

**DRAFT Minutes of the Regular Meeting of the Board of Directors
January 17, 2019
4:00 pm – 6:00 pm
Location: RCD Office**

Directors present: Neal Kramer, TJ Glauthier, Jim Reynolds, Barbara Kossy

RCD staff present: Kellyx Nelson, Lau Hodges

NRCS staff present: Jim Howard

Guests: Jim Robins, Doug Silverstein

1. Call to Order

- Meeting was called to order at 4:02 p.m.
- Glauthier asked Howard how the NRCS department had stayed open during the partial government shut down. Howard responded that NRCS had funds left over from the 2016 appropriations bill that he believe might be through the fiscal year.

2. Approval Agenda

- Glauthier pulled item 5.3 for discussion
- Reynolds moved to approve the agenda, Kramer seconded. Motion passed unanimously.

3. Introduction of Guests and Staff

- All in attendance introduced themselves.

4. Public Comment

Silverstein thanked the RCD for the good work they do.

5. Consent Agenda

Kramer moved to approve the consent agenda, as amended, Reynolds seconded. Motion passed unanimously.

6. Regular Agenda

5.3 (moved from consent) Allocation of 5% of 2018 earnings for eligible employees to the Employer Sponsored 401K Plan

Reynolds moved to allocate 5% of 2018 earnings for eligible employees to the Employer Sponsored 401K Plan, Kramer seconded. Motion passed unanimously.

6.1 Executive Director's report (attached)

- There was discussion about permit efficiency efforts.
- Regarding the Butano Channel Reconnection Project, there was discussion about bird observations, better visibility vs. more edge habitat, and outreach to birder groups. Kossy noted that the Orchard Oriole is the bird people were the most excited about.

- There was discussion about residents of Montara and El Granada expressing concern via NextDoor about insurance companies dropping people because of the eucalyptus and fire hazard, funding a chipper program, and perceptions among some residents that the region is immune to wildfire because of the fog.
- Regarding the Eucalyptus – Brussels Sprouts Compost Pile Project, Nelson informed the Board of a potential third-party insurance claim which resulted from an incident on a farm.
- Regarding Recently Complete Ponds, Nelson informed the Board that the RCD would likely need to sole source the contractor required to fill the Carpy Pond because the selected contractor decided not to do the project and few contractors were willing to take on labor compliance requirements.
- There was discussion about the Butano Farm Pond, including concerns that it had not yet been completed by the contractor and that there was an ugly bright yellow pipe.
- RCD is looking into feasibility of local green waste composting at scale.

6.2 Directors' reports

- Kossy informed the Board that the Weed Management Area (WMA) had met at the RCD office on January 15. The California Department of Food and Agriculture (CDFA) refunded WMAs and San Mateo County planned to use the money for mapping. Caltrans had attended- Caltrans is a major vector for invasive plants across the state. Amah Mutsun Land Trust and the San Mateo County Mosquito and Vector Control had both attended and presented. Howard expressed his appreciation for the WMA.
- Reynolds suggested, that because eucalyptus existed all over the world, the RCD look to others to see what they are doing to combat them.
- Reynolds stated that Maryna Sedoryk, a biologist with the Pacific States Marine Fisheries Commission, had presented at the Pescadero Municipal Advisory Council (PMAC) and thought it would be a good presentation for the RCD Board. Reynolds agreed to invite her to the RCD.
- Reynolds noticed acacia that need to be removed and some that had been removed down the creek from his property; he had alerted his neighbor.
- Glauthier reported on following up with the prompt payment issue discussed at the December 20, 2018 Board Meeting. He is working with CARCD and their lobbyist. RCDs are exempt from a California prompt payment act. Robins confirmed that it was geared towards small business and in his experience it didn't work. Glauthier stated he had met with Jerry Hill, Joan Dentler and Mark Berman, who he hoped would be allies on prompt payment. Nelson described the simplicity of the federal government's ASAP system and hoped the state would adapt something similar. Nelson thanked Glauthier for his investment and moving the issue forward.

6.3 Board will consider contracting with Hanford Applied Restoration & Conservation for the Butano Creek Channel Restoration and Resiliency Project.

- After discussion, Kramer moved to contract with Hanford Applied Restoration & Conservation for the Butano Creek Channel Restoration and Resiliency Project, Kossy seconded. Motion passed unanimously.

5.4 Board will consider the mid-year budget review for approval (attached).

- Nelson reviewed the midyear budget.
- Glauthier noted that the RCD financials are in good standing and the budgets are becoming more transparent to the public.
- Kossy moved the approve the mid-year budget, Reynolds seconded. Motion passed unanimously.

4. Public Comment (Continued)

- Nelson informed the Board the Sara Polgar, Conservation Program Specialist for the RCD, is now on the City of Half Moon Bay's Planning Commission.
- There was discussion about RCD boundaries, property tax revenue, and types of opportunities for base funding.

9. Adjourn Meeting

Meeting adjourned at 5:56 p.m.

DRAFT

Executive Director Report: Program and Project Updates January 17, 2019

Habitat Restoration Program Updates

Permit Streamlining

We have ramped up our work on various efforts to streamline permitting for restoration projects, primarily with funding through the Santa Cruz Mountains Stewardship Network (SCMSN) and the California Landscape Stewardship Network (CLSN). Through CLSN, we have helped to form and facilitate a statewide working group bringing different resources and solutions to remove barriers to restoration. Jim Robins of Alnus Ecological, Sharon Farrell of Golden Gate National Parks Conservancy, and I have co-authored a draft white paper on the topic that is being reviewed by experts in the field. We have also partnered to create a brief one-page summary of the issue and request for leadership from the new Newsom administration. On December 10, 2018 I was invited to participate in Governor Brown's Forest Management Task Force discussion on developing local capacity for forest management. I offered a perspective on regulatory and funding barriers.

Butano Channel Reconnection

In September we completed the first phase of the project to reconnect Butano Creek Channel, remove trees and brush in preparation for next year's sediment removal. State Parks provided the labor. Staff worked on the bid process October through January, resulting in a staff recommendation for a contractor that the Board is considering today.

Sediment and Erosion Control Program Updates

Old Haul Road Stabilization

We completed construction this fall to replace culverts and stabilize two failing stream crossings at Harwood and Keystone Creeks on Old Haul Road in San Mateo County's Memorial Park. The 2018 project prevented 5,000 cubic yards of sediment from entering Pescadero Creek. We are now partnering with the County to repair the Dark Gulch Creek stream crossing in 2020, which will prevent the erosion of at least 35,000 cubic yards of sediment.

Water Quality Program Updates

2018 First Flush Water Quality Sampling Event

Volunteers mobilized and took water samples during the storm on November 26th. We have just received the data and are beginning to analyze it. RCD staff will present results to the Sewer Authority Midcoastside on February 25th, the Harbor District Commission on March 20th, and the RCD Board on March 21st.

Pillar Point Harbor Water Quality

We assisted with a microbial source tracking study of the watersheds draining into the harbor. Results will be available in March and we will share them.

Pet Waste Outreach

We will be ramping up outreach this spring, going to schools, sending out a mailer, and making brochures for parks and businesses.

Fire Program

Fire Safe Council Coordinator

Fire Safe San Mateo County has contracted with the RCD to coordinate the Fire Safe Council, a committee of diverse stakeholders formed in 1987 by fire chiefs in San Mateo County to achieve fire protection for citizens in the urban/ wildland interface. The Council's goals are to reduce hazardous vegetation, create defensible space around structures, and educate the public about wildfire fire hazards, fire behavior, and fuel reduction through the guidance of local agencies and public/private partnerships.

Agricultural Technical Assistance

New Website

The Agricultural Ombudsman launched a website for the program. It serves as a central hub for information about County permits related to agriculture and resources for agricultural operators and landowners. Check it out at www.smcagombudsman.com.

Workshop

About 14 people attended a workshop to inform agricultural producers about two CDFA funding opportunities: The Healthy Soils Program and the State Water Efficiency and Enhancement Program. We will be providing assistance to producers as they scope their project and prepare their grant applications.

Climate Program

Eucalyptus- Brussels Sprouts Compost Pilot Project

We started a pilot project to (1) reduce eucalyptus, (2) beneficially manage greenwaste, and (3) develop local sources for compost. We cut down and chipped 50 eucalyptus trees up to 12" diameter (mostly saplings) on Cascade Ranch and mixed it with leftover Brussels sprouts postharvest in two small windrows. We are managing the piles by turning them and monitoring the temperature. We are working with a compost expert to test the quality of the product.

New Funding

In partnership with the RCD of Santa Cruz County, we have been awarded funds from the State Coastal Conservancy to develop three new carbon farm plans in the Pescadero watershed. In addition, a private donor has given us \$20,000 for carbon farm planning and participation and capacity building.

Water Supply & Conservation Program Updates

Recently Completed Ponds

We completed construction in September of the 30 acre-foot pond at Blue House Farm and the 15.2 acre-foot pond at Carpy Ranch described in previous reports. Blue House Farm's pond is fully online

and filling up. At Carpy Ranch, the next phase is to install an irrigation system for the farm that connects to the pond. The anticipated contractor has changed his mind about doing the work. RCD staff anticipated sole sourcing to get the work done in time to fill the pond.

Butano Farm Pond

The contractor completed about 90% of construction on the 14.9 acre-foot pond before the rains began. We anticipate they will finish work in spring or summer. RCD staff has concerns about proper winterization and water quality protection and is working with the contractors to ensure permit compliance.



San Mateo Resource Conservation District FY 2019 Midyear Budget Review

General Comments:

1. Midyear budget review does not include projections.
2. What happened first half of year not necessarily what will happen second half.
3. QuickBooks and budget categories are not exactly the same. This will change in FY'20 with system improvements.
4. We posted expenses in QuickBooks as bills arrive (Accounts Payable). Revenues are posted (Accounts Receivable) when we invoice funders after the close of a quarter. Therefore this budget review reflects most expenses but almost no revenue for the 2nd quarter, as invoices for the quarter were posted in midJanuary after the period being reviewed.

	FY19 Budget	Midyear Budgeted	Midyear Actual	Variance (\$)	Variance (%)	
REVENUE						
<u>Program Revenue</u>						
Agricultural Ombudsman	\$41,657	\$20,829	\$9,146	\$11,682		
Climate Mitigation and Adaptation	\$117,315	\$58,657	\$7,988	\$50,669		
Conservation Technical Assistance	\$48,252	\$24,126	\$228	\$23,898		
Erosion and Sediment Management	\$678,307	\$339,153	\$537,971	(\$198,818)		
Habitat Enhancement	\$1,269,292	\$634,646	\$273,774	\$360,872		billable personnel not assigned to program categories in QB, so individual program revenue numbers do not include personnel
Santa Cruz Mountains Stewardship Network	\$467,304	\$233,652	\$21,170	\$212,482		
Water Resources & Conservation	\$4,348,724	\$2,174,362	\$2,000,490	\$173,872		
Water Quality	\$253,439	\$126,720	\$18,295	\$108,425		
Billable Personnel	\$0	\$0	\$841,711	(\$841,711)		
Subtotal Program Revenue	\$7,224,289	\$3,612,144	\$3,710,773	(\$98,629)	-3%	revenues are 3% over half the annual budget but only reflect one quarter of earnings, i.e. first quarter revenues are more than half of the budgeted annual revenue
<u>Other Revenue</u>						
County Contributions	\$125,000	\$62,500	\$0	\$62,500		haven't yet received payment from County
Individual Contributions	\$10,000	\$5,000	\$29,293	(\$24,293)		increasingly important with new limits on overhead, economic uncertainty, IRWMP grant ending, increased lease \$
Interest Income	\$500	\$250	\$1,208	(\$958)		
Misc. Income	\$0	\$0	\$0	\$0		
Property Tax	\$60,000	\$30,000	\$67,215	(\$37,215)		
Service Fees	\$10,000	\$5,000	\$0	\$5,000		
Subtotal Other Revenue	\$205,500	\$102,750	\$97,716	\$5,034	5%	
Total Revenue	\$7,429,789	\$3,714,894	\$3,808,489	(\$93,595)	-3%	
EXPENSES						
<u>Operating Expenses</u>						
Personnel (Salaries & Fringe)	\$1,076,009	\$538,005	\$494,874	\$43,130	8%	
Organizational	\$80,000	\$40,000	\$35,006	\$4,994	12%	new QuickBooks category that we find too broad, changing Chart of Accounts for FY'20
Communications	\$8,000	\$4,000	\$2,328	\$1,672	42%	likely due to changes in QB Chart of Accounts.
Equipment	\$3,000	\$1,500	\$2,933	(\$1,433)	-96%	related to timing of expense; will likely be on target for the year
Insurance	\$9,000	\$4,500	\$214	\$4,286	95%	expense occurs in June
Membership-Dues-Subscriptions	\$5,750	\$2,875	\$1,044	\$1,831	64%	large expense (CARCD membership) in June
Professional Development	\$11,000	\$5,500	\$3,648	\$1,852	34%	some registration fees have been waived or billable (note that this expense does not include staff time)
Software	\$6,000	\$3,000	\$2,218	\$782	26%	discontinued QuickBase
Rent	\$52,000	\$26,000	\$23,007	\$2,993	12%	office move was later than budgeted
Supplies	\$2,000	\$1,000	\$674	\$326	33%	
Travel-Meals-Meetings	\$5,000	\$2,500	\$5,245	(\$2,745)	-110%	increased travel expenses to take advantage of grant paying for staff attendance at CARCD conference
Office Move	\$10,000	\$5,000	\$0	\$5,000	100%	item was not in QuickBooks Chart of Accounts, posted in "Organizational," estimated expense is \$17-20K
Subtotal Operating Expenses	\$1,267,759	\$633,880	\$571,192	\$62,687	10%	

<u>Program Expenses</u>					
Agricultural Ombudsman	\$800	\$400	\$1,662	(\$1,262)	-315% all invoiced expenses, equal to revenue.
Climate Mitigation and Adaptation	\$31,250	\$15,625	\$10,145	\$5,480	35% delays in getting a contract, and shift to doing some work in-house rather than consultant
Conservation Technical Assistance	\$13,300	\$6,650	\$2,820	\$3,830	58% delays in funding contracts
Erosion and Sediment Management	\$627,961	\$313,981	\$530,397	(\$216,416)	-69% work flow- primary expense was construction in fall
Habitat Enhancement	\$982,163	\$491,082	\$577,893	(\$86,812)	-18% related to work flow and construction season
Santa Cruz Mountains Stewardship Network	\$347,346	\$173,673	\$16,115	\$157,558	91% primary expense started later than planned
Water Resources & Conservation	\$4,089,700	\$2,044,850	\$2,100,911	(\$56,061)	-3%
Water Quality	\$66,522	\$33,261	\$23,591	\$9,670	29% related to work flow; likely be on target for fiscal year
Subtotal Program Expenses	\$6,159,043	\$3,079,521	\$3,263,533	(\$184,011)	-6%
Total Expenses	\$7,426,802	\$3,713,401	\$3,834,725	(\$121,324)	-3%
NET	\$2,987	\$1,494	(\$26,236)	\$27,729	1857% leveraging our financial strength to pay contractors before we have been paid; financial statements show much higher Accounts Receivable than Accounts Payable