



12/19/2017

To: LWOG Board of Directors

From: Jessie Olson, LWOG Executive Director

RE: 2018 Budget

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The purpose of this memo is to provide a brief narrative on the proposed 2018 budget for Lefthand Watershed Oversight Group.

## 2018 Budget

The rolled up summary page of the budget, attached, summarizes expected carryover, revenue and expenses per funding source. Draft versions of this budget were reviewed by the LWOG finance committee and the LWOG bookkeeper. Revenues and expenses are broken up into three categories (1) personnel service costs (2) operations/program costs (3) Project costs. As discussed, the board has adopted the first two pages of the attached budget. Previous versions of the budget included back up pages, and 2019 expected revenue and expenses for reference. The expected revenues and expenses are summarized by category below:

- **Carryover from Prior Year** includes the net difference between revenue and expenses from the previous year.
- **Revenue sources** are broken up by staff grant and project grant sources, LWOG board partner contributions, and three separate donation categories. Donation categories include general fund donations, stewardship campaign donations, and watershed management plan donations. These three categories could include donations from corporations, businesses, individuals, foundations, or board partner contributions.
- **Personnel service costs** include staff salaries, taxes, and benefits. Benefits for full-time staff include an IRA which is matched by 3% from LWOG and \$10,000 per year which would be used for additional benefits or bonuses. Personnel service costs are funded by a combination of staffing grants from Colorado Division of Local Affairs (DOLA) Community Development Block Grants for Disaster Recovery (CDBG-DR) and Colorado Water Conservation Board (CWCB), LWOG funds, and project specific grants. Total expected revenue available for personnel meets expected need of maintaining the equivalent of roughly the equivalent of 3.0 FT. Budget available for Watershed Scientist and Outreach Coordinator total 50K and may be greater or less than that depending on project needs and grants received.

- **Operations/Program costs** include expenses and contract services related to organizational function. These are funded primarily by the CDBG-DR Capacity grant and LWOG general fund and include items such as insurance fees, bookkeeper and audit services, mileage, trainings, legal fees, cell phone fees, office and field supplies, etc. Rent was assumed to continue as an in-kind contribution from Left Hand Water District at a value of \$32,108 annually based on review of comparable rent and utility costs. The LWOG general fund revenue comes from partner organizations including Left Hand Water District, Saint Vrain and Left Hand Water Conservancy District, Left Hand Ditch Company and Boulder County and other potential sources as listed in detailed pages. In addition, \$2,500 in revenue from CWCB is expected in 2018 for fundraising related expenses that cannot be covered by the Capacity grant.
- **Project Costs** are costs that will be incurred by grant funded projects including any necessary materials, supplies, permit fees, hiring of contractors, consultants and others. Project costs are broken up between LWOG staff (personnel) costs related to project delivery and project expenses such as permit fees, hiring of consultants or contractors, and project materials and supplies. Projects include:

1. **DOLA CDBG-DR Legacy Project: Left Hand Canyon Restoration (\$1,900,000)**

This is an awarded grant project, with a contract expected from DOLA at the end of 2017. The project includes costs for LWOG staff to oversee the project, complete grant administration, and conduct landowner outreach and for a design-build team to develop designs, acquire permits, and construct nine newly funded project areas along Left Hand Canyon Drive. The project is expected to be complete by winter/spring of 2019.

2. **DOLA CDBG-DR 63<sup>rd</sup> Street Extension (\$450,000)**

This is a contracted design-build project that began in 2017 and will be complete by July of 2018. The project budget includes costs to develop designs, acquire permits, and construct nine newly funded project areas along Left Hand Canyon Drive. LWOG staff time is not included as an expense in this project.

3. **Stewardship/Adaptive Management Projects which includes four current funding sources:**

- **DOLA CDBG-DR Legacy Project (\$100,000)**

This is an awarded grant project, with a contract expected from DOLA at the end of 2017 or early 2018. The project includes costs for LWOG staff to oversee the project, complete grant administration, and conduct landowner outreach, complete project monitoring and stewardship activities and for hiring contractors and consultants as needed to assist with project monitoring and stewardship activities. Work will take place in all 2017 EWP and DOLA funded restoration project areas. The project is expected to be complete by winter/spring of 2019.

- **CWCB Legacy Project (\$176,085 through 2021)**

This is a project we recently submitted a proposal for with Colorado Water Conservation Board's Watershed/Stream Restoration and Protection Grants. We expect to receive notification of an award in early 2018. The project includes costs for LWOG staff to oversee the project, complete grant administration, and conduct landowner outreach, complete project monitoring and stewardship activities and for hiring contractors and consultants as needed to assist with project monitoring and stewardship activities. Work will take place in all 2017 and 2018 EWP and DOLA funded restoration project areas. The project is expected to be complete by winter/spring of 2021.

- **LWOG Stewardship Partners Campaign (\$35,000)**

This is recent funding campaign underway to secure necessary match funds for our CWCB grant above in order to carryout Stewardship activities in project areas. We anticipate receiving \$35,000 in revenue in 2018 from corporate donors, individuals, board partners, and/or foundations. Funds raised via this campaign will be housed in the "Board Designated Reserve funds" as described below. We anticipate ending 2017 with nearly \$30,000 in this fund.

- **Rotary Stewardship Project (\$5,000)**

We recently submitted a proposal to the Niwot Rotary for this project. Funds can be used for a new stewardship project in a gap reach between existing project areas. Rotary has interest in participating in the planting or weed control aspects of the project, and would like to fully sponsor the project material costs.

#### **4. DOLA CDBG-DR Stewardship Handbook & Citizen Science Program (\$46,500)**

This contracted project began in 2016 with development of the Landowner Stewardship Handbook. The Stewardship handbook tasks are expected to be complete in 2017. Recently, we received a contract amendment for a phase II project to develop an adaptive management framework and citizen science program. These funds will be used to hire consultants and to complete the project. We anticipate utilizing a portion of LWOG stewardship campaign funds to pay for LWOG salaries associated with this project. This phase II project is expected to be complete by June 2018.

#### **5. Watershed Management Plan Update (\$200,000, through 2019)**

Updating our watershed-wide management plan was listed as a high priority by the board in our strategic planning meetings. We've identified a potential partial funding source with the Colorado Division of Public Health and the Environment Non-Point Source Pollution program. We will be partnering with Joe Ryan at CU Boulder on this project, which will include a medals loading study. Grant applications are due in early 2017. The match requirement is 40% thus we will need to raise funds to cover the match fund over the next

year. If awarded, contracts are not expected until 2019. We anticipate having LWOG staff primary act as lead authors for the plan, with support from consultants as needed.

#### **6. Fee for Service Projects (\$7,000)**

Currently, we have two fee for service projects underway. One with Trout Unlimited to monitor water quality post restoration and another with Left Hand Water District to monitor water quality below the James Creek restoration project.

#### **7. 2017 Watershed Implementation Projects**

2017 projects including Reach 3B, EWP Projects (with two sources of funding, CDBG-DR Three Reaches and CWCB Colorado EWP) are listed for reference. \$100,000 is expected to continue into 2018, pending receipt of a contract extension.

- **Balance Carryforward** is the net difference between the Carryover and revenue minus expenses.
- **Board Designated Reserve Funds** are fundraising campaigns underway including Stewardship campaign which provides funding for project maintenance and monitoring, and a new watershed management plan funding campaign.
- **Available Unrestricted Carryover Funds** is the net difference between the Carryforward funds and Board Designated Reserve Funds.

### **Attachments**

1. 2018-2019 Budget Roll up

## 2018 Budget Roll-up Final

	2016 Actual	2017 Budget	2017 Actual thru 09/30	2017 Projected Actual	2018 Budget	Notes
<b><i>Carryover from Prior Year</i></b>						
<b>Total Carryover</b>	\$1,956	\$18,277	\$18,277	\$18,277	\$57,034	
<b><i>Revenue Sources-2018 and 2019</i></b>						
CDBG-DR Capacity Grant	\$174,240	\$194,266	\$121,627	\$161,016	\$144,758	Assume \$75,000 contract ammendment in 2018.
CWCB Fundraising Grant	\$13,515	\$18,374	\$10,105	\$13,771	\$18,867	Current contracted value
LWOG Board Partners	\$21,000	\$28,500	\$35,332	\$67,940	\$70,608	Includes In-kind rent/office space and utilities at \$32,108
General Fund Donations	\$3,789	\$857	\$857	\$5,000	\$30,000	Individuals & Corporations & Grants & Foundations & Partners
Watershed Management Plan Match Funds	\$0	\$0	\$0	\$0	\$30,000	Grants & Foundations & Partners
Stewardship Campaign Donations	\$12,150	\$6,814	\$6,814	\$15,814	\$35,000	Individuals & Corporations & Grants & Foundations & Partners
Project Revenue	\$70,184	\$9,402,245	\$6,429,735	\$8,938,745	\$1,553,500	Grant revenue
<b>Total Revenue</b>	<b>\$294,877</b>	<b>\$9,651,056</b>	<b>\$6,604,470</b>	<b>\$9,202,285</b>	<b>\$1,882,733</b>	
<b><i>2018 and 2019 Expenses</i></b>						
<b>PERSONNEL SERVICE COSTS</b>	<b>\$151,958</b>	<b>\$180,240</b>	<b>\$119,540</b>	<b>\$161,719</b>	<b>\$243,687</b>	Includes roughly 3.0 FTE
<b>OPERATIONS/PROGRAM COSTS</b>	<b>\$56,416</b>	<b>\$60,900</b>	<b>\$29,647</b>	<b>\$71,352</b>	<b>\$88,106</b>	Includes In-kind rent/office space and utilities at \$32,108
<b>PROJECT COSTS</b>						
(1) DOLA CDBG-DR Legacy Project	\$0	\$0	\$0	\$0	\$924,800	Awarded. Contract expected 2018.
(2) DOLA CDBG-DR 63rd Street Ex.	\$0	\$450,000	\$9,113	\$75,000	\$375,000	Contracted.
(3) Stewardship/Adaptive Management						
<i>DOLA CDBG-DR- Stewardship/AM</i>	\$0	\$0	\$0	\$0	\$41,600	Awarded. Contract expected 2018.
<i>CWCB- Stewardship/AM</i>	\$0	\$0	\$0	\$0	\$20,000	Application submitted Nov. 2017
<i>Rotary- Stewardship</i>	\$0	\$0	\$0	\$0	\$5,000	Application submitted August 2017
(4) CDBG-DR Stewardship Handbook & Citizen Science	\$0	\$200,000	\$166,284	\$200,000	\$46,500	Contracted.
(5) Management Plan Update						
<i>Non-Point Source Grant Funding</i>	\$0	\$0	\$0	\$0	\$0	Assume we will apply in 2019.

2018 Budget Roll-up Final

<i>LWOG- Watershed Plan Funding</i>	\$0	\$0	\$0	\$0	\$0	
<i>LWOG- Watershed Plan Reserve Funding</i>	\$0	\$0	\$0	\$0	\$0	
(6) Fee for Service Projects	\$0	\$0	\$3,846	\$3,212	\$3,000	Estimate from previous years
(7) 2017 Projects						
<i>DOLA CDBG-DR Reach 3B</i>	\$70,184	\$229,816	\$224,861	\$229,816	\$0	Project complete in 2017
<i>DOLA CDBG-DR Three Reaches</i>	\$0	\$1,976,615	\$1,153,644	\$1,876,615	\$80,000	
<i>CWCB Colorado EWP</i>	\$0	\$6,545,814	\$4,870,776	\$6,545,814	\$0	Project complete in 2017
<b>Projects Subtotal</b>	<b>\$70,184</b>	<b>\$9,402,245</b>	<b>\$6,428,523</b>	<b>\$8,930,457</b>	<b>\$1,495,900</b>	
<b>TOTAL EXPENSES</b>	<b>\$278,557</b>	<b>\$9,643,385</b>	<b>\$6,577,709</b>	<b>\$9,163,528</b>	<b>\$1,827,693</b>	
<b>BALANCE CARRYFORWARD</b>	<b>\$18,277</b>	<b>\$25,947</b>	<b>\$45,037</b>	<b>\$57,034</b>	<b>\$112,074</b>	
<b>BOARD DESIGNATED RESERVE FUNDS</b>						
Stewardship Campaign (M&M)	\$12,150	\$12,150	\$18,964	\$27,964	\$52,964	For M&M tasks at project areas. Can use at match for grants, for stewardship program activities.
Watershed Management Plan	\$0	\$0	\$0	\$0	\$30,000	For updating watershed management Plan. Can use at match for NPS Grant
<b>Reserve Funds Subtotal</b>	<b>\$12,150</b>	<b>\$12,150</b>	<b>\$18,964</b>	<b>\$27,964</b>	<b>\$82,964</b>	
<b>AVAILABLE UNRESTRICTED CARRYOVER FUNDS</b>	<b>\$6,127</b>	<b>\$13,797</b>	<b>\$26,073</b>	<b>\$29,070</b>	<b>\$29,110</b>	