

# AGENDA DRAFT AS OF 09/15/17

## CENTER FOR WATERSHED PROTECTION BOARD MEETING

Thursday, October 19 from 1:00 pm – 4:00 pm  
at Center for Watershed Protection's office, Adobe Connect, and offsite  
3290 N. Ridge Rd., Suite 290, Ellicott City, MD 21043

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1:00 – 1:15	Call Meeting to Order, Roll Call, Approval of Meeting Minutes, and Welcome	Carlton Epps
1:15 – 1:30	Executive Session -CEO Compensation	Carlton Epps
1:30 – 2:00	Update on Membership	Red Chair
2:00 – 2:30	Governance Committee	Rhea Harris
2:30 – 3:00	Finance Committee	Michael Fowler
3:00 – 3:30	Resource Development Committee	Alan Vicory
3:30 – 3:45	Concluding Remarks/ Logistics	Carlton Epps



**List of Board of Directors  
Updated August 14, 2017**

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**Executive Director's Report brought to you by Hye Yeong Kwon  
October 2017**

**Progress on Strategic Plan**

Goal 1: Engage and connect a community of watershed practitioners and decision makers

- 1) Regular posts on social media sites along with other work to boost both types of activities have led to more followers on our day-to-day activities. The new strategy involved contracting with The Hatcher Group to help with implementing aspects of our communications plan that we don't have the expertise or capacity to do ourselves. This has included developing a new Center brochure with improved messaging, developing and releasing at least 4 press releases which have been sent to regional media outlets, increasing our social media presence, helping with marketing for the annual conference and doing a major overhaul of the website. The new website will launch in October. Some stats on social media are below:
  - Facebook page followers increased from 1544 in Jan to 1620 now
  - Facebook page likes increased from 1600 in Jan to 1660 now
  - Twitter impressions have steadily increased from 3,600 in January to 5,700 in September
- 2) Red Chair, our membership consultant, has extended their contract due to some turnover at the firm. Membership marketing has not been as active as hoped due to time delays, but marketing with the conference should help bring those numbers back up in the last quarter of this year and the first quarter of next year. Red Chair will be presenting on their contract and work at the next board meeting.

Goal 2: Leading the nation in science-based solutions for watershed management.

- 1) Discussions about work in agricultural work with staff. While we have a few staff with agricultural experience, the field of work is relatively new and developing our niche has been our focus. Before we move forward with any initiative, the staff are evaluating the feasibility and context of future agriculture related projects.
- 2) Funded mostly by MD Department of Natural Resources and Chesapeake Bay Trust, we continue to grow our design and construction experience. Most of the work requires working with property owners and local organizations to design and/or construct many different BMPs, including bioretention, permeable pavement, infiltration, a green roof, gravel wetlands, and step pool stormwater conveyance.
- 3) Our 5-year Research Agenda contains 10 priorities. In 2017, we have moved forward on two projects in the plan: 1) Better Site Design update: includes revision of the Codes and Ordinance Worksheet. Draft is almost complete, has undergone external review and will be presented at October webcast. This project is funded using CWP savings. 2) Costs of Stormwater Retrofits: the Center is using some of its savings as match for a grant from CBT of \$18,000 to compile and summarize BMP cost and performance data for stormwater retrofits in

Maryland. Data collection is underway. We have also applied for (but did not win) grants on several other research plan topics and have begun developing strategies for approaching funders on two of the priority topics, IDDE and agriculture. In 2017, we also received \$5,000 in unrestricted funds for Research from the Dreyfus Foundation and they are considering us for another \$5,000 this Fall.

- 4) We have continued to strengthen our partnerships with key research institutions so that a structure is in place for future research when funding opportunities arise. For example, we have met with Virginia Tech to develop a strategy for getting funding on IDDE/contaminants of emerging concern. And we focused recent webcasts, Bulletin articles and blogs around this topic. We also successfully partnered with University of Maryland, Virginia Tech and The Conservation Fund on a research grant from CBT to study the runoff reduction benefits of urban tree canopy.

### Goal 3: Promote the adoption of responsible land and water management policies and regulations

- 1) The DC Erosion and Sedimentation Control Manual is complete. The staff will share the link with the Board when it becomes available.
- 2) With the District of Columbia, we are working on a DC Living Shorelines Master Plan. More details to come in the future.
- 3) Staff are working on development standards updates in Berkeley County and Bluffton, SC.
- 4) Technical assistance to the Pennsylvania/Delaware area continues to grow, building upon existing grants (\$198,200) with the William Penn and National Fish and Wildlife Foundations. This included new work (\$174,408) with 5 different communities that involved the following; providing training on stream restoration, helping them develop TMDL Pollution Reduction Plans, customizing our Best Management Practice Optimization Tool. We have submitted 3 new proposals to continue work in this region totaling \$86,868 including a proposal to fund a Pennsylvania Hub for our 2018 Conference. Two of the Townships and the William Penn Foundation also invited us to submit unsolicited proposals to continue our work through 2018 (approximately \$250,000). We have also provided guidance to the Pennsylvania Department of the Environment on the interpretation of the Stream Restoration Protocols developed by the Center for the Chesapeake Bay Program which helped shaped their Policy Guidance on implementing their MS4 Program.
- 5) Board may recall that the Center worked with the EPA Chesapeake Bay Program to help change the way stream restoration is credited. This fact sheet provides a summary of the changes. [http://chesapeakestormwater.net/wp-content/uploads/dlm\\_uploads/2015/06/U4.-Urban-Stream-Restoration-Fact-Sheet-in-Chesapeake-Bay-Watershed.pdf](http://chesapeakestormwater.net/wp-content/uploads/dlm_uploads/2015/06/U4.-Urban-Stream-Restoration-Fact-Sheet-in-Chesapeake-Bay-Watershed.pdf)

The staff have been strategizing about ways to become the recognized expert in stream restoration project identification and crediting by working with various partners, conducting trainings, and working on projects to help build our credentials and expertise. The Center in partnership with the Chesapeake

Stormwater Network recently completed a Frequently Asked Questions (FAQ) document related to the Stream Crediting Protocols developed for the Chesapeake Bay Program in 2015. This was in response to numerous questions received by municipalities, stream restoration professionals and other stakeholders throughout the Chesapeake Bay Watershed. The Center will be presenting this material at workshops planned this year in Pennsylvania and West Virginia. The Center is increasing its work in the stream restoration field by providing technical support (upland BMP design, TMDL crediting) with stream restoration design and construction firms. This has led to one major stream restoration project in Frederick County (Center's share is \$277,098) and joint submissions on 3 other stream restoration projects (approximate cost is \$350,000). Additionally, the Center is submitting 3 proposals (approximately \$150,000) from different Townships in Pennsylvania to develop stream restoration assessments. Just recently Center staff co-presented with Carroll County government on the initial results of a study that will monitor the effects of upland BMPs on stream stability. This is part of a Stream Restoration Research Grant that was awarded with the Center's help in 2016. Crafting a unique niche will be important in moving forward in this arena as the market continues to grow in response to pressures to meet TMDL goals and the high cost effectiveness of stream restoration..

Goal 4: Achieve a sustainable, effective, and influential organization.

- 1) The Center is currently in the process of American National Standards Institute (ANSI) certification for our clean water certificate program. This should help add credibility to the program and the Green Jobs aspect of our work. It also has implications for future certifications for training programs that we develop.
- 2) Our mutual funds have earned over \$52,000 over the past two years since we first started our investments. While nobody can predict the future of investments or the economy, this is more than all the interest we've ever earned in the previous 10 years of the Center for Watershed Protection. Continuing to monitor the funds, and stay alert to changing economic tides are important (but not guaranteed) elements to continued success.
- 3) In 2017, we have submitted roughly \$4.1 million in proposals. While this seems like a lot, the monthly average is around \$460,000. In order to meet our monthly revenue goals (given our typical proposal win rate) we need to increase this monthly average significantly. The first quarter of 2017 was great but then proposal opportunities were slow and/or consisted of many small budget proposals that required time and effort for less result.

### **Overall Strategy and Recommendations for Growth**

As one of the steps to planning for Strategic Planning, the Center staff engaged in a discussion about future new strategies and will be presenting the board with an integrated approach to how to proceed in the future. Among the topics discussed:

New technologies in BMPs

Trading

Agriculture

Stream restoration

Illicit discharge detection and elimination  
Growth in PA market

We hope to integrate these topics with the existing work and topics already on the table including

Better site design  
Source water protection  
Existing local and state government work  
Green jobs  
Membership  
Training  
Conferences

### **Other Progress**

**Financials:** As typical of every year, we've had fluctuating months, most of them with losses. This year, Wallace Genetic Foundation went to a proposal by request format and we have not yet heard about a request. This represents about \$80,000 of unrestricted funds we may not see this year. In addition, this year represents funds and staff time used to self-fund specific projects and that will have some impact on the bottom line. However, with a healthy backlog of projects and proposals and December numbers still to be finished, we continue to work toward a positive year.

**Board News:** As we are in the last quarter of the year, focus should be on board recruitment and giving. Please expect to receive a call and remember to set up meetings for your committees.

**Human Resources:** I am fully engaged in Leadership Howard County and am currently looking for possible future partners and board members to recruit.

### **Areas Where Board Can Help**

- Please send suggestions for new Board members to Rhea Harris, governance chair.
- Please remember to schedule committee meetings well in advance of board meetings if possible.
- I still haven't heard from many of you about one-on-one meetings. Please remember to give me a ring!

**Finance Committee Meeting**

October 12, 2017

2:00 – 3:00pm

2:00 – 2:10 Review action items from last finance committee meeting and from the board meeting (Mike)

2:10 – 2:30 Review final August financials (Hye Yeong/ Lindey)

- Balance Sheet
- Income Statement
- Month to month income statement
- Actual vs. Budgeted\_083117

2:30 – 2:55 Review 2018 draft budget (Hye Yeong/Lindey)

2:55 – 3:00 What does Mike present at the Board Meeting

## Finance Committee Meeting

October 12, 2017

2:03 – 2:59pm

Attendance: Mike Fowler, Carlton Epps, Hye Yeong Kwon and Lindey Brown

Absent: Anwer Ahmed, Mike Freeburger, Scott Lang

Action items are in bold.

1. Review actions items – we transferred \$225K to SECU on June 7th. The current capitalization policy was discussed and agreed why change it since it's such a low number in the budget. Next was the oversight of financials and risk assessment and Hye Yeong explained this was based on conversations with the new auditor. Lindey doesn't open checks, Hye Yeong reviews the bank reconciliation and checks the signatures on the cancelled checks. The new auditor suggested twice a year someone look at the bank reconciliation, and Carlton suggested the treasurer could ask someone to do it monthly or once a quarter. Mike noted this has not been brought up before and Hye Yeong explained it's a new auditor and every auditor has a different view. Mike said he could not do this monthly and there have not been any issues of financial oversight and he thinks risk assessment is more important. Hye Yeong sees this as preventive measure and twice a year is fine. Mike asked would there be another committee and Hye Yeong said it would be under the finance committee, not she is not a fan of having another committee. Mike noted that from the letter it sounds like it's a standard practice and **he would reach out to Mike Freeburger to review once a year internal controls and twice a year review financials before the second and third board meeting**, and finance committee members could also take turns doing this. **Carlton said we should make a motion at the board meeting.**
2. August financials – Mike said this is our typical situation and we are down \$289K. Hye Yeong added we are spending our own funds starting in 2016 and that reduces our savings and people being billable and we are waiting on Wallace Genetic which gives us \$80-\$90K. They have changed their policy and now we can't request funding. Mike asked why they changed their policy and Hye Yeong is not sure but guessed they got tired of unsolicited requests. Mike asked what was last year's numbers and in August 2016 we were down \$222K. Carlton noted that last year at this time we still didn't have Wallace Genetic and right now it looks like we are behind last year and unless we have a great quarter we will be in the red for the year. Carlton asked do we take any actions to reduce expenses in the 4<sup>th</sup> quarter? Hye Yeong added that expenses are down and there aren't a lot of places we can do any cutting to save money. Mike noted that private foundations last year came in the last 4 months of the year, and Hye Yeong explained everything happens in the fall. Mike added that the Wallace Genetic is not the only foundation, and Hye Yeong said we are still waiting to hear from Prince Charitable Trusts for \$20K, the Walton Family Foundation is unlikely to fund us because of Reid and his connections, and the William Penn Foundation has been giving us \$80K and have kind of committed to substantially giving us more in the fall or next spring. Carlton asked if Hye Yeong's best guess is we end the year in the red,

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and Hye Yeong said if it is in the black it won't be as high as we thought. If we cut expenses then we would not be ready for the work coming in. Hye Yeong does not think we will make the savings in the 2017 fully funded budget of \$185K. Carlton said there has been concern from board members that we have had a loss in the year and Hye Yeong should be prepared for these concerns. Carlton asked if the answer to those concerns is we are behind and will know more as we get further in the year. Mike said he is not ready to raise the alarms bells yet since we are not dependent on one revenue stream as in the past. Hye Yeong added there is a pending grant for \$120K and most of the work will be done this year that we are waiting on this to start. Hye Yeong noted this is a healthy discussion to have now, and this year our proposal win rate is 54%. Karen raised a concern that there are not a lot of RFP's coming out. Also in 2018 starting work for a 2-day conference in 2019. Carlton added we don't have to close the doors if we end the year in the red. Hye Yeong pointed out accounting is just a snapshot in time but our work is on a rolling calendar.

3. Review 2018 draft budget – Mike noted the numbers are higher because of the contractor and if we took it out it would be a reasonable number.
4. What does Mike present at the Board Meeting? He will note the money was transferred to SECU, we are not making any changes to the capitalization policy, he will recommend financial oversight twice a year, and once a year internal controls so include page 2 for the May board minutes and the management letter, then the regular packet, and discuss timing of foundations and we are where we normally are at this time of the year. He will talk to Mike before the meeting.

Jay noted that on Page 8 we are required to disclose cash in excess of the FDIC insurable amount (\$250,000). He said we could consider taking some of this excess (~\$600,000) and move it somewhere else. Jay said he will look into whether there is also a state cap in addition to FDIC. **The Finance Committee will discuss whether to transfer some of these funds to the State Employees Credit Union account.**

Jay noted that on Page 10, our capitalization policy applies to any furniture or equipment in excess of \$1000, with a useful life of 3 yrs. He noted that some organizations have higher amounts and they generally try to make this align with federal requirements. Jay said that the federal requirements have changed so we may be able to increase this amount to \$2,500 or \$3000 and possibly change the time limit to less than 3 years since computers are replaced more frequently now. **The Finance Committee will review the capitalization policy.**

Mike Freeburger asked how the Center's investments were decided. Hye Yeong said we did research, looking into environmentally friendly funds, a package was presented to the Board and was approved. Mike asked Jay if they were publicly traded funds in a brokerage account, how did they get leveled as level 2? He noted that if they are net asset value, starting next year they wouldn't be leveled at all. Jay said he will look into this.

Carlton asked if there was anything that stood out or raised concerns on the Schedule of Functional Expenses or Schedule of Overhead Expenses. Jay replied no, they were similar to the prior year, and the rates seemed reasonable.

Jay reviewed the Management Letter, which is not required, but is used to note any areas where management can do better. The letter recommends increasing Board oversight of financial activities (e.g., salaries, bank reconciliation) on a regular basis. Jay said he would provide a sample checklist. The letter also recommended conducting a risk assessment where the Board and management look at what could go wrong and the chances of it happening and determine which issues to address. **The Finance Committee will address Board oversight of financials and risk assessment in subsequent committee meetings.**

Carlton mentioned the Board has been discussing getting more involved with the auditors. Jay said to reach out with questions during the year if needed.

Update on Membership

Hye Yeong Kwon

Hye Yeong reported that Red Chair continues to work on membership and she will schedule a time for them to talk at the August meeting. They will have a lot more to report then. **Hye Yeong to add to August agenda.**

Concluding Remarks / Logistics

Carlton Epps



**MANAGEMENT LETTER**

To Management and the Board of Directors  
Center for Watershed Protection, Inc.  
Ellicott City, Maryland

We wish to thank the Executive Director, Financial Officer and staff for the assistance and cooperation provided us during our engagement.

In planning and performing our audit of the financial statements of Center for Watershed Protection, Inc. (the Center) for the year ended December 31, 2016, we considered the Center's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted matters we believe are important to the Center, its internal controls or operating efficiency. This letter does not affect our report dated May 25, 2017, on the financial statements of Center for Watershed Protection, Inc.

We will review the status of these comments during our next audit or review engagement and have already discussed these comments and suggestions with management. We will be pleased to discuss these comments in further detail or provide additional assistance pertaining to these matters.

This report is intended solely for the information and use of the Board of Directors and management of Center for Watershed Protection, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Anderson, Davis & Associates, CPAs*

Glen Burnie, Maryland  
May 25, 2017

### Board Oversight of Business Office

We are aware of the discussions of financial statements during Board meetings but, there appears to be minimal Board oversight of the general ledger and accounting activities.

While there is some segregation of duties in the Business Office, we recommend improving internal controls by increasing oversight of accounting activities. Such oversight should include review of timely bank reconciliations and bank statements, payroll including ensuring any changes in gross pay are authorized and that all payroll is paid to actual employees, and comparing revenue and expenses to prior periods and investigating any unusual variances. The Accounting Policies Manual or other document should clearly state what oversight procedures are to be performed, how often they should be performed and how the procedures should be documented (generally initials on bank statements or other reports).

### Risk Assessment

Establishing an Oversight Committee is one way for the Center to formalize and document the risk assessment process as it relates to the Center's financial statements. The risk assessment process should initially include Board and management discussions, often referred to as "brainstorming sessions," during which potential fraud and other risk areas are identified and evaluated. Next, the committee should identify, implement, and monitor internal controls designed to prevent and detect fraud and other risks that would have a material impact on the financial statements. The Board should also assess the Center's vulnerability to disasters/events (natural or man-made) and determine whether any of those exposures could result in material misstatements to the financial statements or put the Center's at risk as a whole.

A thorough risk assessment is essential to maintaining a strong internal control environment. Upon the Board assessing risk, additional internal control policies and procedures could be designed and implemented. It is important for the Center to document its assessment process and monitor such systems throughout the year.

We recommend reviewing the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework to evaluate risk areas that could benefit from additional controls. There are five elements to the COSO model:

Control environment - Management's and directors' attitudes, awareness and actions concerning the importance of control over financial reporting. The control environment sets the tone of the entity, influencing the control consciousness of its people. It is the foundation for the other internal control components. Relevant factors that need to be present in the control environment include: a) how are integrity and ethical values communicated, b) management's attitudes in words and deeds about the importance of controls and enforcement of controls, c) how the Center is structured with respect to authority and responsibility, and establishment of appropriate lines of reporting, d) involvement of the Board and its committees with respect to oversight, e) commitment to competence whereby individuals assigned have the appropriate qualifications and training, f) methods of assigning authority and responsibility, and g) adequacy of human resources policies and practices.

Risk Assessment (continued)

Risk assessment - The Center's identification and analysis of relevant risks to the achievement of its objectives used as a basis for determining how it manages these risks. Factors that influence management's reactions to risk assessment can be internal or external factors. These may include turnover in personnel, new information systems, new accounting pronouncements, etc. Many organizations are using formal risk assessment tools in order to not overlook this element of internal controls.

Control activities - The policies and procedures that help ensure management directives are carried out. These policies and procedures should ensure the objectives of the Center such as proper reviews, approvals, safeguarding of assets, segregation of duties, etc. are met.

Information and communication - The identification, capture and exchange of information in a form and on a timely basis to enable people to carry out their responsibilities. The general ledger is the most significant system of information and allows communication through generation of periodic reports for use by the Board and management in order for these parties to perform and monitor their duties.

Monitoring - The process used by the Board and management to assess the quality of internal control over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies should be reported upstream, with serious matters reported to top management and the Board.

Continuing to maintain and promote a culture of honesty, either informally by management's and the Board's example, and/or through an organization-wide formal code of conduct is a key part of communicating the Center's stance in this area.

Center for Watershed Protection, Inc.  
Balance Sheet  
August 31, 2017

ASSETS

Current Assets		
SECU Savings	\$	10.00
M&T Operating		29,373.10
M & T Money Market #3069		299,522.73
M & T Reserved #9341		6,505.19
M & T Federal Fund #8772		0.01
The Royce Funds		123,159.87
Ariel Investments		112,301.87
Fidelity Investments		55,001.95
Parnassus Funds		111,360.18
SECU Money Market		225,504.00
Petty Cash		(13.43)
Accounts Receivable		174,293.74
Prepaid Insurance		8,328.53
Prepaid Rent		5,213.62
		<hr/>
Total Current Assets		1,150,561.36
Property and Equipment		
Furniture		6,311.08
Computer Equipment		180,967.86
Accumulated Depreciation		(125,073.80)
		<hr/>
Total Property and Equipment		62,205.14
Other Assets		
Security Deposit		4,522.00
		<hr/>
Total Other Assets		4,522.00
		<hr/>
Total Assets	\$	<u><u>1,217,288.50</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	22,380.52
Federal Withholding		8,588.16
Social Sec/Medicare		9,982.00
MD Withholding		2,860.35
VA Withholding		454.97
MD - SUI		18.21
Employer Contributions		2,135.81
Employee Contributions		5,781.24
SC Withholding		207.32
NY Withholding		89.82
PA Withholding		129.54
IL Withholding		30.77
PA Child Care		270.00
PA - SUI		2.70
Accrued Salary		44,537.91
Accrued Combined Leave		42,805.46
Refundable Advance		0.01
Deferred Revenue-Dues		11,447.57
Deferred Revenue-Subscriptions		436.51
		<hr/>

Unaudited - For Management Purposes Only

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Center for Watershed Protection, Inc.  
Balance Sheet  
August 31, 2017

Total Current Liabilities		152,158.87
Long-Term Liabilities		
Deferred Rent Liability - L/T	<u>15,725.54</u>	
Total Long-Term Liabilities		<u>15,725.54</u>
Total Liabilities		167,884.41
Capital		
Restricted Net Assets	406,936.46	
Retained Earnings	932,175.85	
Net Income	<u>(289,708.22)</u>	
Total Capital		<u>1,049,404.09</u>
Total Liabilities & Capital	\$	<u><u>1,217,288.50</u></u>

Unaudited - For Management Purposes Only

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Center for Watershed Protection, Inc.  
Income Statement  
For the Eight Months Ending August 31, 2017

	Current Month		Year to Date	
<b>Revenues</b>				
U.S. Dept. of Agriculture	\$ 0.00	0.00	\$ 45,050.75	3.72
Subrecipient of EPA Funds	32,076.43	33.09	192,007.48	15.86
Subrecipient of Nat Science Fd	0.00	0.00	12,951.55	1.07
NFWF - Nonfederal Funds	3,612.45	3.73	35,574.71	2.94
Local Government Contracts	22,603.78	23.32	320,980.27	26.52
Corp Contracts from Local Govt	0.00	0.00	2,641.25	0.22
State Government Contracts	20,935.51	21.60	205,905.28	17.01
State Govt Cont from Nonprofit	0.00	0.00	24,465.18	2.02
Corp Contracts from State Govt	0.00	0.00	10,930.00	0.90
Corporate Contracts	0.00	0.00	44,944.78	3.71
Private Foundations	11,220.07	11.58	135,290.24	11.18
Donations - FOC	569.24	0.59	1,968.77	0.16
Donations - Board	50.00	0.05	1,200.00	0.10
Donations - Corporate	6.18	0.01	36.98	0.00
Donations - Patron Program	0.00	0.00	10,000.00	0.83
Nonprofit Corporations 501(c)	2,536.67	2.62	61,804.88	5.11
Nonprofit Contract frm PrFound	665.00	0.69	2,135.00	0.18
Royalties	0.00	0.00	278.93	0.02
Membership Dues	2,283.42	2.36	18,702.09	1.55
Conference Sponsorships	0.00	0.00	11,600.00	0.96
Subscriptions	66.65	0.07	419.89	0.03
Registrations	159.00	0.16	63,371.00	5.24
Member/Other Discounts	(60.00)	(0.06)	(14,090.00)	(1.16)
Interest Income	207.91	0.21	878.48	0.07
Unrealized Gain/Loss on Invest	0.00	0.00	21,038.50	1.74
Gain on Disposal of Assets	0.00	0.00	350.00	0.03
	<hr/>		<hr/>	
<b>Total Revenues</b>	<b>96,932.31</b>	<b>100.00</b>	<b>1,210,436.01</b>	<b>100.00</b>
	<hr/>		<hr/>	
<b>Cost of Sales</b>				
	<hr/>		<hr/>	
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<hr/>		<hr/>	
<b>Gross Profit</b>	<b>96,932.31</b>	<b>100.00</b>	<b>1,210,436.01</b>	<b>100.00</b>
	<hr/>		<hr/>	
<b>Expenses</b>				
Salaries	119,251.40	123.03	950,919.53	78.56
Fringe - Payroll Taxes	9,950.51	10.27	76,173.86	6.29
Fringe - Employee Benefits	10,217.24	10.54	76,645.47	6.33
Fringe - Employer 401K	4,266.95	4.40	34,258.77	2.83
Bank/Credit Card Fees	309.65	0.32	3,508.32	0.29
Contractors	1,450.00	1.50	107,489.92	8.88
Depreciation Expense	1,629.93	1.68	13,039.43	1.08
Insurance	1,536.51	1.59	12,332.68	1.02
Licensing Fees	467.70	0.48	4,273.45	0.35
Operational Expenses	11,862.60	12.24	76,939.34	6.36
Postage & Delivery	386.84	0.40	2,094.57	0.17
Professional Development	171.72	0.18	2,590.50	0.21
Publications, Dues & Subscript	160.00	0.17	5,390.33	0.45
Registration Fees	920.00	0.95	4,144.00	0.34
Rent	5,239.26	5.41	40,174.82	3.32
Reproduction	2,313.58	2.39	11,340.87	0.94
Staff Recruitment	0.00	0.00	721.97	0.06
Supplies - Computer	2,233.88	2.30	20,574.64	1.70
Supplies - Field	1,673.22	1.73	8,046.11	0.66
Telephone	935.37	0.96	8,363.71	0.69

For Management Purposes Only

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Center for Watershed Protection, Inc.  
Income Statement  
For the Eight Months Ending August 31, 2017

	Current Month		Year to Date	
Travel - Meals	858.56	0.89	16,175.07	1.34
Travel	<u>3,673.66</u>	3.79	<u>24,946.87</u>	2.06
Total Expenses	<u>179,508.58</u>	185.19	<u>1,500,144.23</u>	123.93
Net Income	<u>\$ (82,576.27)</u>	(85.19)	<u>\$ (289,708.22)</u>	(23.93)

For Management Purposes Only

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Center for Watershed Protection, Inc.

Income Statement - 12 Periods

For January 1, 2017 through December 31, 2017

	January	February	March	April	May	June	July	August	Year To Date
Revenues									
U.S. Dept. of Agriculture	\$ 4,147.64	2,424.86	7,292.34	4,836.71	15,140.97	9,250.90	1,957.33	0.00	45,050.75
Subrecipient of EPA Funds	23,926.66	27,765.59	28,567.11	33,071.82	9,921.32	30,021.43	6,657.12	32,076.43	192,007.48
Subrecipient of Nat Science Fd	0.00	0.00	0.00	12,951.55	0.00	0.00	0.00	0.00	12,951.55
NFWF - Nonfederal Funds	2,194.04	3,623.07	10,963.57	8,349.02	6,832.56	0.00	0.00	3,612.45	35,574.71
Local Government Contracts	37,933.44	35,908.88	44,699.08	44,903.74	57,446.12	32,603.03	44,882.20	22,603.78	320,980.27
Corp Contracts from Local Govt	0.00	0.00	2,330.00	311.25	0.00	0.00	0.00	0.00	2,641.25
State Government Contracts	6,308.20	3,786.25	61,158.80	5,880.98	23,055.56	49,706.88	35,073.10	20,935.51	205,905.28
State Govt Cont from Nonprofit	0.00	0.00	2,271.25	0.00	0.00	22,193.93	0.00	0.00	24,465.18
Corp Contracts from State Govt	5,597.50	0.00	0.00	0.00	0.00	5,332.50	0.00	0.00	10,930.00
Corporate Contracts	2,770.00	6,463.75	0.00	7,832.10	24,890.18	2,988.75	0.00	0.00	44,944.78
Private Foundations	0.00	5,797.27	4,806.25	2,969.40	21,140.50	62,016.25	27,340.50	11,220.07	135,290.24
Donations - FOC	99.35	312.51	80.77	365.45	249.77	128.87	162.81	569.24	1,968.77
Donations - Board	175.00	300.00	0.00	0.00	550.00	50.00	75.00	50.00	1,200.00
Donations - Corporate	0.00	18.10	0.00	0.00	12.70	0.00	0.00	6.18	36.98
Donations - Patron Program	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
Nonprofit Corporations 501(c)	0.00	0.00	14,700.00	9,300.00	6,833.75	28,434.46	0.00	2,536.67	61,804.88
Nonprofit Contract firm PrFound	0.00	0.00	0.00	0.00	0.00	1,470.00	0.00	665.00	2,135.00
Revenue from Universities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Royalties	0.00	38.11	0.00	240.82	0.00	0.00	0.00	0.00	278.93
Membership Dues	2,271.17	2,443.92	2,275.25	2,341.50	2,381.92	2,360.58	2,344.33	2,283.42	18,702.09
Conference Sponsorships	6,750.00	1,350.00	3,500.00	0.00	0.00	0.00	0.00	0.00	11,600.00
Subscriptions	43.32	43.32	43.32	53.32	53.32	53.32	63.32	66.65	419.89
Registrations	7,350.00	16,135.00	29,985.00	2,815.00	3,906.00	2,544.00	477.00	159.00	63,371.00
Member/Other Discounts	(2,085.00)	(3,470.00)	(6,030.00)	(1,175.00)	(810.00)	(250.00)	(210.00)	(60.00)	(14,090.00)
Interest Income	65.13	55.59	60.60	53.99	52.61	172.58	210.07	207.91	878.48
Unrealized Gain/Loss on Invest	0.00	0.00	0.00	0.00	0.00	21,038.50	0.00	0.00	21,038.50
Gain on Disposal of Assets	150.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	350.00
<b>Total Revenues</b>	<b>97,696.45</b>	<b>112,996.22</b>	<b>206,703.34</b>	<b>135,301.65</b>	<b>171,657.28</b>	<b>270,115.98</b>	<b>119,032.78</b>	<b>96,932.31</b>	<b>1,210,436.01</b>
Cost of Sales									

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Center for Watershed Protection, Inc.  
Income Statement - 12 Periods  
For January 1, 2017 through December 31, 2017

	January	February	March	April	May	June	July	August	Year To Date
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	97,696.45	112,996.22	206,703.34	135,301.65	171,657.28	270,115.98	119,032.78	96,932.31	1,210,436.01
Expenses									
Salaries	114,222.79	119,128.97	118,731.96	116,854.18	121,816.96	125,695.25	115,218.02	119,251.40	950,919.53
Fringe - Payroll Taxes	9,885.94	9,153.43	9,270.79	9,136.16	9,539.29	9,714.01	9,523.73	9,950.51	76,173.86
Fringe - Employee Benefits	5,918.39	9,116.38	11,331.01	9,828.37	10,124.24	8,696.57	11,413.27	10,217.24	76,645.47
Fringe - Employer 401K	4,273.98	4,300.94	4,364.56	4,356.83	4,422.13	4,176.23	4,097.15	4,266.95	34,258.77
Bank/Credit Card Fees	23.10	400.76	581.44	1,201.10	410.58	317.72	263.97	309.65	3,508.32
Contractors	20,379.55	26,499.70	17,529.73	10,435.49	20,709.45	7,986.00	2,500.00	1,450.00	107,489.92
Depreciation Expense	1,544.77	1,544.77	1,544.77	1,754.62	1,597.24	1,597.23	1,826.10	1,629.93	13,039.43
Insurance	1,481.91	1,483.97	1,494.37	1,489.37	1,726.37	1,489.37	1,630.81	1,536.51	12,332.68
Licensing Fees	116.95	493.00	2,487.95	143.00	381.85	105.00	78.00	467.70	4,273.45
Operational Expenses	3,269.32	2,784.80	3,780.68	15,336.16	19,258.05	10,369.84	10,277.89	11,862.60	76,939.34
Postage & Delivery	267.56	336.20	168.09	286.90	377.38	111.59	160.01	386.84	2,094.57
Professional Development	0.00	140.00	0.00	0.00	279.00	1,000.78	999.00	171.72	2,590.50
Publications, Dues & Subscript	179.00	925.09	3,771.24	(5.00)	0.00	360.00	0.00	160.00	5,390.33
Registration Fees	480.00	260.00	12.00	234.00	0.00	1,634.00	604.00	920.00	4,144.00
Rent	5,049.72	5,049.73	4,869.72	4,869.72	4,869.72	5,069.73	5,157.22	5,239.26	40,174.82
Reproduction	848.67	913.63	930.68	2,328.42	648.24	904.01	2,453.64	2,313.58	11,340.87
Staff Recruitment	0.00	0.00	419.00	0.00	282.12	20.85	0.00	0.00	721.97
Supplies - Computer	5,759.00	3,006.53	1,342.01	2,534.98	2,425.94	923.73	2,348.57	2,233.88	20,574.64
Supplies - Field	81.64	66.97	651.04	1,084.54	2,062.64	2,405.94	20.12	1,673.22	8,046.11
Telephone	773.32	1,126.41	1,266.20	1,133.36	1,066.90	934.73	1,127.42	935.37	8,363.71
Travel - Meals	1,850.53	338.29	374.92	8,681.63	691.38	1,922.75	1,457.01	858.56	16,175.07
Travel	762.77	1,846.77	3,428.71	1,300.74	2,924.77	5,519.79	5,489.66	3,673.66	24,946.87
Total Expenses	177,168.91	188,916.34	188,350.87	192,984.57	205,614.25	190,955.12	176,645.59	179,508.58	1,500,144.23
Net Income	(\$ 79,472.46)	(75,920.12)	18,352.47	(57,682.92)	(33,956.97)	79,160.86	(57,612.81)	(82,576.27)	(289,708.22)

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Draft Projected Revenue for January 1 – December 31, 2017 as of August 31, 2017

Program Area	Actual Amount YTD	YTD Base Budgeted Amount	Difference	Total 2017 Base Funding Budget	Total By Funding Source	% Revenue to Total Revenue
U.S. EPA Grants	-					
U.S. Dept. of Agriculture	45,050.75					
U.S. Dept. of Commerce	-					
Subrecipient of EPA Funds	192,007.48					
Subrecipient Dpt. Agriculture	-					
Subrecipient Dpt. of Commerce	-					
Subrecipient Dpt. of Interior	-					
Subrecipient Nat Science Fd	12,951.55					
			<b>Total Federal Funds</b>		250,009.78	21%
Local Government Contracts	320,980.27					
Corp. Contracts from Local Govt	2,641.25					
Nonprofit Contract from Local Govt	-					
			<b>Total Local Governments</b>		323,621.52	27%
State Government Contracts	205,905.28					
State Government Contracts from Nonprofit	24,465.18					
Nonprofit Contracts from State Govt	-					
Corp. Contracts from State Govt	10,930.00					
Revenue from Universities	-					
			<b>Total State Governments</b>		241,300.46	20%
Corporate Contracts	44,944.78					
Private Foundations	135,290.24					
NFWF - Nonfederal Funds	35,574.71					
			<b>Total Private Foundations</b>		170,864.95	14%
Donations - FOC	1,968.77					
Donations - Board	1,200.00					
Donations - Corporate	36.98					
Donations - Patron Program	10,000.00					
Friends of the Center Discount	-					
			<b>Total Donations</b>		13,205.75	1%
Nonprofit Corporations 501( c )3	61,804.88					
Nonprofit Contracts from Private Foundations	2,135.00					
			<b>Total Nonprofit Funding</b>		63,939.88	5%
Membership Dues	18,702.09					
Conference Sponsorships	11,600.00					
Subscriptions	419.89					
Member/Other Discounts	(14,090.00)					
			<b>Total Membership</b>		16,631.98	1%
Royalties	278.93					
			<b>Other Earned Income</b>		278.93	0%
Registrations	63,371.00					
Webcasts Sponsorships	-					
			<b>Registrations</b>		63,371.00	5%
Interest	878.48					
Unrealized Gain/Loss on Investments	21,038.50					
Gain on Disposal of Assets	350.00					
			<b>Interest</b>		878.48	0%
			<b>Investments</b>		21,038.50	2%
			<b>Miscellaneous</b>		350.00	0%
<b>TOTAL</b>	<b>1,210,436.01</b>	<b>2,294,539.33</b>	<b>(1,084,103.32)</b>	<b>3,441,809.00</b>		<b>100%</b>

Draft Projected Expenses by Line Item for January 1 – December 31, 2017 as of August 31, 2017

Expense	Actual Amount YTD	YTD Base Budgeted Amount	Difference	Total 2017 Base Funding Budget
Salaries	950,919.53	1,042,075.09	(91,155.56)	1,563,112.64
Fringe - Payroll Taxes	76,173.86	78,720.08	(2,546.22)	118,080.12
Fringe - Employee Benefits	76,645.47	120,630.72	(43,985.25)	180,946.08
Fringe - Employer 401K	34,258.77	35,343.01	(1,084.24)	53,014.51
Bank and Credit Card Charges	3,508.32	4,559.46	(1,051.14)	6,839.19
Contractors	107,489.92	775,457.39	(667,967.47)	1,163,186.09
Depreciation	13,039.43	14,279.67	(1,240.24)	21,419.51
Equipment purchase	-	6,000.00	(6,000.00)	9,000.00
Insurance	12,332.68	12,083.30	249.38	18,124.95
Licensing Fees	4,273.45	1,602.63	2,670.82	2,403.95
Operational Expenses	76,939.34	63,611.09	13,328.25	95,416.63
Postage & Delivery	2,094.57	2,330.23	(235.66)	3,495.35
Professional Development	2,590.50	2,933.33	(342.83)	4,400.00
Publications, Dues, & Subscriptions	5,390.33	2,348.67	3,041.66	3,523.00
Registration Fees	4,144.00	1,720.00	2,424.00	2,580.00
Rent	40,174.82	39,487.31	687.51	59,230.97
Reproduction	11,340.87	9,717.88	1,622.99	14,576.82
Staff Recruitment	721.97	-	721.97	-
Supplies - Computer	20,574.64	19,495.45	1,079.19	29,243.17
Supplies - Project	8,046.11	12,923.47	(4,877.36)	19,385.21
Telephone	8,363.71	9,771.48	(1,407.77)	14,657.22
Travel - Meals	16,175.07	16,027.29	147.78	24,040.93
Travel	24,946.87	23,421.77	1,525.10	35,132.66
<b>TOTAL</b>	<b>1,500,144.23</b>	<b>2,294,539.33</b>	<b>(794,395.10)</b>	<b>3,441,809.00</b>
Deposit into Lockbox Account	(199,800.00)	-	(199,800.00)	-

2017 ACTUAL REVENUES - 2017 ACTUAL EXPENSES

-289,708.22

# 2018 ANNUAL BUDGET

DRAFT as of 9/29/2017

CENTER FOR  
**WATERSHED**  
**PROTECTION**

Leading the nation with clean water solutions

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The Center for Watershed Protection's 2018 Budget is prepared based on current project information, past data on win rates and expenses, and estimates of future revenues and expenses. The base budget is an estimate of revenues based on secured work and estimated proposed work, along with expenses for the current staff. The proposed work represents proposals that have been or will be submitted with a 37% win rate that was derived from an average win rate by dollars over the past three years (see Table 1). This number has varied from 21%-54% over the past three years by dollars and 56-61% by number of proposals.

Full funding is estimated similarly to the base funding. Starting with current expenses, an estimated win rate of 37% was applied to proposals to be submitted. However, for proposals not yet submitted, we used a 45%-win rate rather than the 37% that was used in the base funding assumptions. Based on current trends in the watershed field, exponential growth in spending by local governments on stormwater, and past win rates as high as 59% in the past five years, the higher range provides flexibility to grow the organization to meet the expected increasing demand in the Center's services. Tracking the volume of actual work secured and win rates from now through 2018 will be critical to when staff hires and additional expenditures are warranted.

Table 2 provides a breakdown of both secured and pending revenues by program area, including proposals to be submitted using the 37%-win rate, providing descriptions of these as available. Table 3 provides a breakdown using a 45%-win rate. Table 4 provides expenses as base and full funding using the calculations described above. Table 5 summarizes expected expenses by program area although these depend on proposed work along with current projects. Expenses for each program are estimated as the same percentages as the revenues.

Table 6 lists the secured projects for 2018 as well as the program area to which they are allocated. Table 7 lists the pending projects for 2018. Figure 1 provides a chart of revenues and expenses since 2010.

As discussed in several board meetings and in past Executive Director report, one of the expenses for 2017 include self-funded research and membership which will show up as staff expenses and reductions in assets. These expenses are to be taken out of the lockbox and are estimated at \$100,000 in 2017, as some of these expenditures already occurred in 2016.

Despite these planned expenditures, if the Center does achieve full funding, an estimated \$215,852 is expected to be added back to the lockbox. This is typical of past years, but the range has been from -\$200,000 to +\$172,000 over the past five years. As of August 31, 2017, the lockbox contains \$926,860.60 and due to the expenditures related to research and membership, the net total added to the lockbox in 2018 is not expected to change at base funding.

TABLE 1: PROPOSAL WIN RATES BY YEAR		
Year	by Dollars	by Number of Proposals
2017 (as of July 19, 2017)	54%	56%
2016	21%	58%
2015	37%	61%
2014	56%	64%
2013	59%	75%

Average win rate by dollars for 5 years = 45%

Average win rate by dollars for 3 years = 37%

TABLE 2: ESTIMATED BASE FUNDING REVENUES FOR 2018			
REVENUES	Secured	Estimated Future Proposals	Total
Fundraising	\$-	\$237,014	\$237,014
Membership	\$-	\$56,107	\$56,107
Research	\$168,063	\$273,802	\$441,865
Training	\$260,286	\$299,850	\$560,136
Watershed Services	\$4,648,033	\$875,252	\$5,523,285
<b>Subtotal to date</b>	<b>\$5,076,382</b>	<b>\$1,742,025</b>	<b>\$6,818,407</b>

- Estimated future proposals based on a 37%-win rate.

TABLE 3: ESTIMATED FULL FUNDING REVENUES FOR 2018			
REVENUES	Secured	Estimated Future Proposals	Total
Fundraising	\$-	\$288,261	\$288,261
Membership	\$-	\$68,238	\$68,238
Research	\$168,063	\$333,003	\$501,066
Training	\$260,286	\$364,682	\$624,968
Watershed Services	\$4,648,033	\$1,064,495	\$5,712,528
<b>Subtotal to date</b>	<b>\$5,076,382</b>	<b>\$2,118,679</b>	<b>\$7,195,061</b>

- Estimated future proposals based on a 45% win rate.



**TABLE 4: SUMMARY OF REVENUES AND EXPENSES FOR 2018**

<b>REVENUES</b>	<b>Base Funding</b>	<b>Full Funding</b>	
Secured	\$5,076,382	\$5,076,382	
Estimated Future Proposals	\$1,742,025	\$2,118,679	
<b>Total</b>	<b>\$6,818,407</b>	<b>\$7,195,061</b>	
<b>EXPENSES</b>	<b>Base Funding</b>	<b>Full Funding</b>	<b>% of Full Budget</b>
Salaries	\$1,682,717	\$1,742,962	25%
Fringe - Payroll Taxes	\$121,051	\$133,338	2%
Fringe - Employee Benefits	\$141,776	\$159,506	2%
Fringe - Employer 401K	\$62,766	\$59,609	1%
Bank/Credit Card Fees	\$5,869	\$5,869	0%
Contractors	\$4,226,037	\$4,231,036	59%
Equipment Purchase	\$16,090	\$17,890	0%
Depreciation	\$17,511	\$22,875	0%
Insurance	\$17,741	\$17,741	0%
Licensing Fees	\$12,280	\$12,810	0%
Operational Expenses	\$216,356	\$242,626	3%
Postage & Delivery	\$3,470	\$3,470	0%
Professional Development	\$1,000	\$3,000	0%
Publications, Dues & Subscriptions	\$1,975	\$3,979	0%
Registration Fees	\$3,360	\$5,360	0%
Rent	\$69,062	\$69,062	1%
Reproduction	\$11,622	\$11,622	0%
Staff Recruitment	\$-	\$350	0%
Supplies	\$45,199	\$48,527	1%
Telephone	\$13,987	\$13,987	0%
Travel	\$148,538	\$173,590	3%
Center Surplus	\$-	\$215,852	3%
<b>Total</b>	<b>\$6,818,407</b>	<b>\$7,195,061</b>	<b>100%</b>

- Note: \$4,021,037 in contractor funding (for revenues and expenses in both base and full funding) may be highly variable depending on a project in DC to provide funding for stormwater credits. While this project is secured, this 6-year project for \$12,750,000 is based on applicants in 2018.

**TABLE 5: ESTIMATED REVENUES AND EXPENSES FOR 2018 BY PROGRAM AREA**

<b>REVENUES</b>	<b>Base Funding</b>	<b>Full Funding</b>	
Fundraising	\$237,014	\$242,604	
Membership	\$56,107	\$57,430	
Research	\$441,865	\$452,285	
Training	\$560,136	\$573,346	
Watershed Services	\$5,523,285	\$5,653,545	
<b>TOTAL</b>	<b>\$6,818,407</b>	<b>\$6,979,210</b>	
<b>EXPENSES</b>	<b>Base Funding</b>	<b>Full Funding</b>	<b>% of Full Budget</b>
Fundraising	\$212,245	\$217,250	3%
Membership	\$50,244	\$51,428	1%
Research	\$395,686	\$405,018	6%
Training	\$501,597	\$513,427	7%
Watershed Services	\$4,946,057	\$5,062,704	73%
Administrative	\$712,578	\$729,383	10%
<b>TOTAL</b>	<b>\$6,818,407</b>	<b>\$6,979,210</b>	<b>100%</b>

**TABLE 6: SECURED PROJECTS FOR 2018**

<b>Project</b>	<b>Project Type</b>	<b>2018 Projected Revenue</b>
CBT White Paper, MD	Research	\$ 1,800.00
Expanding the use of Bioreactors on Maryland's Eastern Shore (CBT)	Research	\$ 7,181.90
MS SHA Inlet Cleaning Study	Research	\$ 11,225.28
Research for Targeting Regulatory Protections to Vulnerable Forests in the Delaware River Watershed, PA	Research	\$ 63,203.00
Stream Channel Stability, MD (CBT)	Research	\$ 17,985.80
Using a Novel Research Framework to Assess Water Quality Impacts of Urban Trees	Research	\$ 66,666.67
DC Stormwater Management Training	Training	\$ 169,007.53
DC Stormwater Retention Protocols, Reviews, and Training	Training	\$ 91,278.41
Advancing Use of Green Infrastructure in Fauquier County, VA (NFWF)	WS/SW Services	\$ 125,300.33
Albemarle Co. Private BMP Retrofits, VA (NFWF)	WS/SW Services	\$ 4,100.50
Bar-T Frederick, MD (DNR Trust Fund)	WS/SW Services	\$ 554,197.38
Coastal LID BMP Inventory, GA	WS/SW Services	\$ 797.73
Construction Assistance for Trinity School and Patapsco River Road, MD (DNR Trust Fund, sub to Howard County)	WS/SW Services	\$ 21,333.33
DC SRC Purchase Agreement	WS/SW Services	\$ 2,871,120.23
Forest Service Tech Transfer	WS/SW Services	\$ 10,000.00
Gunpowder State Park Construction, MD (DNR)	WS/SW Services	\$ 116,252.87
Gunston School Retrofit Design, MD (subs to Ecotone)	WS/SW Services	\$ 24,186.67
Homestead Elementary School Bioretention Design, Hartford County, MD	WS/SW Services	\$ 11,222.34
North Point State Park Construction, MD (DNR)	WS/SW Services	\$ 909,521.57
		<b>\$ 5,076,381.54</b>

**TABLE 7: PENDING PROJECTS FOR 2018**

<b>Project</b>	<b>Project Type</b>	<b>Proposed Amount</b>	<b>Probable assume 37%-win rate</b>
Individual and Board Gifts	Fundraising	\$ 8,281.09	\$ 3,064.00
Patron Program	Fundraising	\$ 30,000.00	\$ 11,100.00
Wallace Genetic Foundation Unrestricted Support	Fundraising	\$ 80,000.00	\$ 29,600.00
Membership Dues	Membership	\$ 28,000.00	\$ 10,360.00
Delaware Watershed Research Fund	Research	\$ 50,000.00	\$ 18,500.00
Dreyfus Foundation	Research	\$ 10,000.00	\$ 3,700.00
Literature Review for TMDL Stormwater Crediting	Research	\$ 47,740.00	\$ 17,663.80
USDA AFRI	Research	\$ 76,640.00	\$ 28,356.80
Wetland Expert Panel (2017)	Research	\$ 70,000.00	\$ 25,900.00
2018 Event Sponsorship	Training	\$ 15,000.00	\$ 5,550.00
2018 National Conference PA Hub (NFWF)	Training	\$ 49,705.81	\$ 18,391.15
Building Capacity to Implement Stream Restoration Projects through Workforce Development Training (NFWF)	Training	\$ 34,933.07	\$ 12,925.24
Curtis and Edith Munson Foundation	Training	\$ 20,000.00	\$ 7,400.00
Prince Charitable CWC Training, MD	Training	\$ 30,000.00	\$ 11,100.00
Audubon Naturalist Society SPSC Design, MD	WS Services	\$ 66,000.00	\$ 24,420.00
City of Savannah Source Water Protection Plan, GA	WS Services	\$ 107,479.00	\$ 39,767.23
Development of an offsite mitigation document for regulated Massachusetts MS4s	WS Services	\$ 48,270.00	\$ 17,859.90
New Market Stormwater Retrofit Plan and Design (CBT), MD	WS Services	\$ 48,190.00	\$ 17,830.30
Salt River Watershed (USVI) Planning Assistance	WS Services	\$ 18,730.00	\$ 6,930.10
Stream and Floodplain Restoration Crediting and Prioritization in Paxton Creek Watershed (NFWF), PA	WS Services	\$ 49,977.74	\$ 18,491.76
Stream Stabilization at Woodend Nature Sanctuary (NFWF), MD	WS Services	\$ 49,953.84	\$ 18,482.92
Town of New Market Stormwater Retrofit Plan and Retrofit Design (NFWF), MD	WS Services	\$ 48,190.38	\$ 17,830.44
	<b>TOTALS</b>	<b>\$ 939,350.93</b>	<b>\$ 321,659.84</b>

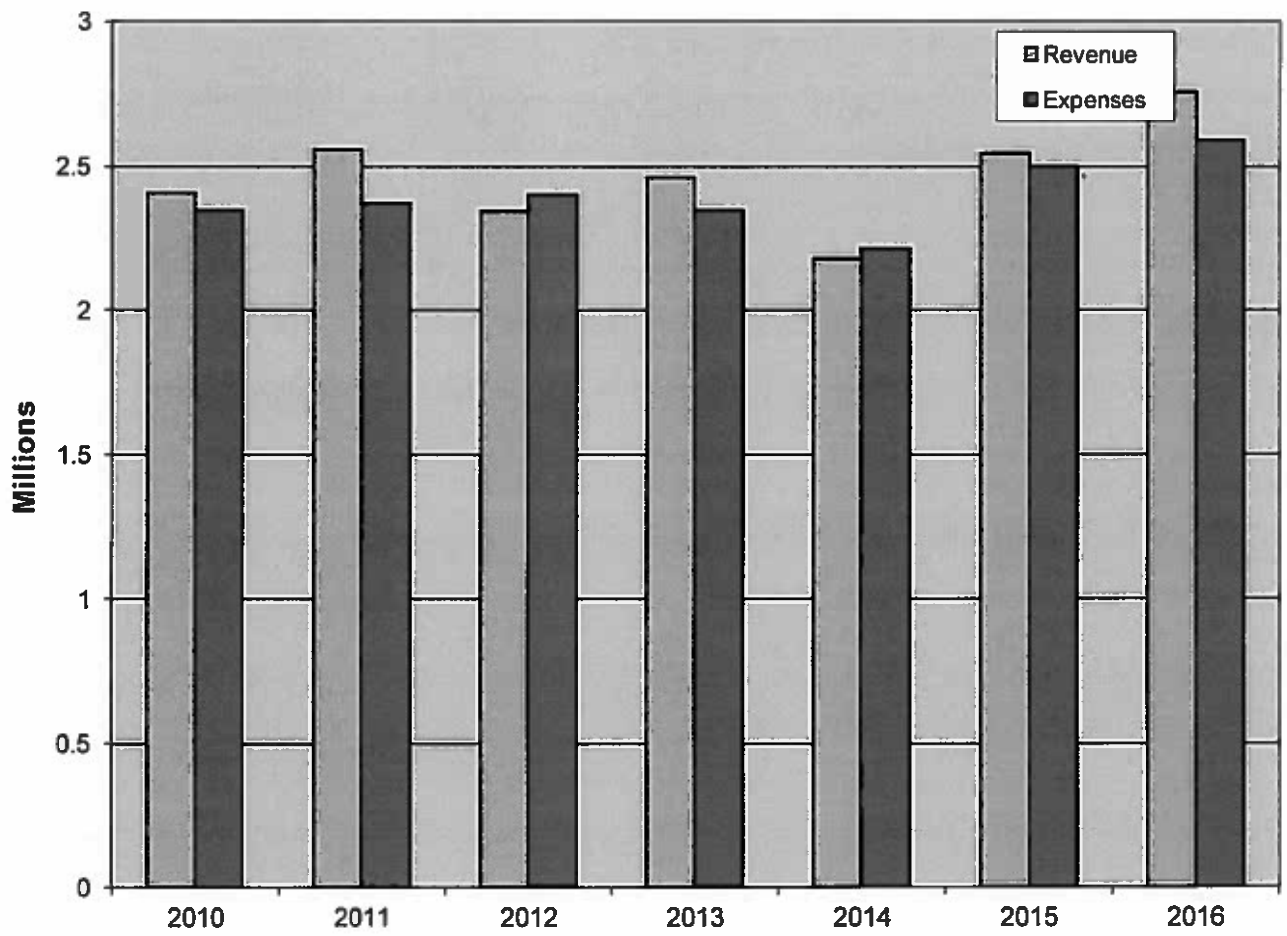


Figure 1: Comparison of Actual Revenues vs. Expenses 2010-2016

### 3.0 Major Financial Goals in 2018

The major budget goals for 2018 are as follows:

- Getting the 2017 audit finished by June 30, 2018.
- Reporting other changes in the organizational accounting and budgeting system to the Board.

## **CENTER FOR WATERSHED PROTECTION BOARD MEETING**

Thursday, August 17, 2017 from 1-4:00

Meeting held at the Center for Watershed Protection Office, 3290 North Ridge Road, Ellicott City, MD

### Directors Present (in person unless otherwise noted):

Carlton Epps (President)

Anwer Ahmed (Secretary) (by video conference)

Karen Evans (by video conference)

Rhea Harris

Alan Vicory (Vice President) (by video conference)

Scott Lang (by phone)

Michael Freeburger

Mike Fowler (Treasurer) (phone)

Jeff Shinrock (Vice President)

Willy Moore (video conference)

### Staff Present:

Hye Yeong Kwon

Neely L. Law

Action items are listed here:

- **Request Karen to provide an update at the next Board meeting on a Board/staff recognition event**
- **Hye Yeong to follow-up with Marlyn to check on status of Board members self-assessment**
- **Hye Yeong to add Red Chair/membership update to October agenda**
- **Hye Yeong to send Michael Freeburger an information packet.**
- **Rhea to report on planning a 25 year celebration a next Board meeting**
- **Rhea and Hye Yeong about Board recruitment**
- **Hye Yeong to provide strategy to Board in October (i.e., 5-10 year plans, budget of 2 years.**
- **Finance Committee to review updated 2018 Budget with information provided by CWP staff**
- **Board vote on 2018 Budget at next Board meeting.**

**Review of action items from previous meeting (May 2017) are listed here:**

- **Hye Yeong and Rhea will work together on the content for the Board website.**  
Complete. A draft website available fall 2018. Board may review Board site and provide comment, then for requested changes.

- **Hye Yeong to have Marlyn send Board documents as email attachments until the website is fixed.** Ongoing until website is fixed.
- **Hye Yeong and Rhea will work together on a summary of our current Board bandwidth (qualifications/background, location, etc.) and send it to the Board.** In progress. Request for Rhea to provide Board with update
- **Karen Evans will lead the committee to plan a Board/staff recognition event with help from Rhea and Hye Yeong.** Done
- **Hye Yeong will ask Marlyn to coordinate a date and time for a meeting with Alan, Carlton and Hye Yeong on the Resource Development Committee.** Next Board meeting
- **All Board members to fill out the Board self-assessment and send to Rhea or Marlyn.** Ongoing
- **Hye Yeong will work with Marlyn to send the conflict of interest disclosure form to Mike Freeburger.**
- **The Finance Committee will address Board oversight of financials and risk assessment in subsequent committee meetings.** Ongoing

Call Meeting to Order, Roll Call

Carlton Epps

Hye Yeong convened the meeting at 1:10 and ran through the attendance list. The 2018 Board meeting calendar is posted. **Hye Yeong to send Michael Freeburger an information packet.**

Approval of Meeting Minutes

Carlton Epps

Carlton asked if there were any questions or changes on last meeting's minutes. Rhea moved to approve the minutes. Willy seconded. Unanimously approved.

Update on Membership

Red Chair

To be addressed at the October meeting

Executive Director Report

Hye Yeong

Hye Yeong provided a recap of the Retreat (August 7-8) at the Maritime Institute. CWP to update strategic plan in 2018. Staff discussed ideas for new strategic ideas at the Retreat. Healthy discussion to review cultures and reset agreement given new staff. For some, it was the first time that staff met one another. Decided to have a check-in with Strategic Plan one time a year; recognize that there is a cost with this effort.

Hye Yeong's application to Howard County Leadership was accepted. Will begin in the Fall 2017 with a September orientation breakfast. Hye Yeong will be attending StormCon in Seattle, WA last week of August.

Hye Yeong provided update on Clean Water Certificate Training Program with Civic Works. Graduated 8 participants and placed with jobs; 1 participant hired as permanent employee, 3 did

not complete on the job training (not a good fit); one other seeking other placement. Plan to work with Montgomery County Conservation Corps to integrate with their training program. Carlton referenced the National Green Infrastructure Certification Program that is also providing training with a certification test was created as a result of the DC Consent Decree. Carlton Epp is on the WEF NGICP Board. Summary of funding sources of 2017-18, Keith Campbell \$50K; Prince Charitable Trusts \$30K; will apply for NFWF grant. Looking to alternative funding sources for program to be self-sustaining in a couple of years where CWP be the accrediting body and not the training provider.

Governance Committee

Rhea Harris

**Rhea to report on planning a 25 year celebration a next Board meeting.**

Recruitment for Board needed as there are currently 10 Board members (requirement of no less than 9, no more than 18). Effort to recruit at least 2 more. Some ideas include: Kathy Shanks, MD DNR recently retired as a potential Board member. She will **contact Hye Yeong after vacation**. Rhea will reach out to Melinda Peters (previously SHA, now with private sector construction firm) and Roy McGrath, CEO MD Environmental Service. Seeking out of state Board member would be beneficial. Rhea using a service that helps with recruitment. Michael Freeburger offered a couple opportunities but 1 would present COI, another too busy. Hye Yeong to seek out potential at Storm Com.

Rhea provided update on Committee review of bylaws. Suggest that staff keep scheduling the Board meetings. Language added to provide protocols for recognition, Board training, recruitment, and others. Rhea will provide draft language for committee to review and vote, then bring to Board for a vote. Rhea found typographical error on Page 9 article 5, 2<sup>nd</sup> paragraph (the word “not” should be removed).

Hye Yeong said that changes to term limits have been made beyond the bylaws. Amended bylaws with past Board member Kathy Blaha, 3 years and unlimited number of terms.

**Motion for the Board to constitute the Executive Committee (EC) in accordance with the bylaws to include Committee chairs as appropriate to address EC business, EC advise Board in its intent and purpose to meet. EC will advise Board on decisions and report to Board as soon as it is practical of any decisions made and report at the next regular Board meeting.**

**Motion seconded by Jeff 2, unanimous approval.**

The EC would meet, for example, after a Board meeting on issues that needs to be dressed prior to the next Board meeting. The intent is to reserve as much meetings and materials for full Board.; not to usurp role of Board. In the past the EC used for Executive Director review.

Other topics of discussion



Carlton reference the article about CWP work Whitehall. Hye Yeong stated interest in Center to make investment in PA next year (taking time to move project basis to program). Planning to have a national conference hub, again this year. There is strong private funding strong interest in PA, still need to work on funding from PA DEP directly. Expanding geographic reach from Philadelphia to Harrisburg. Staff will be developing a more strategic approach to include perhaps an office and staff in Harrisburg with current CWP staff initiate this lead. Mike Hickman COI ends October 1, 2017. Focus on capacity building and technical training, topical areas include IDDE, agricultural BMPs. **Hye Yeong to provide strategy to Board in October (i.e., 5-10 year plans, budget of 2 years.** Jeff stated use of discretionary funds should be considered.

Strategic move to expand given Center's strengths in Chesapeake Bay (Harrisburg, Pittsburg) but also Delaware Basin (Philadelphia area).

Finance Committee

Michael Fowler

Planning Committee meeting reviewed financials and provide QA on 2018 budget.

Monthly balance sheet (Expenditures/Revenues)

June was favorable, up \$80K. Seeing an increase earlier than in past years. Driven by private foundations, higher in June compared to other. Overall, year-to-date, still down for the year but this is consistent with monthly performance over a year. No concerns were noted.

Favorable greater distribution of revenue sources; more diversified funding sources enhances financial stability of the center.

The projected expenses based on salary and fringe lower than expected. Board has concern that Center may not have enough staff to do the work and generate revenue. Hye Yeong comfortable with current staffing levels (new hires recently) but sees opportunity to increase in 2018 as needed based on projected revenue.

Contracts/contractors is lower than expected by date. This relates to DNR contract not the DC contract

2018 Budget

Recommends continued used of win-rate, 37%. The \$4.5M in secured funding should be seen as gross revenue given a portion of it is a pass through to DC. However, if you take it out there is still a healthy increase in net revenue.

Hye Yeong recommends that the **committee review the 2018 Budget with updated information with information provided by staff (Lindey).**

Very positive gains in income from mutual funds investments. Money market account closed, so need to move the funds to another account. **Vote on 2018 budget at next Board meeting**

### Charitable Board Giving

Alan reported that Committee using a June 2015 workplan established for Resource Committee to guide their work. He sees the resource development of the Center to be an entire organizational effort of the Board and staff. This support is a key role for the Board to have with the Center and encouraged the Board to continuously seek out how they could help the Center

Alan plans to use the following tools to focus committee work and welcomes input from the Board.

1. Existing documents to include the strategic plan review and the 5-year research agenda document that includes 10 priority research topics identify by Center staff. Encourages the Board to see how the 10 issues rank relative to securing available funding sources
2. Obligation as Board members as funding contributor to the Center. May be early to think about contributions but will start working with individuals on the Board. Not how much but the act of contribution. Outside funders looking at commitment of Board to influence their own giving.

ED review (Closed door)

Alan made to the motion to adjourn the meeting at 3:14. Mike Freeburger seconded. Unanimously approved.