

Center for Watershed Protection

DRAFT Board Calendar for 2021

as of 10/22/2020

Thursday, February 18, 2021

1pm – 3pm

Zoom

Thursday, May 27, 2021

1pm – 3pm

Zoom

Thursday, August 26, 2021

1pm – 3pm

Zoom

Thursday, October 28, 2021

1pm – 3pm

Zoom

Schedule of Board Responsibilities
June 18, 2020

| Activity | When | Responsibility |
|--|---|-------------------------------|
| Board Meetings | 4xs per year February, April, August, & October | Board Chair |
| Committee Meetings | 4xs per year or more January, March, July, September | Committee Chair |
| Board Meeting Notes | 1 week after board meeting | Secretary |
| Committee Meeting Notes | 1 week after committee meeting or 1 week before board meeting | Committee Chair |
| Committee Materials for the Board Meeting | At least 1 week before each board meeting | Committee Chair |
| Financial Audit and Statements for Previous Year | 1x per year before June 30 | Treasurer & Finance Committee |
| Sending out materials/ Updating board website | 1 week before each board meeting | Staff |
| Board Giving | At least 1x per year before December 31 | Every Board Member |
| Conflict of Interest Affirmation | 1x per year before December 31 | Every Board Member |
| Board Elections | 1x per year usually at October meeting | Governance Chair |
| Executive Director Review | 1x per year usually in April | Board |
| Board Self-Review | 1x per year before December 31 | Governance Committee |

Some other items to consider:

- Board Trainings: Discuss where there are areas of need based on board self-review. Possible topics based on past board self-reviews are:
 - *Agreements on meeting rules
 - *Elevator speech about the Center
 - *Building a fundraising board
- Others?



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Center for Watershed Protection

Board Committee Assignments

As of 02/06/2020

Governance

Rhea Harris – Chair

Willy Moore

Kimberly Min

Karen Evans

Juanita Galbreath

Finance

Mike Freeburger – Chair

Luis Valdivieso

D’Andrea Walker

Scott Lang

Anwer Ahmed

Scott Osborn

Resource Development

Alan Vicory – Chair

Addison Palmer

Karen Evans

Michael Marcus

AGENDA AS OF 10/22/20

CENTER FOR WATERSHED PROTECTION
BOARD MEETING

Thursday, October 29th from 1:00 pm – 3:30 pm

Join Zoom Meeting

<https://zoom.us/j/96706764409?pwd=eHRkbi9RNXoxeXFUOEtNcm9SelJjZz09>

Meeting ID: 967 0676 4409

Password: 571115

| | | |
|-------------|---|--------------------|
| 1:00 – 1:05 | Call Meeting to Order, Roll Call, and Approval of Meeting Minutes | Carlton Epps |
| 1:05 – 1:30 | Contingency Plan Committee Board Vote for Plan Approval | Anwer Ahmed |
| 1:30 – 1:40 | Payroll Protection Loan Update Contact with Peter Wolk Gathering of impact data | Hye Yeong Kwon |
| 1:40 – 2:10 | Finance Committee Report 2021 Budget - DRAFT | Michael Freeburger |
| 2:10 – 2:45 | Governance Committee Election of Officers | Rhea Harris |
| 2:45 – 3:20 | Resource Committee Report | Alan Vicory |
| 3:20 - 3:30 | Meeting Conclusion | New Board Chair |

**Executive Director's Report brought to you by Hye Yeong Kwon
October 2020**

How are Things Going Overall?

Cautiously optimistic.

- 1) The Paycheck Protection Program forgiveness application is still not available.
- 2) I have contacted our attorney Peter Wolk and provided a bio to the board.
- 3) In the past quarter, we have started to hear about proposals that won't be funded, projects being delayed, and other issues related to COVID.
- 4) I am concerned about being able to get 2021 financials to a level to keep our current rate of staff fully employed, although we are still awaiting news on a number of proposals. The amount of projects for 2021 is not nearly as robust as it was in the same timeframe last year.

Project News:

- We broke the 1000 member mark for CWPA! (1,003 to be exact)
- The Center has increased the number of webcasts offered in 2021 in an effort to add more educational and training opportunities as well as to encourage more group memberships. Webcasts are a member benefit and included in select membership levels. Increased marketing efforts will continue to be made to inform local governments and municipalities about the services offered by the Center including the Clean Water Certificate Program, and our newly added Specialty Conferences. Our outreach in the new challenging times we are facing will include video consultations.
- The Center has been working with the Audubon Naturalist Society's Woodend Sanctuary for several years, helping them reach their goal of managing 100% of their stormwater runoff, by designing stormwater retrofits to treat impervious cover on their property. The Center's work started with a two rain gardens, one of which was an innovative "tree-safe" design. Now, the Center is in the midst of a much larger restoration project on the property. Construction is beginning on this project in early October and will take 9-12 months.
- The Center is working on a study to explore the feasibility and cost of defining progress metrics towards the goal of all 25,000 miles of streams in the Delaware River Basin attaining "fishable and swimmable" status, with specific emphasis on the impact of Clean Water Act policy protections in the watershed. This work is funded by the William Penn Foundation and will help to inform and better quantify the impact of the Foundation's significant investments in policy advocacy in the Delaware River Basin. The Foundation is particularly interested in two set of metrics: 1) metrics that indicate the miles of stream that are adequately protected by water quality standards and 2) metrics that indicate the miles of threatened or impaired stream whose uses are fully restored through utilization of Clean Water Act regulatory processes such as permit limits, TMDLs,

and antidegradation review. As part of this evaluation, we reviewed and synthesized current Clean Water Act policies in the four Delaware River Basin states, to begin to identify a set of interim milestones that represent a status change or important step in progress towards these longer-term goals and that are applicable across the Basin. As the next steps, we will hold meetings with policy advocates working on stream designation upgrades and policy reforms in the basin and evaluate whether there is data readily available to support measurement of the stream miles across the Basin that move from one status to another each year on the path through progressive states of protection and restoration.

New Work:

Since my last report, the Center was granted \$109,185 worth of work in St. Croix and St. Thomas, Virgin Islands and \$114,652 worth of work for a Long Island Sound Watershed Plan. We also heard today about a Little Swatara Watershed Plan in Berks and Lebanon County, Pennsylvania for \$130,140.

We are waiting to hear about \$1,000,000 worth of work in 2021.

Board News: The next board meeting will include a new slate of officers with the potential of two new board members to consider.

Financials:

A draft of the third quarter numbers have been shared with the Treasurer, Mike Freeburger. While the PPP loan still shows up as a liability, we should be able to request forgiveness at which time it will be booked as revenue for the months it covers.

The switch to a new Project Management software called Big Time is still in progress and changes will continue to occur through October. This along with previous changes to Quickbooks should help us reduce the time on projections and financials in general.

Area Where Board Can Help

So far, I have had one-on-one meetings with about five board members. It would be great to connect with others as they have time. Please let me know.

To date, roughly half of board members have provided a personal gift, per the board policy. As we are closing in on the year, your generous board donation (cheese!) is appreciated. 😊

Stay healthy all!



Center for Watershed Protection Contingency Plan

10/22/2020

Introduction

The Center for Watershed Protection's (CWP) mission is *to protect and restore our streams, river, lakes, wetlands, and bays. Our experienced staff of scientists, planners, and environmental professionals are the technical experts who help municipalities, advocates, policymakers, and citizens get clean water projects in the ground.* This Contingency Plan (Plan) was developed as a tool to assist the CWP Board of Directors (Board) and Management in the early detection of, and response to, unforeseen crises, such as the current pandemic, that threaten accomplishment of that mission. The scenarios presented in this Plan, are not intended to be all inclusive of possible threats, but rather to provide a framework that is applicable and adaptable to a wide variety of unforeseen events.

The Ad Hoc Contingency Planning Committee directed by the Board to develop this Contingency Plan, included the following members:

- Anwer Ahmed (Board member)
- Kimberly Min (Board member)
- Luis Valdivieso (Board member)
- Hye Yeong Kwon (CWP Executive Director)
- Karen Capiella (CWP Director of Research)

Additional assistance was provided by:

- Carlton Epps (Board Chair)
- Michael Freeburger (Treasurer and Finance Committee Chair)
- Dr. Memo Diriker (Director BEACON)

This is intended to be a living document and as such, should be reviewed annually and updated, as needed, preferably as part of the Board's annual budget approval process.

Relationship to Other Plans

The Plan relies on these other documents to support its implementation. Their relevance will be discussed later in this Plan.

- CWP's Board approved budget
- CWP IT Manual (undergoing review and update)
- Succession Plan (under development)

Scope

The scope of this plan is to identify the decision process and specific actions to address potential crisis scenarios that may occur during the remainder of 2020 and calendar year 2021 due to the pandemic, as the initial focus, but also establish a basis for response to potential threat scenarios going forward. However, this document is also intended to use metrics and principles to provide regular updates to the Board and Management to help indicate any other type of pending challenge, whether financial or operational. Recognizing that the contributing factors, as well as the appropriate responses to a crisis can be varied, and situational, this Plan is not intended to prescribe, or constrain, what the appropriate response by Board or

Management should be. Rather this tool is intended to prescribe the framework to be followed when certain triggers are hit.

Vulnerabilities and Crisis Scenarios

CWP's four major program areas and their contribution as a percentage of total net revenue (based on 2020 budget) are:

1. Watershed and Stormwater Services (70%)
2. Training and Membership (27%)
3. Research (2%)
4. Fundraising (1%)

It is evident that, as the two largest revenue sources, disruptions to the first two program areas pose the most vulnerability to CWP's present operations. That is not to say the other two program areas are any less important for the well-being of the organization and to continue its important mission. The scenarios below were developed with potential vulnerabilities to CWP's operations in mind during the next 12 – 18 months, but it is recognized that there may be others that arise during the present or future crises:

- Scenario 1: Decline in Secured Revenue Sources
- Scenario 2: Decline in Future Revenue Sources
- Scenario 3: Decline in Operating Cash or Investments
- Scenario 4: The Unavailability of Key Staff
- Scenario 5: Interruption of Critical IT Infrastructure

While the first three scenarios focus on the financial health of the organization, the other two scenarios - Unavailability of Key Staff and Interruption of Critical IT Infrastructure could potentially disrupt operations and organizational viability. The indicators for Scenarios 1 – 3 are quantitative measures to track secured and future revenues, and operating cash relative against the base case. The indicators were selected because they represent the most appropriate indicators of the vulnerabilities identified, and in most cases are derived from reports and data that CWP is already collecting. The triggers indicate deviance from the base case and when tripped, will require investigation, and may also require an action. The potential actions discussed are not prescriptive. This is discussed further in the Communication and Decision Making Process section below.

Scenario 1 – Decline in Secured Revenue Sources

Potential Vulnerabilities: Cancellation or delays in execution of projects under contract (watershed services, training, and research). Decline or no growth in memberships, or grants. Change in annual conference from in-person to virtual.

Indicator(s):

1. Actual Net Revenue (Revenue – Contractors expense (pass through)) compared to budget
 - Quarterly
 - Year-to-date
 - Annual
2. Actual Net Income (Net revenue – other expenses) compared to budget
 - Quarterly
 - Year to Date
 - Annual

3. Projected Net Revenue (Revenue – Contractors expense) compared to budget (for upcoming quarters)
 - Quarterly
 - Annual
4. Projected Net Income (Net revenue – other expenses) compared to budget (for upcoming quarters)
 - Quarterly
 - Annual

Trigger(s):

1. Reduction in 10% of net revenue vs budget for the indicators above
2. Reduction in 20% of net revenue vs budget for the indicators above

Actions:

- The indicators and triggers will be used to determine actions. The decision process will include consideration of whether the problem is temporary vs longer-term, the extent of the problem (yellow vs red flags) and the potential impact (in dollars) of each proposed action.
- Management will develop annual budget for 2021 that includes specific actions to address each of the above triggers (e.g. a stress test to show what a 10% and 20% reduction in revenue would look like and the measures needed to address these scenarios). The table below provides some examples, grouped by low-impact and high-impact actions.

| Low-Impact | High-Impact |
|---|--|
| Ask landlord for rent reduction or deferral Eliminate “optional” items like training, travel, communications consultant Pay cut or pay deferential for directors Re-evaluate and adjust staff benefits Ask part-time staff for voluntary hour reductions Suspend paid time off and holiday pay | Staff-wide pay cuts Furloughs for staff Layoff of staff Break lease and go completely virtual |

** Certain actions may require HR policy changes and/ or advance planning to determine if feasible to implement*

Base Case: Maintain projected annual and quarterly 2020 and 2021 budget amounts.

Scenario 2 - Decline in Future Revenue Sources

Potential Vulnerabilities: Delay or reduction in RFPs/solicitations for projects or grants as well as donations. Cancellation of, or reduction in annual amount of work under, on-call contracts with potential for future work. Shift away from environmental regulations.

Indicator(s):

1. Net revenue applied for
 - a. Quarterly
 - b. Year to Date
 - c. Annual
2. Number of new proposals
3. Proposal win rate

Trigger(s):

1. Revenue applied for is 10% less than projected for the prior quarter

2. Revenue applied for is 20% (or more) less than projected for the prior quarter
3. Number of proposals applied for is <80% than projected for the prior quarter
4. Proposal win rate for Year to date < 50%

Actions:

- If proposal win rate goes down, change assumptions in 2021 annual budget and on backlog to reflect the reduced rate.
- If revenue and/or number of proposals applied for decrease, Management will use the indicators and triggers to determine actions. The decision process include consideration of whether the problem is temporary vs longer-term, the extent of the problem (yellow vs red) and the estimated return on investment. A menu of possible actions is provided below.

Mine existing contracts for new work opportunities
 Put more resources towards proposals and marketing
 Capitalize on strategic opportunities such as online training
 Expand scope of services to new/emerging areas with greater work potential

Base Case: Goal is to submit enough proposals to bring in sufficient revenue to cover operating costs and account for the estimated 50% win rate. Based on the current fiscal year budget, this equates to \$4.8 million in proposals each year, or \$1.2 million per quarter (not including requests for contractual costs). In 2019 CWP submitted 52 proposals, so the average goal is to submit 13 proposals per fiscal quarter. CWP's proposal win rate for 2019 was 50% (reflects the number of proposals won relative to those submitted) and this number is used as the projected win rate for 2020. In future years, the submitted goal and the projected win rate included in the budget should incorporate statistics from prior years.

Scenario 3 – Decline in Operating Cash or Investments

Potential Vulnerabilities: Delay in payments for projects under contract. Cash outlay to contractors and vendors exceed receipts.

Indicator(s):

- Operating cash – defined as all cash accounts not including investments
- Total investments: the Royce Funds, Ariel Investments, Fidelity Investments and, Parnassus Funds.
- Outstanding A/R greater than 90 days
- Delay in invoicing of work in progress

Trigger(s):

1. Operating cash falls below one month of CWP expenses (estimated using the average monthly expense without contractors from the cash position summary)
2. Combined total of operating cash and A/R (less A/P and salaries payable) falls below two (2) months of expenses (estimated using the average monthly expense without contractors from the cash position summary)
3. A/R amount > 90 days is 10% or more of the total A/R amount at quarter end after invoicing is complete
4. Monthly billing amount (minus contractors) was below \$200,000 in invoices for any month in the previous quarter.
5. Total investments (reserves) balance falls below \$400,000.

Actions:

- The indicators and triggers will be used to determine actions. The decision process will include consideration of whether the problem is temporary vs longer-term, the extent of the problem and the potential impact (in dollars) of each proposed action.
- Management will develop a list of actions to take to address each trigger. Actions may include cutting expenses, drawing funds from investments to cover expenses, borrowing money, or deferring payments. May also consider strategies (see examples in Scenario 1) to avoid continued cash shortages in the future if the problem is determined to be more than temporary. If A/R aging gets older, re-consider amount of cash to have on hand and/or delay paying contractors or subcontractors. I
- Investigate whether all contracts are being billed in a timely manner.

Base Case: Combination of cash on hand and A/R minus A/P (and salaries payable) to meet two (2) months of operating expenses.

Scenario 4 – Key Staff Unavailable

Potential Vulnerabilities: Key staff unavailable because of own/family members' health, or being over-extended. Staff attrition. The Center is facing the prospect of one director and another senior staff member retiring in the near future.

Trigger(s): Loss or impending loss of key staff

Actions: Succession planning effort being undertaken by Governance Committee will identify key staff positions to be included in the succession plan. The Contingency Planning Committee identified the Executive Director, Director of Research, Director of Stormwater/Watershed Services, Director of Membership and Training, Chief Information officer (CIO), and Program Manager as being key staff positions at present. Refer to the key staff succession plan prepared by Management in the event of loss of for continued operation. Management will allocate job responsibilities to accommodate gaps and ensure continued operations and billings. Develop list of contractors that are either under contract on an as-needed basis or can be called upon in short measure in times of shortage as backup.

Reporting Process: Loss of key staff is communicated to Executive Committee and Governance Committee.

Scenario 5 – Interruption of Critical Infrastructure

Potential Vulnerabilities or Triggers: Loss of key IT infrastructure.

Actions: Revise IT Manual to ensure redundancy in system/file backups and regular upgrades to key hardware/software, document information on software titles and licensing, and include a security plan. Refer to the revised IT Manual in case of system interruption or failure.

Communication and Decision-Making Process

The section prescribes the process by which information is communicated by Management to the Board for each scenario so that the organization can be kept apprised of the current status, and for measures to be taken in the event action is needed to address a particular circumstance.

As mentioned above, the metrics proposed were selected because they were determined to be the best indicators of the vulnerabilities identified, and in most cases are derived from reports and data that CWP is already collecting. Due to the variety of vulnerabilities addressed in this plan, some of the indicators are forward-looking while others look back and the timeframe for which they are measured can also vary. For example, cash on hand is measured at a single point in time while invoicing is done on a monthly basis. Revenues can fluctuate greatly from month to month due to the timing of large pass-through contractor payments, so these are best assessed on a quarterly basis. Regardless of the type of indicator, Management will report on the status of all indicators on a quarterly basis to the Board. The report will be prepared and distributed to the Finance Committee within 30 days after the end of each quarter.

Scenarios 1-3

1. Quarterly reporting - Status of benchmarks/triggers in a “dashboard” report to be circulated to Finance Committee prior to their regularly scheduled meeting and then to be circulated to the Board in Board packets and reviewed at quarterly meetings in Finance Committee Report. See report template in Attachment A – under development)
2. Once a trigger is hit, Management will prepare and circulate to the Finance Committee within 5 business days a description of the trigger and a narrative of actions to be taken.
 - Information from Management will include potential economic impact of proposed actions, source of funds (cash vs. investments) and any termination costs, potential future actions being considered.
 - Items requiring Board approval (see below) will be identified and reviewed.
3. Finance Committee to meet with Management in a special meeting within 5 business days after the notice sent by Management to discuss responsive actions.
4. Finance Committee will coordinate with Management to send information in a report to the Executive Committee.
5. Executive Committee will review and, as necessary, circulate report to the full Board within 3 business days.
6. If Board approval is required for any Management proposed action, a special meeting will be held within 10 business days to review Management’s proposal and vote on proposed actions.

Actions requiring Board approval:

Staff-wide pay cuts
Furloughs for staff
Layoff of staff
Break lease and go completely virtual
Draw monies from investment accounts if after such withdrawal the balance is below \$400,000

7. After actions are implemented, Management to provide bi-weekly updates to Finance Committee and Finance Committee to provide monthly updates to full Board.

Scenario 4:

1. Once triggered, it will be reported to Executive Committee and Governance Committee initially in writing. Governance Committee will meet to discuss and propose actions to be take, and report to executive committee within 10 business days.

Scenario 5:

1. Once triggered, it will be reported to Executive Committee and Governance Committee initially in writing. Governance Committee will meet to discuss and propose actions to be take, and report to executive committee within 10 business days.

Return to Normal Operations

The actions taken under any of the scenarios will continue for at least two continuous fiscal quarters after the indicator measure(s) has recovered above the target. The emergency measure will end upon the Finance Committee's review and Board approval.

Plan Implementation

These are the steps necessary to fully implement this plan in 2020:

1. The Center will update the IT Manual within 8 weeks.
2. Management will develop estimated quarterly net revenue and net income goals for Q3 and Q4 of 2020. Quarterly goals for 2021 will be developed in conjunction with the final 2021 budget.
3. The Board in collaboration with Management will review and update this plan annually, preferably as part of the Board's annual budget approval process.

Attachment A

CWP QUARTERLY FINANCIAL DASHBOARD

Scenario 2: Decline in Future Revenue Sources

| Indicator | | Goal | Status | Key |
|-------------------------------------|--------------|-------------|-------------|--|
| Net Revenue Applied for (Proposals) | Quarterly | \$1,200,000 | \$1,676,836 | Green: revenue meets or exceeds goal; Yellow: revenue is within 10% of goal; Red: revenue is 10% (or more) less than goal |
| | Year-to-Date | \$2,800,000 | \$3,279,320 | |
| | Annual | \$4,800,000 | \$3,279,320 | |
| Number of Proposals Submitted | Quarterly | 13 | 17 | Green: number of proposals meets or exceeds goal; Yellow: number of proposals is up to 20% less than goal; Red: number of proposals 20% (or more) less than goal |
| | Year-to-Date | 30 | 42 | |
| | Annual | 52 | 42 | |
| Proposal Win Rate | Year-to-Date | 50% | 13% | Green: win rate is met or exceeded; Red: win rate is less than goal |

Center for Watershed Protection Quarterly Report on Contingency Plan Indicators

Date of Report:

Scenario 1 – Decline in Secured Revenue Sources

| Indicator | Status <i>Select: On Track, Approaching Trigger, or Trigger Hit</i> | Explanation <i>Use this space to provide additional info to explain the status</i> |
|--|--|---|
| 1. Actual net revenue compared to budget: | | |
| <input type="radio"/> Quarterly | | |
| <input type="radio"/> Year-to-date | | |
| <input type="radio"/> Annual | | |
| 2. Actual net income compared to budget: | | |
| <input type="radio"/> Quarterly | | |
| <input type="radio"/> Year to date | | |
| <input type="radio"/> Annual | | |
| 3. Projected net revenue compared to budget: | | |
| <input type="radio"/> Quarterly | | |
| <input type="radio"/> Annual | | |
| 4. Projected net income compared to budget: | | |
| <input type="radio"/> Quarterly | | |
| <input type="radio"/> Annual | | |

Actions Taken

Use this space to identify all actions taken for indicators where triggers are hit. Identify how these actions have addressed the financial impacts and the next steps.

Actions to Be Taken

Use this space to identify all actions to be taken, if any, and when for indicators where triggers are hit. Identify how these actions will address the financial impacts and the next steps. Specifically indicate those actions that require Board action.

Scenario 2 – Decline in Future Revenue Sources

| Indicator | Status <i>Select: On Track, Approaching Trigger, or Trigger Hit</i> | Explanation <i>Use this space to provide additional info to explain the status</i> |
|-----------------------------|---|--|
| 1. Net revenue applied for: | | |
| o Quarterly | | |
| o Year-to-date | | |
| o Annual | | |
| | | |
| 2. Number of new proposals | | |
| | | |
| 3. Proposal win rate | | |

Actions Taken

Use this space to identify all actions taken for indicators where triggers are hit. Identify how these actions have addressed the financial impacts and the next steps.

Actions to Be Taken

Use this space to identify all actions to be taken, if any, and when for indicators where triggers are hit. Identify how these actions will address the financial impacts and the next steps. Specifically indicate those actions that require Board action.

Scenario 3 – Decline in Operating Cash or Investments

| Indicator | Status <i>Select: On Track, Approaching Trigger, or Trigger Hit</i> | Explanation <i>Use this space to provide additional info to explain the status</i> |
|---|---|--|
| 1. Operating cash | | |
| | | |
| 2. Total investments | | |
| | | |
| 3. Outstanding A/R greater than 90 days | | |
| | | |
| 4. Delay in invoicing of work in progress | | |

Actions Taken

Use this space to identify all actions taken for indicators where triggers are hit. Identify how these actions have addressed the financial impacts and the next steps.

Actions to Be Taken

Use this space to identify all actions to be taken, if any, and when for indicators where triggers are hit. Identify how these actions will address the financial impacts and the next steps. Specifically indicate those actions that require Board action.

Scenario 4 – Key Staff Unavailable

| Indicator | Status <i>Select: On Track, Approaching Trigger, or Trigger Hit</i> | Explanation <i>Use this space to provide additional info to explain the status</i> |
|--|--|---|
| 1. Loss or impending loss of key staff | | |
| | | |

Actions Taken

Use this space to identify all actions taken for indicators where triggers are hit. Identify how these actions have addressed the financial impacts and the next steps.

Actions to Be Taken

Use this space to identify all actions to be taken, if any, and when for indicators where triggers are hit. Identify how these actions will address the financial impacts and the next steps. Specifically indicate those actions that require Board action.

Scenario 5 – Interruption of Critical Infrastructure

| Indicator | Status <i>Select: On Track, Approaching Trigger, or Trigger Hit</i> | Explanation <i>Use this space to provide additional info to explain the status</i> |
|----------------------------------|--|---|
| 1. Loss of key IT infrastructure | | |
| | | |

Actions Taken

Use this space to identify all actions taken for indicators where triggers are hit. Identify how these actions have addressed the financial impacts and the next steps.

Actions to Be Taken

Use this space to identify all actions to be taken, if any, and when for indicators where triggers are hit. Identify how these actions will address the financial impacts and the next steps. Specifically indicate those actions that require Board action.

LAW OFFICE OF PETER C. WOLK

1735 20th Street, NW/ Washington, DC 20009/ Tel (202) 462-4500/ Fax (202) 462-1001/nonprofitlaw@peterwolk.com

PETER C. WOLK

Mr. Wolk is a lawyer who graduated Phi Beta Kappa from Trinity College (CT), earned a Master of Education from Harvard University in Nonprofit Administration, Planning, and Social Policy, and graduated with honors from American University's Law School.

Since 1984, Mr. Wolk has represented the interests of national, regional, and local nonprofit organizations of all kinds, including medical societies, community charities, trade associations, Internet watchdog groups, educational groups, religious organizations, international relief groups, amateur sports organizations, higher education entities, health and environmental nonprofits, membership organizations, social welfare groups, and scientific research groups.

In his law practice, Mr. Wolk advises clients on day-to-day and strategic governance, inter-entity transactions, joint ventures, corporate documents, mergers, tax, fund raising, employment issues, intellectual property, contracts, Board meetings, and the permissible range of activities for tax-exempt organizations. In addition, he conducts Board training retreats, legal audits, and strategic planning sessions.

He teaches *Nonprofit Law and Governance* at American University and the D.C. Bar. He has served on the Board of Directors of the American Red Cross National Capital Chapter, and the Cultural Alliance of Greater Washington.

Mr. Wolk has twice been honored as Volunteer of the Year for the Arts, was lead legal counsel for the enactment of the D.C. Nonprofit Volunteer Immunity Law, and has written The Art of Creating Nonprofit Organizations (Washington Area Lawyers for the Arts), How to Develop Self-Sustaining Nonprofit Organizations (U.S. Department of Energy, Clean Cities Program), The Paper Chase: Non-Profit Filings, Forms & Record Keeping, and served as Special Editor of *Developing Fundraising Policies and Procedures*. His bar leadership activities have been honored by both the American Bar Association and the District of Columbia Bar Association.

Mr. Wolk is admitted to the Bars of the District of Columbia, New Jersey, Pennsylvania, and the United States Supreme Court.

He can be reached at: 202-462-4500, 1735 20th Street, NW, Washington, DC 20009;
nonprofitlaw@peterwolk.com and nonprofitlaw@aol.com.

Center for Watershed Protection, Inc.

BALANCE SHEET

As of September 30, 2020

| | TOTAL |
|----------------------------------|-----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 10019 SECU Savings | 150,091.17 |
| 10020 M&T Operating | 98,071.94 |
| 10021 M & T Money Market #3069 | 150,063.47 |
| 10022 M & T Reserved #9341 | 5.00 |
| 10023 M & T Federal Fund #8772 | 0.01 |
| 10028 SECU Money Market | 18,302.78 |
| Total Bank Accounts | \$416,534.37 |
| Accounts Receivable | |
| 10100 Accounts Receivable | 844,643.97 |
| Total Accounts Receivable | \$844,643.97 |
| Investment Accounts | |
| 10024 The Royce Funds | 171,327.99 |
| 10025 Ariel Investments | 6,198.62 |
| 10026 Fidelity Investments | 184,806.56 |
| 10027 Parnassus Funds | 198,647.85 |
| Total Investment Accounts | \$560,981.02 |
| Total Current Assets | \$1,822,159.36 |
| Fixed Assets | |
| 10400 Furniture | 6,311.08 |
| 10401 Computer Equipment | 199,183.75 |
| 10410 Accumulated Depreciation | -176,936.08 |
| Total Fixed Assets | \$28,558.75 |
| Other Assets | |
| 10300 Prepaid Insurance | 753.20 |
| 10500 Security Deposit | 4,522.00 |
| Total Other Assets | \$5,275.20 |
| TOTAL ASSETS | \$1,855,993.31 |

Center for Watershed Protection, Inc.

BALANCE SHEET

As of September 30, 2020

| | TOTAL |
|--|-----------------------|
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 Accounts Payable | 563,788.09 |
| Total Accounts Payable | \$563,788.09 |
| Other Current Liabilities | |
| 20001 Federal Withholding | 6,511.76 |
| 20002 Social Sec/Medicare | 8,647.32 |
| 20003 MD Withholding | 3,188.82 |
| 20004 VA Withholding | -340.22 |
| 20005 MD - SUI | 23.23 |
| 20006 Employer Contributions | 1,502.34 |
| 20007 Employee Contributions | 5,674.78 |
| 20008 SC Withholding | 341.34 |
| 20012 NY Withholding | 130.08 |
| 20016 PA Withholding | 358.41 |
| 20021 PA - SUI | 97.30 |
| 20100 Accrued Salary | 46,472.84 |
| 20110 Accrued Combined Leave | 62,825.58 |
| 20200 Refundable Advance | 0.01 |
| 20201 Payroll Protection Prgrm Loan | 273,900.00 |
| 20203 Deferred Rent Liability - S/T | 6,085.72 |
| 20300 Deferred Revenue-Dues | 32,846.85 |
| Total Other Current Liabilities | \$448,266.16 |
| Total Current Liabilities | \$1,012,054.25 |
| Long-Term Liabilities | |
| 20205 Def Rev-Sponsorships & Regist. | 1,000.00 |
| Total Long-Term Liabilities | \$1,000.00 |
| Total Liabilities | \$1,013,054.25 |
| Equity | |
| 31100 Restricted Net Assets | 4,257.16 |
| 90000 Retained Earnings. | 778,593.05 |
| Retained Earnings | 228,991.01 |
| Net Income | -168,902.16 |
| Total Equity | \$842,939.06 |
| TOTAL LIABILITIES AND EQUITY | \$1,855,993.31 |

Center for Watershed Protection, Inc.

A/R AGING SUMMARY

As of October 7, 2020

| | CURRENT | 1 - 30 | 31 - 60 | 61 - 90 | 91 AND OVER | TOTAL |
|--|-------------------|------------------|-------------------|-----------------|-------------|---------------------|
| Arlington Co Dept of Environmental Ser | | | | | | \$0.00 |
| W-12-009 Arlington County Retrofits Phase #5 & #6, VA | 2,030.00 | | | | | \$2,030.00 |
| Total Arlington Co Dept of Environmental Ser | 2,030.00 | | | | | \$2,030.00 |
| Audubon Naturalist Society | | | | | | \$0.00 |
| W-18-019 Stormwater Site Plan at Woodend, MD | 1,622.50 | | | | | \$1,622.50 |
| Total Audubon Naturalist Society | 1,622.50 | | | | | \$1,622.50 |
| Butler Snow LLP | | | | | | \$0.00 |
| W-19-012 Butler Snow SW Review | 11,056.25 | | | | | \$11,056.25 |
| Total Butler Snow LLP | 11,056.25 | | | | | \$11,056.25 |
| Carroll County Government | | | | | | \$0.00 |
| R-16-002 - Stream Channel Stability (CBT) | 2,877.50 | | | | | \$2,877.50 |
| Total Carroll County Government | 2,877.50 | | | | | \$2,877.50 |
| Chesapeake Bay Trust | | | | | | \$0.00 |
| R-17-004 - Novel Research Framework to Assess Water Quality Impacts Urban Trees | 1,316.00 | | | | | \$1,316.00 |
| Total Chesapeake Bay Trust | 1,316.00 | | | | | \$1,316.00 |
| City of Charlotte- Finance Department | | | | | | \$0.00 |
| W-20-005 City of Charlotte Tree Canopy Policy Study | 9,068.75 | | | | | \$9,068.75 |
| Total City of Charlotte- Finance Department | 9,068.75 | | | | | \$9,068.75 |
| Core Engineers Consulting Group LLC | | | | | | \$0.00 |
| W-19-026 DC Velocity Plan Reviews | 2,518.13 | 1,657.50 | 3,697.50 | | | \$7,873.13 |
| Total Core Engineers Consulting Group LLC | 2,518.13 | 1,657.50 | 3,697.50 | | | \$7,873.13 |
| Dept. of Energy & Environment | | | | | | \$0.00 |
| T-18-015 Training and Research on DOEE's Stormwater Rules, DC | 30,973.62 | 45,474.84 | | | | \$76,448.46 |
| W-16-012 DC SRC Purchase Agreement | 44,474.65 | | | | | \$44,474.65 |
| W-18-022 Building BID/Main Streets Capacity for Constructing and Maintaining LID | 6,611.25 | | | | | \$6,611.25 |
| Total Dept. of Energy & Environment | 82,059.52 | 45,474.84 | | | | \$127,534.36 |
| Ecotone Inc. | | | | | | \$0.00 |
| F-16-001 - Patron Program | 2,500.00 | | | | | \$2,500.00 |
| Total Ecotone Inc. | 2,500.00 | | | | | \$2,500.00 |
| EPA | | | | | 0.00 | \$0.00 |
| James River Assoc. | | | | | | \$0.00 |
| W-19-006 Upper and Middle James Riparian Consortium, VA (subs to JRA NFWF) | 1,585.00 | | | | | \$1,585.00 |
| Total James River Assoc. | 1,585.00 | | | | | \$1,585.00 |
| McCormick Taylor | | | | | | \$0.00 |
| W-17-012 Town of Bluffton Plan Review, SC On Call | | 9,651.25 | | 2,900.00 | | \$12,551.25 |
| Total McCormick Taylor | | 9,651.25 | | 2,900.00 | | \$12,551.25 |
| MD Department of Natural Resources | | | | | | \$0.00 |
| W-19-027 Fair Hill Mill Complex Redevelopment and Green Infrastructure Construct | 220,919.69 | 11,632.25 | 167,183.31 | | | \$399,735.25 |
| Total MD Department of Natural Resources | 220,919.69 | 11,632.25 | 167,183.31 | | | \$399,735.25 |

Center for Watershed Protection, Inc.

A/R AGING SUMMARY

As of October 7, 2020

| | CURRENT | 1 - 30 | 31 - 60 | 61 - 90 | 91 AND OVER | TOTAL |
|---|---------------------|--------------------|---------------------|-------------------|----------------|---------------------|
| National Fish & Wildlife | | | | | | \$0.00 |
| W-17-020 Advancing Use of Green Infrastructure in Fauquier County, VA (NFWF) | 15,377.08 | | | | | \$15,377.08 |
| Total National Fish & Wildlife | 15,377.08 | | | | | \$15,377.08 |
| St. Paul's Church | | | | | | \$0.00 |
| W-18-015 St. Paul's Rock Creek Stormwater Plans, DC | 145.00 | | | | | \$145.00 |
| Total St. Paul's Church | 145.00 | | | | | \$145.00 |
| Township of Whitehall | | | | | | \$0.00 |
| W-20-003 Whitehall Township on-call support (COSTARS) | 5,000.00 | | | | | \$5,000.00 |
| Total Township of Whitehall | 5,000.00 | | | | | \$5,000.00 |
| Training | | | | | | \$0.00 |
| Webcast Registration | | | | | 0.00 | \$0.00 |
| Total Training | | | | | 0.00 | \$0.00 |
| TOTAL | \$358,075.42 | \$68,415.84 | \$170,880.81 | \$2,900.00 | \$0.00 | \$600,272.07 |

Center for Watershed Protection, Inc.

PROFIT AND LOSS BY MONTH

January - September, 2020

| | JAN 2020 | FEB 2020 | MAR 2020 | APR 2020 | MAY 2020 | JUN 2020 | JUL 2020 | AUG 2020 | SEP 2020 | TOTAL |
|--------------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Income | | | | | | | | | | |
| 41000 U.S. EPA Grants | 18,254.54 | 18,459.21 | 60,126.02 | 385.55 | 42,446.85 | 11,813.00 | 9,588.23 | 14,952.11 | 7,708.75 | \$183,734.26 |
| 41400 U.S. Dept. of Agriculture | 2,131.05 | | 279.07 | | 213.95 | | | | | \$2,624.07 |
| 42000 Subrecipient of EPA Funds | 700.34 | 585.30 | 282.56 | 605.48 | 423.83 | 2,058.64 | 2,946.68 | 35,341.39 | 15,377.08 | \$58,321.30 |
| 42001 Subrecipient of NFWF Federal | 611.25 | | 2,487.50 | | 3,133.75 | | 2,778.75 | | 1,585.00 | \$10,596.25 |
| 43000 NFWF - Nonfederal Funds | | | 11,579.04 | | | | | | 4,606.25 | \$16,185.29 |
| 43100 Local Government Contracts | 2,212.50 | 38,546.11 | 12,106.25 | 28,469.46 | 23,193.34 | 46,642.18 | 29,007.50 | 13,411.25 | 18,976.25 | \$212,564.84 |
| 43105 Corp Contracts from Local Govt | 13,419.38 | 7,291.70 | 6,993.25 | 7,449.80 | 9,240.00 | 5,258.75 | 3,697.50 | 11,308.75 | 2,518.13 | \$67,177.26 |
| 43200 State Government Contracts | 169,657.97 | 781,818.32 | 515,010.82 | 423,492.17 | 272,918.01 | 255,974.02 | 358,822.20 | 247,575.36 | 129,289.68 | \$3,154,558.55 |
| 43300 Corporate Contracts | | 30,334.49 | | | 5,194.12 | 11,219.74 | | | 11,056.25 | \$57,804.60 |
| 44000 Private Foundations | 18,836.00 | 79,589.37 | 9,248.79 | | 30,182.00 | 20,191.84 | 115,308.00 | 62,000.00 | 1,316.00 | \$336,672.00 |
| 44004 Grant Covid Relief | | | | | | | 10,000.00 | | | \$10,000.00 |
| 44005 Donations - FOC | 200.00 | 94.31 | 40.00 | 1,274.55 | 692.29 | | 100.00 | 1,192.06 | 2,872.14 | \$6,465.35 |
| 44010 Donations - Board | 1,275.00 | 25.00 | 550.00 | 50.00 | 75.00 | 275.00 | 75.00 | 250.00 | 2,550.00 | \$5,125.00 |
| 44015 Donations - Corporate | | 9.54 | | | 1,841.00 | 112.29 | 19.00 | 12.33 | | \$1,994.16 |
| 44016 Donations - Patron Program | 2,500.00 | | | 2,500.00 | | | 2,500.00 | | | \$7,500.00 |
| 44020 Nonprofit Corporations 501(c) | 10,977.05 | 5,102.50 | 19,393.57 | 10,634.50 | 47,327.50 | 11,126.25 | 4,660.00 | 882.50 | 1,622.50 | \$111,726.37 |
| 44030 Revenue from Universities | | | | | | | | 1,500.00 | | \$1,500.00 |
| 44035 Royalties | 151.21 | 362.35 | 297.38 | | 191.13 | 126.88 | 77.54 | 141.53 | | \$1,348.02 |
| 45000 Membership Dues | 6,012.72 | 6,457.76 | 6,442.67 | 5,916.50 | 6,125.08 | 5,745.50 | 5,693.25 | 5,991.00 | 6,745.49 | \$55,129.97 |
| 45001 Conference Sponsorships | 14,000.00 | 4,500.00 | -4,000.00 | -4,450.00 | | | | 300.00 | 900.00 | \$11,250.00 |
| 45002 Subscriptions | 149.90 | | | | | | | | | \$149.90 |
| 45010 Registrations | 84,143.00 | 49,856.00 | -28,906.50 | -11,219.50 | -304.50 | 100.00 | 450.00 | 2,908.00 | 7,353.00 | \$104,379.50 |
| 46000 Interest Income | 10.17 | 20.31 | 19.25 | 13.68 | 19.78 | 35.39 | 42.72 | 37.85 | 35.25 | \$234.40 |
| 46001 Unrealized Gain/Loss on Invest | | | -52,542.79 | | | 49,965.85 | | | 68,694.49 | \$66,117.55 |
| Total Income | \$345,242.08 | \$1,023,052.27 | \$559,406.88 | \$465,122.19 | \$442,913.13 | \$420,645.33 | \$545,766.37 | \$397,804.13 | \$283,206.26 | \$4,483,158.64 |
| GROSS PROFIT | \$345,242.08 | \$1,023,052.27 | \$559,406.88 | \$465,122.19 | \$442,913.13 | \$420,645.33 | \$545,766.37 | \$397,804.13 | \$283,206.26 | \$4,483,158.64 |
| Expenses | | | | | | | | | | |
| 50015 Salaries | 114,490.39 | 117,494.66 | 115,162.62 | 112,426.68 | 117,299.34 | 113,725.80 | 106,612.65 | 101,892.08 | 119,113.65 | \$1,018,217.87 |
| 50020 Fringe - Payroll Taxes | 9,394.70 | 9,079.05 | 8,805.69 | 8,054.96 | 8,753.28 | 8,585.24 | 8,441.69 | 7,902.97 | 8,841.50 | \$77,859.08 |
| 50025 Fringe - Employee Benefits | 11,216.95 | 9,699.48 | 8,773.78 | 9,211.21 | 9,145.86 | 9,213.96 | 10,737.30 | 7,671.36 | 8,436.45 | \$84,106.35 |
| 50030 Fringe - Employer 401K | 4,079.49 | 4,162.76 | 4,299.73 | 3,943.04 | 3,966.23 | 3,902.72 | 3,829.99 | 3,516.59 | 3,517.15 | \$35,217.70 |
| 51010 Bank/Credit Card Fees | 5,915.60 | 2,491.02 | 1,977.62 | 262.85 | 867.04 | 163.67 | 410.69 | 367.63 | 592.87 | \$13,048.99 |
| 51020 Contractors | 382,239.71 | 754,102.14 | 480,669.38 | 468,860.14 | 256,925.38 | 188,480.51 | 348,925.56 | 206,967.45 | 74,470.38 | \$3,161,640.65 |
| 51040 Depreciation Expense | 1,289.11 | 1,289.11 | 1,289.11 | 1,349.83 | 1,349.83 | 1,349.83 | 1,349.83 | 1,349.83 | 1,349.83 | \$11,966.31 |
| 51050 Insurance | 9,951.61 | 4,528.15 | 93.00 | | | 93.10 | 661.98 | 661.98 | 661.98 | \$16,651.80 |
| 51060 Licensing Fees | 2,362.41 | 655.50 | 225.95 | 377.00 | 2,877.49 | 815.00 | 1,394.26 | 882.00 | 1,342.00 | \$10,931.61 |
| 52000 Operational Expenses | 7,194.53 | 8,245.16 | 10,017.70 | 7,223.90 | 20,869.84 | 3,221.84 | 11,577.41 | 5,911.55 | 7,762.25 | \$82,024.18 |

Center for Watershed Protection, Inc.

PROFIT AND LOSS BY MONTH

January - September, 2020

| | JAN 2020 | FEB 2020 | MAR 2020 | APR 2020 | MAY 2020 | JUN 2020 | JUL 2020 | AUG 2020 | SEP 2020 | TOTAL |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| 52010 Postage & Delivery | 57.45 | 298.45 | 232.18 | 54.60 | 352.20 | 265.29 | 8.30 | 370.63 | 95.64 | \$1,734.74 |
| 52020 Professional Development | 29.00 | | | | 31.32 | 631.32 | | | 364.50 | \$1,056.14 |
| 52030 Publications, Dues & Subscript | 270.00 | 200.00 | | | | | | 350.00 | 49.00 | \$869.00 |
| 52040 Registration Fees | 105.00 | 959.10 | | | -190.00 | | 775.00 | | 1,595.00 | \$3,244.10 |
| 52050 Rent | 10,234.30 | 4,863.58 | 4,863.58 | 4,863.58 | 4,863.58 | 2,091.46 | 2,361.82 | 10,610.24 | 5,504.74 | \$50,256.88 |
| 52060 Reproduction | 671.74 | 958.30 | 442.66 | 1,339.30 | 332.20 | 470.51 | 312.32 | 619.73 | 279.64 | \$5,426.40 |
| 52070 Staff Recruitment | | | 147.65 | | | | | | | \$147.65 |
| 52080 Supplies - Office | 1,366.51 | 1,540.77 | 213.60 | 341.80 | 114.43 | 473.11 | 454.82 | 1,284.26 | 185.53 | \$5,974.83 |
| 52081 Supplies - Computer | 1,728.08 | 3,112.44 | 2,455.96 | 6,419.03 | 2,562.18 | 3,244.18 | 366.50 | 15,847.81 | 2,610.96 | \$38,347.14 |
| 52082 Supplies - Field | 80.23 | 170.72 | 6.52 | | | | 40.30 | | 25.75 | \$323.52 |
| 52090 Telephone | 4,375.19 | 1,457.07 | 978.07 | 899.43 | 1,390.69 | 1,043.43 | 977.09 | 1,597.78 | 1,299.11 | \$14,017.86 |
| 53010 Travel - Meals | 501.90 | 508.83 | 5,347.83 | 56.01 | 19.84 | | | | 22.02 | \$6,456.43 |
| 53011 Travel | 6,431.71 | 1,478.51 | 1,031.48 | 90.65 | 709.19 | 437.10 | 606.20 | 737.23 | 1,019.50 | \$12,541.57 |
| Total Expenses | \$573,985.61 | \$927,294.80 | \$647,034.11 | \$625,774.01 | \$432,239.92 | \$338,208.07 | \$499,843.71 | \$368,541.12 | \$239,139.45 | \$4,652,060.80 |
| NET OPERATING INCOME | \$ -228,743.53 | \$95,757.47 | \$ -87,627.23 | \$ -160,651.82 | \$10,673.21 | \$82,437.26 | \$45,922.66 | \$29,263.01 | \$44,066.81 | \$ -168,902.16 |
| NET INCOME | \$ -228,743.53 | \$95,757.47 | \$ -87,627.23 | \$ -160,651.82 | \$10,673.21 | \$82,437.26 | \$45,922.66 | \$29,263.01 | \$44,066.81 | \$ -168,902.16 |

Center for Watershed Protection, Inc.
Statement of Cash Flows
January - September, 2019 v 2020

| | <u>2019 Total</u> | <u>2020 Total</u> |
|---|-----------------------|-----------------------|
| OPERATING ACTIVITIES | | |
| Net Income | -108,705.81 | -168,902.16 |
| Adjustments to reconcile Net Income to Net Cash provided by operations: | | |
| 10100 Accounts Receivable | 25,285.83 | -294,837.92 |
| 10101 Unbilled Receivable | 29,440.01 | |
| 20000 Accounts Payable | -86,382.85 | 574,048.21 |
| 20001 Federal Withholding | -705.29 | 523.13 |
| 20002 Social Sec/Medicare | -1,687.98 | 670.80 |
| 20003 MD Withholding | -639.36 | 321.52 |
| 20004 VA Withholding | -12.44 | -349.09 |
| 20005 MD - SUI | -157.57 | -101.98 |
| 20006 Employer Contributions | -555.17 | -127.02 |
| 20007 Employee Contributions | -636.55 | 1,096.57 |
| 20008 SC Withholding | -65.66 | 101.25 |
| 20012 NY Withholding | 31.09 | 78.74 |
| 20013 NY - SUI | -17.71 | |
| 20016 PA Withholding | 244.88 | 155.36 |
| 20020 PA Child Care | | -225.00 |
| 20018 SC - SUI | -4.02 | |
| 20021 PA - SUI | -109.74 | -21.48 |
| 20100 Accrued Salary | -836.39 | 1,651.75 |
| 20110 Accrued Combined Leave | -4,348.41 | 12,818.72 |
| 20201 Payroll Protection Prgm Loan | | 273,900.00 |
| 20300 Deferred Revenue-Dues | 15,939.44 | 8,948.02 |
| 20305 Deferred Revenue-Subscriptions | -26.67 | -149.90 |
| Total Adjustments to reconcile Net Income to Net Cash provided by operations: | -\$ 25,244.56 | \$ 578,501.68 |
| Net cash provided by operating activities | -\$ 133,950.37 | \$ 409,599.52 |
| INVESTING ACTIVITIES | | |
| 10024 The Royce Funds | 58,677.27 | -49,603.38 |
| 10025 Ariel Investments | 107,144.89 | 935.55 |
| 10026 Fidelity Investments | -12,134.79 | -90,884.89 |
| 10027 Parnassus Funds | 45,797.59 | -16,564.83 |
| 10401 Computer Equipment | -17,619.21 | |
| 10410 Accumulated Depreciation | 11,143.61 | 11,966.31 |
| 10300 Prepaid Insurance | 797.30 | |
| 10305 Prepaid Rent | 5,389.10 | |
| 10310 Prepaid Conference Expenses | 4,456.59 | |
| 10500 Security Deposit | 2,000.00 | |
| Net cash provided by investing activities | \$ 205,652.35 | -\$ 144,151.24 |
| FINANCING ACTIVITIES | | |
| 20204 Deferred Rent Liability - L/T | -2,910.60 | -4,111.07 |
| 20205 Def Rev-Sponsorships & Regist. | -33,235.00 | 1,000.00 |
| Net cash provided by financing activities | -\$ 36,145.60 | -\$ 3,111.07 |
| Net cash increase for period | \$ 35,556.38 | \$ 262,337.21 |
| Cash at beginning of period | 131,997.33 | 154,197.16 |
| Cash at end of period | \$ 167,553.71 | \$ 416,534.37 |

Center for Watershed Protection, Inc.
Budget vs. Actuals: 2020 Budget - FY20 P&L
 January - September, 2020

| | Sep 2020 | | Total | |
|--------------------------------------|----------------------|----------------------|------------------------|------------------------|
| | Actual | Budget | Actual | Budget |
| Income | | | | |
| 41000 U.S. EPA Grants | 7,708.75 | 23,635.94 | 183,734.26 | 212,723.45 |
| 41400 U.S. Dept. of Agriculture | | | 2,624.07 | 0.00 |
| 42000 Subrecipient of EPA Funds | 15,377.08 | 52,931.70 | 58,321.30 | 476,385.30 |
| 42001 Subrecipient of NFWF Federal | 1,585.00 | | 10,596.25 | 0.00 |
| 43000 NFWF - Nonfederal Funds | 4,606.25 | 4,669.36 | 16,185.29 | 42,024.25 |
| 43100 Local Government Contracts | 18,976.25 | 50,012.77 | 212,564.84 | 450,114.96 |
| 43105 Corp Contracts from Local Govt | 2,518.13 | 5,424.17 | 67,177.26 | 48,817.57 |
| 43200 State Government Contracts | 129,289.68 | 369,140.55 | 3,154,558.55 | 3,322,265.02 |
| 43210 Nonprofit Cont from State Govt | | 1,017.18 | 0.00 | 9,154.57 |
| 43300 Corporate Contracts | 11,056.25 | 4,451.00 | 57,804.60 | 40,059.01 |
| 44000 Private Foundations | 1,316.00 | 51,831.82 | 336,672.00 | 466,486.42 |
| 44004 Grant Covid Relief | | | 10,000.00 | 0.00 |
| 44005 Donations - FOC | 2,872.14 | | 6,465.35 | 0.00 |
| 44010 Donations - Board | 2,550.00 | 500.00 | 5,125.00 | 4,500.00 |
| 44015 Donations - Corporate | | | 1,994.16 | 0.00 |
| 44016 Donations - Patron Program | | | 7,500.00 | 0.00 |
| 44020 Nonprofit Corporations 501(c) | 1,622.50 | 28,174.28 | 111,726.37 | 253,568.34 |
| 44025 Nonprofit Contract frm PrFound | | 7,041.65 | 0.00 | 63,374.83 |
| 44030 Revenue from Universities | | | 1,500.00 | 0.00 |
| 44035 Royalties | | | 1,348.02 | 0.00 |
| 45000 Membership Dues | 6,745.49 | 5,000.00 | 55,129.97 | 45,000.00 |
| 45001 Conference Sponsorships | 900.00 | | 11,250.00 | 0.00 |
| 45002 Subscriptions | | | 149.90 | 0.00 |
| 45010 Registrations | 7,353.00 | | 104,379.50 | 0.00 |
| 46000 Interest Income | 35.25 | | 234.40 | 0.00 |
| 46001 Unrealized Gain/Loss on Invest | 68,694.49 | | 66,117.55 | 0.00 |
| Total Income | \$ 283,206.26 | \$ 603,830.42 | \$ 4,483,158.64 | \$ 5,434,473.72 |
| Gross Profit | \$ 283,206.26 | \$ 603,830.42 | \$ 4,483,158.64 | \$ 5,434,473.72 |
| Expenses | | | | |
| 50015 Salaries | 119,113.65 | 127,515.58 | 1,018,217.87 | 1,147,640.26 |
| 50020 Fringe - Payroll Taxes | 8,841.50 | 11,375.00 | 77,859.08 | 102,375.00 |
| 50025 Fringe - Employee Benefits | 8,436.45 | 12,541.66 | 84,106.35 | 112,875.02 |
| 50030 Fringe - Employer 401K | 3,517.15 | 5,250.00 | 35,217.70 | 47,250.00 |
| 51010 Bank/Credit Card Fees | 592.87 | 1,666.67 | 13,048.99 | 14,999.99 |
| 51020 Contractors | 74,470.38 | 377,648.33 | 3,161,640.65 | 3,398,835.01 |
| 51040 Depreciation Expense | 1,349.83 | 1,416.66 | 11,966.31 | 12,750.02 |
| 51050 Insurance | 661.98 | 1,750.00 | 16,651.80 | 15,750.00 |
| 51060 Licensing Fees | 1,342.00 | 541.66 | 10,931.61 | 4,875.02 |
| 52000 Operational Expenses | 7,762.25 | 12,307.25 | 82,024.18 | 110,765.25 |
| 52010 Postage & Delivery | 95.64 | 416.66 | 1,734.74 | 3,750.02 |
| 52020 Professional Development | 364.50 | 250.00 | 1,056.14 | 2,250.00 |
| 52030 Publications, Dues & Subscript | 49.00 | 516.66 | 869.00 | 4,650.02 |
| 52040 Registration Fees | 1,595.00 | 516.66 | 3,244.10 | 4,650.02 |
| 52050 Rent | 5,504.74 | 5,166.66 | 50,256.88 | 46,500.02 |
| 52060 Reproduction | 279.64 | 1,416.66 | 5,426.40 | 12,750.02 |
| 52070 Staff Recruitment | | | 147.65 | 0.00 |
| 52080 Supplies - Office | 185.53 | | 5,974.83 | 0.00 |
| 52081 Supplies - Computer | 2,610.96 | 3,625.00 | 38,347.14 | 32,625.00 |
| 52082 Supplies - Field | 25.75 | 541.66 | 323.52 | 4,875.02 |
| 52090 Telephone | 1,299.11 | 1,333.34 | 14,017.86 | 11,999.98 |
| 53010 Travel - Meals | 22.02 | 7,800.00 | 6,456.43 | 70,200.00 |
| 53011 Travel | 1,019.50 | 8,450.00 | 12,541.57 | 76,050.00 |
| Total Expenses | \$ 239,139.45 | \$ 582,046.11 | \$ 4,652,060.80 | \$ 5,238,415.67 |
| Net Operating Income | \$ 44,066.81 | \$ 21,784.31 | -\$ 168,902.16 | \$ 196,058.05 |
| Net Income | \$ 44,066.81 | \$ 21,784.31 | -\$ 168,902.16 | \$ 196,058.05 |

| Budget Summary | | | | |
|-----------------------------------|----------------------|----------------------|------------------------|------------------------|
| Revenue by Program | Secured | Proposals | To Be Secured | TOTAL |
| Fundraising (FOC, Board, general) | | \$ 12,000.00 | | \$ 12,000.00 |
| Membership | | \$ 73,400.00 | | \$ 73,400.00 |
| Research | \$ 25,500.00 | \$ 30,935.25 | \$ 50,000.00 | \$ 106,435.25 |
| Training | \$ 82,880.45 | \$ 217,500.00 | \$ 75,000.00 | \$ 375,380.45 |
| Watershed Services | \$ 1,168,131.85 | \$ 588,697.00 | \$ 900,000.00 | \$ 2,656,828.85 |
| Subtotal | \$ 1,276,512.30 | \$ 872,128.70 | \$ 1,025,000.00 | \$ 3,173,641.00 |
| Contractual (pass-throughs) | \$ 753,546.05 | \$ - | \$ - | \$ 753,546.05 |
| Total (no pass-throughs) | \$ 522,966.25 | \$ 872,128.70 | \$ 1,025,000.00 | \$ 2,420,094.95 |

Notes

Approximately 2x Jan - Jun 2020
 Approximately 2x Jan - Jun 2020
 From Revenues/ Pending Backlog 08/10/2020
 From Revenues/ Pending Backlog 08/10/2020
 From Revenues/ Pending Backlog 08/10/2020
 From Revenues/ Pending Backlog 08/10/2020

| Expenses by Category | |
|--|---------------------|
| Salaries | \$1,605,266.59 |
| Fringe | \$321,053.32 |
| Bank/ Credit Card Fees | \$24,000.00 |
| Contractors | \$867,482.00 |
| Depreciation | \$16,000.00 |
| Insurance (D&O, Liability, etc.) | \$30,000.00 |
| Licensing Fees | \$15,000.00 |
| Operational Expenses (Accounting, Payroll, etc.) | \$79,000.00 |
| Postage & Delivery | \$2,500.00 |
| Professional Development/ Tuition | \$1,600.00 |
| Publications, Dues | \$3,000.00 |
| Registration Fees | \$1,600.00 |
| Rent | \$66,704.28 |
| Reproduction | \$12,000.00 |
| Supplies (Computer, Office, Field) | \$67,301.60 |
| Telephone | \$21,000.00 |
| Travel | \$22,000.00 |
| Subtotal | \$3,155,507.79 |
| Total (Minus Contractors) | \$2,288,025.79 |
| NET REVENUE | \$132,069.16 |

From Salaries spreadsheet
 20% of Salaries (in 2019, it was 18%)
 Approximately 2x Jan - Jun 2020
 From Contractors spreadsheet from backlog 08/10/2020
 Approximately 2x Jan - Jun 2020
 Approximately 2x Jan - Jun 2020
 Approximately 2x Jan - Jun 2020
 From Operational Expenses Spreadsheet
 Approximately 2x Jan - Jun 2020
 Approximately 2x Jan - Jun 2020
 From Supplies spreadsheet
 Approximately 2x Jan - Jun 2020
 Approximately 2x Jan - Jun 2020
 Executive Center Monthly - \$5,558.69 * 12

Center for Watershed Protection Board

| | | |
|-----------|--------------------------------|--------------------|
| Officers: | President | Vacant |
| | Vice President | Alan Vicory |
| | 2 nd Vice President | Vacant |
| | Treasurer | Michael Freeburger |
| | Secretary | Vacant |
| | Finance Committee Chair | Michael Freeburger |
| | Governance Committee Chair | Rhea Harris |
| | Resource Development Chair | Alan Vicory |

Directors due for re-election terms:

| | |
|--------------------|-----------------|
| Karen Evans | term ended 2019 |
| Michael Freeburger | term ends 2020 |
| Scott Lang | term ends 2020 |
| Willy Moore | term ends 2020 |

Leaving the Board are Carlton Epps and Anwar Ahmed. D'Andrea Walker needs to take a six month leave of absence for work reasons.

People Running for Officer Positions:

Alan Vicory for President

Rhea Harris for 1st Vice President

Juanita Galbreath for 2nd Vice President

Treasurer/ Finance Chair Michael Freeburger

Secretary Luis Valdivieso

Michael Marcus for Resource Development

Scott Osborne for Governance Chair

Governance Committee Meeting

October 16, 2020

1:00 -2:00

Action items in **bold**.

Attendees: Rhea Harris, Juanita Galbreath, Karen Evans, Kimberly Min, and Hye Yeong Kwon (notes)

Absent: Willy Moore

Discussion:

1. Rhea shared the current list of proposed Board members and officer seats.
2. **Rhea will talk to Willy to check on the proposed list and see if he has feedback.**
3. **Rhea will share the final list with staff (Hye Yeong and Marlyn) by October 20th in time to add to the board packet.**
4. **Rhea will communicate with the two potential board members (Bob Bathurst and Mike Yost) to let them know timeline for their consideration.**
5. There was general discussion about looking at officer terms as part of bylaws and considering modification based on need. **Governance committee to consider annual, two-year, and three-year terms for future consideration.**
6. **Rhea will look at the full board agenda to see if there are any clarification or details to be added and communicate that to staff for modification by October 20th.**

Action Analysis Tool: Worksheet

| "How to" Goal | Driving Forces | Restraining Forces | Assets Required | Steps to Take |
|---------------------------------------|---|--------------------|--|---|
| Achieve better foundation fundraising | Need for unrestricted funds for research, distribution of tools, and other administrative functions | Lack of contacts | Individuals who are interested in our mission and have contacts Staff time to follow up | Talk to current board about contacts with foundations |

Nonprofit Fundraising 101

*EXAMPLE
NOT IN USE BY
LWD*

@DHEYMAN

BOARD MATRIX

Categories

Expertise & Capacity

- Indigenous Wisdom
- Women's Leadership
- Youth Leadership
- Spirituality & Faith
- Media & Distribution
- Public Relations
- Nonprofit Governance
- Lawyer
- Accountant/Finance Executive
- High Net Worth
- Available 10 vs. 2 Hours/Month

Connections

- Major Donors
- Foundations
- Celebrities
- Media & Communications
- Government
- Academia

Diversity

- Native American
- Latino
- Women
- Youth (< 30)
- San Francisco Bay Area
- International

| | Current Member 1 | Current Member 2 | Current Member 3 |
|--------------------------------|------------------|------------------|------------------|
| Indigenous Wisdom | X | X | X |
| Women's Leadership | | | X |
| Youth Leadership | X | | |
| Spirituality & Faith | | X | X |
| Media & Distribution | | X | |
| Public Relations | | | X |
| Nonprofit Governance | | X | |
| Lawyer | X | | |
| Accountant/Finance Executive | X | X | X |
| High Net Worth | | | |
| Available 10 vs. 2 Hours/Month | X | X | X |
| Major Donors | X | | X |
| Foundations | | | |
| Celebrities | X | | |
| Media & Communications | | X | X |
| Government | | X | |
| Academia | | X | X |
| Native American | X | | X |
| Latino | | | |
| Women | | X | |
| Youth (< 30) | X | | |
| San Francisco Bay Area | | X | X |
| International | X | | |

CWP Board Meeting

October 28, 2020

Report of the Resources Development Committee

The Resources Development Committee convened via “Zoom” teleconference on October 9, 2020. Present for the discussions were Alan Vicory (committee chairman), Michael Marcus, Addison Palmer; Carlton Epps (CWP Board Chairman and ex-officio member of all committees) and Marlyn Argueta in staff support.

Review of Committee’s June 25, 2015 “Work Plan Outline”

The committee gave a general review of the current Work Plan to ascertain need for revision (complete, major or minor). *It was concluded the 2015 Plan was generally good in its concepts*, which focuses on working with all CWP Board members to know what each can “bring to the table” insofar as advancing the Center’s portfolio of resources. A prior survey of Board members was discussed that served to implement that goal, but it was never fully carried out. The committee will consider options in collecting information from Board members versus conducting a formal survey.

Action Analysis Tool: Worksheet

The Committee then discussed *the “Action Analysis Tool: Worksheet” (AAT:W)* brought forward by Michael Marcus as an idea for use in assisting CWP focus on goals and associated actions. *The Committee agreed this is an excellent tool and to propose its use by the full Board and staff.* Alan will work with Hye Yeong to fill out an example entry on the form to illustrate its use and thus facilitate discussion at the next Board meeting. [NOTE – Attached is the AAT:W with an example entry].

Alan, as Committee Chair, agree to draft an update to the 2015 Work Plan Outline reflecting the discussion, including incorporating the AAT:W.

Status of 2020 Board Member Personal Giving

Alan noted the status of Board giving; eight members have given and seven have not. As is typical, some Board member have not yet met this commitment, and it is standard practice for the *Committee Chairman to send a friendly reminder this time of year, which he will do.*

Carlton asked if a Board Member's CWP membership constitutes a personal contribution. Alan responded it does not. Not all members of the Board are members of CWP; a situation which seems out of place. *Marlyn will send Alan a list of Board Members not also CWP members.*

Board Matrix as a Resource to Identify, in Aggregate, Knowledge and Skill Sets

Michael brought the Committee's attention a "Board Matrix" sheet (attached). *Alan noted he believed CWP has employed such a Matrix in analyzing Board member recruiting needs and will confirm this with Hye Yeong.* Certainly, a matrix analysis is important for use by the Board and staff.

Board Giving Update for 2020

As of 10/12/20

2020 Goal: \$7,000 (\$500 each member)

| Current Board Members | Pledge Amount | Personal Donations | Type of Personal Donation | External Donations | Type of External Donation | Total Given to Date | Last Date Received | Tax Letter Sent |
|-----------------------|------------------------|--------------------|---------------------------|--------------------|----------------------------------|---------------------|--------------------|-----------------|
| Anwer Ahmed | | | | | | | | |
| Carlton Epps | | X | Checks | | | X | 10/08/20 | |
| Karen Evans | | X | Online | | | X | 03/04/20 | |
| Mike Freeburger | | | | | | | | |
| Juanita Galbreath | | X | Online | | | X | 09/11/20 | 9/28/20 |
| Rhea Harris | | X | Check | | | X | 09/11/20 | 9/28/20 |
| Scott Lang | | | | | | | | |
| Michael Marcus | | X | Online | | | X | 06/19/20 | |
| Kimberly Min | | | | | | | | |
| Willy Moore | | X | Check | X | Check from Southway | X | 09/24/20 | |
| Scott Osborn | | | | | | | | |
| Addison Palmer | | X | Online | X | Check from STV | X | 10/09/20 | |
| Luis Valdivieso | | | | X | Online Joe Conley at SQN Systems | X | 09/08/20 | |
| Alan Vicory | | X | Check | | | X | 06/24/20 | |
| D'Andrea Walker | | X | Check | | | X | 03/02/20 | |
| | Personal Total: | \$3,000 | External Total: | \$3,100 | GRAND TOTAL: | \$6,100 | | |

CENTER FOR WATERSHED PROTECTION BOARD MEETING

Thursday, August 27, 2020 from 1:00 pm – 4:00 pm

Board members calling must use Zoom to be on “visually” to meet Better Business Bureau requirements for Board meeting attendance.

3290 North Ridge Road, Suite 290 Ellicott City, MD

Present:

By Zoom: Carlton Epps, Rhea Harris, Michael Freeburger, Scott Lang, Alan Vicory, Juanita Galbreath, Michael Marcus, Scott Osborn, Luis Valdivieso, Kimberly Min, Anwer Ahmed, Willy Moore, Bryan Seipp (Staff), Hye Yeong Kwon (staff) and Marlyn Argueta (staff)

Absent: Karen Evans, D’Andrea Walker, Addison Palmer

Discussion:

Call Meeting to Order, Roll Call, Approval of Minutes, and Welcome

Carlton convened the meeting at 1:05 and thanked everyone for their attendance. Carlton asked if there were any questions or changes to the minutes from last meeting. Carlton asked for a motion to approve minutes with any necessary edits. Michael Freeburger motioned to approve, and Michael Marcus seconded. All in favor.

Resource Development Committee

Alan reported that the committee has been active the last six months. The committee passed a new annual giving policy and reminded everyone to start thinking about their board giving this year. Alan stated that the committee started discussing fundraising by board members and turned the meeting over to Michael Marcus. Michael M explained how his professional background can help the board fundraise and reviewed the Blue Avocado slides. Alan asked for questions and with no questions asked, turned the meeting over to Hye Yeong. Hye Yeong explained the background behind choosing Blue Avocado info and their founder. Hye Yeong then showed the Foundant video about building a fundraising board. **Alan asked Hye Yeong to send the link out to everyone.**

Conowingo WIP & Communicating What We Do at the Center for Watershed Protection

Bryan stated that this media training came from staff need to understand how to communicate information about the Center. The Hatcher Group put together some tools and resources for staff to use. Bryan reiterated that the main point of this sheet is to pick and choose what talking points you want to present in certain situations or to certain audiences. Bryan reported that the rest of the staff is also getting trained in communication from the staff that attended the training with Hatcher.

Bryan went over the Conowingo WIP project. He stated that the project is politically charged and controversial so it’s getting a lot of media interest. Bryan was getting many phone calls and

wanted to make sure he was communicating correctly because he didn't want to get the Center or himself in trouble. Carlton asked how the Conowingo project affected the Center's finances. Hye Yeong answered that the project is a six-year commitment and the Center is in the second year of funding. It's approximately one million dollars total with most of it going to the Center but some portions to subcontractors. Bryan added that the Center is in the beginning stages and the project could lead to more opportunities. Hye Yeong asked Carlton about questions he had regarding Conowingo. Carlton explained that the article showed how watersheds in New York come down to Maryland. Carlton talked about the article proving that Pennsylvania, Maryland and Virginia have to work together to clean up the Chesapeake Bay and that Maryland has been doing well but Pennsylvania was way behind. Bryan agreed that Pennsylvania is behind but that is why the media training was important to not "throw them under the bus."

Alan said that he is impressed with this project. Hye Yeong stated how proud she is of Bryan and how he handles this project.

Finance Committee

Michael Freeburger went over the balance sheet and stated that there are no notable updates. The income Statement is in line to what he expected. Michael Freeburger reported that there is nothing to be alarmed about. Michael Freeburger also reported that the Center switched their accounting software from Sage to Quickbooks but that no significant changes should be noticed in terms of reporting. Michael Freeburger said that the one-month difference from the last meeting means there are not too many changes to report. Luis asked about the receivables reported last month and the status of collections. Hye Yeong said most of it came in but the DNR payments are delayed.

Hye Yeong asked Michael Freeburger how PPP loan forgiveness will affect the reporting. Michael Freeburger answered that the forgiveness will reduce the salaries line. Answer asked for clarification. Michael repeated that it will be credited to the salaries line in the month that is forgiven.

Willy wanted clarification about the forgiveness application. Michael F highly recommended applying for forgiveness. Carlton clarified the loan terms and why applying for forgiveness is being discussed among Board Members. Willy asked to talk about the loan at this moment since he was short on time. Michael Freeburger again stated how important applying for the forgiveness is to the future finances of the Center. Hye Yeong added that technically the money has already been used. Hye Yeong reiterated that the Center has indeed been impacted by COVID even though some Board Members don't believe so. Hye Yeong repeated that two staff members were directly affected by COVID and unable to fully work, over \$100k of gross revenue was lost or refunded just with the 2020 Conference and that the 2021 conference is in jeopardy.

Willy said that he believed the loan amount is too high for the actual "burden" that CWP incurred. Kimberly agreed with Willy and believed the board has to hold a moral perspective. Hye Yeong again repeated that the economic impact that CWP has suffered. Luis stated that the loan was intended to keep people employed and keep the country going. Scott Osborne added

that the board should not really be involved with the moral aspect. Michael Marcus agreed and stated there is also a moral imperative for the board to honor their fiduciary responsibilities of care for the organization. Willy agreed with that aspect but disagreed with the Center's following terms of loan. Scott Lang had no issue with forgiveness considering that the terms had been met and the Center had in fact been affected by COVID. Rhea agreed with Greg as well and said the best interest of the Center is to apply for the forgiveness. Alan also agreed. Kimberly disagreed with forgiveness citing other smaller organizations deserved it and just because we were allowed technically, it did not mean we should morally ask for forgiveness. Hye Yeong noted if we are not using the calculations for forgiveness, it is difficult to know what we are actually calculating. Lost consulting rates for staff who could not work, the gross revenue for a full conference, membership, and the 2021 conference were few of the items discussed and debated. Willy felt a morally right accounting method would be to include only those costs within a 24 week period. Hye Yeong disagreed as it seemed that idea of setting date boundaries of what would be morally right was arbitrary and not based on anything that was actually required as part of the loan. Anwer felt unsure and questioned that it might be too soon to vote. Carlton stated that he doesn't feel like he has enough data to make an informed decision.

Carlton asked about the two motions in question. The first motion was to vote and decide about applying for forgiveness now which was denied due to lack of supporting motions. The second motion Carlton asked was to receive additional quantitative data within four weeks by management to then make their decision about applying for forgiveness. Michael Marcus motioned, Scott Osborn seconded.

Carlton asked about an email he sent board members regarding legal help from Kimberly's law firm. Kimberly disclosed her conflict of interest and recused herself from a vote. Motion was put on the floor for accepting legal proposal. Rhea motioned, Anwer seconded. Of the remaining board members, four approved, one declined, and another did not vote.

Governance Committee

Rhea reported that her committee discussed tenure at their last meeting and that four members are up for reelection in October. Rhea said that it called for an election in October. **Rhea will reach out to all members regarding their tenure.** Rhea announced the positions available including president, vice president, chair of committees, treasurer. Rhea also announced that the secretary of the board (Anwer) is leaving in October this year. Anwer confirmed. **Rhea will send out what is available after talking to members.** The Committee will also review the succession plan of board members to make the transitions smoother. Rhea and committee updated the succession plan for the Center directors as well.

Contingency Planning

Carlton asked to move this portion to a meeting next week to dedicate enough time for it. Anwer proposed the meeting for 9/2 at 4pm. **Hye Yeong will send out Zoom meeting.**

Concluding Remarks

Carlton thanked everyone. The meeting concluded at 4:17 pm.

CENTER FOR WATERSHED PROTECTION SPECIAL BOARD MEETING

Friday, September 11, 2020 from 12:00 pm – 1:00 pm

Board members calling must use Zoom to be on “visually” to meet Better Business Bureau requirements for Board meeting attendance.

3290 North Ridge Road, Suite 290 Ellicott City, MD

Board Members Visually Present by Zoom: Carlton Epps, Rhea Harris, Michael Marcus, Scott Osborn, Addison Palmer, Willy Moore, Kimberly Min, Alan Vicory, Juanita Galbreath, Michael Freeburger, Luis Valdivieso, Scott Lang,

CWP Staff Visually Present by Zoom: Hye Yeong Kwon and Marlyn Argueta

Board Members Absent: Karen Evans, D’Andrea Walker, Anwer Ahmed,

Discussion:

Call Meeting to Order, Roll Call, Approval of Minutes, and Welcome

Carlton called the meeting to order at 12:04, thanked everyone for their attendance, and explained that the special meeting was called to obtain board action on two motions that were voted on at the August 27 meeting, but determined to be invalid because a quorum was not present for the vote.

He described the first motion (put forth by Michael Marcus) as: ***That management provide the board with identification*** Carlton then opened the floor for comment and discussion on that motion.

Hye Yeong, CEO, commented first by referring the board to an email that she had sent to the board on Sep. 11 and the draft Application for Loan Forgiveness that was attached to it. She explained that this document shows what information the bank will be requiring and what her responses would be at this time. She explained that the document showed how the loan funds were spent on payroll It was Hye Yeong’s position that this information should satisfy the board’s request for data needed to make its decision regarding how much loan forgiveness to apply for.

Juanita Galbreath asked to clarification of what was open for discussion. She stated that the form Hye Yeong sent has all the information the government requires so she questioned what is holding up a final decision from other board members and asked what other information was needed by them. Alan Vicory explained that the form presented by Hye Yeong is a draft and because events are constantly changing, final numbers are a “moving target”. He went on to say that that timing is a factor and that it is too early to decide.

Kimberly Min answered Juanita’s question by stating that the Application for Loan Forgiveness only shows how the borrower (CWP) spent the loan proceeds but does not provide the board

with the supporting/justifying data (the eligible financial losses that the borrower (CWP) suffered).

Carlton explained that the issue for discussion is what data the board will require from management to make the decision to apply for PPP loan forgiveness or not, and if so, how much forgiveness. He stated that he has heard from board members who feel strongly that the board should apply for forgiveness of the full \$273,379.96 loan amount without any further discussion or presentation of data, and other board members who feel that the board should make that decision based on the identification of eligible COVID-19 related financial losses. He emphasized that he has not heard any board member express the opinion that the CWP should not apply for forgiveness, and that to characterize the position of those who are requesting supporting data as being opposed to forgiveness as a misrepresentation or misunderstanding of their position. He further explained that the motion being discussed is what, if any, information/data the board will require from management as part of its decision-making reference PPP loan forgiveness.

Michael Marcus stated that the board should let Hye Yeong do her job, and that not enough time has lapsed since our last meeting for her to have put together valid numbers for the board to consider.

Willy Moore asked for a resubmittal of the motion since some board members left before the motions were passed at the last meeting.

Michael Marcus withdrew his original motion and made the following motion.

On, or before, Nov. 13, 2020 (26 weeks from the PPP loan disbursement) the CEO will submit to the board President a report of specific quantifiable financial losses the CWP has suffered, or may reasonably expect to suffer, and that it believes to be eligible for forgiveness under the terms of its PPP loan. The board will complete its review and render a forgiveness decision not later than Nov. 27, 2020.

The motion was properly seconded and unanimously approved.

Carlton restated the motion that was before the board at the August meeting about legal counsel for the PPP loan forgiveness.

Old motion: That the CWP, on behalf of the Board of Directors, engage the law firm of WTP (Whiteford, Preston, and Taylor), (of which our board member Kimberly Min is a Partner) to prepare a legal review of the CWP's PPP loan terms, and issue a written opinion as to the options available. The cost of the engagement is \$750.00.

Carlton noted that some board members had expressed concerns about a possible conflict of interest because of Kimberly's affiliation with WPT, but that those concerns had been satisfactorily addressed by our CFO (Michael Freeburger) and Kimberly herself.

Carlton asked for confirmation/clarification of the report that the CWP has an attorney (Peter Volk) on retainer, noting that this was first reported to him by Alan Vicory about 5 days ago.

Hye Yeong clarified that Peter Wolk is not on retainer, but that he has done some legal work for the CWP in the past and has some familiarity with its operations.

Kimberly Min stated that she only offered the services of WPT as an accommodation and upon request. She can see the potential benefit of having an attorney who is familiar with CWP operations provide the service and thinks it would be a good idea to go that route, if he is qualified/experienced in that area of the law. She graciously agreed to provide the services of WPT if for any reason the CWP decides not to use Peter Wolk, or another law firm.

[Juanita stated that she had to leave but voted to use the CWP attorney if a vote was needed.]

Willy Moore supported use Peter Wolk provided he charges no more than the \$750 quote from WPT, and that he provides his report to the board in writing.

the CWP lawyer but wanted the attorney to come in at around the same rate and that he provides a written statement for legal reasons.

It was agreed that as the first step CEO, Hye Yeong, will contact Peter Wolk and ask if he is qualified to provide the board with counsel on PPP Loan and its fiduciary responsibilities related to the loan and loan forgiveness.

Carlton suggested that once a lawyer is selected and engaged, that the board use its three members who are lawyers to help frame questions that the board will want answered.

All agreed that this course of action negated the need for any action of the 2nd motion.

Carlton reminded everyone of the email communication from Rhea Harris and the governance Committee regarding the need to elect several new board officers. Nominations are open and the election is planned for some time in October.

The meeting was adjourned at 1:00 PM.