

Los Cerritos Wetlands Authority

Date: **August 12, 2015**

To: **Governing Board Members**

From: **Mark Stanley, Executive Officer**

Subject: **Item 7: Consideration of resolution authorizing staff to adopt the LCWA Budget Fiscal Year 2015/2016.**

RECOMMENDATION: Staff recommends adoption of the LCWA Budget Fiscal Year 2015/2016 as submitted and detailed in the attached Exhibit A.

BACKGROUND: In accordance with the provisions of the Joint Powers Agreement, approval of the LCWA budget by the LCWA Board is required. The attached budget (Exhibit A) includes three revenues and expenditure components: 1) Administration, 2) LCWA Stewardship Program, Property Management and Operations, and 3) Capital Outlay. Total budgeted revenue for Fiscal Year (FY) 15/16 is \$408,600 and expenditures are balanced with revenues. Total revenues for FY 15/16 have increased compared from FY 14/15, which totaled \$337,143. Several contracts, compensatory mitigation funds and grants were awarded in FY 14/15, which have increased the total revenues. Although there is an increase in total revenues, the LCWA was not expecting for the general liability and umbrella insurance policies to significantly decrease from the FY14/15, when a significant increase was experienced over FY 13/14 which limited funds for distribution to the LCWA Stewardship Programs. The LCWA continues to work cooperatively to receive payments for the JPA Annual Contribution and continues to seek lessees' for the OTD Parcel in order to keep pace with increasing in expenditures.

Administration expenses in the amount of \$28,700 are detailed by line item in the attached budget summary. The expenses detailed for general administrative costs include the return of accounting for miscellaneous administrative costs. The budget reflects a shift in the accounting for general liability and umbrella insurance policies for all the LCWA properties including the Hellman Property and additional insurances for the City of Long Beach Marketplace Marsh and State Lands Parcel 043-160-47, whereas expenses directly associated to property ownership are reflected. The LCWA total invoice for the general liability and umbrella insurance policies for FY14/15 was \$12,500 compared to a significant increase for FY15/16 total invoice of \$15,700. Other notable expenses include expenses related to the LCWA Annual Audit, budgeted at \$6,500.

The Los Cerritos Wetlands Authority Stewardship Program (LCWASP), Property Management and Operations total budget is \$176,800 and is consistent with the annualized revenues and expenditures at a minimum to operate, manage, and maintain the LCWA properties. The current budget for the LCWASP has considerably increased since the LCWASP received two contracts; the Orange County Public Works to provide appropriate wetland restoration services and supplies from the LCWA's Stewardship Program and the LCWA also authorized a Memorandum of Agreement with Southern California Edison to accept compensatory mitigation funds.

These revenues in combination with the two grant awards received from the Los Angeles County Regional Park and Open Space District Prop A Grant and the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Grant for the Los Cerritos Wetlands Trails Improvement Project will allow for the public programming to continue as part of the LCWASP through December 2016.

At current staffing levels, implementation and management of the LCWASP will require consultant services to lead these public programs; therefore, Tidal Influence, LLC, the Aquarium of the Pacific, and Los Cerritos Wetlands Land Trust have partnered and have applied for and received several grants to support the LCWASP. The Aquarium of the Pacific and Los Cerritos Wetlands Land Trust are great partners and have provided matching grant funds to the LCWASP in order to continue the monthly Habitat Restoration and Nature Walks and provide educational materials for FY15/16. The authority also benefits from bird walks led by the El Dorado Audubon that contribute to the total hours of in-kind stewardship participation.

In FY14/15, Staff was successful in actively seeking grants to fund the LCWASP through FY15/16 and will continue to actively seek funding sources for sustainable revenue that continues public programs in perpetuity. Further, the LCWASP provides in-kind services from volunteers to help manage the LCWA properties through habitat restoration, trash cleanups, habitat assessments, and several other public programs.

The Capital Outlay budget is in the amount of \$203,100 of this total amount, it is estimated over 50% of the budget is allocated for the Los Cerritos Wetlands Trails Improvement Project and for the completion of the Los Cerritos Wetlands Conceptual Restoration Plan. Currently the LCWA has purchased 178 acres of the total estimated 500 acres and is in the process of finalizing the Conceptual Restoration Plan for the entire Los Cerritos Wetlands Complex. But in the interim the LCWA has developed the LCWASP designed to promote community involvement with environmental education, maintenance, restoration and monitoring of the wetlands areas. The Los Cerritos Wetlands Trails Improvement Project will help fund and provide some public programming for the LCWASP while maintaining and preserving the goals and objectives of the CRP.

Fiscal: The LCWA will adopt the FY15/16 Budget with total revenue of \$408,600 and expenditures balanced with revenues.

Exhibit A

LOS CERRITOS WETLANDS AUTHORITY
FY 2015/2016 BUDGET
September 1, 2015 – September 1, 2016

Report: Total Revenues & Expenses

Item	FY 14/15 Budget Amendment 1	FY 15/16 Budget	Comments
REVENUES			
<u>Administration</u>			
Signal Hill Petroleum Annual Lease Fee and Misc. lease fees carryover	\$3,500	\$8,700	Carryover from prior year lease payments.
JPA Contributions	\$20,000	\$20,000	JPA Agreement provides for an annual contribution to the LCWA of \$5,000 from each of the JPAs which include the RMC, Coastal Conservancy and the Cities of Long Beach and Seal Beach.
TOTALS	\$23,500	\$28,700	
Administration Subtotal FY 15/16			\$28,700

<u>LCWA Stewardship Program, Property Management and Operations</u>			
Item	FY 14/15 Budget	FY 15/16 Budget	Comments
OTD Lease Agreement Atkinson Amendment 1	\$22,500	\$0	OTD Lease Agreement from July 3, 2012 through July 31, 2014 was completed and the deposit was returned. But on December 1, 2014 the lease agreement was initiated as a month-to-month lease with a 30-day notice to terminate. Thus Amendment 1 set a monthly fee of \$2,500.
OTD Lease Agreement Atkinson Amendment 2	\$0	\$24,600	OTD Lease Agreement area of use has been reduced, for a monthly lease fee of \$2,050.
OTD Lease Agreement D&S Washout Systems	\$0	\$11,400	D&S Washout Systems has a one-year lease for a portion of the OTD Parcel at a monthly lease fee of \$950.
OTD Lease Agreement Security Deposit	\$2,400	\$3,400	Security Deposits from both Atkinson Contractors (\$2,400) and D&S Washout Systems (\$1,000).

Item	FY 14/15 Budget Amendment 1	FY 15/16 Budget	Comments
REVENUES			
<i>LCWA Stewardship Program, Property Management and Operations</i>			
County of Orange, Public Works Contract (MA-080- 15010071)	\$41,100	\$114,400	Orange County Public Works entered into contract with LCWA to provide appropriate wetland restoration services and supplies from the LCWA's Stewardship Program for Orange County Public Works' projects and conduct monitoring for five years. This funding represents a portion of the total contract award of \$155,500.
Southern California Edison Company (SCE) Memorandum of Agreement	\$12,000	\$13,000	LCWA authorized a Memorandum of Agreement with SCE to accept funds to provide out-of-kind compensatory mitigation for impacts to shoreline habitat at Catalina Island contingent upon the LCWA receiving approval from the Coastal Conservancy Executive Officer or designee. This project also includes monitoring for five years and this funding represents a portion of the total contract award of \$25,000.
Signal Hill Permit E10-011 Annual Payment	\$10,000	\$10,000	Coastal Development Permit E-10-011, subject to Special Condition 1, SHP is required to offset impacts from their annual vegetation maintenance project within the Phase 1 Properties. (LCWA08008).
JPA Contributions and Signal Hill Petroleum Annual Lease Carryover	\$18,555	\$0	Carryover from prior year lease payments.
TOTALS	\$106,555	\$176,800	<u>FY 15/16 includes additional lease agreements in new revenue.</u>
<i>LCWA Los Cerritos Wetlands Stewardship Program, Operations</i>			
<i>Subtotal FY 15/16 \$176,800</i>			

Item 7: LCWA Budget

Item	FY 14/15 Budget Amendment 1	FY 15/16 Budget	Comments
REVENUES			
<u>Capital Outlay</u>			
Signal Hill Petroleum Annual Lease	\$25,000	\$25,000	Payment will be received in July 25, 2015 for the 2015 Calendar Lease Payment.
State Coastal Conservancy Grant (LCWA08009)	\$80,588	\$45,500	Remaining balance for the Coastal Conservancy grant for the Los Cerritos Wetlands Conceptual Restoration Plan.
Los Angeles County Regional Park and Open Space District Prop A Grant for the Los Cerritos Wetlands Trails Improvement Project (LCWA14001)	\$71,000	\$34,600	LCWA was awarded grant funds for the Los Cerritos Wetlands Trails Improvement Project from the Los Angeles County Regional Park and Open Space District, Fourth Supervisorial District for a two-year grant agreement. This funding represents a portion of the total grant award of \$105,600.
San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Grant for Los Cerritos Wetlands Trails Improvement Project (LCWA14002)	\$0	\$98,000	LCWA was awarded matching grant funds for the Los Cerritos Wetlands Trails Improvement Project from the RMC for a two-year grant agreement.
<u>TOTALS</u>	<u>\$176,588</u>	<u>\$203,100</u>	<u>FY 15/16 includes the revenue for the RMC Trails Grant</u>
<i>Capital Outlay Subtotal FY15/16</i>			<i>\$203,100</i>
<i>FY 15/16 TOTAL REVENUES</i>			<i>\$408,600</i>

EXPENSES			
<u>Administration</u>			
Directors and Officers Policy	\$4,500	\$1,500	Board of Directors Policy Renewal
General Liability Insurance and Umbrella Policy for all the LCWA Properties	\$12,500	\$15,700	General & Umbrella Policy, \$2 million to include the City of Long Beach Marketplace Marsh and Hellman Properties and the State Lands Commission parcels
LCWA Annual Audit	\$6,500	\$6,500	City of Long Beach acts as the Fiscal Agent for the LCWA and audits the LCWA accounts on an annual basis.
Miscellaneous Administrative Costs	\$0	\$5,000	Possible expenses related to filing fees and other misc. admin expenses not otherwise classified, such as on-call services for public tours, etc. Increase cost an insurance absorbed miscellaneous fund budget.
<u>TOTALS</u>	<u>\$23,500</u>	<u>\$28,700</u>	

Item 7: LCWA Budget

Item	FY 14/15 Budget Amendment 1	FY 15/16 Budget	Comments
EXPENSES			
<i>LCWA Stewardship Program, Property Management and Operations</i>			
Tidal Influence Grant Management Services Amendment Three	\$25,000	\$25,000	\$1,250 (\$15,000 Annually) recurring monthly fee for Tidal Influence (TI) to provide grant management, implementation of the Los Cerritos Wetlands Stewardship Program and other on-call services as needed. In addition, TI will also manage and implement the Signal Hill Permit E10-011 Coastal Development Permit (\$10,000 Annually). This is a one-year contract.
Los Cerritos Wetlands Stewards Contract for the Security and Safety of LCWA Properties	\$8,700	\$8,700	Protocols and Guidelines for the purpose of removing unauthorized encampments and securing the LCWA properties. The current contract expires on 12/1/2015 and it will require an amendment to extend the contract through 12/1/2016.
OTD Lease Agreement Security Deposit	\$0	\$2,400	Security Deposit was returned to Atkinson Contractors since the LCWA property was returned in a good-condition.
Signage	\$2,250	\$3,550	Fabrication and installation of up to five signs on the LCWA properties including Phase 2 Properties/Hellman and OTD Parcel.
Tidal Influence Grant Management Services – Orange County Flood Control District	\$31,000	\$114,400	Development of a Grant Management Services contract for implementation of services provided under the LCWA's Stewardship Program. This is a contract for implementation and management of the Orange County Flood Control Contract for total contract award of \$155,500.
Tidal Influence Grant Management Services – SCE Memorandum of Agreement	\$4,500	\$13,000	Grant Management Services contract requires an administrative amendment to include the SCE Memorandum of Agreement. The workplan will outline the expenditure of these funds specifically for the purpose of providing out-of-kind compensatory mitigation for impacts to shoreline habitat at Catalina Island. This is a one-year contract for implementation and management of the Edison MOA.
LCWA Los Cerritos Wetlands Stewardship Program and Restoration of Zedler Marsh	\$5,250	\$6,400	Includes tree trimming, weed management, debris removal, homeless remediation, and ecological consultation. Materials and equipment for Los Cerritos Wetlands Stewardship Program and restoration of Zedler Marsh.
Stewardship Reserves	\$4,855	\$3,350	Miscellaneous expenditures
TOTALS	\$81,855	\$176,800	FY 15/16 expenditures have increased due to the completion of two contracts.

Item 7: LCWA Budget

Item	FY 14/15 Budget Amendment 1	FY 15/16 Budget	Comments
EXPENSES			
<i><u>Capital Outlay</u></i>			
Consultant Services to complete expenses for the LCW Partners property acquisition	\$20,500	\$20,500	Funding provided by Signal Hill Annual Lease Fee and OTD lease agreements
Moffatt & Nichol Consultant Services for the Los Cerritos Wetlands Conceptual Restoration Plan	\$36,125	\$28,500	Los Cerritos Wetlands Conceptual Restoration Plan remaining balance will be paid from the State Coastal Conservancy Grant.
Moffatt & Nichol Consultant Services to complete additional technical studies for development of a phased implementation plan of the Los Cerritos Wetlands Conceptual Restoration Plan	\$44,463	\$44,463	These technical studies will inform and develop a robust Phased II property owned by LCWA conjunction with CRP recommendations.
Tidal Influence Grant Management Services – Los Cerritos Wetlands Trails Improvement Project (LCWA14001 and LCWA14002)	\$58,050	\$98,500	LCWA was awarded matching grant funds for the Los Cerritos Wetlands Trails Improvement Project from the RMC and LA County Prop A Funds. Grant Management Services management services for the LA County Prop A funds. This contract is a two-year agreement and this represents a portion of the total funds awarded.
Sey Future Enterprises	\$0	\$5,000	Contract to update and incorporate the CRP and LCWA websites into one robust website.
Misc. Capital Expenditures/Costs	\$17,450	\$6,137	Possible expenses related to miscellaneous capital expenses not otherwise classified, such as on-call services for public tours, etc.
TOTALS	<u>\$176,588</u>	<u>\$203,100</u>	
<i><u>Capital Outlay Subtotal FY 15/16</u></i>			<u>\$203,100</u>
TOTAL EXPENSES FY 14/15			<u>\$408,600</u>

August 4, 2016 Agenda Item 8

RESOLUTION 2016 - 13

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY (LCWA) AUTHORIZING
STAFF TO ADOPT THE LCWA BUDGET FISCAL YEAR 2016/2017

WHEREAS, the Los Cerritos Wetlands Authority (Authority) has been established between the Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Seal Beach and the City of Long Beach to facilitate the acquisition, protection, conservation, restoration, maintenance and operation an environmental enhancement of the Los Cerritos Wetlands; and

WHEREAS, the LCWA has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects within the Los Cerritos Wetlands; and

WHEREAS, the joint powers agreement provides for the adoption of an annual budget; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); NOW

Therefore be it resolved, that the LCWA hereby:

1. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
2. FINDS that this action is consistent with the purposes and objectives of the LCWA.
3. ADOPTS the FY16/17 LCWA Budget and allows the Executive Officer to make budget amends as necessary.
4. ADOPTS staff report date August 4, 2016.

~ End of Resolution ~

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY on August 4, 2016.

Sam Schuchat, LCWA Chair

ATTEST:

Terry Fujimoto
Deputy Attorney General