	$36,475
Other State Funds	$2,389,694
Other County & Local Funds	$248,034

Lease Revenue	$	233,657
Property Management	$	88,517
Fees-Filming/Permits	$	7,000
Indirect Cost	$	2,118,756
JPA Contributions	$	139,732
Other Miscellaneous	$	1,200

Administrative & Operational Revenue

Administrative

In updates to the joint powers' agreement approved by the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy in the Los Angeles County Flood Control District in FY 26/27, the WCA now receives an increase in Annual JPA Contribution Revenue tied to CPI for Administrative and Operational Expenses.

Of the annual JPA contributions, the revenue for administrative expenditures totals $139,732, consisting of member contributions of $54,476 from the District and $85,256 from RMC.

Operational

Revenue available for operational expenditures totals $330,374 which includes lease revenue generated from WCA owned properties ($233,657), the annual property management contribution ($88,517), filming and park use permits ($7,000) and utility fee revenue ($1,200).

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.

The San Gabriel River Park has under a lease by Los Angeles County Parks and Recreation, although other parts of the land are still leased and have the potential to be lease until developed into park space. Budgeted revenue generation has been nearly eliminated, only the equestrian property is leased. The South Gate properties currently produce more revenue than is needed to cover their current expenditure, which allows funds to be transferred and used at other properties that generate insufficient revenue to cover their respective expenditures.

Filming & Permits revenue generally are difficult to anticipate. However, staff predict revenue to be approximately $7,000.

Budget FY26/27			
Lease Revenue Detail		**Total Annual**	**Total Budgeted**
River Park			
451 S. Rall	Equestrian	$16,091	$15,287
Freeway Billboard	Commercial	$48,000	$45,600
El Encanto			
Unit 96	Residential	$27,500	$26,125
Unit 98	Residential	$22,899	$21,754
Unit 100a	Residential	$20,437	$19,416
Rainbow Ranch	Commercial	$5,168	$4,910
Unit 100-RMC	Commercial	$56,359	$53,541
South Gate			
Freeway Billboard	Commercial	$49,500	$47,025
TOTAL		**$245,955**	**$233,657**

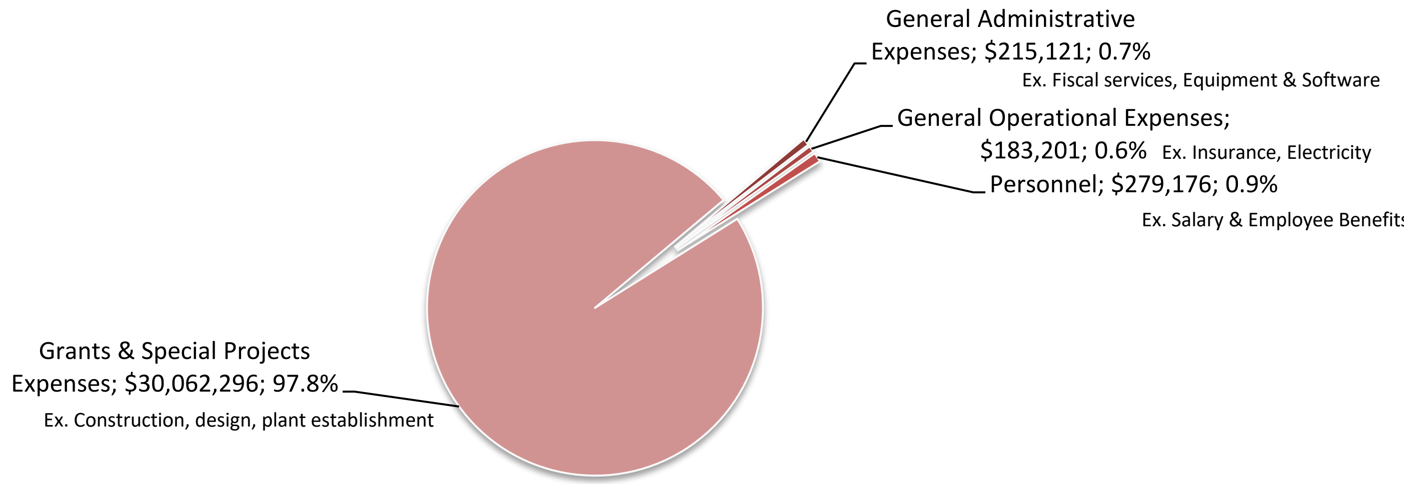
Grants & Special Projects Revenue

One of the goals 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 fiscal year. In FY 26/27, there is an anticipated $30,368,657 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 FY26/27, expenditures are projected to total $30,739,794. This total reflects 408.4% or $24,729,857 increase from FY 25/26 adjusted budgeted expenses. The increase is primarily due to an anticipated increase in capital outlay projects and acquisition from awarded grant. The expenditure components are as follows: 1) General Administrative Expenses, $215,121 or 0.70%, 2) General Operational Expenses, $183,201 or 0.60%, 3) Personnel, $279,176 or 0.90%, and 4) Grant & Special Projects Capital Outlay Expenses, $30,062,296 or 97.80%.

FY 2026 - 2027 Total Expenditures



Personnel Expenditure

Personnel Budget Explanation

The budgeted expenditures for personnel are expected to total $279,176, which includes salaries ($220,282), employee benefits ($42,607), employer taxes ($16,287). In FY25/26, the WCA staff consisted of one full-time employee, one part-time employee, and support from five consultants, with Executive Officer services provided at no cost to the Authority. Additionally, the Authority plans to onboard three additional consultants in the first quarter of 2027 to support facilities management, project management and accounting functions. The change in staffing relates to capacity building needed to meet a planned project portfolio for FY26/27 and expenditure for personnel comes from grant and annual JPA contribution revenues.

Medical, dental, and vision premiums have been increased by approximately 5% year over year and the renewal 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 have implemented numerous policies on how their benefits are applied as part of an employee's benefits 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 are renewed each year, staff recommend plan changes that may result in cost savings or increased costs and result in 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.

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
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

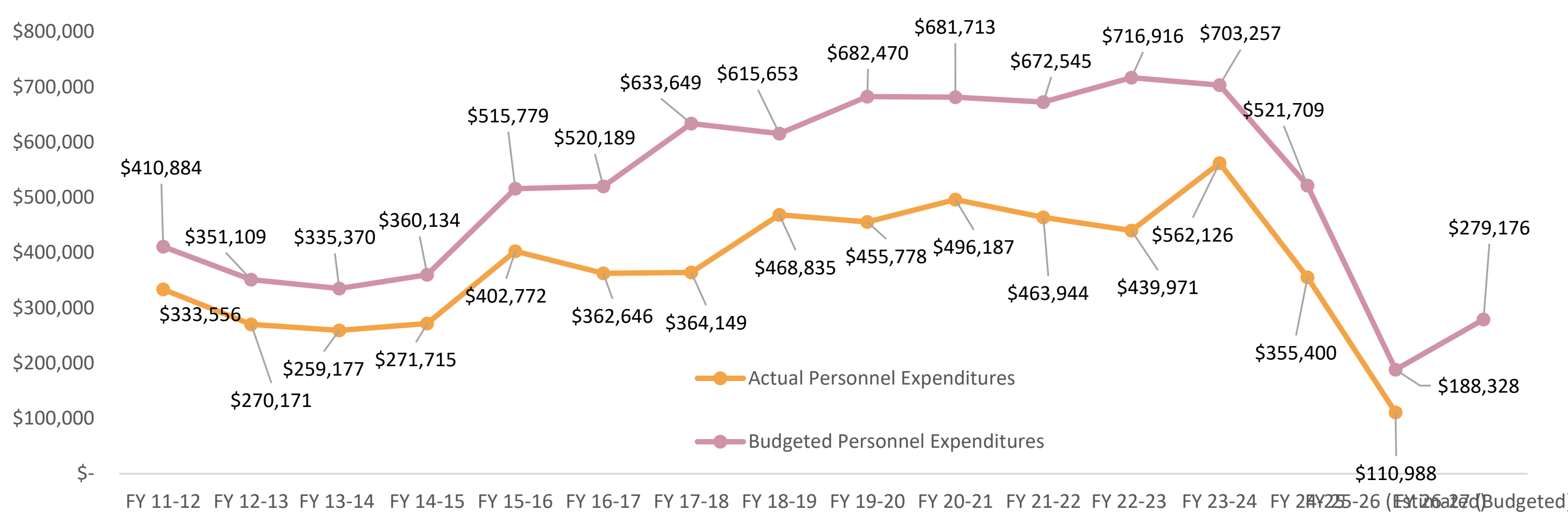
As intended by the Billable Rate Structure Plan developed in 2014, all of the personnel costs are expected to be offset by grant and special project revenue and indirect costs charged against eligible grants and project funds. In prior fiscal years, the WCA employed a consultant to implement an indirect standard rate plan to allocate indirect costs to programs, grants, contracts, and agreements. The plan was limited in its application given the progress the Authority had made in program development and diversification of funding. The Standard Rate Plan was prepared using the WCA's current fiscal budget at the time. 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 the average number of employees and fiscal year audited salaries and benefits costs. Staff for FY25/26 comprises three (3) staff members, including the Executive Officer (services without compensation), one full-time Senior Accountant, one part-time El Encanto Park Caretaker, and five consultants. The personnel costs at the start of FY 26/27 are expected to total $279,176. The Authority has plans to onboard three additional consultants in the first quarter of 2027 to support facilities management, project management and accounting functions.

Budget FY26/27		
Expense Detail		
Salaries	$	220,282
Benefits	$	42,607
Fixed Fees	$	0
Employer Taxes	$	16,287
Personnel Subtotal	$	279,176

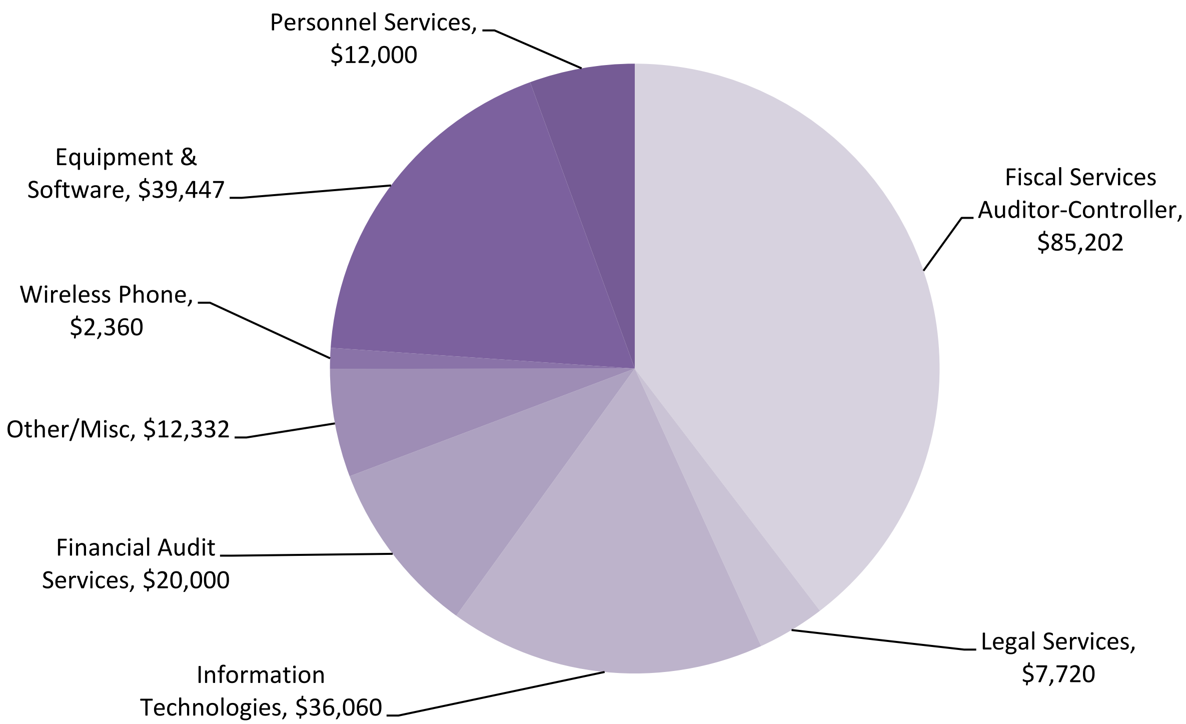
Personnel Costs FY 2009-2026



General Administrative Expenditure

General Administrative expenditures total $215,121. Proposed annual JPA contribution revenue available for the administrative costs total $139,732 ($85,256 RMC/$54,476 LACFCD), the difference of $75,389 is expected to be funded by the WCA Billable Rate Structure Plan and indirect costs charged against eligible grants and project funds. The planned administrative expenditure for FY26/27 is projected to decrease by $5,836, or approximately -3%, compared to the previous year. This decrease is primarily attributed to lower-costs associated with the information technologies expenses.

FY 2026-2027 General Administrative Expenditures

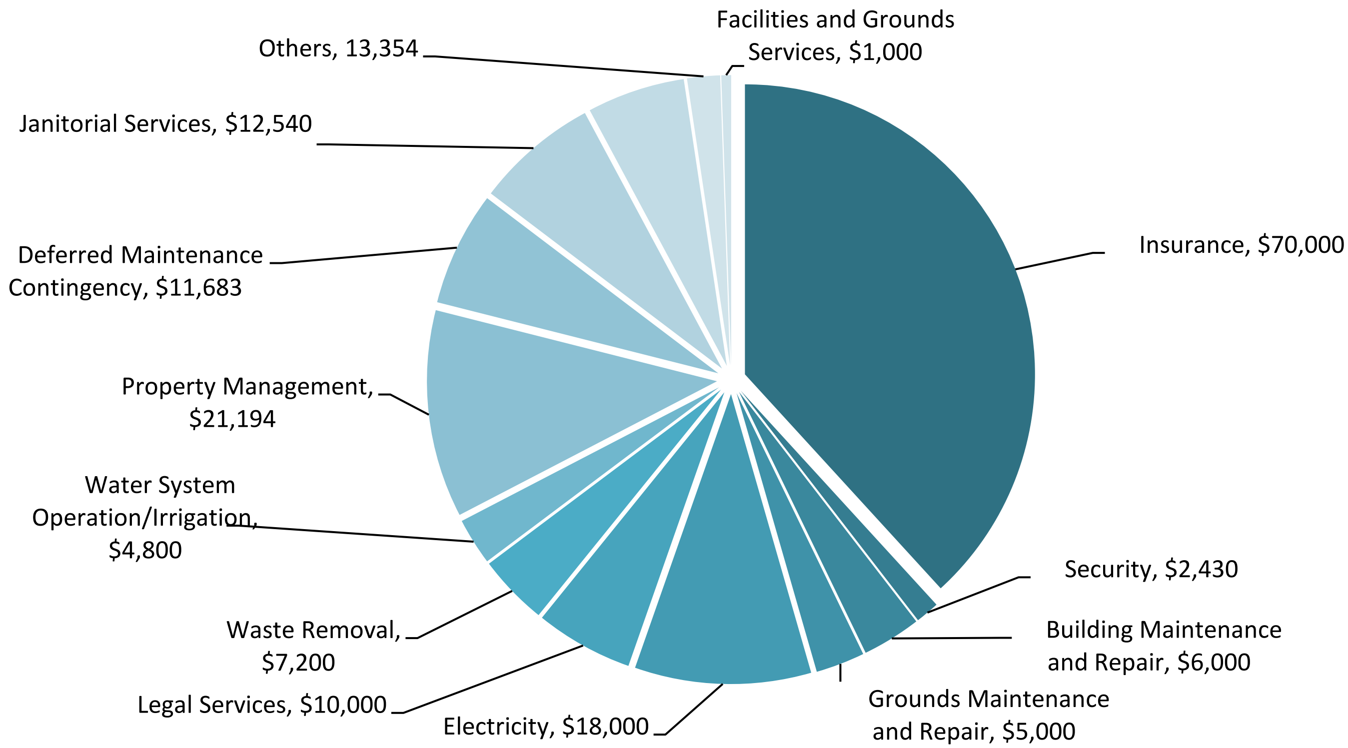


Note- Other/Misc. category includes budgeted expenditures for travel, insurance bond, training/conferences, meeting supplies, other/not classified, office supplies, postage & delivery, printer supplies.

General Operational Expenditure

General Operational expenditures total $183,201 and the revenue available for operational costs totals $2,449,129. The surplus of $2,265,928 will be utilized to partially offset administrative expenses and administrative overheads. The planned general operational expenditure for FY 26/27 is projected to decrease by $95,730, or approximately 34%, compared to the previous year. This decrease is primarily attributable to lower projected legal services costs related to property management issues, as well as deferred maintenance contingency costs that will be covered by the Regional Wildfire Prevention Project in FY 26/27.

FY 2026-2027 General Operational Expenditures



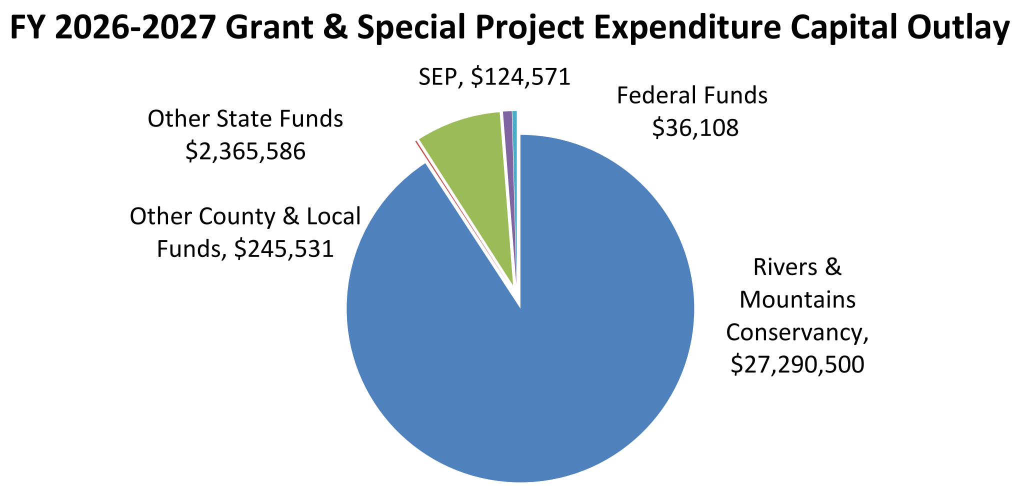
Note – Other/Misc. category includes budgeted expenditures for other utilities, weed abatement and propane.

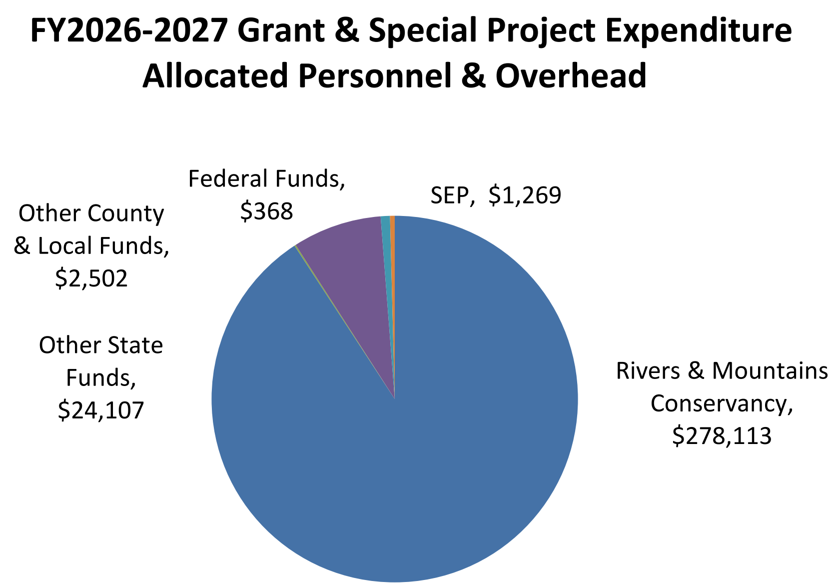
FY 2026-2027 Projected Operational Expenditures

General Operational Expenditures	Budget FY 26/27	Budget (Mid-Year Adjusted) FY 25/26
Insurance	70,000	70,000
Legal Services	10,000	32,757
Security	2,430	2,430
Building Maintenance and Repair	6,000	11,000
Grounds Maintenance and Repair	5,000	5,000
Electricity	18,000	13,989
Propane	10,000	11,000
Other Utilities	354	354
Waste Removal	7,200	7,541
Water System Operation/Irrigation	4,800	16,839
Property Management	21,194	20,000
Deferred Maintenance Contingency	11,683	70,621
Janitorial Services	12,540	12,540
Facilities and Ground Services	1,000	1,000
Weed Abatement	3,000	3,000
Property Tax	0	860
General Operational Expenditures	**183,201**	**278,931**

Grants & Special Projects Expenditure

The WCA anticipates that it will utilize $30,368,656 of its grants and special project funding in FY 26/27, with a portion on hand being carried from the previous fiscal year. The WCA currently has 20 active grants or contracts from a variety of agencies including the RMC, County of Los Angeles, United States Forest Service, and California Department of Transportation. The timeline and stipulations as to how the funds are spent are dictated by the granting agency. The 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 expenditure 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 $30,062,296. 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 $306,359 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.


FY 2026-2027 Grant & Special Project Expenditure Capital Outlay
SEP, $124,571
Federal Funds $36,108
Other State Funds $2,365,586
Other County & Local Funds, $245,531
Rivers & Mountains Conservancy, $27,290,500


FY2026-2027 Grant & Special Project Expenditure Allocated Personnel & Overhead
Federal Funds, $368
SEP, $1,269
Other County & Local Funds, $2,502
Other State Funds, $24,107
Rivers & Mountains Conservancy, $278,113

Appendix

Exhibit A

WATERSHED CONSERVATION AUTHORITY
CONSOLIDATED BUDGET FISCAL YEAR 2026-2027

	Mid Year Budget FYE 2026	Actual as of 5/31/2026	Additional Projected through 06/30/26	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	207,537	13,450	233,657	18,611
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	87	1,200	0
Subtotal-General Administrative & Operating	817,277	785,655	13,537	2,588,862	1,771,585
Grants and Special Projects Revenue					
Grant-Rivers & Mountains Conservancy[1,2,5,6,7]	5,025,656	3,984,503	1,359,014	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	20,199	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	5,708,693	1,379,213	30,368,656	24,969,456
Total Revenue	6,216,477	6,494,348	1,392,750	32,957,518	26,741,041
Expenses					
General Administrative Expenses					
Fiscal Services Auditor-Controller	82,400	61,800	20,600	85,202	2,802
Legal Services	5,000	4,503	3,000	7,720	2,720
Information Technologies	47,778	39,717	5,054	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	1,345	112	2,360	360
Personnel Services	12,000	9,978	1,000	12,000	0
Office Supplies	700	-	-	700	0
Postage & Delivery	360	238	130	360	0
Printer Supplies	50	-	-	50	0
Equipment & Software	39,448	34,997	-	39,448	0
Subtotal-General Administrative	220,957	153,563	29,896	215,121	(5,836)
Personnel					
Salaries					
In-House Staff	94,262	70,549	6,371	160,451	126,020
Consultant Support (Administrative)	45,664	14,577	2,000	59,831	
Benefits	31,236	9,931	1,525	42,607	11,371
Benefits Plan Provider Admin Cost	1,593	-	-	-	(1,593)
Employer Taxes	15,573	5,575	460	16,287	714
Subtotal-Personnel	188,328	100,632	10,356	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	2,025	184	2,430	0
Building Maintenance and Repair	11,000	7,441	188	6,000	(5,000)
Grounds Maintenance and Repair	5,000	-	-	5,000	0
Electricity	13,989	13,241	1,273	18,000	4,011
Propane	11,000	6,928	2,400	10,000	(1,000)
Other Utilities	354	-	-	354	0
Waste Removal	7,541	8,196	559	7,200	(341)
Water System Operation/Irrigation	16,839	1,208	200	4,800	(12,039)
Property Management	20,000	8,965	375	21,194	1,194
Deferred Maintenance Contingency	70,621	20,621	-	11,683	(58,938)
Janitorial Services	12,540	10,450	950	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	160,850	6,129	183,201	(95,730)
Grants and Special Projects Total Expense-Capital Outlay					
Grant-Rivers & Mountains Conservancy	5,025,656	3,385,721	417,600	27,290,500	22,264,844
Grant-LA County Flood Control District	0	-	-	-	0
Grant-SEP	65,284	76,430	-	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	3,618,443	417,600	30,062,296	24,694,911
Total Expense	6,055,601	4,033,488	463,981	30,739,794	24,729,857
Change In Net Position Before Transfers	160,877	2,460,860	928,769	2,217,724	2,011,184

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

June 18, 2026 – Item 11

RESOLUTION 2026-21

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

WHEREAS, The Watershed Conservation Authority (WCA) 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 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, In accordance with Section 10.2 of the WCA Joint Power Agreement the Authority shall adopt an annual budget, in a form approved by the District and the RMC, which budget shall be submitted to the Los Angeles County Board of Supervisors of the District and the RMC for approval; and

WHEREAS, Public funds may not be disbursed by the Authority excerpt pursuant to a budget which has been adopted by the Authority and approved by the Los Angeles County Board of Supervisors of the District and the Governing Board of the RMC, and all receipts and disbursements shall be in strict conformance with the adopted and approved budget; and

WHEREAS, This action will approve the final 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 June 18, 2026.
4. **APPROVES** the Watershed Conservation Authority final budget for Fiscal Year 2026/2027.

Resolution 2026-21

~ End of Resolution ~

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Motion: ______________________ Second: ______________________

Ayes: __________ Nays: ____________ Abstentions: ____________

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On June 18, 2026

____
Vincent Chang
Governing Board Chair

ATTEST: _____________________________
John Natalizio
Deputy Attorney General