

Final Report

Northeast California Pilot Project: Funding Options and Strategies for New Joint Powers Authority

The Economics of Land Use



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1. Introduction and Key Findings

As part of a broader effort to establish a governance framework for promoting biomass utilization in the Northeast California region (Region), this report presents an overview of funding sources and financing strategies for the ongoing operations of a potential new Joint Powers Authority (JPA) involving existing Resource Conservation Districts (RCDs) serving the Region.

The potential formation of a JPA comprising the existing RCDs, tentatively proposed to be named the **Shasta Pit River Biomass Alliance**, is the outcome of a State of California (State) Office of Planning and Research (OPR) pilot project to address wildfire prevention and improve forest health and resilience by supporting and strengthening an entire industry cluster to increase biomass utilization that would otherwise remain unused in the forest and contribute to fuels loading. Such an industry cluster would encompass all the private sector business types involved with forest management, wood products manufacturing, energy production, environmental enhancement, and related professional and technical services. Given the scale of existing and continued biomass supply in the Region, such an industry sector has the potential to strengthen the regional economy—creating well-paying basic industry jobs, supporting existing and new population-serving businesses, and expanding the tax base of local governments that support the local economy through infrastructure investment, assuring public safety, and providing education and social services.

The purpose of this report is to provide an overview of existing and potential funding sources at the local, State, and federal levels. In addition, this report provides an assessment of the suitability of each source for funding the initial and ongoing operations of a new JPA involving selected RCDs, with the potential inclusion of other local agencies once the JPA has been well established. It is anticipated that potential sources of funding for annual JPA operations will be an ongoing effort as the JPA's operational demands evolve and new funding sources emerge. At this time, this report outlines a potential plan for initial and short-term JPA operations, associated budget needs, and recommendations regarding a phased funding strategy.

Background

Over time, inadequate forest management practices have resulted in the accumulation of significant woody biomass piles in the State's forests. These woody biomass piles are often burned or left to decay because of complex market dynamics and the prohibitive cost of their removal.¹

This practice of accumulating woody biomass in forests has contributed to an increase in wildfire damage risk and greenhouse gas emissions. It also represents a missed opportunity to use biomass as a renewable energy source or for alternative products. With the continued expansion of fuels and forestry management to meet local, State, and federal goals, the amount of woody biomass and associated heightened risks and impacts will also continue to increase, necessitating solutions.

Improved utilization of woody biomass could help mitigate these effects. However, the act of removing and utilizing biomass from forests faces many challenges, including a volatile market often negatively affected by fire salvage supply, reduced US Department of Agriculture (USDA) Forest Service budgets and staffing, the low value of biomass relative to high transportation costs, complex contract management, and a shortage of skilled workers and adequate housing for the workers.²

There is a critical need for additional market products to utilize the continued accumulation of woody biomass. However, prospective wood product businesses in California face significant barriers to entry due to a combination of regulatory, logistical, economic, and market-related challenges, which has led to difficulties in securing long-term biomass supply contracts that specify pricing and volume. Without these guaranteed contracts, such facilities are challenged to access loans, manage debt, or employ other financial strategies necessary for their operation and growth.

In the last two Fiscal Years (FY), FY 2021-22 and FY 2022-23, OPR received funding from the State's Wildfire and Forest Resilience Early Action Plan to focus on wildfire prevention and forest resilience. Most of this funding was directed to support the planning and implementation of long-term woody biomass aggregation pilot projects.

¹ Woody feedstock refers to the raw materials derived from trees and woody plants, including branches, stems, and trunks, which are used in various processes such as bioenergy production, and other wood products manufacturing. These feedstocks are primarily sourced from forest management activities, timber harvesting residues, and non-commercial thinning operations.

² "Legal Tools for Government Entities to Incentivize Utilization of Forest Biomass In California." California Law Empowering Renewable Energy (CLERE) Inc., February 2024.

As directed under the State’s January 2021 Wildfire and Forest Resilience Action Plan Objective 3.10 (Address Feedstock Barriers through Pilot Projects), OPR funded five pilot projects to develop regional strategies to establish reliable access to woody biomass through a variety of feedstock aggregation mechanisms and organizational innovations. The initial pilot projects were distributed across single- and multi-county regions in the State including Northeastern/Shasta, Tahoe Central Sierra, Northeastern California, North Coast, and Marin County.

The purpose of these pilot projects was to develop plans to improve biomass supply chain logistics in each target region through an institutional arrangement with the structure, authority, and resources to aggregate and initiate long-term biomass contracts. Each pilot project was tasked with assessing market conditions, evaluating infrastructure needs, and working to enhance economic opportunities for woody biomass businesses in their respective regions.

Northeastern California Pilot Project

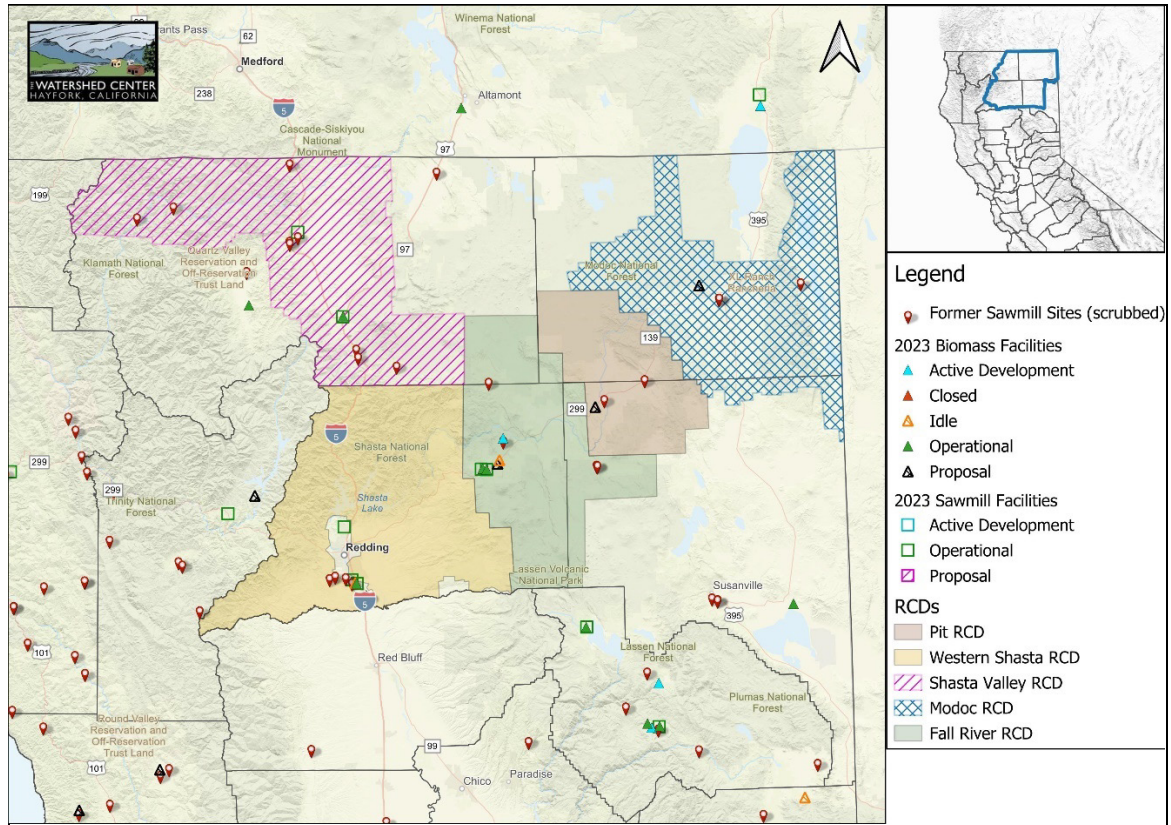
The Northeastern California (NE CA) Pilot Project encompasses portions of Shasta, Modoc, Siskiyou, and Lassen counties (see **Figure 1**). The 4-County Region is sparsely populated, with nearly 12 million acres and about 260,000 residents (2023). The Region is characterized by small local governments and working forestlands estimated to comprise over 50 percent of the Region’s total land area. The Region has a well-established economy related to sustainably managing forestland in the Wildland Urban Interface (WUI) and largely uninhabited “wildlands” of these counties.

The NE CA Pilot Project, led by the Fall River RCD, includes a core group of other RCDs that manage natural resources in the Region including the Pit, Western Shasta, Shasta Valley, and Modoc RCDs. In addition, a project consultant team (Project Team) has provided technical and advisory services to support ongoing efforts to realize the key objectives of the Pilot Project.

Beginning in FY 2021-22, the Project Team engaged in a comprehensive outreach effort with existing and potential partners, operating and emerging facilities, forestry and timber operators and associated businesses, non-profit organizations, local, state, and federal agencies, tribes, and others to examine challenges and opportunities related to woody biomass aggregation in the region.³

³ Northeast California Pilot Program Draft Entity Action Plan, prepared by Headwaters Environmental, dated April 14, 2024.

Figure 1. Northeast California Pilot Project Region



Source: The Watershed Research and Training Center.

Key Technical Studies

As part of the Pilot Project, the Project Team has finalized or will finalize the following studies, which provide a foundation for mitigating the woody biomass challenges identified previously. Summaries of these studies follow:

- **Market Capacity Assessment** (CLERE, Inc., 2023). The Market Capacity Assessment summarized the long-term average market capacity for forest harvests under current market conditions. The results indicate a net availability of over 400,000 Bone Dry Tons (BDT) of unutilized forest biomass that is under little competition from existing facilities in the region. This finding supports the expansion of existing wood markets or the development of new wood utilization markets. This report demonstrates that while the region has one of the most developed biomass markets in the Western United States, it is unable to utilize all the forest biomass currently generated.
- **JPA Overview: A Tool to Manage Forest Biomass Residuals in California Report** (CLERE, Inc., 2023). This report offers a detailed examination of various institutional models for managing forest biomass through JPAs. The report discusses different types of JPAs, including those

focused on funding public infrastructure, providing community services, and acting as a Wildfire Prevention Authority with a focus on biomass waste disposal. It explores how RCDs could be integral members of a JPA, contributing to the management and governance of forest biomass utilization. Following the report's release, the project team engaged with several RCDs to further develop the concept of a JPA as a biomass aggregation hub.

- **Woody Feedstock Insurance Playbook** (Willis Towers Watson [WTW] and The Nature Conservancy [TNC], 2024). This report includes a comprehensive evaluation of insurance issues within the biomass supply chain. The report identifies insurance coverage gaps, risks, and needs across supply chain entities. The findings were synthesized into an insurance "playbook" that outlines market enablers such as educational initiatives on insurance and risk management and state policy solutions, including a third-party claims fund like California's FAIR Plan.⁴ This playbook aims to address insurance deficiencies and enhance the capacity of businesses to secure long-term contracts for biomass supply.
- **Forest Resource and Renewable Energy Decision Support System (FRREDSS) Analysis** (CLERE, Inc., May 2024). This analysis models the complex market factors and unpredictable nature of supply factors and transportation costs over time for delivering biomass. The model relies on several transportation-related inputs (optimized routing software and a component for estimating transportation cost for a given biomass project supply shed) and the ability to predict costs and pricing over time. The analysis culminated in a report that summarized the methods and findings from the FRREDSS stress test and provided a set of recommendations for enhancing the model. In addition, the report included a review of long-term biomass contracting practices in the forest sector and other industries.

These reports also identify areas where subsequent research will be needed to move the Pilot Project forward. All analyses are intended to assess whether the creation of a public aggregation entity is useful and regionally supported, and how such a public entity may be structured and function to effectively address existing private market challenges and the effects of continued practices related to woody biomass.

⁴ The California Fair Access to Insurance Requirements (FAIR) Plan is an insurance pool established to ensure that basic property insurance is available to homeowners who cannot obtain insurance in the traditional market due to the high risk of their property. It is often used as a last resort for properties located in areas prone to wildfires or other severe risks that make them uninsurable through standard insurance policies. The FAIR Plan provides limited coverage for fire damage, but it does not include other types of coverage typically offered in a standard homeowners' policy, such as liability or theft. People whose properties are insured through the FAIR Plan often supplement this coverage with additional policies to cover risks not included under the FAIR Plan.

Through the outreach and technical analyses, participants and stakeholders evaluated potential biomass aggregation entity model options as well as long-term objectives and approaches to implementation. The NE CA Pilot Project has identified a path forward in managing ongoing biomass resulting from forest resilience practices. With several entity options evaluated, the team has supported the formation of a new JPA. The new JPA, the tentatively named **Shasta Pit River Biomass Alliance**, would include all five RCDs currently involved in the NE CA Pilot Project and would likely encompass their collective RCD boundaries (see **Figure 1**).

In support of forming a new JPA, the NE CA Pilot Project retained Economic & Planning Systems, Inc. (EPS) to evaluate potential, sustainable funding mechanisms for the ongoing operations of the proposed JPA. The report also includes a summary of key findings from case study research of select JPAs operating in California that provide similar key functions to that of the proposed **Shasta Pit River Biomass Alliance**. This report will accompany the final reports prepared by the Project Team, including an **Entity Action and Long-Term Objectives Plan** which will establish the immediate implementation actions and long-term goals of the new JPA.

Key Findings

The following sections detail the key findings from the case study research and the potential plan for initial and short-term JPA operations, associated budget needs, and recommendations regarding a phased funding strategy.

Case Study Research

As part of this study, EPS conducted interviews and analyzed the most recent budgets (FY 2023-24) of eight existing JPAs in the State to understand their governance structures and key operational revenues and expenditures. Key findings from this research helped guide discussions with the NE CA Pilot Project and Project Team to determine a preferred funding strategy for a new JPA. EPS selected JPAs that provide similar services or share similar goals to that of the proposed **Shasta Pit River Biomass Alliance**. These JPAs were also highlighted in the 2023 "JPA Overview" report prepared by CLERE, Inc. A detailed summary of the JPAs selected and information gleaned from the case study research is provided in **Appendix A**.

- **Of the JPAs researched, most JPAs are primarily funded through two to three main funding sources.** The primary sources of funding for the JPAs researched are grants and gifts, and contributions from member agencies. For six of the seven JPAs that received grants or gifts from a public agency or nonprofit, almost half of their budget revenues are funded through this source. Additional common sources of funding vary by JPA and include passive

income (e.g., investment income, leasing or renting property), program revenues (e.g., charges for services), and special tax revenue through established community facilities districts or assessment revenue through an assessment district.

- **Budgeted expenditures of the researched JPAs generally aligned with five main categories.** JPA budget expenditures were identified within five main categories: Administrative, Operations, Grant Activities, Capital Improvements, and Other Expenditures. Administrative (primarily, staffing) expenditures ranged dramatically among the researched JPAs, from about 10 percent to 70 percent of budgeted expenditures. JPAs had various proportions of their budget devoted to providing services, engaging in grant opportunities, or implementing capital improvements. The level of expenditures among each expenditure category was dependent on the mission and funding structure of each JPA.
- **Most JPAs evaluated employ no direct staff, including the executive directors.** The JPAs are often staffed by contractors or by in-kind staffing provided by the member agencies. Staffing the JPA with full-time employees tends to further the JPA's mission more effectively but can result in significantly higher costs per employee due to retirement, benefits, and insurance, necessitating additional payroll and human resources management staff. Contracting staff on an as-needed basis offers financial efficiencies and access to a broader range of expertise, which is particularly beneficial given the type, scale, and seasonality of services that do not justify full-time positions. However, the downside of using contract staff is the JPA's limited control over their time, a loss of control regarding the contractors' priorities, and other factors.

Operations, Budget, and Funding Strategy of Proposed JPA

After evaluating existing and potential funding sources at the local, State, and federal levels, determining the primary purpose and functions of the new JPA, and preparing a preliminary short-term budget, the following key findings provide the framework for forming and initiating the short-term operations of the new JPA.

- **The primary purpose of the proposed new JPA, the Shasta Pit River Biomass Alliance, is to facilitate the removal and utilization of forest biomass to promote wildfire resilience.** The JPA will achieve its purpose primarily by administering and managing long-term biomass contracts with suppliers and end-users and facilitating the transportation of biomass materials. In addition, it may offer services such as assisting landowners with the preparation of forest management plans and permitting, providing grant administration to member RCDs and other entities, operating a biomass material sort yard for timber processing, and offering education and advocacy

services.⁵ All these functions and services will help relieve constraints and market failures that private businesses or landowners, on their own, cannot feasibly provide.

- **The new JPA is envisioned to evolve in a series of phases over time, recognizing the strengths and challenges of the Regional biomass industry and the JPA's role in enhancing and sustaining it.** An initial **Phase 1** would involve start-up planning, assessing natural resources capacity and market demand, developing a permitting and environmental review framework, engaging with prospective private sector partners, and feasibility testing. If these efforts prove to be feasible, **Phase 2** would focus on implementing key functions, including negotiating and supporting long-term contracts, conducting third-party environmental planning, providing grant support, and other tasks. This phase should also focus on demonstrating the feasibility of larger-scale operations. As the JPA achieves incremental successes, **Phase 3** would involve sustained operations and a gradual expansion of investment and scaling up, as feasible, to support additional operating activities throughout the Region. Finally, **Phase 4** would include ongoing support to sustain operations and profitability in the industry, adjusting approach and key functions as warranted in response to changing market conditions.
- **Preliminary estimated expenditures for the new JPA encompass staffing, JPA operations, and biomass material sort yard operations.** The Project team prepared an annual preliminary budget for the new JPA's first three years of operations. This budget is estimated to cover the initial phase, as described in the previous finding. High-level cost estimates encompassing staffing and operational expenditures total about \$534,000 in the first year to about \$496,000 by the third year. Over the 3-year **Phase 1** budget period, expenditures total about \$1.5 million.
- **The funding options available to a JPA are derived from the funding authority of its member agencies, with some variation depending on whether the JPA is established as a separate or non-separate entity.** In the case of a new JPA formed by the NE CA Pilot Project RCDs, the JPA is anticipated to be established as a separate entity, and the JPA's funding authority would be defined in the Resource Conservation District 'Principal Act' (California Public Resources Code, §§9001-9972). Several funding sources are available to fund the operations of the new JPA, including member agency

⁵ The approach regarding sort yard ownership has not been determined at this time. As part of the initial phase, the proposed new JPA will evaluate the costs and benefits associated with different ownership arrangements, including direct ownership by the proposed JPA, ownership by a member agency or other non-governmental organization (NGO) partner, or private ownership. With any of these options, the preliminary budget estimates included in this study reflect an arrangement by which the proposed JPA will be compensated for operating the sort yard, including securing feedstock and developing agreements with buyers.

- contributions, grants and gifts, charges for services, enterprise revenues, taxes and assessments, passive income, and tax increment financing.
- **The proposed Phase 1 funding strategy includes using a combination of four main revenue sources.** These include: (1) passive income generated through the investment of OPR seed money; (2) grants and gifts from Federal and State programs as well as private foundations; (3) charges for services and enterprise revenues generated through key function activities (e.g., assisting with the implementation of landowner forest plans and providing grant administration services to member RCDs); and (4) annual member agency contributions. Preliminary funding estimates total \$534,000 in the first year, \$477,000 in the second year, and \$496,000 in the third year of the **Phase 1** budget period. In aggregate, revenues are estimated to equal about \$1.5 million, matching estimated operational expenditures. The revenue estimates include a substantial sum, particularly in the first year, identified as "operational reserves," which represents a gap to fund annual Phase 1 operating expenditures in full. This funding will likely need to come from grants and gifts. Highlighting this funding gap during subsequent rounds of State funding may help secure additional seed funding. Alternatively, the proposed new JPA could pursue a strategic partnership with a private foundation, such as the McConnell Foundation, to provide upfront funding and meet this funding gap.
 - **As the new JPA evolves, this initial Phase 1 funding strategy will also likely evolve.** The objective of a longer-term funding strategy will be to fund a larger portion of expenditures on sustainable sources, including passive income, charges for services, and enterprise revenues, reducing the need for the labor-intensive and competitive pursuit of grants and gifts.

Report Organization

Following this introduction and key findings chapter, this Report presents the funding options available to a new JPA (**Chapter 2**) followed by an initial operating plan, budget, and funding strategy (**Chapter 3**). The appendices to this report include relevant reference items including case study research related to the operational budgets of select, existing JPAs in the State as part of an effort to understand how other JPAs operate. **Appendix A** provides an overview of the case study research conducted on similar existing JPAs. **Appendix B** includes the detailed budgets for each case study JPA.

2. JPA Funding Options

With the NE CA Pilot Project's determination to move forward with the formation of a new JPA to oversee improved management of woody biomass in the Region, this chapter provides an overview of JPAs and the potential funding for ongoing operations that would be afforded to a new JPA composed of RCDs.

These funding options are related to the expected functions of the proposed RCD-led JPA, which will be formed to support and strengthen the regional biomass utilization industry. The broader capital and operating expenses of this industry are expected to be funded largely by private capital investment though it is likely that public investment will be involved in supporting private investments, including investments in public infrastructure (roads, powerlines, etc.), participating in public-private partnerships, and addressing 'market failures' that may inhibit private investment or threaten long-term viability of the regional biomass industry cluster.

Joint Powers Authorities Overview

JPAs are legally created entities that allow two or more public agencies to jointly exercise common powers. Forming such entities may not only provide a creative approach to the provision of public services but also permit public agencies with the means to provide services more efficiently and cost-effectively.

The Joint Exercise of Powers Act, as codified in California Government Code §6500, governs JPAs. Under this Principal Act, JPAs are restricted to use by public agencies only. However, the term public agency is defined very broadly. A public agency can include but is not limited to, the federal government, the State or State departments, cities and counties, special districts (e.g., school districts, public utility districts, and other service provider districts), and Native American tribes.

The Act authorizes two types of JPA arrangements: a separate entity or a non-separate entity.

- Under the **separate entity arrangement**, the participating public agencies can create a new, separate legal entity to exercise the powers, functions, or services that are common among them. This type of JPA functions as its own government organization with the ability to make decisions, enter contracts, hold property, hire employees, and manage funds independently of the founding agencies. Forming a separate entity can be beneficial because the debts, liabilities, and obligations of the JPA belong to that entity rather than the contracting parties.

- Under the **non-separate entity arrangement**, the participating agencies agree to cooperate and exercise their common powers through a joint agreement without forming a new legal entity. The powers are managed collaboratively through the existing structures of the participating agencies, and one agency often takes the lead in administrative duties. The second allows two or more public agencies to form a separate legal entity.

Under either arrangement, the public agencies must enter into an agreement. This agreement must state both the powers of the JPA and the way it will be exercised. The governing bodies of all the contracting public agencies must approve the agreement.

Funding Authority for an RCD-Led JPA

The funding options available to a JPA are derived from the funding authority of its member agencies, with some variation depending on whether the JPA is established as a separate or non-separate entity. In the case of a new JPA formed by the NE CA Pilot Project RCDs, the JPA is anticipated to be established as a separate entity and the JPA's funding authority would be defined in the Resource Conservation District 'Principal Act' (California Public Resources Code, §§9001-9972). As a distinct legal entity separate from its member agencies, the JPA may define broader funding authority, such as issuing bonds or charges for services, and access other funding mechanisms that are not directly controlled by the member agencies. However, the specific funding authority of the JPA would not be defined in the Resource Conservation District 'Principal Act' (California Public Resources Code, §§9001-9972), but rather in the Joint Powers Agreement and applicable state laws governing JPAs (Government Code §6500 et seq.).

This evaluation of RCD funding options describes these funding sources in greater detail and reflects research and discussions with the prospective JPA partners conducted as a part of this Report recognizing that the RCDs intend to pursue a JPA under a separate entity arrangement (i.e., creating a new legal entity to administer key functions).

As a backdrop for this effort, it is important to note that the proposed JPA must be part of a broader public-private cooperative effort to establish and sustain the biomass aggregation and utilization industry on a regional scale. Such a regional industry may need to raise substantial funds well beyond that typically derived from the available federal and State grant funding programs. Within the cooperative effort, the key role of the JPA may be to address the variety of market failures (i.e., inabilities of the private sector on its own to develop or sustain the industry) and institutional failures (i.e., regulatory burdens, regulatory conflicts between agencies, underinvestment).

Potential Funding Options

The Principal Act specifies that RCDs can receive funding through grants and contributions from federal, State, and local agencies, as well as from private organizations and individuals (California Public Resources Code, §9403). Such contributions and grants typically comprise the primary source of funding for RCDs. Further, contributions and grants were identified as the primary source of funding for selected JPAs in the State (see **Appendix A** for additional details regarding this case study research).

The Principal Act also authorizes RCDs to levy “regular assessments” as needed to fund general operations (California Public Resources Code, §9501-9513), and to form “improvement districts” within its boundaries and levy assessments as may be needed to fund infrastructure or services that benefit property owners within the designated improvement district (California Public Resources Code, §9801-9821). Levies of benefit assessments require a two-thirds approval of property owners in the improvement district. In addition, RCDs can levy charges for services rendered and obtain revenue from enterprises it may operate or through partnerships with other public agencies or private businesses.

The funding sources evaluated as part of this Report are summarized in **Figure 2**. As shown, this summary table identifies the key funding and financing (debt issuance) options afforded to JPAs composed of RCDs, along with their estimated level of ongoing funding sustainability, eligible costs (all of which are eligible to cover ongoing operational expenditures), financing capabilities through bond issuances, and estimated funding level. The remainder of this chapter evaluates each source in detail.

Figure 2. RCD-Based JPA Funding and Financing Options Summary

No.	Funding Option	Estimated Sustain-Ability [1]	Bond Issuance (Debt)	Eligible Costs		Estimated Funding Level
				Cap. Facilities	Admin./ O&M	
1.	Member agency contributions	High		x	x	Low
2.	Gifts and grants	Low		x	x	Varies
3.	Charges for services	Mod-High			x	TBD
4.	Enterprise revenues	Mod-High			x	TBD
5.	Taxes and assessments	High	x	x	x	Low
6.	Passive income	Moderate			x	Low
7.	Tax Increment Financing (TIF)	High	x	x	x	Low

[1] Estimated sustainability represents EPS’s qualitative assessment of advantages and disadvantages, and ease and likelihood of securing ongoing, annual funding.

Source: EPS.

1. Member Agency Contributions

Funding from member agency contributions represents annual financial or in-kind contributions from member or supporting agencies, including the participating RCDs and, potentially, other agencies. Funding may include one-time or recurring, annual funding, staffing, or other in-kind contributions (e.g., office space, equipment). Member agency contributions can fund capital improvements, administration, and ongoing operations and maintenance costs.

- **Advantages:** Member agency contributions are easy to implement following agency board approval (agency budget appropriation). Contributions to the JPA would demonstrate a commitment to the new JPA’s mission. This funding source offers a stable and predictable source of funding if the contribution is recurring. Contributions from member agencies usually come with fewer restrictions compared to external grants. This would allow the JPA more flexibility in how it allocates and uses the funds.
- **Disadvantages:** The amount, and whether it is recurring, will be constrained by available funding from member agencies and competition with their other service responsibilities and financial commitments. Without additional recurring funding, the diversion of resources to the JPA could reduce the capacity to sustain existing operations or to pursue new local services.
- **Viability Assessment:** It is likely that member agency contributions could provide a minor source of funding support for the general operations of the JPA. Member agency contributions are not likely to fund major programs of the JPA or related investments to achieve JPA objectives.

2. Grants and Gifts

Grants and gifts provide the bulk of funding for California’s RCDs, and grants (alone) represent a primary source of funding for the prospective JPA member agencies currently. Likewise, a new JPA composed of RCDs may accept contributions or donations of property, funds, services, or other forms of assistance from any public or private source to carry out the mission of the JPA. Applicable sources include Federal, state, and

The McConnell Foundation

The McConnell Foundation is a private, non-profit organization based in Redding, California, dedicated to enhancing community vitality, education, and environmental sustainability. It focuses on providing grants and resources to non-profits, public education institutions, and government entities, primarily in Northern California, including Modoc, Siskiyou, Shasta, Trinity, and Tehama counties, as well as abroad.

The foundation leverages its grant funding through strategic approaches such as providing matching funds, collaborating with other organizations, and offering capacity-building support. It collaborates with philanthropic organizations, government agencies, and private entities to co-fund initiatives, amplifying their impact. By offering grant writing and project management training, the foundation helps local organizations attract and manage additional funding. In addition, it provides technical assistance and advisory support to improve grant proposals and project outcomes. The foundation focuses on sustainability, supporting projects that can generate ongoing revenue or attract future investments, ensuring long-term impact.

Example Initiatives

» **Wildfire Mitigation:** In its efforts to support wildfire mitigation, the McConnell Foundation collaborates with local entities and leverages additional funding from state programs like California Climate Investments (CCI).

» **Woody Biomass Utilization:** The foundation works with the Woody Biomass Utilization Group, which includes partnerships with agencies that provide grants for biomass projects.

Source: <https://www.mcconnellfoundation.org/>. Accessed May 2024.

local government grant programs; private foundation grants (e.g., The McConnell Foundation); corporate sponsorships; and philanthropic donations. Grants and gifts could fund the administration and ongoing operations and maintenance costs, including staffing and indirect expenses, as well as program-specific expenditures and investments, depending on the specific parameters of the funding source.

- **Advantages:** Grants will likely provide initial funding tied to JPA formation, capacity building, and JPA objectives. There are numerous grant opportunities currently through State, federal, and private foundations (for reference, some of the most frequently cited programs for funding wildfire resilience activities are shown in the sidebar). Seeking grant funding would allow access to funding while incurring debt, and can enhance an organization's credibility and visibility, making it easier to attract additional funding and support from other sources.
- **Disadvantages:** Grant applications can be highly competitive, with many organizations vying for a limited pool of funds resulting in a low success rate. The process of applying for grants is often time-consuming and requires significant effort in preparing detailed proposals, budgets, and supporting documentation. Administration can also be labor-intensive and include stringent auditing requirements; Grants and gifts may limit the JPA's functionality if the source has specific restrictions on how the funding can be used. Grants and gifts are subject to political priorities and are ultimately variable in terms of funding amounts and whether funding continues to be available.
- **Viability Assessment:** Gifts and, more likely, grants will certainly be a primary source of funding for the JPA, particularly in the initial (capacity building) phase of organizational development before recurring funding sources can be tapped. However, the new JPA would need to thoroughly vet grant opportunities to avoid competition with members. On a continuing basis, grants will be a source of funding for individual projects pursued by the JPA, such as large-scale projects that could benefit one or more member agencies.

Gift and Grant Funding Sources

Federal Funding Programs

- Bureau of Indian Affairs
- Bureau of Land Management
- Bureau of Reclamation
- Department of Defense
- Department of Energy and Infrastructure Resilience
- Environmental Protection Agency
- Federal Emergency Management Agency
- US Department of Agriculture
- US Fire Administration
- US Forest Service

State Funding Programs

- Cal Fire
- Cal Recycle
- California Department of Fish & Wildlife
- California Fire Safe Council
- California Infra. and Economic Development Bank
- Cal Office of Emergency Services
- Cal Office of Planning & Research
- Strategic Growth Council
- Sierra Nevada Conservancy
- State Water Resources Control Board

Private Foundations

- Conservation Fund
- National Fish & Wildlife Foundation
- National Forest Foundation
- Moore Foundation
- The McConnell Foundation

Note: This list illustrates the numerous grant funding opportunities currently available and is not exhaustive of all options. Based on funding availability, grant sources listed may not be available in future years and new sources may become available.

3. Charges for Services

JPAs have the authority to offer services on behalf of their member agencies and the community to carry out specific tasks, deliver services, implement projects, or operate facilities. Service fees are charges levied for services rendered on demand through service contracts. The JPA may provide services, including on behalf of the private sector, provided the services align with the JPA's public purpose and are not precluded by the JPA agreement. Eligible costs include covering the provision of goods and services, including consulting and technical services (e.g., legal counsel, grant writing and administration, Registered Professional Forester), training and workshops, operating facilities, conservation easement transactions, managing carbon credits under the State's broader program, and supporting collaborative projects with private entities.

- **Advantages:** Once services have been determined and there is a plan for implementation, charges for services can be relatively easy to establish and administer. Direct charges for services can provide a significant source of revenue for organizations, helping to cover operational costs and fund service improvements. Charges for services can be a recurring funding source, dependent on market demand for services. Charges for services distribute costs on an 'as benefitted' basis and the scale of operations can be matched to demand, as it changes over time.
- **Disadvantages:** Fluctuations in demand for services can create variations in revenue generation. The management of revenue-generating activities is dependent on finding and sustaining qualified labor. The JPA must comply with legal and regulatory requirements including State constitutional and statutory restrictions that charges must match the cost of the delivered services (State Proposition 26).
- **Viability Assessment:** Insofar as the JPA seeks to become an organization that provides technical support services, charges for these services will fund or offset costs for these services over time.

4. Enterprise Revenues

Enterprise revenues for a JPA typically refer to funds generated through business-like operations, services, or facilities that are operated with the intent of covering their costs. Applicable sources could include joint procurement activities; sale of goods (forest by-products, etc.), or operation of a biomass assembly sorting yard that charges a 'tipping fee'. Most capital costs and operating costs are eligible to be funded through enterprise revenues.

- **Advantages:** Enterprise revenues enable entities to fund their operations independently, reducing reliance on other funding sources like grants and gifts. Enterprise revenues provide a direct source of funding for specific services, ensuring that the money collected is directly reinvested into the

provision of services and in the service area. Entities may engage in joint procurement activities, leveraging the collective purchasing power of member agencies to obtain goods and services at favorable terms.

- **Disadvantages:** There may not be opportunities or an adequate scale of potential marketable enterprises that are relevant to this proposed JPA to justify the costs involved, and the costs and complexities of operating enterprises may be difficult to overcome. Further, new enterprise activities offered through a JPA have the potential to offer similar services as local private companies. Thus, the JPA should consider including local labor to the extent it is available and price competitive.
- **Viability Assessment:** Opportunities for enterprises should be evaluated as a part of organizational development and during an initial period of operations. However, the costs and complexities of operating actual enterprises may not be fully determined for some time, rendering this a potential long-term funding source.

5. Taxes and Assessments

Taxes and assessments are distinct revenue mechanisms for government entities in California. Taxes, including general and special taxes, fund broad governmental purposes or specific projects, respectively, and require voter approval (majority approval for general taxes, two-thirds approval for special taxes). Assessments are charges on properties directly benefiting from specific improvements or services. Assessments must correlate with the benefit received and districts can be formed with the approval of a simple majority of affected property owners. General and special taxes and assessments are governed by the requirements of State law.⁶

RCDs do not have the power to levy general taxes but have the authority to levy special taxes and special assessments per the requirements of Proposition 218 and any additional relevant state laws. Specifically, the new JPA composed of RCDs may levy a special tax, provided it is for a specific purpose and is approved by a two-thirds supermajority of voters within the district. Further, a new JPA composed of RCDs may levy a landowner-approved special assessment within a project-specific 'improvement district' to support specific projects or services. The assessment must provide a direct and specific benefit to the properties being assessed and be approved by a simple majority of the weighted ballots of property owners (50 percent + 1). Depending on the services and investments

⁶ Various propositions have collectively shaped California's tax landscape by setting stringent requirements for the imposition of taxes and assessments. Proposition 13 limits property taxes and requires a two-thirds vote for new state taxes; Proposition 218 mandates voter approval for local taxes and property-related assessments; Proposition 62 requires majority voter approval for local general taxes; and Proposition 26 broadens the definition of taxes to include many fees and charges, necessitating higher thresholds for approval.

envisioned by the JPA, such assessments can provide a stable recurring source of funding to support projects. Eligible costs include capital improvements, administrative, and ongoing operations, and maintenance costs for specific purposes.

In the event the new JPA included a city or county as a member agency, the JPA would be authorized to levy the full range of general and special taxes and assessments based on the funding authority of cities and counties (California Government Code §6503). These include general taxes (e.g., sales tax, utility users' tax, business license tax); special taxes (e.g., parcel tax, Mello-Roos Community Facilities District special tax); and special benefit assessments (e.g., street lighting and landscape maintenance district, property and business improvement district).

- **Advantages:** Special taxes and assessments provide a direct funding source for specific uses and offer a predictable and reliable revenue stream.
- **Disadvantages:** Levying special taxes and assessments requires widespread political and community support. A new special tax or assessment represents an increased financial burden on property owners (though the latter is reflective of benefits received). A new special tax or assessment will require coordination with responsible County departments.
- **Viability Assessment:** Levying a new special tax in the Region is not likely viable for multiple reasons. Alternatively, targeted local area benefit assessments linked to specific projects in particular areas, and where special benefits can be demonstrated, may be a useful tool for the JPA to pursue project-oriented funding in cooperation with benefiting landowners over the long term.

6. Passive Income

JPAs can generate passive income through various means, including investment earnings, leasing or renting property or equipment, and licensing intellectual property. Investments in low-risk securities or bonds provide steady returns while leasing office space or land for commercial use generates rental income. Licensing agreements and royalties from developed intellectual property can also contribute to passive income. Partnerships and revenue-sharing agreements with private companies, such as leasing land for renewable energy projects, further diversify income streams, enhance financial stability, and reduce dependency on other funding sources. Passive income streams offer a flexible funding source, with no restrictions on funding any operating or capital costs unless specified in the Joint Powers Agreement.

When considering passive income strategies, JPAs must ensure alignment with member agency policies and goals, maintain transparency with stakeholders about income activities and their impacts, and adhere to ethical standards

consistent with the JPA's mission and values. In addition, legal compliance and risk management are crucial to safeguard against potential liabilities and ensure sustainable revenue generation. Diversifying passive income sources can further mitigate risks and enhance financial stability over the long term.

- **Advantages:** Passive income provides one or more steady revenue streams with limited active involvement. Passive income streams can enhance financial stability and reduce reliance on member contributions or other sources. The additional income can be reinvested in projects and services that further the JPA's mission, allowing for expansion and improvement of key functions. Moreover, passive income enables better long-term financial planning and sustainability, giving JPAs more flexibility and resilience in managing their operations and responding to changing circumstances.
- **Disadvantages:** Initiating passive income strategies can involve significant initial costs and investments, which may strain existing resources. Oversight of some rental agreements may be more time-consuming and labor-intensive. There are potential legal and regulatory challenges that must be navigated to ensure compliance, adding complexity to the process. Market risks and fluctuations can impact the stability and predictability of passive income streams, posing a financial risk. Lastly, passive income strategies necessitate careful alignment and communication to ensure all stakeholders are in agreement.
- **Viability Assessment:** The viability of passive income for JPAs depends on careful planning, legal compliance, and strategic management by the JPA. By identifying suitable income sources, evaluating risks and benefits, and implementing a robust management plan, JPAs can successfully establish passive income streams to support their operations and goals.

7. Tax Increment Financing

Tax increment financing (TIF) captures the increase in property tax revenue (the "increment") that results from the rise in property values within a designated district. The captured funds are then reinvested in the district. Applicable sources include the formation of an Enhanced Infrastructure Financing District (EIFD) or a Climate Resilience Financing District (CRD).

California Government Code §§53398.50–53398.88 (EIFD Law) enables jurisdictions to consider the formation of EIFDs as a means of using tax increment revenue to fund a variety of eligible improvements with communitywide benefits. With an EIFD, the captured funds are available to fund capital improvements with a useful life of at least 15 years (either directly or through debt repayment of bonds issued against the future TIF revenue stream), affordable housing, and certain maintenance costs.

California Government Code §§62300-62312 permits cities, counties, and special districts to form a CRD to plan and implement climate mitigation or adaptation projects using TIF and other sources of revenue. Eligible costs include projects that address sea level rise, extreme temperatures, and risks related to drought, flooding, and wildfires. CRDs must comply with existing EIFD Law, although CRDs have several key distinctions. Unlike EIFDs, which rely solely on tax increment revenues from participating agencies, CRDs can levy benefit assessments, special taxes, property-related fees, and other service charges consistent with State law, in addition to tax increment revenues. CRDs can also apply for and receive grants from federal and State agencies, and solicit and accept gifts, fees, grants, and allocations from public and private entities. Like EIFDs, CRDs can issue debt against future district revenue streams.

- **Advantages:** TIF provides a mechanism for funding infrastructure projects and ongoing operations and maintenance costs without increasing taxes or reallocating existing public funds. By capturing the increased property tax revenues generated from rising property values within a designated project area, JPAs in California can finance essential infrastructure improvements and public projects that drive economic growth. This funding source offers the JPA bond issuance authority, funding flexibility, and local control, and represents a sustainable annual funding source.
- **Disadvantages:** Public agencies (particularly the respective County governments) must be willing, by agreement, to participate. Incremental property revenues in the Region will likely be limited simply because there may be only little assessed value increment (based on limited new development). The funding capacity will likely ramp up slowly as value increases are realized.
- **Viability Assessment:** While something to consider over time and perhaps discuss with the respective County governments, TIF is not likely a source of funding in the near term for the JPA.

Bond Issuances (Debt Financing)

Issuing municipal bonds is a process to raise capital by selling debt securities to investors. Bonds are essentially loans that investors provide to the issuer in exchange for periodic interest payments and the return of the principal amount at the bond's maturity. The issuer uses the funds raised through bond issuance for various purposes, such as funding infrastructure projects, expanding operations, or refinancing existing debt. Debt repayment must be supported by a sustainable annual revenue source. Typically, future property and sales tax revenue, special tax revenue like a Community Facilities District (CFD) or parcel tax, or tax increment revenue through an EIFD or CRD are pledged as the source of repayment. Other revenue sources that can be pledged include utility and development impact fees and grants.

Evaluating feasibility and risk as part of due diligence before proceeding with a bond issuance is imperative. Different types of municipal bonds will require different thresholds of feasibility and risk and include examining impacts from the standpoint of the municipality, payor, investor, and legal team.

One additional, potential option for generating upfront funding projects that restore and protect our forests, watersheds, ecosystems, and communities is the Forest Resilience Bond offered by the nonprofit, Blue Forest. This financing mechanism reflects a public-private partnership that raises private capital from impact investors, with repayment to investors over time.⁷

- **Advantages:** Bond issuances provide substantial upfront funding for capital improvements; Does not require voter approval but requires member agencies to pass an ordinance (voters have a 30-day period to object). There may be opportunities to partner with private-sector entities (e.g., Blue Forest) to issue bonds as needed to support project-specific investments. Leasing and other sources of revenue can be used to pledge funding support for such private investment.
- **Disadvantages:** Bond issuances do not typically fund ongoing operational expenses. Issuing debt increases overall project costs due to interest payments and creates repayment obligations that can strain a JPA's budget, potentially diverting funds from other projects. High debt levels can also negatively impact the JPA's credit rating, making future borrowing more expensive. In addition, debt servicing requires regular payments, limiting budget flexibility and long-term financial planning. Economic downturns and market volatility can further complicate debt management, while compliance with regulatory requirements adds administrative burdens.
- **Viability Assessment:** The use of innovative bond funding and developing recurring funding sources (e.g., project-specific benefit assessments) may prove to be a useful source of capital for the JPA to fund any needed facilities to carry out its key functions.

⁷ The Forest Resilience Bond (FRB) by Blue Forest is an innovative financing mechanism designed to fund forest restoration and wildfire mitigation projects. It raises private capital from impact investors to fund activities such as forest thinning, fuel reduction, ecosystem restoration, watershed protection, and biochar production. These projects enhance forest health and reduce wildfire risks. The costs are shared among beneficiaries like water utilities and government agencies, who repay the investors over time based on the savings and benefits from reduced wildfire risks and improved ecosystem services. <https://www.blueforest.org/finance/forest-resilience-bond/>.

3. JPA Operating Plan, Budget Needs, and Funding Strategy

This chapter provides an overview of the initial framework of the proposed new JPA, the phasing of operations, the initial proposed budget, and strategies for funding the initial phase of operations.

Initial JPA Framework

The primary purpose of the proposed new JPA, tentatively proposed to be named the **Shasta Pit River Biomass Alliance**, is to facilitate the removal and utilization of forest biomass from forest health and fire prevention projects that support wildfire and community resilience. It is recognized that such efforts are part of a larger comprehensive effort to promote forest health, reduce wildfire hazards, and enhance the forest management industry cluster that will be needed to carry out biomass harvesting, aggregation and transportation, and processing into marketable commodities.

The JPA will fulfill this purpose chiefly through the administration and management of guaranteed, long-term biomass contracts with suppliers and end-users. The JPA may function to provide additional services for its members that facilitate removal and utilization of forest biomass, including conducting third-party environmental planning for forest landowners, assisting public and private landowners in implementing forest management plans and forest health projects, providing grant administration services to member RCDs (and perhaps other entities), operating a new biomass assembly sort yard to collect, sort, and process biomass, and potentially providing other education and advocacy services.⁸ Refer to **Figure 3** for the initial framework of the proposed new JPA, including the JPA's mission statement and key functions.

JPA Operational Development Phasing

The initial operating years of a new JPA will be important for establishing a solid foundation and setting the stage for its evolution over time. The process will begin

⁸ The approach regarding sort yard ownership has not been determined at this time. As part of the initial phase, the proposed new JPA will evaluate the costs and benefits associated with different ownership arrangements, including direct ownership by the proposed JPA, ownership by a member agency or other NGO partner, or private ownership. With any of these options, the preliminary budget estimates included in this study reflect an arrangement by which the proposed JPA will be compensated for operating the sort yard, including securing feedstock and developing agreements with buyers.

with identifying common goals among the member agencies, followed by drafting a Joint Powers Agreement that outlines the JPA's structure, governance, and operational guidelines. This agreement must be approved by the governing bodies of each participating agency, typically involving public meetings and stakeholder engagement to ensure transparency and buy-in.

Figure 3. Proposed New Joint Powers Authority Initial Framework

Item	Details
New Entity Name	Shasta Pit River Biomass Alliance (tentative)
Member Agencies	Fall River RCD; Pit RCD; Western Shasta RCD; Shasta Valley RCD; Modoc RCD
Tentative Mission Statement	The mission of the Shasta Pit River Biomass Alliance is to facilitate the removal and utilization of forest biomass from forest health projects that promote wildfire resilience. The Shasta Pit River Biomass Alliance will facilitate biomass removal and use from all land ownership types through sales of biomass owned by its members and negotiate third-party biomass feedstock supply agreements between local buyers and sellers while leveraging state, federal, and private investments for regional good, and improving the public understanding of biomass utilization co-benefits, where appropriate.
Key Functions	<ul style="list-style-type: none"> • Negotiate and support guaranteed long-term contracts between biomass buyers and suppliers, advancing the ability of both parties to meet lender and investor requirements and facilitate biomass utilization facility financing and development. • Conduct third-party environmental planning for private and, potentially, public forest landowners. • Implement forest management plans and forest health projects for private and public landowners. • Conduct some level of grant support on behalf of its members. • Operate a (new) sort yard. • Conduct educational outreach and advocacy.

Source: Northeastern California Pilot Project members; California Law Empowering Renewable Energy (CLERE) Inc.

Once approved, the JPA will be formally established and will start organizing its administrative functions, including appointing a board of directors, hiring staff, and setting up financial systems, including establishing an annual operating budget. Early activities will focus on building and strengthening collaborative relationships among member agencies, securing initial funding, and developing strategic plans to achieve the JPA's objectives, including implementing initial, identified functions.

As the JPA begins implementing its first projects, it will navigate regulatory requirements and establish operational procedures. Over time, the JPA will evaluate its initial, identified functions, and refine them as necessary. For example, the JPA may need to adapt to changing market demands, expand the scope of identified functions, revise its member agencies, pursue new funding strategies, or other actions to enhance its effectiveness and sustainability.

The phasing of the new JPA has been conceptualized as follows, recognizing that the development of such an industry and the efforts of the regional JPA to incubate and sustain it will evolve.

- An initial phase, **Phase 1**, involves 'start-up' planning, the continued assessment of natural resources capacity and market demand, developing a permitting and environmental review framework for conducting third-party environmental planning, engaging with prospective private sector partners, and overall feasibility testing. Upon the determination that such start-up efforts have the potential to be feasible, additional phases could proceed.
- **Phase 2** would be initiated to the extent these initial efforts prove to be feasible. This phase would focus on the implementation of key functions, including negotiating and supporting long-term contracts, conducting third-party environmental planning, providing grant support, and other key functions identified in the JPA agreement. This phase should also focus on demonstrating the feasibility of larger-scale operations.
- As the JPA achieves incremental successes in Phase 2, **Phase 3** would include sustaining operations and the gradual expansion of investment and scaling up to support additional operating activities throughout the Region.
- **Phase 4** would involve the ongoing support the JPA may provide to the industry to sustain operations and profitability, adjusting approach and key functions as warranted in response to changing market conditions.

Funding Phase 1 of JPA Operations

As outlined above, it is likely that the JPA will generally develop in discrete phases. At this point in the planning stages, it is difficult to forecast how the JPA may evolve given the scale of the Region, the uncertainties around what services and investments may prove worth pursuing, and what external funding may be

available for investing in specific functions and projects. The budget included in this study corresponds with the initial “start-up” phase (**Phase 1**) of the JPA, which is estimated to cover the first three years of operation.

The purpose of this pro forma budget in the context of this study is to estimate the funding needed for the JPA at its inception and to identify the realistic sources of funding for its initial operations based on our understanding of available sources, as described in the previous chapter, case study research on how other JPAs are funded, and conversations with the JPA stakeholders to date. **Figure 4** presents a preliminary annual budget over the first 3 years of operations, based upon an assessment of initial costs to administer the JPA, conduct necessary organizational development efforts, and provide initial services determined by its Board of Directors.

Timing of Ongoing Operational Funding

The Fall River RCD’s existing secured funding (referred to as Rounds 1 and 2 funding), which is currently being used to initially evaluate the establishment of a regionally supported aggregation entity, will terminate on March 31, 2025. The grantee (Fall River RCD) has applied to OPR for additional funding (referred to as Round 3 funding) which, if awarded, is expected from June 14, 2024, to March 31, 2026. The Round 3 funding will support further investigation of the most feasible funding mechanisms, leverage and consider work completed by other pilot projects that are focused on the topics of feedstock supply insurance and a value-added wood products campus, support continued engagement with the anticipated member RCDs, and draft the JPA foundational documents. A final tranche of funding (referred to as Round 4 seed funding), while not yet secured, is anticipated from June 1, 2026, to March 31, 2029. Ongoing operational funding for the proposed new JPA will be needed no later than March 31, 2027.

Proposed JPA Budget Details and Funding Strategy

Revenues

The initial phase funding strategy includes: (1) passive income generated through the investment of Round 4 seed funding; (2) grants from federal and State programs as well as private foundations; (3) charges for services and enterprise revenues generated through key function activities; and (4) annual member agency contributions. Preliminary funding estimates total \$534,000 in the first year, \$477,000 in the second year, and \$496,000 in the third year of the Phase 1 budget period. In aggregate, revenues are estimated to equal nearly \$1.5 million.

Figure 4. Proposed New Joint Powers Authority 3-Year (Phase 1) Budget

ITEM	Year 1	Year 2	Year 3	TOTAL	% of TOTAL
REVENUE					
Contributions					
Endowment/Passive Income	\$50,000	\$50,000	\$50,000	\$150,000	10.0%
Contributions/gifts	\$5,000	\$5,000	\$5,000	\$15,000	1.0%
Member Contributions	\$5,000	\$5,000	\$5,000	\$15,000	1.0%
Subtotal	\$60,000	\$60,000	\$60,000	\$180,000	11.9%
Grants					
Regional/JPA development grants	\$27,200	\$40,000	\$52,800	\$120,000	8.0%
Biz Admin	\$0	\$26,500	\$33,500	\$60,000	4.0%
Foundations/Corporate	\$20,000	\$20,000	\$20,000	\$60,000	4.0%
Subtotal	\$47,200	\$86,500	\$106,300	\$240,000	15.9%
Fees for Services/Enterprise Revenues					
Implement landowner forest plans	\$30,000	\$40,000	\$80,000	\$150,000	10.0%
RCD grant administration	\$15,000	\$20,000	\$30,000	\$65,000	4.3%
Sort yard	\$100,000	\$150,000	\$200,000	\$450,000	29.9%
Carbon credits/AWE	\$0	\$10,000	\$20,000	\$30,000	2.0%
Subtotal	\$145,000	\$220,000	\$330,000	\$695,000	46.1%
Operational Reserve					
Reserve to zero budget annually	\$281,850	\$110,472	\$103	\$392,425	26.0%
Subtotal	\$281,850	\$110,472	\$103	\$392,425	26.0%
TOTAL REVENUE	\$534,050	\$476,972	\$496,403	\$1,507,425	100.0%
EXPENSES					
Labor					
ED (1 FTE Employee)	\$125,000	\$130,000	\$135,200	\$390,200	25.9%
ED Benefits (35%)	\$43,750	\$45,500	\$47,320	\$136,570	9.1%
Feedstock Manager (Contractor)	\$60,000	\$80,000	\$100,000	\$240,000	15.9%
Admin (0.25 FTE Contractor)	\$25,000	\$26,000	\$27,040	\$78,040	5.2%
RPF (Contractor)	\$62,400	\$64,896	\$67,492	\$194,788	12.9%
Legal (Contractor)	\$19,800	\$20,592	\$21,416	\$61,808	4.1%
Landowner ed for carbon credits (Contractor)	\$7,500	\$7,800	\$8,112	\$23,412	1.6%
Accountant/taxes (Contractor)	\$1,000	\$3,000	\$5,000	\$9,000	0.6%
Subtotal	\$344,450	\$377,788	\$411,580	\$1,133,818	75.2%
Operations					
JPA LAFCO and Sec State Filing fees	\$30,000	\$0	\$0	\$30,000	2.0%
Audit (Contracted)	\$0	\$15,000	\$0	\$15,000	1.0%
Legal fees (Contracted)	\$10,000	\$10,400	\$10,816	\$31,216	2.1%
Insurance	\$8,000	\$8,200	\$10,000	\$26,200	1.7%
Equipment	\$10,000	\$1,000	\$2,000	\$13,000	0.9%
Software, phone internet	\$3,600	\$3,744	\$3,894	\$11,238	0.7%
Office rental/utilities	\$9,000	\$9,000	\$9,000	\$27,000	1.8%
Travel	\$3,000	\$5,000	\$6,000	\$14,000	0.9%
Bank fees	\$500	\$520	\$541	\$1,561	0.1%
Subtotal	\$74,100	\$52,864	\$42,251	\$169,215	11.2%
Outreach					
Website, education, outreach	\$2,500	\$2,600	\$2,704	\$7,804	0.5%
Subtotal	\$2,500	\$2,600	\$2,704	\$7,804	0.5%
Sort Yard					
Equipment	\$90,000	\$15,000	\$10,000	\$115,000	7.6%
Insurance	\$5,000	\$10,000	\$10,400	\$25,400	1.7%
Land lease	\$18,000	\$18,720	\$19,469	\$56,189	3.7%
Subtotal	\$113,000	\$43,720	\$39,869	\$196,589	13.0%
TOTAL EXPENSES	\$534,050	\$476,972	\$496,403	\$1,507,425	100.0%
NET OPERATING BUDGET	\$0	\$0	\$0	\$0	-

Source: NE CA Pilot Project Team; NE CA Pilot Project RCDs; EPS.

As the new JPA evolves, this funding strategy will likely evolve to fund a larger portion of expenditures on sustainable sources, including passive income, charges for services, and enterprise revenues, reducing the need for the labor-intensive and competitive pursuit of grants and gifts.

- **Passive income.** The initial start-up period is three years or roughly the anticipated Round 4 term of funding (June 1, 2026 - March 31, 2029). **State seed funding** is estimated to be \$1 to \$2 million. For this initial budget, we have assumed \$1 million in seed funding will be invested in an investment vehicle to generate passive income (interest income derived from funding invested in an investment account such as the California Cooperative Liquid Assets Securities System [CLASS]).⁹ Interest income from seed funding is estimated to represent about 12 percent of aggregated 3-year revenues.
- **Charges for services/enterprise revenues.** The primary revenues supporting JPA operations will be charges for services provided, including revenues generated from assisting with the implementation of landowner forest plans and providing grant administration services to member RCDs. In addition, enterprise revenues generated through the establishment and operation, or leasing, of a material sorting and processing yard are estimated to generate a substantial income stream for the JPA. Revenues from charges for services and enterprise revenues are estimated to represent nearly 46 percent of aggregated 3-year revenues.
- **Grants and gifts.** Most, if not all, of the funding in this category is anticipated to be obtained through the successful pursuit of federal, State, and local grants that are not in direct competition with member RCDs. Potential gifts include matching funds provided by The McConnell Foundation or its partners or other foundations or investors to be determined during this initial phase of operations. During the initial phase of JPA operations, the Executive Director will work with the Board of Directors to determine a plan to pursue grant programs that align with JPA objectives and do not compete with grants intended to be pursued by member agencies and provide targeted funding amounts. Grants and gifts are estimated to represent nearly 16 percent of aggregated 3-year revenues, although this percentage may be significantly higher if this category of funding represents the source of funding for the operational reserve, as noted below.
- **Member contributions.** RCDs have preliminarily identified annual contributions of \$1,000 per member per year in cash contributions. In addition, members may contribute in-kind services, such as office space. In-kind contributions may be in addition to cash contributions or in lieu of

⁹ California CLASS is a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering Participants safety, daily and next-day liquidity, and optimized returns. For more information, visit: <https://californiaclass.com/>.

cash contributions; this is yet to be determined. Members do not anticipate contributing staff to the JPA in support of the JPA Executive Director or its Feedstock Management contractor. Direct financial contributions from member agencies are estimated to represent about 1 percent of aggregated 3-year revenues.

- **Operational reserves.** The revenue estimates include a substantial sum, particularly in the first year, identified as “operational reserves,” which represents a gap to fund annual Phase 1 operating expenditures in full. The budget indicates an operational reserve amount of \$282,000 in the first year and \$110,000 in the second year (with a negligible amount in the third year), totaling about \$392,000, in aggregate. The source of this funding will likely need to be obtained through grants and gifts. Highlighting this funding gap during subsequent rounds of State funding may help secure additional seed funding. Alternatively, the proposed new JPA could pursue a strategic partnership with a private foundation, such as the McConnell Foundation, to provide upfront funding and meet this funding gap.

Expenditures

Preliminary estimated expenditures for the new JPA encompass staffing, JPA operations, and sort yard operations ranging from about \$534,000 in the first year to about \$496,000 by the third year. Over the 3-year budget period, expenditures total about \$1.5 million. Higher costs in the first year are primarily attributable to initial expenses related to upfront equipment purchase costs for the sort yard. ***For this study, costs represent high-level estimates that will need to be updated as more refined budget data becomes available.***

Note that a cost contingency factor has not been included to cover additional unanticipated costs but may be a line item the new JPA considers given the uncertainties of providing key functions. This budget estimate assumes that most expenses increase annually by 4 percent to account for inflation.

- **Staffing costs.** Annual staffing costs represent the largest cost center in the proposed JPA budget. Costs include 1.0 FTE employee (Executive Director), and contractors (total FTEs to be determined), including a Feedstock Manager, Administrative Support, a Registered Professional Forester (RPF), and as-needed legal, accounting/tax, and carbon credit technical expert support. Staffing costs represent about 75 percent of the aggregated 3-year budget. Additional information regarding the anticipated roles of the Executive Director, Administrative Support, and Feedstock Manager are provided below and may be refined by the JPA Board of Directors.
 - The **JPA Executive Director role** is anticipated to involve working closely with the Board of Directors to lead organizational, operational, and program development, including facilitating board meetings, establishing policies and procedures, and ensuring compliance with governmental

regulations. Responsibilities include program development, outreach, education, fundraising through grants and private foundations, conducting grant progress reporting, developing and implementing the annual budget, ensuring contract compliance, overseeing website development, and recruiting, hiring, and training staff or contractors as needed.

- The **Feedstock Manager role** could involve sourcing feedstock from public and private lands, arranging transport from forested sites to the sort yard, coordinating sales to buyers of woody biomass, and working with the Executive Director on outreach and marketing materials. The role also involves maintaining the feedstock yard and equipment, writing grants for funding, ensuring a steady long-term supply of feedstock, preparing stewardship agreements with public agencies, and managing compliance documents. Other essential duties could include maintaining accurate records of feedstock intake and sales, reporting to state and federal agencies, and cooperating with long-term research studies on forest health and wood products business development.
- The **Administrative Support role** may include developing, maintaining, and managing organizational and program budgets, establishing a JPA Cost Allocation Plan, and maintaining a project-based accounting system in QuickBooks with daily backups. The role involves financial reporting to the Executive Director and Board of Directors, covering financial statements, grant status, payroll liabilities, and budget recaps. It also includes invoicing, managing accounts payable/receivable, bank account management, payroll administration, tracking staff paid time off, coordinating internal audits, preparing for external audits, closing books at the fiscal year-end, preparing annual tax documents, filing quarterly tax documents, developing grant proposal budgets, managing equipment depreciation, following financial policies, and ensuring compliance with financial regulations.
- **JPA Operational Costs.** Annual operational expenditures include an annual audit, legal fees associated with drafting and reviewing feedstock contracts, insurance costs (based on the assumption that the JPA can obtain cost-efficient insurance coverage through the Special District Risk Management Authority [SDRMA]), and maintaining equipment.¹⁰ In addition, operational costs include the leasing of office space, utilities, software, telecommunications, travel, website, education, outreach, and bank fees. Operational costs are estimated to comprise about 12 percent of the aggregated 3-year budget.

¹⁰ SDRMA provides public agency members comprehensive coverage protection for workers' compensation, general liability, public officials errors and omissions, employment practices liability, auto, property, boiler and machinery, mobile equipment and crime and fidelity coverage. In addition, we provide access to a health benefits program including medical, dental, vision, life, LTD and EAP. For more information, visit: <https://www.sdrma.org/>.

- **Sort Yard Operational Costs.** In addition to the labor costs itemized under staffing costs (Feedstock Manager), operations of the sort yard will incur upfront equipment purchase costs as well as ongoing equipment maintenance and replacement costs (including fuel and energy costs to operate equipment), separate insurance coverage, including liability, property, and workers' compensation, and the cost to lease land for the facility. Other expenditures may be required to operate the sort yard beyond those identified in this current budget estimate including permit and compliance expenses to meet environmental and safety regulations, technology and software investments for inventory management and administrative tasks, marketing and sales expenditures to attract and retain customers, and miscellaneous supplies such as office supplies, safety gear, and tools. Preliminary expenditure estimates for sort yard operations represent about 13 percent of the aggregated 3-year budget.

Net Budget Forecast

The preliminary budget identifies a balanced net operating budget in all 3 years of Phase 1. However, as noted previously, this balanced budget relies on additional funding identified as operational reserves in the budget and likely funded through grants or gifts. This reserve amount could be used to demonstrate a larger need for additional State funding or be used to secure upfront funding from a private foundation that aligns with the proposed new JPA's mission. Note that a balanced budget will be required for approval by the governing bodies of member agencies and the appropriate Local Agency Formation Commission (LAFCO) at the time of JPA formation.

JPA Financial Policies and Agreements

The JPA should rely on the Joint Powers Agreement to set the mission statement and stipulate important choices for the entity, including which rules will apply to the fiscal management of the new entity. In particular, the Joint Powers Agreement should include provisions about debts, liabilities, auditing, and the treasurer of the entity; insurance provisions; the voting rights and terms of member participation; establish any standing committees; and, describe the terms of JPA termination or member agency withdrawal.

Specific categories of financial policies and agreements may include:

- **Budget policies.** Establish procedures for preparing, approving, and amending the annual budget; define controls for authorizing and monitoring expenditures, and implement regular budget monitoring and reporting.
- **Funding and revenue policies.** Identify and document potential revenue sources, develop policies for applying for and managing grants, and establish clear guidelines for setting and adjusting charges for services.

- **Budget reserve policies.** Establish reserve funds for specific purposes, determine appropriate funding levels for reserves, and set procedures for using and replenishing reserves.
- **Investment policies.** Define objectives for investing JPA funds, specify permitted investments and restrictions, and establish oversight mechanisms and regular reporting on investment performance.
- **Grant policies.** Define objectives for the types of grants to pursue and include a provision that the JPA should not seek grant opportunities that are in direct competition with its member agencies.
- **Debt management policies.** Outline conditions and processes for issuing debt, detail procedures for managing debt service payments, and ensure compliance with legal and regulatory requirements related to debt management.
- **Accounting and financial reporting policies.** Adhere to Generally Accepted Accounting Principles (GAAP), require regular financial reports, and mandate annual independent audits for transparency and accountability.
- **Internal controls policies.** Implement internal controls to segregate financial responsibilities, establish approval processes for financial transactions, and regularly reconcile financial records to ensure accuracy.
- **Procurement policies.** Require competitive bidding for significant purchases and contracts, implement conflict of interest policies, and establish procedures for selecting and managing vendors.
- **Risk management policies.** Obtain appropriate insurance coverage, conduct regular risk assessments, and develop contingency plans for financial emergencies.

In addition, the entity should have a set of bylaws, procedures, and an employee handbook that provides more detail related to the items above and covers procedural actions taken by the JPA Board and various committees. Lastly, there could be a cost-sharing agreement put in place if there are complicated member investments and program costs.

Over time, other policies of the JPA may be developed as needed by the JPA Board. The JPA should develop a strategic plan followed by a detailed work plan guiding work over its first three years. The cost of the preparation of this strategic plan is included in the budget staffing and operational costs.



APPENDICES:

Appendix A: JPA Case-Study Overview

Appendix B: Detailed JPA Case-Study Budgets



APPENDIX A:
JPA Case-Study Overview

Case Study Research Approach

As part of this study, EPS interviewed representatives and evaluated the most recent budgets (FY 2023-24) of eight existing JPAs to understand governance structure and key operational revenues and expenditures. EPS used the information gleaned from these interviews to guide discussions with the NE CA Pilot Project and Project Team to determine a preferred funding strategy to support the operations of a new JPA. EPS's findings are detailed here in **Appendix A**, and the respective budgets EPS analyzed are presented in **Appendix B**.

EPS selected JPAs, solely based in California, that provide related services or share common goals around climate resiliency, ecosystem management, natural resource stewardship, and vegetation. Further, all selected JPAs were included as examples in recent reports evaluating JPAs as an entity option to manage woody biomass, prepared by CLERE, Inc.:¹¹

- Eastern Sierra Council of Governments (ESCOG)
- Los Vaqueros Reservoir (LVR)
- Marin Wildfire Prevention Authority (MWPA)
- Mountains Recreation and Conservation Authority (MRCA)
- Rural Counties' Environmental Services Joint Powers Authority (ESJPA)
- Tuolumne River Regional Park (TRRP)¹²
- Upper Mokelumne River Watershed Authority (UMRWA)
- Western Placer Waste Management Authority (WPWMA)

Figure A-1 provides a map of the location of each JPA's operational headquarters. As shown, the majority of JPAs included in this study are located in Northern California, with one exception, MRCA, which is based in Southern California. Refer to **Table A-1** for an overview of each JPA's key characteristics.

¹¹ "Joint Powers Authorities. A Tool to Manage Forest Biomass Residuals in California" California Law Empowering Renewable Energy (CLERE), Inc., May 2023, and "Legal Tools for Government Entities to Incentivize Utilization of Forest Biomass In California" CLERE, Inc., February 2024.

¹² All the JPAs interviewed, except for TRRP, are Joint Powers Authorities. TRRP is a Joint Powers Agreement (JPAG). A JPAG is a contract between two or more public agencies, allowing the separate agencies to cooperatively provide services or exercise shared powers. A JPAG can establish an independent agency, but it doesn't have to.

Figure A-1. Location of JPA Case Studies



Source: EPS.

Table A-1 (landscape) page 1 of 2

Table A-1 (landscape) page 2 of 2

Analytical Themes

EPS's interview questions and budget evaluation focused on obtaining information in alignment with the following key themes:

- **Governance Structure/Operations.** Research included questions regarding member agencies and partners, JPA board composition, and the inclusion of any federal or State representation.
- **Staffing Requirements.** Another area of focus for the study included understanding the current landscape of staffing a JPA, including the amount and types of staffing needed to support any future work conducted by the potential JPA.
- **Primary Funding Sources.** Research included interview questions and evaluating each JPA's budget to understand the various sources of revenues funding ongoing operations. In addition, research included understanding sustainability, the level of staffing resources needed to obtain funding, and application to the proposed new JPA.
- **Primary Budget Expenditures.** This theme included understanding the primary categories of operating expenditures for existing JPAs as it relates to services provided, the magnitude of administrative and operational costs, and other expense categories related to the JPA's overall budget.

Case-Study Findings

The following sections detail the case-study findings for each analytical theme. Note that the findings presented are solely representative of the JPAs interviewed rather than representative of all JPAs in California.

Governance Structure/Operations

As detailed in the Joint Powers Authorities Overview section of the report, JPAs are legally created entities that allow two or more public agencies to jointly exercise common powers. The Joint Exercise of Powers Act, as codified in California Government Code §6500, governs JPAs. This act authorizes two types of JPA arrangements: a separate entity (a new legal authority known as a Joint Powers Authority established via an agreement) and a non-separate entity (an agreement to cooperate under a Joint Powers Agreement).

All entities interviewed for this research are Joint Powers Authorities, except TRRP. Seven of the eight JPAs researched had agreements establishing the creation of separate entities, while the remaining JPA, TRRP, was formed as a non-separate entity, sharing responsibilities and powers between the member agencies.

Of the JPAs interviewed, more than half are composed of government agencies (e.g., counties, cities), while the remaining JPAs do not include any jurisdictions and instead have members made up of other public agencies (e.g., utility districts, park and recreation districts, utilities commissions, utility conservation districts, water agencies, flood control districts, irrigation districts). See **Table A-2** for a detailed breakdown of each JPA's participating members.

The JPAs interviewed typically have a governing board that comprises at least one appointed representative from each member agency with each board member receiving one vote.

Table A-2. Summary of JPA Member Agencies

Member Entities	ESCOG	LVR	MWPA	MRCA	ESJPA	TRPP	UMRWA	WPWMA
Towns	x		x					
Cities	x		x			x		x
Counties	x		x		x	x	x	x
Community Services Districts			x			x		
Recreation and Park Districts				x				
Utility Districts		x					x	
Fire Districts			x					
Water Districts		x					x	
Flood Agencies		x						
Irrigation Districts							x	
State Agencies		x		x				
Federal Agency								
Total Member Agencies	4	10	17	3	19	3	9	4

Source: EPS

State or Federal Board Representation

Most of the JPAs interviewed do not have federal or State representation on their boards, with two exceptions: one existing State representative who is the chair of the Santa Monica Mountains Conservancy and sits on the board of MRCA; and one pending State representative who will sit on the LVR board. The LVR JPA is expected to imminently execute an MOU to have an Ex-Officio non-voting member from the State's Department of Water Resources on its board.

While the JPAs do not have any federal board representation, almost all the JPAs interviewed contract with federal and State Agencies to provide services. In these instances, typically the JPAs have entered into service agreements with, or have received grants from federal or State agencies.

Staffing Requirements

Most of the JPAs interviewed do not employ direct staff, including the JPA's Executive Directors. Instead, the JPAs contract employment for both their Executive Directors and other administrative and programmatic staff. In addition, JPA staffing can be provided in-kind, or in some cases contracted, through the member agencies. Most staffing is determined by the projects identified and successfully funded through grants. See **Table A-3** for a detailed breakdown of estimated full-time equivalents for each JPA.

Listed below are the main findings related to JPA staffing:

- Only two of the eight JPAs have staff that are employed directly by the JPA. These two JPAs also are the only JPAs that employ staff on a full-time basis.¹³
- The remaining JPAs either hire contract staff or have staff time contributed by their respective member agencies.
- Only three JPAs are run by a directly employed, full-time Executive Director. The remaining JPAs have contract Executive Directors who are employed at less than 1.0 full-time equivalent.
- Many JPAs also expressed a preference for hiring contractors as opposed to hiring staff to carry out the JPA's key functions because of the seasonality in the type of work conducted by the JPAs as well as the breadth and depth of experience hiring a contractor specializing in the type of services needed brings to the JPA.
- The JPAs also acknowledged a desire to hire direct staff for the various benefits as described in **Table A-4**.

¹³ Only MWPA and MRCA employ staff directly. ESCOG has a full-time Executive Director but instead of being employed directly by the JPA, ESCOG's Executive Director is employed through one of its member agencies.

Table A-3. JPA Staffing Types

Staffing	ESCOG [1]	LVR [2]	MWPA [3]	MRCA	ESJPA [4]	TRRP [5]	UMRWA [6]	WPWMA [7]
Full-time Equivalents (FTEs)								
JPA Staff	-	-	7	80	-	-	-	-
Contractor	1	10	N/A	50	-	5	5.5	N/A
Member Agency Staff								
Employed	1	-	-	-	-	3.25	-	N/A
In-Kind	-	-	7	-	N/A	-	-	-
Total FTEs	2	10	14	130	N/A	8.25	5.5	N/A

Source: EPS

- [1] ESCOG has a full-time Executive Director contracted from Inyo County. Counsel, finance and clerking is contracted from the JPA's member agencies and the JPA compensates the agencies for their staff time and assumes total time to equal 1 additional FTE.
- [2] The LVE JPA does not have any full-time employees. The total number of contractors and consultants employed by the JPA is approximately 10.
- [3] MWPA has 7 FTEs and estimates that of the 55+ employees at member agencies, about 7 are FTEs. Additionally MWPA hires several contractors for professional services where there is not enough work to employ full time staff but did not provide an estimated FTE equivalent.
- [4] RCR provides in-kind staff support for the ESJPA. FTE estimate was unavailable at the time of EPS's interview.
- [5] The administrator for TRRP is the Parks and Planning Development Manager for the City of Modesto and estimates that TRRP administrative work is 1/4 FTE. Additional staff for TRRP includes 2 full-time maintenance staff with one additional 1 full-time equivalent from various staff at the City of Modesto for other administrative functions and operations.
- [6] UMRWA has a total of 0.5 FTE for administrative work of the JPA. Depending on projects and seasonality, UMRWA's contracted forest health team typically has 5 FTEs.
- [7] EPS was unable to interview WPWMA staff directly but assumes all staff are employees of Placer County based on primary research. EPS also assumes that some staff for WPWMA are contractors based on budget line items.

Highlighted in **Table A-4** are two main types of employment that the interviewed JPAs used: direct staff and contractors. There are merits and drawbacks to consider for each type of employment, as summarized below.

Table A-4. Full-time and Contract Staff Comparison

Contract Staff		Direct Staff	
Pros	Cons	Pros	Cons
Personnel and administration costs can be minimized.	Must be cognizant and compliant with any laws relating to employee classification, rules dictating employee hours, and any other tax implications.	Morale and commitment to the organization and its mission could be higher.	Providing benefits to employees increases business costs, retirement, insurance, vacation, etc.
Can scale up (or down) in staffing based on the seasonality of the work and organizational capacity	Don't have complete control over staff time nor have the ability to prioritize their work.	Have control over staff time and project prioritization.	Work can be seasonal and full-time staffing may not be necessary.
Expands the bandwidth of expertise in staff			Finding qualified staff could be challenging.

Source: EPS

Primary Funding Sources

There are a variety of funding sources available to JPAs. These sources are detailed in the JPA funding overview section of this report. In a review of the last FY budgets for each of the JPAs, five sources of funding emerged as the most common:

- Grants and gifts;
- Contributions from member agencies;
- Passive income;
- Program revenues; and
- Special tax and assessment revenue.¹⁴

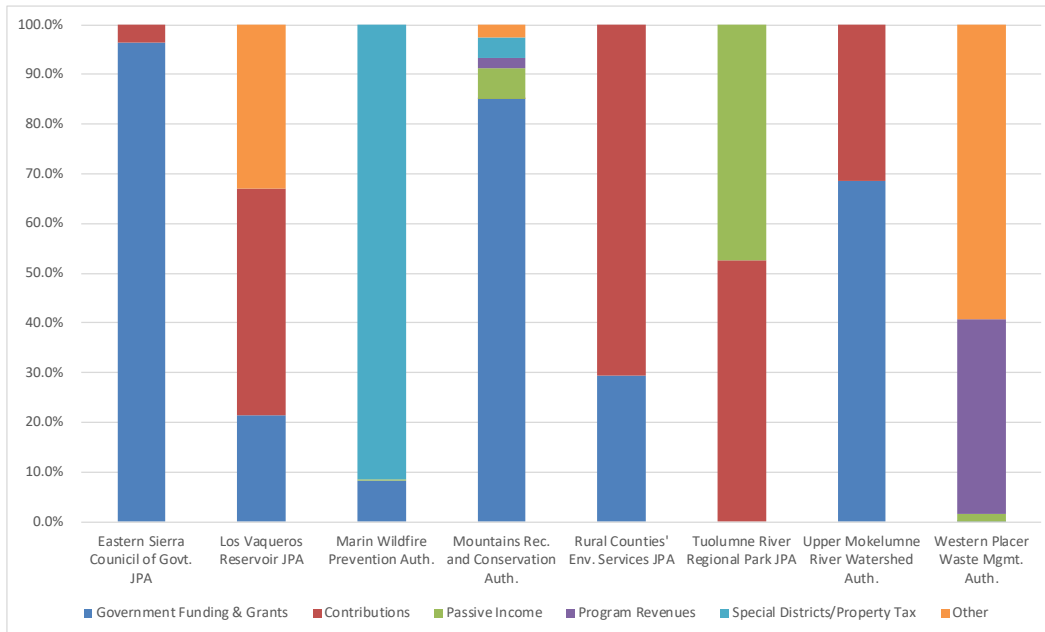
In addition to the five main sources of funding, less common funding sources were included under the Other category. Examples of Other funding sources include carryover or reserve funds (typically composed of unspent funds from the previous year), a park safety fund at MRCA, and bond proceeds at WPWMA. For the JPAs included in this case study, most of the operational expenses of the JPAs are funded through two to three main funding sources. **Table A-5** provides a detailed breakdown for each funding source as it compares to the total revenues for each JPA, while **Figure A-2** graphically highlights the common sources of funding across each JPA.

Table A-5. JPA Revenue Summary

JPAs	Revenue Sources						Total
	Government Funding and Grants	Contributions	Passive Income	Program Revenues	Special Districts/Property Tax	Other	
ESCOG	96%	4%	-	-	-	-	100%
LVR	21%	45%	-	-	-	33%	100%
MWPA	8%	-	0%	-	92%	-	100%
MRCA	85%	0%	6%	2%	4%	3%	100%
ESJPA	29%	71%	-	-	-	-	100%
TRRP	-	53%	47%	-	-	-	100%
UMRWA	69%	31%	-	-	-	-	100%
WPWMA	0%	-	1%	39%	-	59%	100%

Source: Respective JPA Budgets; EPS.

¹⁴ Levying special taxes and assessments requires political and community support. In the current political environment, it is unlikely that the proposed JPA would be able to leverage this particular type of funding source.

Figure A-2. Primary Funding Sources by JPA (FY 2023)

Source: Respective JPA Budgets; EPS.

Government Funding and Grants

As shown in **Table A-5** and **Table A-6**, with a few exceptions, government funding and grants are the most common sources of revenue across all JPAs. For six of the seven JPAs that received either government funding or a grant, almost half of their budget revenues were funded through this source.

Sources for grants and government funding varied depending on the project and mission of the JPA. Some grantors included nonprofits such as the National Fish and Wildlife Foundation. Other common grant sources included state agencies like the Sierra Nevada Conservancy, CalFire, the California Water Commission, the Water Conservation Board, the Department of Water Resources, and the National Forest Service.

Contributions from Member Agencies

Annual contributions from member agencies are the second most common source of funding for JPAs. For the three of five JPAs that receive member agency contributions, this source of funding makes up almost half of the revenue for the JPAs. For JPAs that have established annual contributions from its member agencies, the amount or share that each member agency is responsible for is typically established by the original Joint Powers Agreement. In other instances, the annual member contribution amount is negotiated on an annual basis. Beyond the total contribution amounts changing from year to year for some JPAs, the amounts contributed by the respective member agencies for one JPA could be the

same or varied. For example, each of UMRWA's member agencies makes an annual contribution based on the respective agencies assigned share of the budget, e.g. Amador entities contribute a total of 20 percent, Calaveras entities contribute a total of 20 percent, and East Bay Municipal Utility District contributes 60 percent. See **Table B-10** for a detailed breakdown of UMRWA's budget and annual member contributions.

Passive Income

Examples of passive income included leasing land for cell towers, renting out recreational areas like picnic grounds and athletic fields, or charging fines, fees, or penalties. Only half of the JPAs interviewed utilize passive income as a source of revenue.

Program Revenues

Some JPAs provide services but these services are typically related to grant activities and therefore do not generate revenue. WPWMA is the only JPA that has an active fee-based service by providing solid waste disposal services in Placer County.

Special Tax and Assessment Revenue

Only two JPAs in the case study have special taxes and assessments to fund operations: MWPA and MCRA. MWPA is funded through Measure C, a parcel tax on all real property in Marin County.¹⁵ MRCA has a preservation assessment district and several Mello-Roos Community Facilities Districts (CFD) (special tax) that were established with defined periods (i.e., 10 years) or in perpetuity. Both MRCA and JPA topic experts noted that political willpower and community support are necessary components of forming and maintaining a special tax or assessment district to utilize as a funding source.

Primary Budget Expenditures

In evaluating JPA budgets, expenditures were grouped into four main categories that were identified as common expenditures by each JPA:

- **Administrative.** This category includes expenditures related to staffing and personnel costs. It also includes expenditures for professional contracts and fees related to financial or legal services provided to the JPAs. Administrative costs can be indirect, such as the ones just listed, and general, which exist as a result of the organization's operational needs. Administrative costs can

¹⁵ Measure C levies up to 10¢ per building square foot (\$75 per multifamily unit) for ten years on parcels of real property in Marin County within the defined boundary of the "Member Taxing Entities." It also includes annual inflation adjustments, independent citizen oversight/audits, and low-income senior exemptions.

also be direct costs related to specific programs and activities taken on by the organization.

- **Operations.** Operational expenditures include expenditures such as JPA office rent, utilities, insurance, maintenance, furniture, and equipment.
- **Grant Activities.** Grant activity expenditures varied by JPA. Examples include line items like Grant Expenditures—CalFire Grant, Inyo National Forest Liaison Grant, Sierra Nevada Conservancy Grant, or even more generally, Grants, or Grants and Contracts.
- **Capital Improvements.** Capital improvement expenditures include capital equipment purchases, infrastructure improvements, and construction of facilities.

In addition to the four main categories of expenditures, EPS categorized miscellaneous expenditures like dues, fees, subscriptions, and bond debt issuance costs under an Other Expenditures category. See **Table A-6** for a detailed breakdown of primary budget expenses by JPA.

Table A-6. Detailed Breakdown of Primary Budget Expenses by JPA (FY 2023)

JPAs	Expenditures					Total
	Admin.	Operations	Grant Activities	Capital Improvements	Other	
ESCOG	7%	2%	91%	-	-	100%
LVR	33%	27%	-	40%	-	100%
MWPA	6%	75%	2%	-	17%	100%
MRCA	20%	41%	36%	2%	0%	100%
ESJPA	70%	6%	24%	-	0%	100%
TRRP	-	95%	-	5%	-	100%
UMRWA	15%	8%	77%	-	-	100%
WPWMA	32%	1%	-	62%	5%	100%

Source: Respective JPA Budgets; EPS.

Administrative Costs

Administrative costs can be either direct or indirect costs depending on the expense. Direct administrative costs can be completely attributable to the production of a good or service. Or, in the case of grant activities, costs that can be 100 percent attributed to the program/project activity, i.e., the cost would not have been incurred if the grant activity did not exist. Indirect costs are general costs where a portion of such costs can be allocated to the grant activity but

would still otherwise exist even if the grant activity did not exist, e.g., administrative functions of a director's office or a cost of facilities.

While budgets do not identify direct vs. indirect costs, EPS identified administrative expenditures in all but one of the JPA budgets; TRRP administrative expenses primarily fell within the Operations category. For the remaining JPAs, the range in administrative costs as a percentage of the JPA's total budget is spread between less than 10 percent and as high as 70 percent. Having administrative costs as a high proportion of the budget could suggest that a JPA has fewer programmatic activities as compared to other costs.

When administration costs are higher than 20 percent but within the 20 to 30 percent range, this could be a result of the JPA applying to labor-intensive grant applications, or their grant activities and reporting may include stringent auditing requirements. In addition to stringent auditing, many grants and gifts have limits on how the funding can be used and could restrict the funding from reimbursing a JPA's administrative expenses related to the grant administration and auditing.

Negotiated Indirect Cost Rate Agreement

One tool that could help reduce a JPA's administrative costs, specifically indirect costs, is a Negotiated Indirect Cost Rate Agreement (NICRA).¹⁶ A NICRA is a formal written agreement between an organization and a federal agency describing how the organization will calculate indirect costs. For organizations that have a NICRA, the percentage of indirect costs that can be reimbursed/allocated to the grant funding can vary based on the original agreement and agency with which the organization entered into a NICRA, but once established the rate set into a NICRA can then be used in other federal grant agreements. While the rate can vary based on the agency and organization, it is typically higher than 10 percent.¹⁷ None of the JPAs interviewed indicated they had a Negotiated Indirect Cost Rate Agreement (NICRA) with any Federal agency.

Operations

Operating expenses are costs incurred as a result of the JPA functioning and performing services. Examples of operating expenses across the various JPAs include costs like Rent, Office Expenses, Insurance, Insurance Premiums, Computer Maintenance and Support, Office Supplies, Utilities, Repair and Maintenance Services, etc. Operational expenses range from less than 2 percent to as high as 75 percent of the respective JPAs' budgets. This wide range reflects

¹⁶ At least one RCD in the core group of RCDs that comprise the NE CA Pilot Project has a NICRA with a federal agency and asked EPS to identify if any of the JPAs included in the study has, or had previously used, a NICRA.

¹⁷ Pursuant to 2 CFR 200.414(f), grant recipients may elect to use the de minimis rate of 10 percent of the modified total direct costs if the grant recipient does not have a negotiated rate.

to varying degrees the differing functions, types of activities, and/or services each JPA provides. For example, MWPA is a JPA supported by an assessment spread over a large geography. MWPA directly employs staff and performs a variety of programs and projects to meet its mission. For example, coordinating vegetation management projects, conducting defensive space evaluations, and providing environmental compliance and monitoring, are just a few of the main programs and functions of MWPA. As a result, 75 percent of MWPA's expenses fall under Operations. On the other hand, ESJPA has little operational expenses because of its minimal functions, currently primarily serves as a grant administrator for its members, and is staffed/administratively supported by the Rural County Representatives of California (RCRC) which helps to reduce operational costs.

Grant Activities

Similar to operational expenses, costs related to grant activities ranged from as little as 2 percent to as much as 90 percent of a JPA's budget. This range reflects the variation in funding sources of the JPA and the resulting activities based on the respective funding sources. For example, in the last fiscal year, 95 percent of ESCOG's funding was provided by government funding and grants, a source that has stringent auditing requirements and restrictions on what the funding can be used for, thus resulting in the majority of ESCOG's expenditures relating to activities associated with the grant funding the organization received.

Capital Improvements

Only half of the JPAs identified costs relating to capital improvements. The amount and variation in capital improvement costs are highly dependent on the mission and functions of the JPA. For example, the Los Vaqueros Reservoir JPA has a significant portion of costs allocated to capital improvements because one of the main functions of the LVR JPA is to provide governance and administration of the Los Vaqueros Reservoir Expansion Project, a large capital improvement project that will drastically increase water storage, increase municipal and industrial water supply, and improve the quality of water delivery systems.



APPENDIX B:

Detailed JPA Case-Study Budgets

Table B-1	Detailed Budgets by JPA (3 pages).....	B-1
Table B-2	ESCOG FY 2023-24 Budget.....	B-4
Table B-3	LVR FY 2023-24 Budget	B-5
Table B-4	MWPA FY 2023-24 Budget (2 pages).....	B-6
Table B-5	MRCA FY 2023-24 Budget.....	B-8
Table B-6	ESJPA FY 2023-24 Budget	B-9
Table B-7	TRPP FY 2023-24 Budget.....	B-10
Table B-8	UMRWA FY 2022-23 Budget.....	B-11
Table B-9	WPWMA FY 2022-2023 Budget (3 pages).....	B-12

Table B-1
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
Detailed Budgets by JPA

Item	Eastern Sierra Council of Governments (ESCOG)		Los Vaqueros Reservoir JPA (LVR)		Marin Wildfire Prevention Authority (MWPA)	
	Budget Amount	% of Total	Budget Amount	% of Total	Budget Amount	% of Total
Source	<i>Table B-2</i>		<i>Table B-3</i>		<i>Table B-4</i>	
Revenue						
Government Funding & Grants	\$2,747,300	96.5%	\$4,100,000	21.5%	\$1,897,126	8.3%
Contributions	\$100,000	3.5%	\$8,673,000	45.5%	-	
Passive Income	-		-		\$50,000	0.2%
Program Revenues	-		-		-	
Special Districts/Property Tax	-		-		\$21,026,459	91.5%
Other	-		\$6,300,000	33.0%	-	
Total Revenue	\$2,847,300	100%	\$19,073,000	100%	\$22,973,585	100%
Expenses						
Administrative	\$200,000	7.4%	\$6,277,667	32.9%	\$1,408,241	5.6%
Operations	\$48,750	1.8%	\$5,170,000	27.1%	\$18,719,493	75.0%
Grant Activities	\$2,447,300	90.8%	-		\$611,768	2.5%
Capital Improvements	-		\$7,625,333	40.0%	-	
Other	-		-		\$4,207,292	16.9%
Total Expenses	\$2,696,050	100.0%	\$19,073,000	100.0%	\$24,946,794	100.0%
Net Budget Surplus/(Deficit)	\$151,250		-		(\$1,973,209)	

Source: Respective JPA Budgets; EPS.

Table B-1
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
Detailed Budgets by JPA

Item	Mountains Recreation and Conservation Authority (MRCA)		Rural Counties Environmental Services Joint Powers Authority (ESJPA)		Tuolumne Regional Park JPA (TRRP)	
	Budget Amount	% of Total	Budget Amount	% of Total	Budget Amount	% of Total
Source	<i>Table B-5</i>		<i>Table B-6</i>		<i>Table B-7</i>	
Revenue						
Government Funding & Grants	\$81,051,000	85.1%	\$130,000	29.3%	-	
Contributions	\$50,000	0.1%	\$313,800	70.7%	\$583,900	52.7%
Passive Income	\$5,705,000	6.0%	-		\$524,500	47.3%
Program Revenues	\$2,027,000	2.1%	-		-	
Special Districts/Property Tax	\$3,957,000	4.2%	-		-	
Other	\$2,420,000	2.5%	-		-	
Total Revenue	\$95,210,000	100%	\$443,800	100%	\$1,108,400	100%
Expenses						
Administrative	\$19,427,000	20.4%	\$380,000	70.1%	-	
Operations	\$39,132,000	41.1%	\$30,125	5.6%	\$875,996	94.6%
Grant Activities	\$34,403,000	36.1%	\$130,000	24.0%	-	
Capital Improvements	\$2,028,000	2.1%	-		\$50,000	5.4%
Other	\$220,000	0.2%	\$2,000	0.4%	-	
Total Expenses	\$95,210,000	100.0%	\$542,125	100.0%	\$925,996	100.0%
Net Budget Surplus/(Deficit)	-		(\$98,325)		\$182,404	

Source: Respective JPA Budgets; EPS.

Table B-1
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
Detailed Budgets by JPA

Item	Upper Mokelumne River Watershed Authority (UMRWA)		Western Placer Waste Management Authority (WPWMA)	
	Budget Amount [1]	% of Total	Budget Amount	% of Total
Source	<i>Table B-8</i>		<i>Table B-9</i>	
Revenue				
Government Funding & Grants	\$556,447	68.7%	\$56,000	0.05%
Contributions	\$253,500	31.3%	-	
Passive Income	-		\$1,762,681	1.4%
Program Revenues	-		\$48,607,525	39.4%
Special Districts/Property Tax	-		-	
Other	-		\$73,094,799	59.2%
Total Revenue	\$809,947	100%	\$123,521,005	100%
Expenses				
Administrative	\$122,000	15.1%	\$37,658,346	32.1%
Operations	\$66,500	8.2%	\$1,379,646	1.2%
Grant Activities	\$621,447	76.7%	-	
Capital Improvements	-		\$72,733,993	62.0%
Other	-		\$5,471,521	4.7%
Total Expenses	\$809,947	100.0%	\$117,243,506	100.0%
Net Budget Surplus/(Deficit)	-		\$6,277,499	

Source: Respective JPA Budgets; EPS.

**Table B-2
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 ESCOG FY 2023-24 Budget**

Item	Eastern Sierra Council of Governments (ESCOG)
Budget Year	Proposed FY 2023-24
Revenues	
Member contributions	\$100,000
Interest revenues	-
Grants	
CDFW Prop 1 Grant	\$2,000,000
National Fish and Wildlife Grant ("BIRPI" Implementation)	\$247,300
Sierra Nevada Conservancy Grant ("Towns-to-Trails")	\$200,000
California Economic Resiliency Fund	\$250,000
Inyo National Forest Liaison Grant	\$50,000
Total Revenues	\$2,847,300
Expenses	
Insurance	\$3,500
Office expense	-
Clerical	\$20,000
Financial	\$5,000
Legal	\$10,000
Executive Director (Contractor)	-
Executive Director (Inyo County)	\$150,000
Part-time Administrative Assistant	\$50,000
Carmichael Business Technology	-
Pinon Ranch Consulting (Website Design)	-
Whitebark Institute (CDFW Prop 1)	\$1,900,000
USDA Forest Service (CDFW Prop 1)	\$50,000
National Fish and Wildlife Grant ("BIRPI" Implementation)	\$247,300
Sierra Nevada Conservancy Grant ("Towns-to-Trails")	\$200,000
Inyo National Forest Liaison Grant	\$50,000
Publications and legal notices	\$250
External Audit	\$10,000
Total Expenses	\$2,696,050
Net Budget Surplus/(Deficit)	\$151,250

Source: Eastern Sierra Council of Governments FY 2023-24 Proposed Budget; EPS.

**Table B-3
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 LVR FY 2023-24 Budget**

Item	Los Vaqueros Reservoir JPA (LVR)		
		Adopted FY 2023-24	
Budget Year			
	Contra Costa Water District (CCWD)	JPA	Total
Revenues			
State	\$2,000,000	-	\$2,000,000
Federal	\$2,100,000		\$2,100,000
Local	-	\$8,673,000	\$8,673,000
Carryover	\$6,300,000		\$6,300,000
Total Revenues	\$10,400,000	\$8,673,000	\$19,073,000
Expenses			
JPA Services			
Management	-	\$1,706,000	\$1,706,000
Administration	-	\$250,000	\$250,000
Financial	-	\$720,000	\$720,000
External Affairs/Agency Negotiation Support	-	-	-
Government Affairs: State (AWCA, CWC support)	-	\$40,000	\$40,000
Government Affairs: Federal	-	\$180,000	\$180,000
Agency Facilitation & Agreement Development Support	-	\$250,000	\$250,000
Legal	-	\$505,000	\$505,000
Subtotal Expenses		\$3,651,000	\$3,651,000
CCWD Services			
Management	\$75,000	-	\$75,000
Environmental Planning	-	-	-
Dam Raise	\$790,400	-	\$790,400
Transfer Bethany Pipeline	\$364,800	-	\$364,800
Pumping Plant No.1	\$60,800	-	\$60,800
Program (not facility specific)	\$230,333	-	\$230,333
Design	-	-	-
Dam Raise Design	\$534,000	-	\$534,000
Transfer Bethany Pipeline Design	\$2,200,000	-	\$2,200,000
Pumping Plant No.1 Design	\$1,200,000	-	\$1,200,000
Program (not facility specific) Design	\$2,245,000	-	\$2,245,000
Construction	-	-	-
Legal	\$860,000	-	\$860,000
Fees	\$584,000	-	\$584,000
Subtotal Expenses	\$9,144,333	-	\$9,144,333
CCWD Labor			
Management	\$203,000	-	\$203,000
Environmental Planning	-	-	-
Dam Raise	\$86,300	-	\$86,300
Transfer Bethany Pipeline	\$86,280	-	\$86,280
Pumping Plant No.1	\$86,280	-	\$86,280
Program (not facility specific)	\$1,467,000	-	\$1,467,000
Design	-	-	-
Dam Raise Design	\$340,800	-	\$340,800
Transfer Bethany Pipeline Design	\$535,500	-	\$535,500
Pumping Plant No.1 Design	\$340,800	-	\$340,800
Program (not facility specific) Design	\$956,500	-	\$956,500
Subtotal Expenses	\$4,102,460	-	\$4,102,460
Contingency	-	-	\$2,175,207
Total Expenses	-	-	\$19,073,000
Net Budget Surplus/(Deficit)	-	-	-

Source: Los Vaqueros Reservoir JPA FY 2023-2 Adopted Budget; EPS.

**Table B-4
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 MWPA FY 2023-24 Budget**

Item	Marin Wildfire Prevention Authority (MWPA)
Budget Year	Proposed Final FY 2023-24
Revenues	
Measure C	\$21,026,459
County Interest	\$50,000
Subtotal Revenues	\$21,076,459
Other Revenues	
Grant Revenue - CalFire Grant	\$1,897,126
Subtotal Other Revenues	\$1,897,126
Total Revenues	\$22,973,585
Expenses	
Core Program	
Environmental Compliance/Monitoring	\$783,106
Evacuation Study	\$405,108
Evacuation Management Platform	\$78,750
Subtotal Core Program	\$1,266,964
Operational Costs	
Rent	\$130,000
Tenant Improvements	\$25,000
Website Portal	\$25,000
Communications	\$40,000
GrizzlyCorps	\$25,000
Training	\$25,000
R&D, Emerging Opportunities	\$25,000
Contingencies	\$170,750
Subtotal Operational Costs	\$465,750
Core Projects	
Alert/Notifications	\$740,307
Chipper Days	\$1,643,877
Defensive Space Evaluations	\$524,660
Countywide Grant Program	\$1,161,257
Metrics Development Tracking	\$337,746
Equipment	\$68,393
Evacuation Routes	\$738,126
Public Education	\$1,377,054
Shaded/Nonshaded Fuel Breaks	\$4,763,921
Staffing	\$1,508,292
Total Core Projects	\$12,863,633
Total Core Program	\$14,596,347

Table B-4
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
MWPA FY 2023-24 Budget

Item	Marin Wildfire Prevention Authority (MWPA)
Defensible Space Program	
Defensible Space Agency Payments	\$4,207,292
Defensible Space Abatement Program	(\$84,146)
Total Defensible Space Program	\$4,123,146
Local Wildfire Mitigation Program	
Local Agency Payments	\$4,207,292
Total Local Wildfire Mitigation Program	\$4,207,292
Administrative Costs	
Financial & Administrative Services	\$159,377
Legal Services	\$225,749
Personnel	\$690,000
Services and Supplies	\$233,115
Professional Services	\$100,000
Total Administrative Costs	\$1,408,241
Other Expenses	
Grant Expenditures - CalFire Grant	\$611,768
Subtotal Other Expenses	\$611,768
Total Expenses	\$24,946,794
Net Budget Surplus/(Deficit)	(\$1,973,209)

Source: Marin Wildfire Prevention Authority FY 2023-24 Proposed Final Budget; EPS.

**Table B-5
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 MRCA FY 2023-24 Budget**

Item	Mountains Recreation and Conservation Authority (MRCA)
Budget Year	Proposed Final FY 2023-24
Revenues	
Investment Earnings	\$275,000
Fees - Events	\$1,725,000
Fees - Filming	\$1,250,000
Fees - Parking	\$920,000
Leases and Licensing	\$460,000
Administrative Fees GC 53069.4	\$1,035,000
Park Safety Fund	\$345,000
Grants - SMMC	\$41,034,000
Grants - Other	\$36,850,000
Mitigation Program Revenue	\$2,027,000
Preservation Assessment Districts	\$495,000
Community Facilities Districts	\$3,462,000
Government Agency Contracts	\$3,167,000
Sale of Assets	\$40,000
Donations	\$50,000
Other Revenues	\$600,000
Use of One-Time Funds/Unreserved Fund	-
Salary Savings Offset	\$975,000
Use of Reserves	\$500,000
Total Revenues	\$95,210,000
Expenses	
Salaries and Wages	\$9,095,000
Payroll Benefits & Taxes	\$7,065,000
Contract Services	\$3,267,000
Supplies and Maintenance	\$1,695,000
General Office/Operations	\$1,059,000
Insurance	\$3,368,000
Utilities	\$1,232,000
Grants	\$34,403,000
Land and Improvements	\$31,778,000
Capital Equipment Purchases	\$2,028,000
Interest Expense	\$120,000
General Contingency	\$100,000
Total Expenses	\$95,210,000
Net Budget Surplus/(Deficit)	

Source: Mountains Recreation and Conservation Authority
 FY 2023-24 Proposed Final Budget; EPS.

**Table B-6
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 ESJPA FY 2023-24 Budget**

Item	Rural Counties Environmental Services Joint Powers Authority (ESJPA)
Budget Year	Proposed FY 2023-24
Revenues	
Member County Dues	\$148,800
Contracts-grants/projects	\$130,000
Contribution from RCRC	\$165,000
Total Revenues	\$443,800
Expenses	
Accounting and Auditing	\$5,775
Community Relations	\$1,500
Computer Maintenance and Support	\$3,000
Conferences attended by Staff	\$1,000
Contact Support Service Fee	\$380,000
Delivery Services	\$500
Dues, Fees, and Subscription	\$1,000
Equipment and Furniture	\$250
Grants and Contracts	\$130,000
Insurance	\$4,500
Legal Fees	\$1,000
Meetings	\$2,000
Miscellaneous	\$1,000
Office Expenses	\$500
Rent	\$6,600
Training	\$1,000
Travel	\$1,500
Travel - Board Member Reimbursement	\$1,000
Total Expenses	\$542,125
Net Budget Surplus/(Deficit)	(\$98,325)

Source: Rural Counties Environmental Services Joint Powers Authority
 FY 2023-24 Proposed Final Budget; EPS.

**Table B-7
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 TRPP FY 2023-24 Budget**

Item	Tuolumne Regional Park JPA (TRPP)
Budget Year	Proposed FY 2023-24
Revenues	
Intergov - County Contribution	\$311,650
Intergov - Local - City of Ceres Contribution	-
Intergov - Local - City of Modesto Contribution	\$272,250
CS-GG - Misc. Special Service	-
Lease of Land (includes Cell Tower Revenue)	\$49,500
Ballfield Rental (Mancini and Bellenita)	\$3,000
Picnic Area Rental (TRRP A and B)	\$2,000
Building/Room Rental - Other (Mancini & ALH)	-
Miscellaneous Revenue	-
Refund, Damages, and Cost Recovery	-
Interest Revenue on Bank Accounts	-
Change in Fair Market Value	-
Sales of Fixed Assets	\$470,000
Total Revenues	\$1,108,400
Expenses	
ISF - Mail Services - Inside (58010)	-
ISF - Building Services (58020)	\$14,029
ISF - Property Insurance (58060)	\$4,263
Subtotal - APPR Unit B	\$18,292
Office Supplies (52010)	-
Printing and Binding (52015)	\$100
Custodial and Cleaning Supplies (52150)	\$500
Personal Protection Equipment	\$500
Gardening Supplies (52180)	-
Tools and Field Supplies <\$5,000 (52300)	\$4,000
Business Expenses (53030)	\$1,500
Electricity Utility Expenses (53040)	\$9,000
Gas Utility Expenses (53041)	-
Sewer Utility Expenses (53042)	-
Water Utility Expenses (53043)	\$28,700
Rental of Equipment (53072)	\$15,000
Repair and Maintenance Services (53100)	-
Repair and Maintenance Services - Vandalism (53110)	\$20,000
Repair and Maintenance Services - Real Property (53150)	\$40,000
Repair and Maintenance Services - Property Damage (53160)	\$5,000
Professional Services (53300)	\$381,301
Legal Services (53450)	-
Insurance Premiums (54200)	\$8,500
Service City Forces - Interfund (54500)	\$305,512
Services City Forces Non-Labor (54502)	-
ISF - Fleet Operating and Maintenance (54550)	\$29,594
ISF - Fleet Replacement Expenses (54551)	\$8,497
Survey GPS Replacement Fee (54555)	-
Subtotal - APPR Unit C	\$857,704
Deferred Maintenance/CIP Budget (Transfer to Fund 6710)	\$50,000
Transfer to Fund 5230 (Software Upgrade)	-
Subtotal - APPR Unit D	\$50,000
Total Expenses	\$925,996
Net Budget Surplus/(Deficit)	\$182,404

Source: Tuolumne Regional Park JPA FY 2023-24 Proposed Budget; EPS.

**Table B-8
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 UMRWA FY 2022-23 Budget**

Upper Mokelumne River Watershed Authority (UMRWA)				
Item				
Budget Year	Approved FY 2022-23			
FY 2023 Member Agency Funding Offsets (Revenues)				
Member Assessments				\$253,500
Off Budget In-Kind Contributions [1]				\$58,486
Total Member Supported Budget				\$311,986
Indirect Fees				(\$15,000)
Reserves				(\$66,806)
Subtotal Offset				(\$81,806)
Total Required Member Funding (Revenues)				\$230,180
Grant Pass Through				
West Point Water Reliability Project				\$527,287
UMRWA Administration				\$29,160
Total Grant Pass Through				\$556,447
Expenses				
Executive Officer				\$50,000
Administrative Officer				\$50,000
Web technical support				\$12,000
Public school program (STE)				\$16,500
Forest Projects Plan – Phase 1				-
Forest Projects Plan – Phase 2				\$50,000
Forest-related Grant Applications				\$40,000
Inter-agency liaison & Board support				\$10,000
Grant applications				\$25,000
West Point Water Reliability Project				-
UMRWA administration				-
Total Expenses				\$253,500
<hr/>				
FY 2023 Member Funding Allocations and Assessments	Member Agency %	FY 2023 Allocation	In-Kind Credit	FY 2023 Assessment
<hr/>				
Amador Entities				
Amador County	9.2%	\$21,177	(\$6,500)	\$14,677
Amador Water Agency	9.2%	\$21,177	-	\$21,177
Jackson Valley ID	1.6%	\$3,683	-	\$3,683
Subtotal Amador Entities	20%	\$46,036	-	\$39,536
Calaveras Entities				
Calaveras County	6.0%	\$13,811	-	\$13,811
Calaveras County WD	9.6%	\$22,097	-	\$22,097
Calaveras PUD	4.4%	\$10,128	-	\$10,128
Subtotal Calaveras Entities	20%	\$46,036	-	\$46,036
EBMUD	60%	\$138,108	(\$51,986)	\$86,122
Total Member Funding	100%	\$230,180	(\$58,486)	\$171,694

Source: Upper Mokelumne River Watershed Authority FY 2023 Proposed Final Budget; EPS.

**Table B-9
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 WPWMA FY 2022-2023 Budget**

Item	Western Placer Waste Management Authority (WPWMA)
Budget Year	Approved FY 2022-23
Revenues	
Investment Income	
Interest/Investment Income	\$198,562
Interest with Fiscal Agent	\$1,019,467
Rents and Concessions	\$499,652
State Aid	\$56,000
Sanitation Services	\$29,787
Solid Waste Disposal	\$48,577,738
Insurance	-
Miscellaneous	\$15,000
Gain/Loss on Fixed Asset Disposal	\$45,000
Operating Transfers In	-
Subtotal Revenues	\$50,441,206
Additional non Income Statement Transactions	
Bond Proceeds	\$69,579,799
Planned Use of Reserves	\$3,500,000
Total Additional non Income Statement Transactions	\$73,079,799
Total Revenues	\$123,521,005
Expenses	
Capital Assets	
Buildings & Improvements	\$17,082,893
Equipment	\$44,101,506
Infrastructure	\$622,000
Land Improvements	\$10,927,594
Subtotal Capital Assets	\$72,733,993

**Table B-9
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 WPWMA FY 2022-2023 Budget**

Item	Western Placer Waste Management Authority (WPWMA)
Operating Expenses	
Wages and Salaries	\$2,493,632
Clothing and Personal	\$2,500
Communication and Services Expense	\$9,000
Food	\$1,000
Household Expense	\$500
Insurance	\$620,000
Parts	\$1,000
Maintenance	\$76,796
Maintenance - Building	\$2,500
Fuels & Lubricants	\$2,500
Materials - Buildings & Improvements	\$500
Professional / Membership Dues	\$12,000
Services and Supplies	\$500
Misc. Expense	-
Printing	\$10,000
Other Supplies	\$25,000
Postage	\$3,500
Professional and Special Services - General	\$2,740,086
Professional and Special Services - Legal	\$150,000
Prof. & Special Services - County	\$230,000
Prof. & Special Services - IT	\$75,000
Rents and Leases - Equipment	\$100
Rents and Leases - Buildings & Improvements	\$100
Small Tools & Instruments	\$750
Employee Benefit Systems	\$21,200
PC Acquisition	\$5,300
Commissioner's Fees	\$6,000
Signing & Safety Material	\$1,000
Small Equipment	\$100
Advertising	\$317,000
Special Department Expense	\$1,500
Training/Education	\$2,500
Transportation and Travel	\$45,000
Utilities	\$250,000

**Table B-9
 Northeastern California Woody Biomass Pilot Project
 Funding Options and Strategies for New Joint Powers Authority
 WPWMA FY 2022-2023 Budget**

Item	Western Placer Waste Management Authority (WPWMA)
Operating Expenses (Continued)	
Operating Materials	\$1,000
Debt Issuance Costs	\$3,700
Bond Interest	\$4,631,285
Taxes and Assessments	\$517,545
Contributions to Other Agencies	\$274,022
Transfer A-87 Costs	\$26,969
Operating Transfer Out	-
Appropriation for Contingencies	-
Professional and Special Services - Tech., Eng. & Env.	
Building Maintenance Installation and Repair Services	\$25,000
MRF Operations	\$29,052,360
Landfill Operations	\$2,768,568
Environmental and Ecological Services	\$100,000
Hazardous Waste	\$2,500
Subtotal Professional and Special Services - Tech., Eng. & Env.	\$31,948,428
Subtotal Operating Expenses	\$44,509,513
Total Expenses	\$117,243,506
Net Budget Surplus/(Deficit)	\$6,277,499

Source: Western Placer Waste Management Authority FY 2023 Budget; EPS.