

DRAFT Minutes of the Regular Meeting of the Board of Directors

October 18, 2018

4:00 pm – 6:00 pm

Location: RCD Office

Directors present: Neal Kramer, TJ Glauthier, Jim Reynolds

RCD staff present: Kellyx Nelson, Lau Hodges

Guests: Ron Sturgeon, Ryan Charland, BJ Burns, Jose Ramirez

1 Call to Order

Meeting was called to order at 4:04 p.m.

2 Public Comment

- Reynolds wished to go on record that the estimated increase in streamflow from the Carpy Ranch pond project in the Executive Director's report from the August 16, 2018 seemed too high. There was some discussion about how the estimates were derived. Nelson offered to bring relevant RCD staff to a future meeting to discuss in more depth.
- Sturgeon asked questions about the forbearance agreement for Carpy Ranch pond, which Nelson answered. Burns shared what he had been told as a Carpy Ranch tenant. Nelson explained that the agreements are with the property owners.
- Burns explained that the Carpy Ranch pond was a burden to him, that he did not need it for his agricultural production, and that it would cost between \$400 and \$500 to fill.
- Burns asked about the high costs of building some recent ponds. Nelson shared the frustration about the high cost of ponds and explained the costly regulatory and funder requirements.
- Burns asked who engineered RCD pond projects. Nelson explained that the RCD often goes to bid for engineers
- Burns stated that he had built his own damn in 1976 with the help of the RCD and didn't feel there was experience within the current RCD staff and expressed concerns and recommendations. Nelson recommended that Burns discuss his ideas with Joe Issel and Jarrad Fisher, the project managers.
- Glauthier stated the RCD was often restricted due to permitting agency requirements.
- There was general discussion about both the value of public input from experienced individuals and whether or not that is always feasible when working with private landowners.
- Ramirez asked why he was told to send a truck to Harley Farms for water when their pond wasn't filled yet. Nelson explained that was not the RCD's suggestion and the RCD is aware that there is not water in the Harley Farms pond.

3 Approval of Agenda

- Kramer moved to approve the agenda, Reynolds seconded the motion, approval of the agenda passed unanimously.

4 Introduction of Guests and Staff

All in attendance introduced themselves.

5 **Consent Agenda**

- Reynolds moved to approve the consent agenda, Kramer seconded, approval of the consent agenda passed unanimously.

6 **Regular Agenda**

6.1 **Discussion of Draft Financial Statements through September 30, 2018 (attached)**

- Glauthier reviewed the recent staffing changes in accounting.
- Glauthier asked clarifying questions about names of accounts, which Charland and Nelson answered.
- Directors, Charland, and Nelson reviewed the financial statements and discussed work being done to finish cleaning up Accounts Payable and Accounts Receivable, updating accrued paid time off in financial statements, and deferred revenue items on the financial statements.
- Glauthier stated that the RCD had been audited annually with no red flags and that the intent was to make the financial statements more user friendly. Sturgeon asked if the auditors only look at the statements. Nelson responded that auditors dived much deeper into invoices, payroll as well as random sampling of all financial practices. Charland confirmed that auditors do not look at the top-level numbers that appear on reports but numbers behind it.
- There was discussion about the recoverable grants- what they were and how they helped.
- There was discussion about whether or how the statements could not appear to have such wide financial swings and the challenges of doing that when RCD accounting is on an accrual system, and grants are billed as reimbursements quarterly.
- Glauthier requested an 'operational reserve' line item in the assets.
- Charland noted that, on the Profit & Loss Statement, SMC Contributions will become its own line item, separate from property tax.
- There was discussion about the right level of detail on financial statements and next steps with revising the Chart of Accounts.
- There was recognition from Board members about the improvements being made and the direction the RCD is headed in.

6.2 **Director's Reports**

- Reynolds has been talking to young people in Pescadero who might be interested in becoming Associate Directors.
- Glauthier met with the Farm Bureau Executive Committee and stated that it was a good conversation.
- Glauthier confirmed his attendance at the November 2018 CARCD Conference.
- Glauthier mentioned that he had driven through Pescadero and was impressed with all the work on the Butano Channel Reconnection Project. He also noted that the RCD's Blue Circle Form was well done.

6.3 **Executive Directors' Report**

- Nelson stated Assembly Bill 2377 will fund technical assistance for healthy soils in the state.
- Nelson welcomed (in absentia) two new staff; Andrew Hall, who has a masters from UC Santa Barbara in water resources and Jen Hunter, who has a PhD from UC Berkeley and has done a lot of work around biology and wildlife. Hall will be working closely with Fisher and Hunter with Issel.
- The 16.2 acre feet pond on Carpy Rach is nearing completion, the 14.9 acre foot Butano Pond and 30 acre foot Blue House Pond are both on schedule. The repair work on the 17.5 acre foot Granny Flats Reservoir, a domestic pond, is on schedule.
- Two Old Haul Road crossings are in the process of being repaired with an expected completion date of 2020.
- Tree removal for the Butano Channel Reconnection Project has happened and phase 2, removal of the tule reeds, will take place before bird nesting season. The work this year will not help the flooding this winter. Dredging will take place summer 2019.
 - Nelson answered questions about the project.
- Coastal Conservancy staff has recommended funding a grant to develop a restoration plan for Pescadero Marsh.
- The Office of Sustainability has contracted with the RCD to help conduct outreach for a sea level rise vulnerability assessment for the south coast.
- The RCD hosted three successful outreach events: 1) Spotlight Stewardship Tour of the Butano and Pescadero watershed on Oct. 15, 2018; 2) 24 people from Sacramento agencies visited the RCD to talk about carbon farm planning and barriers carbon farming plans face and; 3) the Blue Circle Forum's entitled *Plant vs. Plant: Confronting the Tradeoffs* had 60 attendees.

6.4 Board will consider contracting with Waterways Consulting Inc. to provide technical assessments and decision- support tools for the Pescadero Creek Streamflow Improvement Project.

- There were questions and discussion about the project goals; working across several properties and take a holistic approach; it's a complex problem with bank instability and houses on the edge of the creek; potential future design ideas; FEMA maps; project duration; whether the proposal was within budget; and positive RCD experiences with Waterways Consulting Inc.
- Kramer moved to contract with Waterways Consulting Inc. to provide technical assessments and decision-support tools for the Pescadero Creek Streamflow Improvement Project. Reynolds seconded. Motion passed unanimously.

6.5 Board will consider awarding contract for Pescadero Creek Streamflow Improvement Project: Carpy Ranch Irrigation Component.

- Nelson stated this item had been pulled from the agenda due to lack of bids. Burns asked if it would happen before the end of 2018; Nelson answered likely not.
- There was discussion about sequencing irrigation and water storage work.

- Burns suggested looking at the electrical component at the Carpy Ranch pond project to see if a 3-phase electrical energy source could be run across the creek.¹
- Burns asked if the bids for Carpy are open; Nelson confirms that they are, and the information is posted on the RCD website and sent out to a list of contractors; she offered to add Burns to that list.

6.6 Board will consider setting a special meeting to consider selection of contractor for butterfly habitat enhancement on San Bruno Mountain.

Board supported a special meeting.

7 Adjourn

Meeting was adjourned at 5:57 p.m.

¹ Note: RCD staff who was not at the Board meeting informed Nelson afterwards that this had already been investigated and would have cost \$200K-\$300K, which was not funded.

San Mateo Resource Conservation District

Balance Sheet

As of September 30, 2018

10/18/18

Accrual Basis

	Sep 30, 18
ASSETS	
Current Assets	
Checking/Savings	
1000 · FNB (985) Checking	-2,181.15
1030 · Checking Account (5269)	1,685,388.73
1031 · Butano Channel (5012)	294,102.16
1032 · TCB MM (0202)	148,656.67
Total Checking/Savings	2,125,966.41
Accounts Receivable	
1200 · Accounts Receivable	1,563,719.78
Total Accounts' Receivable	1,563,719.78
Total Current Assets	3,689,686.19
TOTAL ASSETS	3,689,686.19
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	1,507,350.59
Total Accounts Payable	1,507,350.59
Credit Cards	
2010 · Visa - Bohlke - 6063	1,223.54
2020 · Visa - Nelson - 4811	2,292.22
2030 · Visa - Issel - 5040	4,145.79
Total Credit Cards	7,661.55
Other Current Liabilities	
2300 · Accrued Time Off	30,742.44
2400 · Deferred Revenue	
2410 · Bechtel Foundation	213,472.20
2420 · MROSD (Event Center Fisheries Enhancement Grant (Driscoll Ranch))	62,000.00
2430 · PG&E	1,020,000.00
2440 · SMC Support Installments	62,500.00
2450 · Butano Channel State Funds (HE-BC-STATE)	710,000.00
2400 · Deferred Revenue - Other	515,974.99
Total 2400 · Deferred Revenue	2,583,947.19
Total Other Current Liabilities	2,614,689.63
Total Current Liabilities	4,129,701.77
Long Term Liabilities	
2500 · Recoverable Grants	200,000.00
Total Long Term Liabilities	200,000.00
Total Liabilities	4,329,701.77
Equity	
3500 · Retained Earnings	892,818.61
3999 · SUSPENSE	20,053.03
Net Income	-1,552,887.22
Total Equity	-640,015.58
TOTAL LIABILITIES & EQUITY	3,689,686.19

San Mateo Resource Conservation District

Profit & Loss

July through September 2018

	Jul - Sep 18
Ordinary Income/Expense	
Income	
Contracts	832,713.52
Donations	13,864.00
Interest	657.74
Property Tax	
SMC Contributions	185.30
Property Tax - Other	11,117.31
Total Property Tax	11,302.61
Total Income	858,537.87
Gross Profit	858,537.87
Expense	
Communications	5,691.83
Equipment	2,876.00
Insurance	71.14
Organizational	22,536.96
Personnel	157,634.33
Planning-Design-Technical Asst	75,268.01
Professional Development	1,723.00
Project Implementation	2,127,439.98
Rent	14,464.20
Software	660.00
Travel-Meals-Meetings	2,850.88
6020 - Bank Fees	208.76
Total Expense	2,411,425.09
Net Ordinary Income	-1,552,887.22
Net Income	-1,552,887.22