

Final Draft Report

Tahoe Central Sierra Pilot Project: Funding Options and Strategies for Potential New Joint Powers Authority

The Economics of Land Use



Prepared for:

Placer County Water Agency

Prepared by:

Economic & Planning Systems, Inc. (EPS)

*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

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Table of Contents

1.	Introduction and Key Findings	1
	Joint Powers Authority Arrangements.....	1
	Background	3
	Key Findings	7
	Report Organization	10
2.	JPA Funding Options	11
	Overview of JPAs	11
	Potential Funding Options for JPA Entity	13
3.	Potential JPA Operating Plan, Budget Needs, and Funding Strategy	22
	Initial JPA Framework.....	22
	JPA Operational Development Phasing	24
	Funding Initial JPA Operations	24
	JPA Financial Policies and Agreements.....	28
	Next Steps.....	29

Appendices

Appendix A: JPA Case-Study Overview

Appendix B: Detailed JPA Case-Study Budgets

List of Figures

Figure 1.	Tahoe Central Sierra Pilot Project Region	2
Figure 2.	Potential JPA Funding and Financing Options Summary	13
Figure 3.	Proposed New Joint Powers Authority Initial Framework	23
Figure 4.	Estimated New Joint Powers Authority 3-Phase Budget	25

1. Introduction and Key Findings

This report presents an overview of funding sources and financing strategies in support of a governance framework for promoting biomass utilization in the Tahoe Central Sierra (TCS) region (Region), which encompasses the counties of El Dorado, Nevada, and Placer (see **Figure 1**).

This report focuses on options for funding ongoing operations of a potential new Joint Powers Authority (JPA), likely involving one or more cities and counties in the Region, and, potentially, a State of California (State) agency. A potential JPA may include additional or other governmental members involved in fuel reduction and forest health activities, such as water agencies, fire districts, or irrigation districts.

Joint Powers Authority Arrangements

JPA's are governed by California Government Code §6500, which authorizes two types of JPA arrangements through the adoption of a formal agreement:

- The first arrangement allows two or more public agencies to enter into a **contractual arrangement** to jointly exercise common powers (also referred to as a non-separate entity JPA).
- The second arrangement allows two or more public agencies to form a **legal separate entity**.¹

The potential formation of a JPA to promote biomass utilization in the TCS Region will likely utilize a phased approach, **starting with a contractual agreement**, to enable members to assess the benefits of working together, which **may then lead to the formation of a separate legal entity under a new agreement**. The term "JPA" may apply to any entity jointly exercising common powers under either JPA arrangement. However, for clarification, throughout this document, a JPA established by a contractual arrangement will be referred to as a "**JPA Agreement**," whereas a JPA established as a separate, legal entity will be referred to as a "**JPA Entity**."

¹ de Sousa Mills, Paula C.P. "The Ins and Outs of Joint Powers Authorities in California." Best Best & Krieger, January 14, 2016. [Accessed online in September 2024: <https://bbklaw.com/resources/the-ins-and-outs-of-joint-powers-authorities-in-california>].

Figure 1. Tahoe Central Sierra Pilot Project Region



Source: EPS, prepared July 2024.

Background

Over time, inadequate forest management practices have resulted in the accumulation of excess fuel loads and significant woody biomass piles in California forests. These woody biomass piles are often burned or left to decay because of complex market dynamics and the prohibitive cost of their removal.²

The accumulation of 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 excess biomass for value-added products, such as renewable energy or other manufactured goods. With the continued expansion of fuels and forestry management activities to meet local, State, and federal emissions and wildfire risk reduction 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 excess 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.³

There is a critical need for additional market products to utilize the continued accumulation of woody biomass. However, prospective wood product businesses in the State face significant barriers to entry because of a combination of regulatory, logistical, economic, and market-related challenges, which have 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.

² Woody feedstock refers to the excess raw materials derived from trees and woody plants removed as part of sustainable forest resilience treatments, timber harvesting, and non-commercial thinning operations, including branches, stems, and trunks, which are used in various processes such as bioenergy production and other wood products manufacturing.

³ "Legal Tools for Government Entities to Incentivize Utilization of Forest Biomass In California," California Law Empowering Renewable Energy (CLERE) Inc., February 2024.

State Funding for Potential Solutions

The potential formation of a JPA Agreement or a JPA Entity is the outcome of the State Governor’s Office of Land Use and Climate Innovation (LCI) (formerly the Office of Planning and Research [OPR] but hereafter referred to by the office’s new name) 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.

In the last three Fiscal Years (FY), FY 2021-22, FY 2022-23, and FY 2023-24, LCI 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.

As directed under the State’s January 2021 Wildfire and Forest Resilience Action Plan Objective 3.10 (Address Feedstock Barriers through Pilot Projects), LCI 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 Tahoe Central Sierra (TCS), South-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.

Tahoe Central Sierra Pilot Project

The TCS Pilot Project encompasses the counties of El Dorado, Nevada, and Placer (see **Figure 1**). The Region comprises about 3 million acres and about 700,000 residents (January 2024) and includes working forestlands estimated to comprise approximately 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, which could potentially expand through the creation of an aggregation entity.

The TCS Pilot Project team is led by the Placer County Water Agency (PCWA) and Placer County. 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 TCS Pilot Project.

Key Technical Studies

As part of the TCS Pilot Project, the Project Team has finalized the following studies, which provide a foundation for mitigating the woody biomass challenges identified previously:

- **Water Agency Forest Health Report** (Landmark Environmental, Inc., 2023). This report explores PCWA and other proximate headwaters water agencies’ potential role in biomass feedstock procurement and utilization. The report concluded that water agencies whose water supplies originate in forested headwaters areas are pivotal in forest health and wildfire resilience, with growing support by the agencies and their constituents. The agencies are well-equipped with statutory powers for these efforts. While currently focused on existing fuels reduction and forest health treatments, agencies like PCWA, Placer County, Nevada Irrigation District (NID), El Dorado Irrigation District (EID), and El Dorado County Water Agency (EDCWA) may be positioned to scale up restoration treatments. However, increasing the pace and scale of forest health projects will require resolving the dilemma regarding removal of the excess biomass material generated, necessitating solutions, such as securing long-term biomass utilization contracts, to overcome existing challenges.
- **Community Collaboration Report** (Placer County and Headwaters Environmental, Inc., 2023). This report evaluated biomass aggregation, procurement, and utilization issues in the Region, including challenges and potential future opportunities. Key findings indicate that there is strong interest in the formation of an aggregation entity, with the potential to increase the pace of restoration treatments in alignment with State and federal goals. Interviews revealed minor concern for the actual type of an entity, so long as it has the ability to act quickly and flexibly to incentivize forest management and excess biomass removal and utilization in an environmentally and economically sustainable manner, to guarantee biomass contracts and to work with the various entities operating in the Region. Challenges identified include logistical and economic hurdles, such as transportation costs and the lack of local biomass facilities. There is significant interest in creating sustainable biomass supply chain solutions through the use of long-term contracts and key support services, including environmental review and permitting, grant pursuit and administration, and green waste management.

- **Legal Tools for Government Entities to Incentivize Utilization of Forest Biomass in California Report** (CLERE, Inc., 2024). 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 excess biomass disposal. Each model's feasibility depends on factors like stakeholder participation, funding mechanisms, and alignment with existing forest management efforts. The report emphasizes the importance of collaborative approaches and innovative contract management to achieve long-term forest resilience goals.
- **Case Study: Biomass Supply Report** (CLERE, Inc., 2024). This report evaluates a proposed biomass facility (Ophir Facility), located on PCWA's Ophir Road parcel and includes an overview of the facility's projected feedstock supply needs and feedstock-generating activities in the Region within a reasonable haul distance from Ophir. The report identifies an average annual generation of 104,324 Bone Dry Tons (BDT) of biomass from planned timber harvests in the Region, with potential for an additional 320,000 BDT from increased forest restoration activities. To provide an outlet for this excess biomass as secured feedstock for the Ophir Facility, recommendations include partnering with local logging operators, wildfire prevention projects, and green waste initiatives. Recommendations also include exploring feedstock purchases from existing facilities and leveraging tools like the Forest Resource and Renewable Energy Decision Support System (FRREDSS) model and Resilient Sierra digital marketplace for long-term contracting and pricing mechanisms. Finally, collaboration with regional stakeholders and government entities is important to understand future goals, funding opportunities, and needs surrounding increased forest resilience work to ensure consistent disposal through a reliable biomass feedstock supply chain.

As part of this ongoing research, the TCS Pilot Project retained Economic & Planning Systems, Inc. (EPS) to evaluate potential, sustainable sources to fund initial and ongoing operations of a new government entity. This report provides an overview of potential funding sources at the local, State, and federal levels and provides an assessment of the suitability of each source for funding the annual operations of a new JPA Agreement and JPA Entity. It is anticipated that identifying potential sources of funding for annual JPA operations will be an ongoing effort as a new entity's operational demands evolve and new funding sources emerge. This report also summarizes case-study research conducted on several existing JPAs operating in the State to provide context regarding governance structure and operating revenues and expenditures.

This report, as well as the other key technical studies identified above, identify areas where subsequent research will be needed to move the TCS 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 challenges and the effects of continued practices related to disposal and use of excess woody biomass.

Key Findings

The following sections detail the key findings from the case-study research and a potential plan for initial JPA Agreement and JPA Entity 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. EPS selected JPAs that provide similar services or share similar goals to that of a potential new entity in the Region. These JPAs were also highlighted in the 2023 “Legal Tools for Government Entities to Incentivize Utilization of Forest Biomass in California” 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 receive 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 entities generally aligned with five main categories.** JPA budget expenditures were identified within five main categories: Administrative, Operations, Grant Activities (i.e., pursuing grants and providing services funded by grants), Capital Improvements, and Other Expenditures. Administrative (primarily staffing) expenditures ranged dramatically among the researched entities, from about 10 percent to 70 percent of budgeted expenditures. JPAs had various proportions of their budget devoted to providing services, pursuing grants and

providing grant-funded services, or implementing capital improvements. The level of expenditures among each expenditure category depended on the mission and funding structure of each entity.

- **Most entities 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 entity's mission more effectively but can result in significantly higher costs per employee because of retirement, benefits, and insurance, necessitating additional payroll and human resources management staff. Contracting staff or funding some or all of partner agency 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 entity's limited control over their time, a loss of control regarding the contractors' priorities, and other factors.

Operations, Budget, and Funding Strategy to Support a Potential JPA

After evaluating funding sources at the local, State, and federal levels, identifying initial functions of a new entity, and preparing a preliminary short-term budget, the following key findings provide a framework for consideration of forming a JPA Agreement, which may transition into a separate JPA Entity:

- **The primary purpose of a potential new JPA is to facilitate the utilization of excess forest biomass derived from fuel reduction and forest health projects to promote wildfire resilience.** The principal purpose of a JPA will be to serve as a regional biomass supply entity, managing a guaranteed flow of locally gathered biomass between suppliers and buyers. This excess biomass will come from hazardous fuel reduction and forest resilience projects on public and private lands, utility and transportation corridors, and among possibly other projects in the Region. The JPA will advance biomass utilization in an environmentally sustainable manner, supporting a circular forest economy, community protection, and wildfire resilience. The JPA may provide additional services for its members in the future, including coordinated grant pursuit and administration, consolidated environmental review and permitting, and green waste management, as identified in the Community Collaboration report cited above.
- **The new JPA is envisioned to evolve in a series of phases, initially forming as a JPA Agreement and, upon realizing early successes, expanding operations and forming as a JPA Entity.** The Joint Exercise of Powers Act, as codified in California Government Code §6500, governs JPAs and allows two types of JPA arrangements: an agreement between existing agencies or the formation of a separate legal entity. The TCS Pilot Project envisions an incremental approach to governance and funding

implementation over a three-phased approach. In the first two phases, the entity would operate under a contractual agreement between identified members, with a goal of expanding operations to support the eventual formation of a separate legal entity. The timing of forming a JPA Entity could accelerate depending on the desires of the members, funding availability, or a more immediate need for a separate legal entity to fund forest resilience work and resulting excess utilization at a larger scale.

- **Preliminary estimated expenditures for the new JPA encompass staffing, JPA operations, and a cost contingency factor.** The Project Team prepared an annual preliminary budget for a three-phased approach to forming a new JPA, which will initially begin as a JPA Agreement, with the assumed expansion to a JPA Entity. High-level cost estimates encompassing staffing, operational expenditures, and a cost contingency total about \$443,000 in the first phase and increase to about \$12.8 million by the third phase. In aggregate, expenditures for all three phases total about \$14.5 million. For this study, costs represent high-level estimates that will need to be updated as more refined operational assumptions become available.
- **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 JPA Agreement or a JPA Entity.** JPAs established through a contractual arrangement primarily rely on financial contributions and other resources from its member agencies, as outlined in the Joint Powers Agreement. This funding can include direct monetary contributions, shared budgeting for operations and projects, and in-kind resources like property or services. While such a JPA cannot levy taxes independently, it may receive external funding through grants or fees for services, typically managed by a member agency acting as a fiscal agent. Once a JPA Entity is formed, several funding sources are available to fund the operations of a new JPA, including member agency contributions, grants and gifts, charges for services, enterprise revenues, taxes and assessments, passive income, and tax increment financing. At this time, State seed funding is expected to only be available to pilot projects that have formed legal separate JPAs.
- **The proposed funding strategy for a JPA Agreement will rely primarily on member contributions, while funding for a JPA Entity includes using a combination of 3 main revenue sources.** Initially, a JPA Agreement will be primarily funded through member contributions. This study assumes one member of the JPA Agreement, acting as the lead agency, could pursue supplemental State grant funding. Once a JPA Entity has been established, proposed revenue sources include (1) grant revenue obtained from State funding, (2) annual member agency contributions, and (3) charges for services (e.g., assisting with the management of long-term contracts).

Preliminary funding requirements total about \$443,000 in the first phase, \$1.3 million in the second phase, and about \$12.8 million in the third phase. In aggregate, revenues needed to support JPA Agreement and JPA Entity operations are estimated to equal about \$14.5 million.

- **There are several next steps for establishing a new JPA to facilitate the removal and utilization of forest biomass in the Region.** To form a non-separate JPA Agreement, the initial steps include organizing meetings with potential participants and defining the JPA's purpose, scope, and regional focus. After confirming the agencies involved, including the lead agency, the agencies should draft and adopt an agreement that details the roles and responsibilities of each agency, the regional goal and activity, and how each agency will collaborate to accomplish the defined goals. Upon realizing progress towards defined goals, the agencies should engage in discussions to prepare for establishing a separate legal JPA Entity. A JPA Entity will require a revised agreement reflecting the separate entity's legal status, new organizational structure, and other policies and agreements. Member agencies may draft the initial agreement to easily convert the JPA Agreement to a JPA Entity to move quickly if larger-scale funding for biomass reduction becomes available.

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 the case-study research related to the operational budgets of select, existing JPAs in the State. **Appendix A** provides a detailed overview of the case-study research, while **Appendix B** includes the operating budgets for each case-study JPA.

2. JPA Funding Options

This chapter provides an overview of JPAs and the potential funding options for ongoing operations that would be afforded to a new JPA Entity composed of counties and cities. These funding options are related to the expected functions of a potential new JPA to support and strengthen the regional biomass utilization industry in the Region. 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 guarding against “market failures” that may inhibit private investment or threaten long-term viability of the regional biomass industry cluster.

Overview of JPAs

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 for 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 Joint Exercise of Powers Act authorizes two types of JPA arrangements: the first arrangement allows two or more public agencies to enter into a contract to jointly exercise common powers (JPA Agreement); the second arrangement allows two or more public agencies to form a separate legal entity (JPA Entity):⁴

- Under the **contractual arrangement**, the participating agencies agree to cooperate and exercise their common powers through a joint agreement without forming a new legal entity. The entities work together collaboratively through the existing structures of the participating agencies, and one agency often takes the lead in administrative duties. The parties to the contract

⁴ de Sousa Mills, Paula C.P. “The Ins and Outs of Joint Powers Authorities in California.” Best Best & Krieger, January 14, 2016. [Accessed online in September 2024: <https://bbklaw.com/resources/the-ins-and-outs-of-joint-powers-authorities-in-california>].

continue to fund whatever activities they agree to within the terms of the contract.

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

Funding Authority for Potential TCS Region 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 JPA Agreement or a JPA Entity.

JPA's established through a contractual arrangement primarily rely on financial contributions and other resources from its member agencies, as outlined in the Joint Powers Agreement. This funding can include direct monetary contributions, shared budgeting for operations and projects, and in-kind resources like property or services. While such a JPA cannot levy taxes independently, it may receive external funding through grants or fees for services, typically managed by a member agency acting as a fiscal agent.

A new JPA Entity composed of counties and cities, and potentially a State agency, in the Region would have broad funding authority under the State Constitution and relevant Government Code sections. Specific funding guidelines should be defined as part of the Joint Powers Agreement, as discussed in the following chapter.

As a backdrop for this effort, it is important to note that a new JPA would be part of a broader public-private cooperative effort to establish and sustain the biomass aggregation and utilization industry on a regional scale as a means of increasing pace and scale of forest health and wildfire risk reduction work by providing outlets for excess biomass material generated by those activities. Such a regional effort may need to raise substantial funds well beyond those typically derived from the available federal and State grant funding programs. Within the cooperative effort, the key role of a 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 for JPA Entity

The funding sources available to a JPA Entity are summarized in **Figure 2**, which identifies the key funding and financing (debt issuance) options afforded to JPAs composed of counties, cities, and a potential State agency. **Figure 2** also shows a JPA’s estimated level of ongoing funding sustainability and eligible costs (some of which are eligible to cover capital facility costs and all of which are eligible to cover ongoing operational expenditures). The remainder of this chapter evaluates each source in detail.

Figure 2. Potential JPA Funding and Financing Options Summary

No.	Funding Option	Est. Sustain-Ability [1]	Eligible Costs		Notes
			Cap. Fac.	Admin. O&M	
1.	Member agency contributions	Mod-High	x	x	Requires annual budget approval
2.	Grants and gifts	Low	x	x	Labor-intensive and competitive; may require matching funds; plentiful options
3.	Charges for services	Mod-High		x	Recurring revenue source; respond to changes in supply/demand
4.	Enterprise revenues	Mod-High		x	Recurring revenue source; ensure no direct competition
5.	Taxes and assessments (supports bond issuance)	High	x	x	Requires political and community support; approval and adherence to stringent State laws
6.	Passive income	Moderate		x	Limited active involvement over long-term
7.	Tax Increment Financing (TIF) (supports bond issuance)	High	x	x	Not a new tax but redirects revenue from General Fund; revenue may be limited

[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 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 and could serve as a local match to attract additional grant or other outside funding. 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 many existing JPAs, according to the case-study research conducted as part of this study. A JPA 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 local government grant programs; private foundation grants; 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 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 ultimately are variable in terms of funding amounts and whether funding continues to be available.

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
- California Tahoe Conservancy
- 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

- **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 or transportation incentives that could benefit one or more member agencies.

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 Joint Powers Agreement. Eligible costs include covering the provision of goods and services, such as consulting and

technical services (e.g., legal counsel, grant writing and administration, environmental planning and permitting, 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 depends 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, the sale of goods (e.g., forest by-products, etc.), operation of a biomass assembly sorting yard that charges a "tipping fee," and other relevant enterprises. 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, potentially volatile, funding sources like grants and gifts. Enterprise revenues provide a direct source of funding for specific services, ensuring the money collected is directly reinvested into the provision of services and 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 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 for its enterprise activities to the extent it is available and price competitive.

- **Viability Assessment:** Opportunities for enterprises should be evaluated as part of organizational development and during an initial period of JPA operations. Actual costs, funding potential, and the logistics of operating enterprises may not be fully determined for some time. While this has not been identified as a funding source in the short term, enterprise revenues may be a potential long-term funding source.

5. Taxes and Assessments

Taxes and assessments are distinct revenue mechanisms for government entities in the State. A JPA composed of counties and cities would have authority to levy a broad range of taxes and assessments. 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).

General taxes fund broad governmental purposes, while special taxes fund specific projects. Both types of taxes require voter approval (majority approval for general taxes; two-thirds approval for special taxes). Assessments are charges on properties that directly benefit 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 (50 percent + 1). General and special taxes and assessments are governed by the requirements of State law.⁵

JPAs have the authority to levy a general tax but typically do not as general taxes are reserved for broad-based governmental functions. Rather, JPAs have levied special taxes for a specific purpose aligned with the JPA's mission. JPAs also 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. Depending on the services and investments envisioned by the JPA, such special taxes and assessments, once established, can provide a stable recurring source of funding to support projects. Eligible costs include capital improvements,

⁵ 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 voter approval for new State taxes. Proposition 218 mandates majority simple majority voter approval for local general taxes and property-related assessments and requires assessments to be proportional to special benefit received. Proposition 62 requires two-thirds majority voter approval for local general taxes, simple majority approval for special taxes, and broadens the definition of taxes to include many fees and charges, necessitating higher thresholds for approval.

administrative and ongoing operations, and maintenance costs for specific purposes:

- **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 uses 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, or 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 the State 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 because, depending on the district boundary, there may be limited private new development to generate sufficient incremental assessed value growth. 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 a 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:⁶

- **Advantages:** Bond issuances provide substantial upfront funding for capital improvements and do not require voter approval but require 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 because of 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.

⁶ 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. Potential JPA Operating Plan, Budget Needs, and Funding Strategy

This chapter provides an overview of the initial framework of a potential new JPA, which is envisioned to start as a JPA Agreement and then convert to a JPA Entity. This framework includes the phasing of operations, an initial proposed budget, and strategies for funding the initial phase of operations.

Initial JPA Framework

The primary purpose of a potential new JPA is to facilitate the removal and utilization of excess forest biomass generated from forest health and fire prevention projects that support wildfire and community resilience. This biomass will come from public and private lands, utility and transportation corridors, and forest thinning projects in the Region. The JPA will advance biomass utilization in an environmentally sustainable manner, supporting a circular forest economy, community protection, and wildfire 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 fuel reduction/restoration projects, excess biomass aggregation and transportation, and processing into value-added marketable commodities.

The JPA may provide additional services for its members in the future, including coordinated grant pursuit and administration, consolidated environmental review and permitting services, and green waste management.

The TCS Pilot Project envisions a phased and incremental approach to governance and funding implementation. Initially, identified members would work together to prepare a non-separate JPA Agreement, with the goal of expanding operations to support the eventual formation of a separate legal JPA Entity.

Refer to **Figure 3** for a summary of the initial framework of a potential new JPA.

Figure 3. Proposed New Joint Powers Authority Initial Framework

Item	Details
Entity Model	Initially enter into a JPA contractual agreement, followed by expanded operations and eventual formation of a separate legal JPA Entity.
Potential Member Agencies	Undetermined at this time but anticipated to include counties and cities in the Region, and potentially a State agency. A potential JPA may include additional or other governmental members involved in fuel reduction and forest health activities, such as water agencies, fire districts, or irrigation districts.
Tentative Purpose of the JPA	The principal purpose of a JPA will be to serve as a regional biomass supply entity, managing a guaranteed flow of locally gathered excess biomass between suppliers and buyers. This biomass will come from public and private lands, utility and transportation corridors, and hazardous fuel reduction and forest thinning projects being conducted to improve forest health and reduce risk of severe wildfire in the Region. The JPA will advance biomass utilization in an environmentally sustainable manner, supporting a circular forest economy, community protection, and wildfire resilience.
Potential 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. • Coordinated grant pursuit and administration. • Consolidated environmental review and permitting services. • Green waste services.

Source: TCS Pilot Project members.

JPA Operational Development Phasing

A potential new JPA is envisioned to include three initial phases, recognizing that development of such an industry and the efforts of the regional JPA to incubate and sustain it will evolve:

- In the **initial phase**, members will determine what initial key function(s) they would like to work together on across their own boundaries. These partners will agree to use internal staff to conduct further research to fully describe the activity in mind and will begin developing strategic plans to achieve that purpose. The entities would draft and adopt a JPA contractual agreement that describes how the agencies may work together on their goal(s).
- In **Phase 2**, the local governments will commence implementation of goals, identify if there is interest in long-term contracts between biomass buyers and suppliers with specific businesses in the Region, and prepare for the eventual formation of a separate legal JPA Entity.
- **Phase 3** would include forming a separate legal JPA Entity and expanding operations to support additional new or expanded key functions throughout the Region.

As the JPA begins implementing its first projects, it will navigate regulatory requirements and refine operational procedures. Over time, the JPA will evaluate its initial, identified functions, and modify 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.

Funding Initial JPA Operations

As outlined above, it is likely the JPA generally will 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 agency involvement, 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 three phases of the JPA, which include establishing a JPA Agreement initially and anticipates the transition to a JPA Entity.

Figure 4 presents a preliminary annual budget over the first 3 phases of operations, based on an assessment of initial costs to administer the JPA. The purpose of the 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 an understanding of available sources, as described in the previous chapter, case-study research on how other JPAs are funded, and conversations with the member agencies.

Figure 4. Estimated New Joint Powers Authority 3-Phase Budget

ITEM	Phase 1	Phase 2	Phase 3	TOTAL	% of TOTAL
	JPA Agreement	JPA Agreement	JPA Entity		
REVENUE					
Grants/Member Contributions					
State Grant Funding	\$100,000	\$150,000	\$750,000	\$1,000,000	6.9%
Member Contributions	\$342,750	\$916,750	\$3,032,250	\$4,291,750	29.5%
Subtotal	\$442,750	\$1,066,750	\$3,782,250	\$5,291,750	36.4%
Fees for Services					
Feedstock Contract Management	\$0	\$250,000	\$9,000,000	\$9,250,000	63.6%
Subtotal	\$0	\$250,000	\$9,000,000	\$9,250,000	63.6%
TOTAL REVENUE	\$442,750	\$1,316,750	\$12,782,250	\$14,541,750	100.0%
EXPENSES					
Labor					
ED incl. Benefits (1 FTE)	\$0	\$0	\$300,000	\$300,000	2.1%
Admin. Staff incl. Benefits (1 FTE)	\$0	\$150,000	\$150,000	\$300,000	2.1%
Feedstock Consultant (1 FTE)	\$200,000	\$200,000	\$200,000	\$600,000	4.1%
Grant Writer Consultant (0.5 FTE)	\$100,000	\$100,000	\$100,000	\$300,000	2.1%
Subtotal	\$300,000	\$450,000	\$750,000	\$1,500,000	10.3%
Operations					
Feedstock Agreement Implementation	\$0	\$500,000	\$10,000,000	\$10,500,000	72.2%
JPA Board Meetings	\$25,000	\$25,000	\$50,000	\$100,000	0.7%
Marketing/Outreach/Printing	\$50,000	\$50,000	\$75,000	\$175,000	1.2%
Strategic Plan Formation	\$0	\$50,000	\$50,000	\$100,000	0.7%
Accounting and Audit Expenses	\$0	\$0	\$15,000	\$15,000	0.1%
Legal	\$10,000	\$30,000	\$50,000	\$90,000	0.6%
Rent/Utilities	\$0	\$0	\$20,000	\$20,000	0.1%
Initial Furniture/Technology	\$0	\$0	\$10,000	\$10,000	0.1%
Office Expenses/Postage/Copier/IT Support	\$0	\$10,000	\$20,000	\$30,000	0.2%
Memberships/Associations	\$0	\$0	\$10,000	\$10,000	0.1%
Training/Certifications	\$0	\$0	\$10,000	\$10,000	0.1%
Travel Costs - ED Meetings	\$0	\$0	\$25,000	\$25,000	0.2%
Filing Fees	\$0	\$0	\$0	\$0	0.0%
Taxes	\$0	\$0	\$0	\$0	0.0%
Insurance	\$0	\$30,000	\$30,000	\$60,000	0.4%
Subtotal	\$85,000	\$695,000	\$10,365,000	\$11,145,000	76.6%
TOTAL EXPENSES	\$385,000	\$1,145,000	\$11,115,000	\$12,645,000	87.0%
Cost Contingency @ 15%	\$57,750	\$171,750	\$1,667,250	\$1,896,750	13.0%
TOTAL EXPENSES INCL. COST CONT.	\$442,750	\$1,316,750	\$12,782,250	\$14,541,750	100.0%
NET OPERATING BUDGET	\$0	\$0	\$0	\$0	-

Source: TCS Pilot Project Team; EPS.

Timing of Ongoing Operational Funding

The TCS Pilot Project's existing secured funding (referred to as Rounds 1 and 2 funding), which is being used initially to evaluate the establishment of a regionally supported aggregation entity, will terminate on March 31, 2025. The grantee (PCWA) was recently awarded additional funding (referred to as Round 3 funding), which is available until 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 potential member agencies, 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 a new JPA will be needed no later than March 31, 2027. At this time, State seed funding is expected to only be available to pilot projects that have formed as a JPA Entity.

Potential JPA Budget Details and Funding Strategy

Revenues

In the first two phases, a JPA Agreement will be primarily funded through member contributions. This study assumes one member of the JPA Agreement, acting as the lead agency, could pursue supplemental State grant funding. Although, as noted previously, State seed funding to specifically advance the TCS Region Pilot Project is only available once a JPA Entity has been formed.

Once a JPA Entity has been established, proposed revenue sources include (1) grant revenue received from Round 4 seed funding (or other State funding source), (2) annual member agency contributions, and (3) charges for services generated through key function activities. Preliminary funding estimates total about \$443,000 in the first year, \$1.3 million in the second year, and about \$12.8 million in the third year. In aggregate, revenues needed to support JPA operations are estimated to equal about \$14.5 million. Additional information regarding each funding source is provided below:

- **Grants.** Funding in this category is anticipated to be obtained through Round 4 funding from the State. In Phase 3, once the JPA Entity has been formed, the Executive Director will work with the JPA Board of Directors (JPA Board) to determine a plan to pursue other grant programs that align with JPA objectives and do not compete with grants intended to be pursued by member agencies. Grant funding is estimated to represent nearly 7 percent of aggregated revenues.

- **Member contributions.** The initial budget is based on the assumption nearly 30 percent of revenues will be obtained through monetary contributions from member agencies. During the first two phases of the new entity (as a JPA Agreement), the budget also is based on the assumption that member agencies will provide in-kind contributions, including internal staffing, office space, equipment and supplies, and other contributions.
- **Charges for services.** The primary revenues supporting JPA Entity operations will be charges for services provided, specifically revenues generated from assisting with the management of long-term contracts. Revenues from charges for services are estimated to represent nearly 64 percent of aggregated revenues.

Expenditures

Preliminary estimated expenditures for a new entity encompass staffing and operations ranging from about \$443,000 in the initial phase to about \$12.8 million by the third phase. Over the 3-phase budget period, expenditures total about \$14.5 million. Note that a cost contingency factor of 15 percent has been included to cover additional unanticipated costs. ***For this study, costs represent high-level estimates that will need to be updated as more refined operational assumptions become available:***

- **Staffing costs.** Annual staffing costs start at 1.5 full-time equivalent (FTE) in Phase 1 and increase to 3.5 FTE by the end of Phase 3. At the time a JPA Entity is formed, costs will include 1.0 FTE Executive Director, 1.0 FTE Administrative position, and feedstock and grant writer contractors (1.5 FTEs). Staffing costs represent about 10 percent of the aggregated 3-phase budget. Additional information regarding the anticipated roles of the Executive Director, Administrative position, and contractors will be determined by member agencies as the agreement is determined.
- **JPA operational costs.** Annual operational expenditures primarily include annual costs associated with implementation of the long-term contracts. Annual costs also include expenses related to marketing and outreach, conducting board meetings, accounting, audit and legal fees, leasing of office space, software, telecommunications, travel, and other miscellaneous operating expenses. Operational costs are estimated to comprise about 77 percent of the 3-phase budget.
- **Cost contingency.** The initial budget includes a cost contingency factor of 15 percent, totaling about \$1.9 million in aggregate and about 13 percent of total expenses. This expense is intended to cover higher costs for expenditures included in the budget, as well as additional expenditures excluded from this initial budget. An annual minimum 15 percent operational contingency is a best practice, recommended for all local government agencies and sub-entities by the Government Finance Officers Association.

Net Budget Forecast

The preliminary budget identifies a balanced net operating budget in all 3 phases. 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 Entity formation.

JPA Financial Policies and Agreements

JPA Agreement

In the initial two phases, members of the JPA Agreement will determine what initial key function(s) they would like to work on together across their own boundaries. The members would then draft and adopt an agreement that describes how the agencies may work together on their goal(s).

JPA Entity

As part of the process of converting from a contractual arrangement to a separate legal entity, the JPA should rely on a more robust agreement to establish the purpose and guidelines for the entity, including rules regarding 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.

Once the transition to a separate JPA takes place, 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. In addition, 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.

Next Steps

Forming a JPA Agreement will require a several immediate next steps:

- Organize preliminary meetings with potential participating agencies to discuss formation of a JPA Agreement.
- Define the purpose and scope of the JPA Agreement, including identifying a regional goal or activity on which the JPA Agreement will focus.
- Confirm participating agencies and potential financial and in-kind contributions.
- Draft an agreement that defines a lead agency and other participating agencies, defines financial and in-kind commitments, outlines the regional goal or activity, and describes the roles and responsibilities of each participating agency in accomplishing the regional goal or activity across the

boundaries of each agency. The agreement should also identify metrics or key objectives for determining the timing and process for transitioning to a JPA Entity arrangement.

- Obtain approval from the governing bodies of each participating agency through resolutions or votes.
- Develop a detailed business plan and establish regular meetings for achieving the regional goal or activity.
- Evaluate progress and prepare for the eventual formation of a JPA Entity.

The next steps related to establishing a JPA Entity to facilitate the removal and utilization of forest biomass in the Region are described below:

- Hold discussions with the participating agencies to ensure agreement on the decision to transition to a JPA Entity, highlighting the benefits, potential challenges, and implications of forming a separate legal entity.
- Determine if there are any changes to participating agencies.
- Develop the timing and scope of phased annual costs associated with staffing and administering the entity's functions.
- Determine the scope of participating agency contributions and additional funding potential from sustainable sources.
- Draft a new agreement that reflects the transition to a JPA Entity, specifying the new legal status, organizational structure, services provided, provisions for managing assets and financial operations, and updated governance terms.
- Work together to make the new JPA attractive for seed money available by the State and other funding sources.



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 TCS Pilot Project and the 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 the State, which 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.:⁷

- 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)⁸
- 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.

⁷ "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.

⁸ All the JPAs interviewed, except for TRRP, are separate legal JPAs. TRRP is the sole non-separate JPA, and was established as a contract between member agencies, allowing the agencies to cooperatively provide services or exercise shared powers.

Figure A-1. Location of JPA Case Studies



Source: EPS.

**Table A-1
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
Overview of JPAs Identified for Case Study Research**

	Eastern Sierra Council of Governments (ESCOG)	Los Vaqueros Reservoir JPA (LVR)	Marin Wildfire Prevention Authority (MWPA)	Mountains Recreation and Conservation Authority (MRCA)
Year Formed	2020	2021	2020	1985
Member Agencies	City of Bishop Town of Mammoth Lakes Inyo County Mono County	Alameda Co. Water Dist. Contra Costa Water Dist. East Bay Muni. Utility Dist. Grassland Water District Santa Clara Valley Wtr. Dist. San Fran. Pub. Util. Comm. San Luis/Delta-Men. Wtr. Auth. Alameda Co. Flood Ctl. Water Cons. Dist. Zone 7 Dept of Water Resources [2]	Bolinas Fire District City of Larkspur City of Mill Valley City of San Rafael County of Marin Fire Inverness Fire District Kentfield Fire District Marinwood CSD Muir Beach CSD Novato Fire District Sleepy Hollow Fire Dist. Southern Marin Fire Dist. Stinson Beach Fire Dist. Town of Corte Madera Town of Fairfax Town of Ross Town of San Anselmo	Santa Monica Mtns Cons. Conejo Rec. & Park Dist. Rancho Simi Rec. & Park Dist.
Budget Details	Proposed FY 2023-24	Adopted FY 2023-24	Proposed Final FY 2023-24	Proposed Final FY 2023-24
<i>Source</i>	<i>Table B-2</i>	<i>Table B-3</i>	<i>Table B-4</i>	<i>Table B-5</i>
Revenues	\$2,847,300	\$19,073,000	\$22,973,585	\$95,210,000
Expenses	\$2,696,050	\$19,073,000	\$24,946,794	\$95,210,000
Net Budget Surplus/(Deficit)	\$151,250	\$0	(\$1,973,209)	\$0

Source: Respective JPA Budgets; EPS.

[1] Tuolumne Regional Park JPA is a Joint Powers Agreement (a non-separate legal entity) rather than a Joint Powers Authority (a separate legal entity). All other case study JPAs are Joint Powers Authorities.

[2] Department of Water Resources is an ex-officio, non-voting member pursuant to Water Code Section 79759(b).

**Table A-1
Northeastern California Woody Biomass Pilot Project
Funding Options and Strategies for New Joint Powers Authority
Overview of JPAs Identified for Case Study Research**

	Rural Counties Environmental Services Joint Powers Authority (ESJPA)	Tuolumne Regional Park JPA (TRPP) [1]	Upper Mokelumne River Watershed Authority (UMRWA)	Western Placer Waste Management Authority (WPWMA) [3]
Year Formed	1993	1972	2000	1978
Member Agencies	Alpine County Amador County Butte County Calaveras County Colusa County Del Norte County El Dorado County Glenn County Inyo County Lassen County Modoc County Mono County Nevada County Plumas County Sierra County Siskiyou County Tehama County Trinity County Tuolumne County	City of Ceres City of Modesto Stanislaus County	Alpine County Alpine Co. Water Agency Amador County Amador Water Agency Calaveras County Calaveras Co. Wtr. Dist. Calaveras Pub. Util. Dist. East Bay Muni. Util. Dist. Jackson Valley Irrig. Dist.	Placer County City of Lincoln City of Rocklin City of Roseville
Budget Details	Proposed FY 2023-24	Proposed FY 2023-24	Approved FY 2022-23	Approved FY 2022-23
<i>Source</i>	<i>Table B-6</i>	<i>Table B-7</i>	<i>Table B-8</i>	<i>Table B-9</i>
Revenues	\$443,800	\$1,108,400	\$786,627	\$123,521,005
Expenses	\$542,125	\$925,996	\$809,947	\$117,243,506
Net Budget Surplus/(Deficit)	(\$98,325)	\$182,404	(\$23,320)	\$6,277,499

Source: Respective JPA Budgets; EPS.

[1] Tuolumne Regional Park JPA is a Joint Powers Agreement (a non-separate legal entity) rather than a Joint Powers Authority (a separate legal entity). All other case study JPAs are Joint Powers Authorities.

[2] Department of Water Resources is an ex-officio, non-voting member pursuant to Water Code Section 79759(b).

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 they relate 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 the State.

Governance Structure/Operations

As detailed in the Overview of JPAs 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 JPA, established via an agreement) and a non-separate entity (an agreement to cooperate under a JPAg).

All entities interviewed for this research are JPAs, 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 a Memorandum of Understanding (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 FTE 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.⁹
- 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 FTE.
- 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**.

⁹ 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
- Special tax and assessment revenue¹⁰

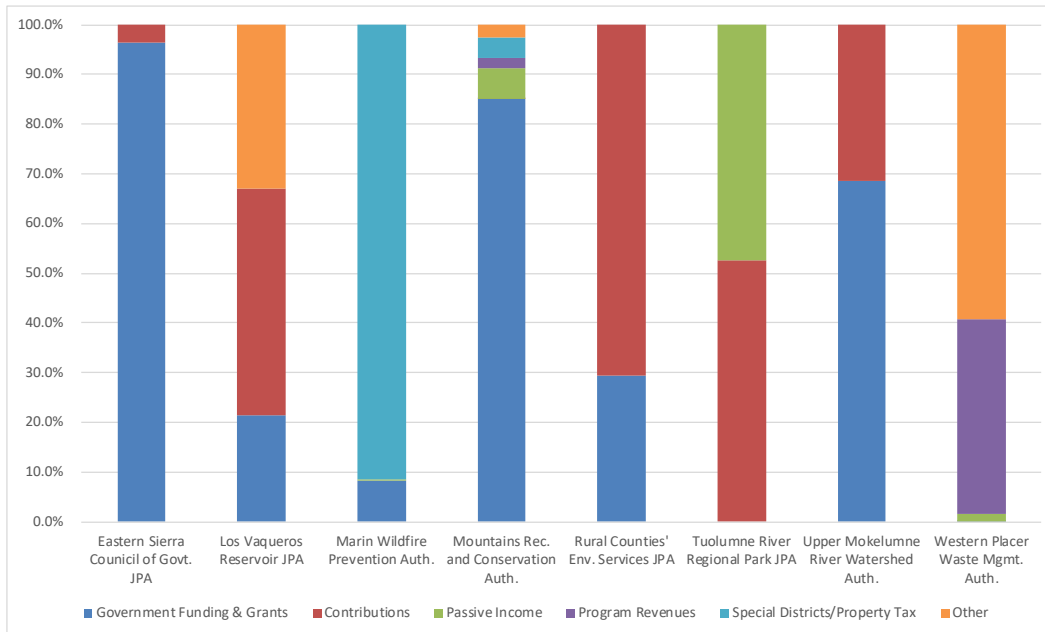
In addition to the five main sources of funding, less common funding sources were included under the Other category. Examples of Other funding sources include carryover or reserve funds (typically composed of unspent funds from the previous year), a park safety fund at MRCA, and bond proceeds at WPWMA. 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.

¹⁰ Levying special taxes and assessments requires political and community support. In the current political environment, it is unlikely that a JPA in the Region 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 JPAg. 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 UMWRA'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 use 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.¹¹ MRCA has a preservation assessment district and several Mello-Roos CFD (special taxes) 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 use 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

¹¹ 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 range of 20 percent to 30 percent, 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). 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.¹² None of the JPAs interviewed indicated they had a 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 JPA's budget. This wide range reflects to varying degrees the differing functions, types of activities, 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

¹² 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.

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 JPAs and the resulting activities based on the respective funding sources. For example, in the last FY, 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 LVR 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 LVR 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.