

Fiscal Year 2022-2023 Financial Budget



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1. About San Mateo RCD

1.1. Mission and Vision

San Mateo Resource Conservation District is a local hub for conservation, helping the people of San Mateo County build a more thriving natural environment for all. This mission serves our vision that Coastal San Mateo County will be environmentally, economically, and socially sustainable.

1.2. Description of Services

The RCD in San Mateo County is one of nearly 100 conservation districts in California, and about 3,000 across the United States- almost one in every county nationwide. These districts serve as local hubs for conservation, connecting people with the technical, financial, and educational assistance they need to conserve and manage natural resources. RCDs work directly with landowners and other interests to ensure the resilience and health of water resources, soils, wildlife habitat, and beyond. Conservation districts coordinate assistance from all available sources—public and private, local, state, and federal—to develop locally-driven solutions to natural resource concerns.

RCDs are uniquely positioned as an extremely nimble form of local government that has the benefits of government accountability to the communities we serve, while retaining the flexibility and function of nonprofit organizations.

- RCDs exist to help people help the land. We work as an invited neutral party on a voluntary basis aiming for win-win solutions—a key reason we are a trusted resource in the communities we serve.
- RCDs were designed to evolve with changing needs to support thriving communities, landscapes, and economies. In recent years this has enabled the San Mateo RCD to bring resources and solutions for flooding, drought, fire, and climate change.
- RCDs are able to work readily with private and public landowners, tenants and land managers, tribes, federal, state, or local governments, non-profits, advocates, and farmers and ranchers alike. In this way we work across political and economic divides to bring essential programs and financial resources to provide benefits at scale to our community.
- RCDs are locally relevant. We address community priorities and are led by local, publicly appointed boards of directors. RCD directors are constituents and neighbors, readily accessible to the communities we serve and living the local issues.
- RCDs collaborate with each other and other organizations regionally and statewide to achieve large-scale conservation objectives.

In San Mateo County, the RCD is a boots-on-the-ground agency using very diverse tools. Able to provide diverse services across jurisdictions and public and private lands, the RCD accomplishes on-the-ground environmental protection at landscape and regional scales. The district's work takes many forms:

- Technical assistance: from experts on staff, partners, or consultants as needed. Examples: hydrologists, engineers, biologists, foresters, soil scientists.
- Project implementation: on public and private lands. Examples: chipping and hauling services to help private landowners reduce risk of wildfire; modifying a County road to restore migration for endangered salmon; dredging a creek through State, County, and private properties to implement a wildlife-friendly flood control project; helping farmers upgrade water infrastructure to maximize conservation.
- Trusted broker: coordinating across jurisdictions and land ownerships, leveraging local, state, federal, and private funding. Example: securing State and federal grants to repair a failing access road on County Parks property, coordinating project design and permitting, managing construction contracts, and overseeing construction—all in partnership with Parks staff.
- Outreach and education: in various formats on a wide range of issues of concern to the community. Examples: on-farm tailgate workshops in Spanish for farmworkers about irrigation water conservation; workshops for equipment operators to learn best practices to protect forests, including operators from County and State Parks as well as local private construction businesses; outreach to pet owners regarding water quality pollution from pet waste; workshops for equestrians about how to compost manure; and assisting the County with outreach regarding sea level rise.
- Financial assistance: via grants, cost-share programs, and other resources for RCD staff, partner organizations, and contractors to directly benefit the community.

San Mateo RCD provides comprehensive, integrated services that continuously evolve to address community needs and priorities. Current priorities are:

- Wildlife: restoring ecosystems and habitat with a focus on species at risk of becoming extinct
- Water: improving water conservation, water resource management, and water quality to help ensure clean and reliable water for people, wildlife, and agriculture
- Climate: removing greenhouse gases from the atmosphere, reducing emissions, and building critically needed resilience to extreme weather conditions for wildlife and the community
- Agriculture: helping ensure viable local agriculture while also helping agriculture be environmentally beneficial
- Forest Health and Wildfire: reducing the risk of catastrophic fire, improving forest health, and healing the land after fire does occur

1.3. Strategic Plan

In support of our mission and vision, San Mateo RCD delivers services consistent with a strategic plan. The strategic plan for 2021-2024 includes the following goals, outcomes and strategies.

Goal #1: The land and communities of San Mateo County are healthy and resilient in the face of climate change and other impacts.

Outcomes:

- Our watersheds provide clean and reliable water, healthy soils, intact habitats, and other ecosystem services in which both people and wildlife thrive. Little restoration work remains to be done and the stewardship of natural resources focuses on adaptive management.
- Local farms and ranches are productive and economically viable while contributing to environmental solutions and food security.
- Natural resources are managed to build community and ecosystem resilience to cycles of fire, flooding, drought and other extremes.

Strategies:

- 1.1. Implement programs and projects to reduce the risk of catastrophic fire, heal the land after catastrophic fire does occur, and to utilize fire beneficially.
- 1.2. Implement programs and projects that help our landscapes adapt to climate change by building resilience to flooding, drought and other climate extremes.
- 1.3. Plan, design, and implement activities that restore, protect, or monitor healthy watershed and ecosystem function.
- 1.4. Work to remove barriers to accomplishing restoration and stewardship at the pace and scale needed for a healthy environment.
- 1.5. Provide technical assistance and incentives tailored to diverse constituents to adopt practices that conserve water, soil, habitats, and other natural resources and mitigate climate change by reducing greenhouse gas emissions or sequestering carbon.
- 1.6. Provide technical assistance, participate in collaborations, and implement programs and projects towards a resilient food system.

Goal #2: The connection between people and the land is strong.

Outcomes:

- Our community shares widespread empowerment and understanding of how to live and work in harmony with our local ecosystems.
- Everyone in our community has access to the knowledge, information, tools, and confidence needed to sustainably manage natural resources.
- Stewardship is a collaborative effort by those who relate to the land in different ways - from farmers and ranchers to urban residents, from those whose ancestors called these lands home to recent arrivals, from students to business owners to farmworkers, from nonprofit organizations to government agencies.

Strategies:

- 2.1. Increase the knowledge, ability, and confidence of diverse constituents to steward natural resources.
- 2.2. Provide access to information and tools for diverse constituents to be able to confidently manage natural resources sustainably.
- 2.3. Inform community leaders about natural resource challenges and invite their input and participation in solutions.

Goal #3: People throughout our community equitably share the benefits of and connection to our natural resources.

Outcomes:

- Our stewardship ethic includes a commitment to the health and well-being of all people.
- Everyone benefits from the economic, social, and environmental benefits of our lands.
- We recognize the diversity in our community, and we see the strengths and gifts that each member of the community brings to the shared work of deep sustainability.

Strategies:

- 3.1. Engage the board and staff in shared learning and dialogue around diversity, equity, and inclusion and the impacts of systemic racial and social inequity.
- 3.2. Expand engagement with under-represented communities to understand how the RCD can partner to reach shared goals.
- 3.3. Develop a Diversity, Equity, and Inclusion plan for the RCD.

Goal #4: San Mateo RCD offers strong, stable leadership to help reach our vision.

Outcomes:

- The RCD is widely known and a primary resource for addressing environmental concerns.
- The RCD has stable funding that allows its staff and board to focus on both the day-to-day work of helping community members, and long-term strategy and innovation to ensure San Mateo County thrives environmentally, economically, and socially.
- The RCD has the staffing, systems, and other resources it needs to provide excellent and innovative service and retain a skilled and talented team.

Strategies:

- 4.1. Develop and execute a strategic communications plan to raise awareness of the RCD so that people who live, own or manage land, or work in the county know who and what the RCD is, and how to engage with the RCD.
- 4.2. Pursue opportunities to increase RCD baseline funding in perpetuity to a level that supports the core operations and staff.
- 4.3. Maintain and increase diversity of revenue sources, potentially including public and private grants, private donations, corporate contributions, fees charged for services, and others as appropriate.
- 4.4. Maintain and continue improvements to administrative systems that reflect and support the organization the RCD has become and support succession planning.
- 4.5. Document / add to succession planning activities for the Executive Director and other key roles.
- 4.6. Ensure compensation, benefits, and workplace culture that attract and retain high quality professionals.
- 4.7. Through direct hiring, partnerships with other organizations, and professional development, ensure the RCD has the appropriate staffing and skill sets to meet the goals in the strategic plan.
- 4.8. Continue to develop the board's capacity.

Goal #5: San Mateo RCD models a diverse, inclusive, strengths-based culture.

Outcomes:

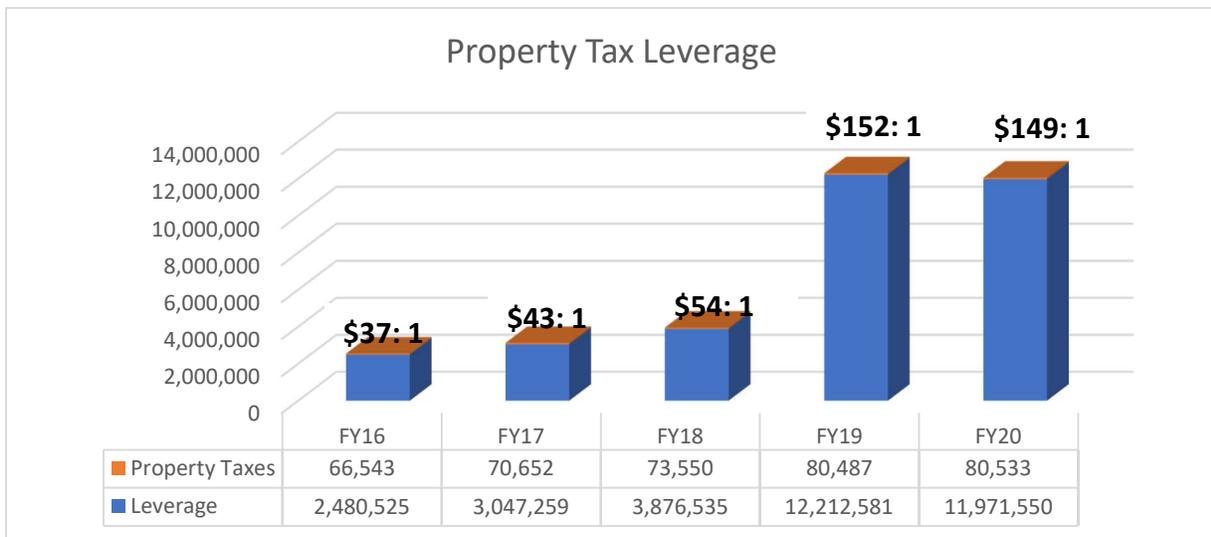
- The RCD team (board and staff) is representative of our community and we foster full inclusion of people of all backgrounds and identities.
- The stability and effectiveness of the RCD are supported by the continued empowerment of all staff members to act as leaders within the organization.
- The RCD board brings skills, knowledge, resources, connections and passion to its oversight and promotion of the RCD.

Strategies:

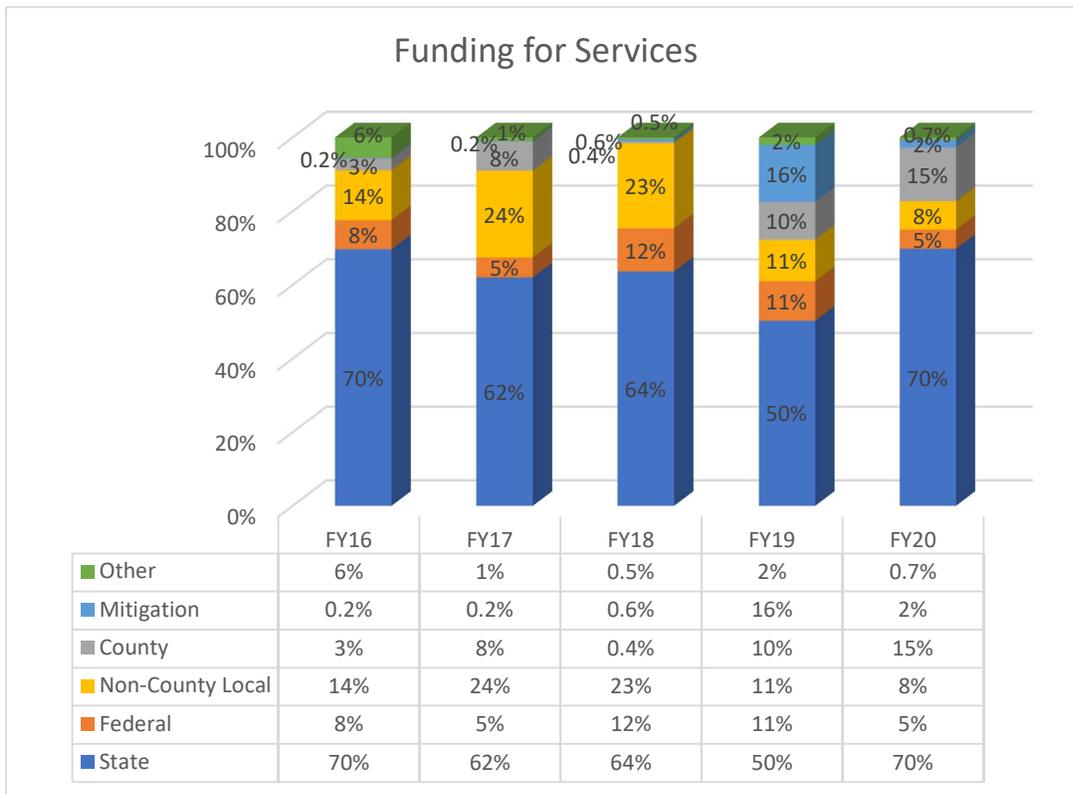
- 5.1. Continue and expand hiring and management best practices including those that foster diversity, equity, and inclusion.
- 5.2. Create a strategic board recruitment plan that includes approaches to building a wider circle of leaders who can move into board positions as they become available and focuses on building authentic connections to diverse community members.
- 5.3. Build authentic connections between the RCD and diverse community members, building a wider circle of potential partners and leaders for the organization.
- 5.4. Support the learning and empowerment of all staff and board members through access to internal and external training and development activities.
- 5.5. Foster a supportive work culture in which effective conservation leadership flourishes.
- 5.6. Promote a work environment that minimizes the risk of stress and burnout among staff members.

1.4. How Services are Funded

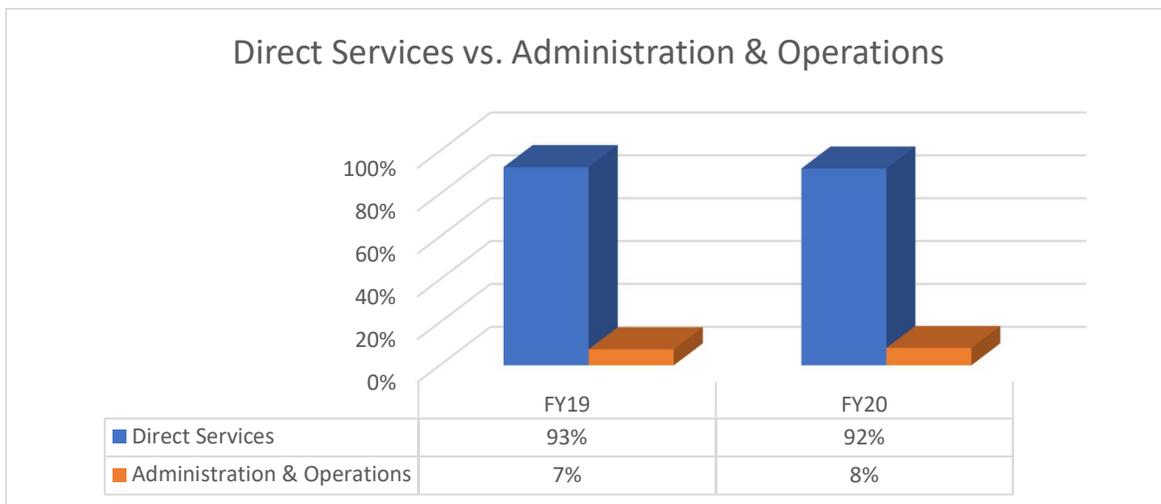
The San Mateo RCD leverages a small property tax base to bring diverse public and private funds via grants, interagency agreements, contracts for services, donations, etc. Per the table below, each dollar of property taxes paid by constituents over Fiscal Years '15- '20 leveraged between \$37 and \$152. This amount does not include the extensive contributions of the USDA Natural Resources Conservation Service, which provides in-kind services and grant programs in the county at the RCD's invitation.



The following figure shows the sources of funding over the same time period. It highlights the substantial resources that the RCD brings into the county from outside sources, primarily State and federal.



As highlighted in the figure below, the vast majority of these funds go to direct services, with less than 10% of annual expenses typically going to District administration.



2. Financial Position and Priorities

At over \$15 million, the FY 2023 budget is the largest budget in San Mateo RCD's history and is consistent with a steady trend over the last sixteen years of an increasing number of projects and services and associated staff size and budgets. It represents the resiliency of the RCD coming out of the previous two fiscal years, which were substantially impacted by the coronavirus pandemic and the August 2020 CZU Lightning Complex wildfires in the southern end of the district. It also represents the success the RCD has had in securing grants and other funding, based on the RCD's reputation for excellence and the ability to get high priority work accomplished in service to our community. An additional consideration is that the cost of projects has increased with inflation, the cost of fuel, and supply chain disruptions.

The RCD began adopting a reserve amount as part of the budget process, as seen in the FY '20, FY '21, and FY '22 budgets. This follows many years of building financial health and adopting an operating reserve policy in 2017. To date, the RCD has built a fund of over \$600,000 to ensure the stability of the mission, programs, employment, and ongoing operations of the organization that is a model for some other RCDs struggling to build financial security. The operating reserve is intended to provide funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

However, uncertainty persists with the organization being almost wholly dependent on grant funding during times of volatility and an uncertain economic forecast. The RCD is an independent special district with a business model similar to that of a non-profit organization that has limited ability to raise unrestricted funds. The dependence on extremely restricted funding results in a need for staff to bill in 15-minute increments to many project codes in their daily work. This is often a barrier to workflow and poses a challenge to responding to requests from the community that are not billable, or otherwise engaging in valuable mission-related work. Another outcome is impacts to staff morale. Increasing the RCD's unrestricted operating revenues continues to be a priority to weather uncertainties, address conservation priorities in our community, and retain staff.

The RCD has billable rates and fees that are established through a Board-approved Cost Allocation Plan, which forms the basis of a federally negotiated indirect cost rate that is applied to grants. The target billing rate is a key component to the RCD's ability to pay for essential administration and operational needs, although it is often not achievable due to constraints placed by State grant programs that prohibit or limit indirect expenses. Unrestricted revenues, including County support for operations and property taxes allocated to the RCD, are essential to fill this gap and also serve as critical leverage to access grant funding.

3. Budget Process

Because the RCD's unrestricted revenues are insufficient to support basic services and administration, the RCD depends heavily on grants and other funding agreements that can result in significant annual variation. As a result, the RCD annually creates a predominantly

zero-based budget. Zero-based budgeting involves developing a new budget from scratch every time (i.e., starting from “zero”), rather than the more common method of starting with the previous period’s budget and adjusting it as needed.

For FY 2022-2023, the Executive Director and Administrative Officer initiated the annual budget development process in February in communication with the Finance Committee of the board of directors and with an annual staff training. The Administrative Officer worked with staff to ensure that all projects anticipated to have budget-related activity in the fiscal year are assigned a project code. Project codes include the RCD program area, the project name, and the funder. For example, the Green Oaks Creek wetlands habitat enhancement project, which is part of the Habitat Enhancement program area at the RCD and is funded by the CA Wildlife Conservation Board has HE-GO-WCB as its project code.

Staff developed their project budgets using an Excel form that was created in-house. Typically, project budgets include multiple project codes because each project has multiple funders. Because funders have different restrictions on the allowance of overhead in billing rates, and allow or disallow different types of expenses, staff built project budgets compiling specific staff hours and expenses from different existing or anticipated funding agreements. They entered information about the billing rate and number of hours billed for each staff member, project expenses, and other indirect overhead per project code. These project budgets were reviewed and aggregated into an overall Program Budget.

An operating budget was then developed using zero-based budgeting to include those items that are anticipated to be needed for the upcoming year for the RCD to deliver its services that are not billable to specific grants, e.g., rent, accounting services, IT support, fundraising, and professional development. A personnel budget was then developed that is not zero-based. It starts from the assumption that all staff will stay employed at the RCD and adjustments are made for anticipated changes to staffing or employment designations. After that an adjustment is proposed for cost of living (COLA) based on the given year and 20% is added to the total base salary for benefits.

The overall FY '23 Financial Budget imports the revenues and expenses from the program budget, operating budget, and personnel budget. Non-program revenues, i.e., those revenues that are not restricted to specific projects, were added. The Executive Director, Administrative Officer, relevant staff, and Finance Committee members reviewed and adjusted project budget assumptions, prioritized requests for operating expenses, applied a cross-the-board cost of living adjustment, and made salary adjustments benchmarking staff salaries to comparable organizations (San Mateo County Parks, Peninsula Open Space Trust, Midpeninsula Regional Open Space District, San Mateo County Office of Sustainability, OneShoreline, and other RCDs). With each iteration attention was paid to the “bottom line” net amount, which is the difference between overall revenues and expenses, and appropriate adjustments were made.

4. Fiscal Year 2022-2023 Financial Budget

| | |
|--|---------------------|
| <u>Program Revenue</u> | |
| Agricultural Ombudsman | 62,172 |
| Climate Mitigation and Adaptation | 687,235 |
| Conservation Technical Assistance | 188,428 |
| Cutting Green Tape | 75,000 |
| Erosion and Sediment Management | 38,154 |
| Fire and Forestry | 2,694,555 |
| Habitat Enhancement | 3,576,908 |
| Santa Cruz Mountains Stewardship Network | 1,358,460 |
| Water Quality | 392,645 |
| Water Resources & Conservation | 5,576,114 |
| Subtotal Program Revenue | \$14,649,671 |
| <u>Other Revenue</u> | |
| County Contributions | 200,000 |
| Donations | 20,000 |
| Interest Income | 1,300 |
| Misc. Income | - |
| Property Tax | 85,000 |
| Subtotal Other Revenue | \$306,300 |
| Total Revenue | \$14,955,971 |
| <u>Operating Expenses</u> | |
| Personnel (Salaries & Fringe) | 2,706,715 |
| Other | 321,900 |
| Subtotal Operating Expenses | \$3,028,615 |
| <u>Program Expenses</u> | |
| Agricultural Ombudsman | 13,860 |
| Climate Mitigation and Adaptation | 451,964 |
| Conservation Technical Assistance | 95,980 |
| Cutting Green Tape | 50,000 |
| Erosion and Sediment Management | - |
| Fire and Forestry | 2,050,728 |
| Habitat Enhancement | 2,871,242 |
| Santa Cruz Mtns. Stewardship Network | 1,227,472 |
| Water Quality | 137,657 |
| Water Resources & Conservation | 5,184,824 |
| Subtotal Program Expenses | \$12,083,727 |
| Total Expenses | \$15,112,342 |
| NET | (156,371) |
| Operating Reserve Allocation | \$250,000 |

4.1. Budget Detail

Total revenues for this fiscal year are anticipated to be \$14,955,971. All amounts in the budget are estimated for the fiscal year in the months prior to the beginning of the fiscal year. The FY '23 budget proposes a net loss of approximately \$150,000, which the district

accepts as a reasonable risk given that the amount is only one percent of the overall budget and because it is roughly equivalent to the amount that revenues were expected to exceed expenses in FY '22. Also, the RCD enters the fiscal year in a strong cash position and with an operating reserve that should support the district for half of a year or more if all income were lost. An allocation of \$250,000 is proposed to the operating reserve from current cash assets.

4.1.1. Program Revenue

Program revenues are estimated to be \$14,649,671. These revenues are earned by billing for expenses to specific funding sources that are restricted to specific work programs or outcomes. Each anticipated source and amount of program revenue is described below based on the best staff estimates at the time of the development of the budget.

Agricultural Ombudsman

- The Agricultural Ombudsman provides permitting assistance to agricultural stakeholders and assists the county to streamline and improve agricultural project permits, funded by San Mateo County (\$42,249), and to improve agricultural viability, funded by UC Agriculture and Natural Resources (\$9,984), and Peninsula Open Space Trust (\$9,939).

Climate Mitigation and Adaptation

- Carbon Farm Funding Assistance, a project to inform agricultural producers about California's Health Soils Program funding opportunity for climate-smart agricultural practices and assist them in applying to the program and planning and implementing their projects. Funding is provided by the California Department of Food and Agriculture (CDFA) (\$33,266).
- Carbon Farming Implementation, a project to assist agricultural producers with climate-beneficial agricultural projects, including use of compost, hedgerows, riparian plantings, and cover crops. Funding is provided by Zero Food Print (\$2402), and the California Wildlife Conservation Board (\$18,310).
- Carbon Farming Trials, two compost application trials in various settings and associated monitoring. Funding comes from CDFA (\$83,496), and South Bay Waste Management Authority (\$5,920).
- Carbon Farm Planning and Design, to assist agricultural producers with projects that sequester carbon, in addition to improving soil health, pollinator habitat, sediment reduction, water quality and more. Funding is provided by National Association of Conservation Districts (\$72,677) and NRCS via POST (\$7,188).
- Climate Change Outreach and Education, a program that will provide climate change outreach and educational opportunities to the San Mateo County community to build resiliency to climate change. Funding is provided by San Mateo County (\$30,759).

- A compost brokering program that will provide technical assistance to agricultural and equine operations, explore the development of a Coastside compost facility, and procure compost on behalf of all cities within San Mateo County and the County itself, with compost procurement targets by providing compost to farmers and ranchers. The funding for this program is from San Mateo County (\$61,082), and cities within San Mateo County (\$411,001).
- Waste Reduction projects to assist agricultural producers and landowners to recycle agricultural plastics and clean up illegally dumped waste. Funding is from San Mateo County (\$11,990), and CalRecycle (\$85,470).

Conservation Technical Assistance

- A Conservation and Regenerative Agriculture training program for RCD staff across California, in partnership with NRCS and TomKat Ranch. Funding is provided by Western SARE (\$11,898).
- A project to assist agricultural producers with conservation projects by offering technical assistance for projects related to soil health, pollinator habitat, sediment reduction, water quality more. Funding is provided by National Association of Conservation Districts (\$152,239) and NRCS (\$17,057) (via POST (\$6,036), via CARCD (\$11,021).
- Technical assistance and permitting guidance to the Granada Community Services District (GCSD), which is in the process of planning and permitting the development of Burnham Strip into a community park. Work includes the RCD providing technical assistance and permitting guidance for GCSD. Funding from GCSD is estimated at \$5,822 for FY23.

Cutting Green Tape

- This is for continued work with the California Landscape Stewardship Network on the statewide Cutting Green Tape initiative to reduce regulatory barriers to environmentally beneficial restoration, including helping to develop and facilitate meetings, assistance with development of a case study of the initiative, tracking efforts to cut green tape, and meeting with restoration practitioners. Funding is from the Kingfisher Foundation (\$75,000).

Erosion and Sediment Management

- Reduce habitat-impairing sediment delivery to creeks through technical assistance to landowners and managers in the Pescadero-Butano Creeks watershed to help them comply with water quality regulatory requirements to reduce erosion and sedimentation on their properties; ongoing monitoring and reporting for implemented sediment reduction and restoration projects along Old Haul Road in Pescadero Creek County Park; and completion of the revision of the Coastal San

Mateo County Gullies Report to update it with additional data. Funding from the Coastal Conservancy via IWRP is estimated to be \$34,134 and State Water Resources Control Board \$4,020.

Forest Health and Fire Resiliency

- Build fire resilient communities by coordinating the county-wide Neighborhood Chipper program, providing technical assistance to residents, responding to emerging community needs, developing fuel reduction and vegetation management projects, working with partners to develop the Regional Prioritization Plan to identify priority projects for future funding, and continuing efforts to streamline permitting for fuel reduction and forest health projects. Funding is anticipated from California FireSafe Council (\$75,392), San Mateo County (\$223,151), California Coastal Conservancy (\$22,465), and via CARCD (\$149,180).
- The RCD will continue planning, permitting, and implementing forest health projects across 822 acres at Huddart and Wunderlich County Parks and Butano State Park for landscape level ecosystem and wildfire resiliency benefits. An estimated 200+ acres will be treated this fiscal year. The RCD will also support Santa Cruz Mountain Stewardship Network post-fire data collection efforts. Funding is provided by the California Climate Investments through the CAL FIRE Forest Health grant program (\$1,428,227).
- Quarry Park Shaded Fuel Break and Hazard Tree Removal Project will implement 100 acres of treatments to reduce fuel loads in Quarry Park in El Granada. Funding is from the Coastal Conservancy (\$564,978).
- The Hypericum Eradication Project will be in a project planning phase for fire resilience and co-benefits for biodiversity. Funding is expected from San Mateo County Agriculture Department (\$20,000) and POST.
- The La Honda Fuel Break project will create a 19-mile fuel break around La Honda across 21 private and public properties. Funding is provided by CAL FIRE (\$184,876).
- Post-fire recovery includes ongoing assistance to residents and landowners recovering from the August 2020 CZU Lightning Complex Fires, primarily focused on addressing road repair issues following debris clean-up. The current remaining amount in our agreement with the NRCS for this work is \$6,294 with the possibility of funds to be added if available for future or related recovery work.

Habitat Enhancement

- Burlingame Shoreline Park is a collaboration with the SPHERE Institute to transform a vacant parcel of bayfront land into a park with restored tidal wetlands and transition zone habitat as well as educational and recreational amenities and closing a gap in the Bay Trail. The RCD is a partner for the ecological restoration elements, which will

demonstrate how green infrastructure can protect the bayfront and complement future adaptation to sea level rise. Funding is provided by the Environmental Protection Agency (\$16,478).

- Butano Farms San Francisco Garter Snake Habitat Enhancement Project: This work will monitor and maintain the previously completed wetland habitat enhancement project to benefit San Francisco garter snake and California red-legged frog. Funded is provided by PG&E (\$8,688).
- Butano Reconnection & Longevity Measures: The Butano Creek Channel Reconnection Project re-established 8,000 feet of the Butano Creek channel in 2019, restoring migration for salmon and steelhead while reducing flooding of the road into Pescadero. Work this fiscal year includes continued monitoring of the completed project and developing and implementing longevity measures to help the project endure, e.g., instream habitat features, floodplain reconnection, and fish barrier removal. Funding for this year's work comes from the County of San Mateo (\$216,583).
- Butano Creek Channel Stabilization and Habitat Enhancement at Cloverdale Road Bridge Project was largely completed in FY '22 to protect the bridge and road by stabilizing creek banks while improving habitat and storing sediment to protect the downstream marsh and increase the longevity of the Butano Creek Reconnection Project that was completed in 2019. During FY '23 work will include post-project monitoring and minor adjustments as needed to the completed project. Funding is from Wildlife Conservation Board (\$53,174).
- Early Detection Rapid Response Invasive Species Management is a partnership effort with Midpeninsula Regional Open Space District to control target invasive weeds on private properties surrounding their preserves. Funding comes from the open space district (\$60,000).
- Evans Creek Fish Passage Project will enhance creek habitat and restore fish migration in the Pescadero watershed within Portola Redwoods State Park. Funding is provided by California State Parks (\$277,581).
- Green Oaks Restoration Project will restore hydrologic function along Green Oaks Creek on State Parks' Año Nuevo property to improve habitat for San Francisco garter snake and California red-legged frog as well as other wildlife. Funding for this project is provided through the Wildlife Conservation Board (\$770,700).
- Johnston Ranch Riparian Restoration will restore riparian habitat through vegetation management on Arroyo Leon Creek in the Pilarcitos watershed to benefit snakes, frogs, and fish. Funding is provided by the Wildlife Conservation Board via a block grant to CARCD (\$7,237).

- Pescadero-Butano Marsh Monitoring: UC Davis and State Parks have been managing the long-term water quality monitoring of the Pescadero-Butano Marsh to assess stratification dynamics following major RCD projects. Funded by State Parks, the RCD will assume responsibility for these efforts, including instrument management, data analysis, and reporting. It is assumed that State Parks will contribute \$40,000 in FY23.
- A project to develop conceptual plans to improve habitat while reducing flooding and erosion along the roughly 1-mile reach of Pescadero Creek that runs through the “town”. Funding is from the California Coastal Conservancy (\$58,707).
- Facilitation of the Technical Advisory Committee of the Integrated Watershed Restoration Program (IWRP) and identification and development of new projects. IWRP is a partnership of three RCDs (San Mateo, Santa Cruz, Monterey), the Coastal Conservancy, government agencies with regulatory or funding authorities for conservation projects, and Indigenous groups/ tribes to identify, develop, and advance high priority conservation. Funding is provided by the California Coastal Conservancy (\$26,594) and an anticipated grant from NOAA (\$198,852).
- Mindego Creek Fish Passage: This project will remove a fish passage barrier in Mindego Creek to reconnect approximately 5 miles of migration habitat as well as enhance fish habitat for protected coho salmon and steelhead trout. Funding for this project comes from the Wildlife Conservation Board (\$672,755).
- Pescadero Creek County Park Habitat Enhancement Project: This project will enhance habitat for steelhead trout and coho salmon in Pescadero Creek within Pescadero Creek County Park. Funding is from California Coastal Conservancy through IWRP (\$5,731), San Mateo County (\$7,917), and the Wildlife Conservation Board (\$29,735).
- Pescadero Marsh Habitat Restoration and Resiliency Project: This project will model the Pescadero marsh to understand how it functions, examine how the marsh will respond to climate change and determine which areas of the marsh restoration will be most beneficial. The modeling will be used to create 30% designs for one restoration project along with a restoration implementation plan. Funding for work during this fiscal year is provided by the Coastal Conservancy (\$90,260).
- Potrero Nuevo Tree Planting: This project will plant trees at Potrero Nuevo Farm. Funding is from PG&E as mitigation for tree removal along Highway 92 (\$7,260).
- Quiroste Valley Cultural Preserve Vegetation Management aims to enhance biodiversity of native plants and ecosystems, improve indigenous cultural resources, and reduce fuel loads just north to the CZU lightning complex. In addition to continued vegetation management within the 115-acre cultural preserve, the RCD will be planning and permitting an additional 500-acres of Año Nuevo State Park for vegetation management and prescribed burning. Funding from State Parks is expected to be \$437,619.

- San Bruno Mountain Butterfly Restoration: This project restores and enhances habitat on San Bruno Mountain for the benefit of threatened and endangered butterfly species. Funding is provided by PG&E (\$48,938) and National Fish and Wildlife Foundation (\$89,875).
- San Gregorio Creek Habitat Enhancement at Apple Orchard, Phase II: This project will enhance habitat for coho salmon and steelhead trout in San Gregorio Creek by installing large wood features in several locations within Midpeninsula Open Space District property. This is a mitigation project funded by PG&E (\$54,684).
- San Gregorio Creek Habitat Enhancement at Repetto Farm: This project will enhance habitat for protected steelhead trout and coho salmon by installing habitat features in San Gregorio Creek at Repetto Farm. The project currently has funding from IWRP and will hopefully receive additional funding from WCB (\$52,203).
- San Pedro Creek Fish Passage Project at Adobe Bridge: This project will enhance creek habitat and restore fish migration for steelhead trout in San Pedro Creek. Current funding is provided by the Wildlife Conservation Board through their Habitat Enhancement and Restoration Program (\$42,329) and a Wildlife Conservation Board block grant through the California Association of Resources Conservation Districts (\$186,248) (tentative).
- Wavecrest Ecosystem Restoration: This project will be in a planning phase for the restoration of seasonal wetlands and coastal prairie at Wavecrest Open Space in Half Moon Bay. Funding is provided by Peninsula Open Space Trust (\$10,000).

Santa Cruz Mountains Stewardship Network

- General Operations: The Santa Cruz Mountains Stewardship Network (SCMSN) is a vehicle for collaboration between its 24 member organizations. The members of the SCMSN own, manage, or in some way steward land in the Santa Cruz Mountains. The SCMSN allows them to collaborate on issues like fire, climate, habitat restoration, water, invasive species, public access and so on. The purpose of the SCMSN is to allow its members to be able to think at a landscape scale rather than just property by property. General operations are funded by member organizations and the Bechtel Foundation (\$221,000).
- SCMSN Vegetation Mapping Project: This project will provide a very high-quality set of maps and data for Santa Cruz and Santa Clara Counties building on what has been done in Sonoma, Marin, and San Mateo counties. The project will provide high resolution imagery, QL 1 lidar, wildfire risk maps, impervious and pervious surface layers and many other data products. There are 12 funders for this effort, including the Gordon and Betty Moore Foundation and SCMSN member organizations totaling \$1,117,000.

- Spotlight Stewardship is a course in which community leaders are invited to tour land stewardship projects of the member organizations of the Santa Cruz Mountains Stewardship Network to increase awareness of stewardship needs in the region. This is funded by participants tuition (\$1,200) and a grant from Resources Legacy Fund (\$25,000).

Water Quality

- The Confined Animal Facility WDR San Vicente Creek Monitoring Program is an initiative to help better understand water quality in San Vicente Creek and to meet the requirements of the Waste Discharge Requirement for Confined Animal Facilities. Work in FY23 includes collecting data during 3 wet weather events and reporting results. It is expected that Moss Beach Ranch and Ember Ridge Equestrian will each contribute \$1000 for this work.
- First Flush is an annual volunteer water quality sampling program that occurs during the first significant rain of the season to help identify what pollutants are of greatest concern and where. It is expected that Sewer Authority Midcoastside will contribute \$25,000, SMC Harbor District will contribute \$10,000, and the City of Pacifica will contribute \$5,000 in FY23.
- National Water Quality Initiative (NWQI) is a water quality partnership between NRCS and the RCD in which the RCD will conduct a watershed assessment for the Pescadero-Butano watershed to help the NRCS provide targeted assistance to farmers and ranchers to implement conservation practices. Funding will be provided by the NRCS (\$5,000).
- The Coastside Pet Waste Outreach and Education Program addresses bacterial pollution from pet waste in priority watersheds from Pacifica to Half Moon Bay through outreach, education and volunteer clean-up days. It is funded by San Mateo County (\$70,000).
- The Pillar Point Harbor Water Quality Assistance Program involves working with the San Mateo County Harbor District to protect water quality in Pillar Point Harbor. Work in FY23 will include regulatory compliance support, inspecting and mapping sanitary sewer lines and reinspecting stormwater lines, engaging with the public through outreach and education, and identifying and managing funding opportunities for implementation projects. It is expected that the Harbor District will contribute \$117,200 to this effort (an additional \$10,000 is included under the First Flush program) in FY23.
- Sewer Authority Midcoastside allocated \$15,000 to the RCD for required mitigation, of which \$11,000 remains and the RCD intends to spend down this year with \$3,000 for pesticide sampling during First Flush and \$8,000 on a mycofiltration pilot project.

- Pacifica State Beach Special Study: The RCD will carry out field work, data analysis, and reporting for a bacteria-focused water quality study to help the City of Pacifica comply with regulatory requirements. This project focuses on the beach. Funding is expected from San Mateo County Office of Sustainability and City of Pacifica (\$68,000).
- The San Pedro Creek and Pacifica State Beach TMDL Characterization Monitoring Program involves water quality monitoring, data entry, analysis, and reporting to support City of Pacifica and San Mateo County comply with regulatory requirements. This project focuses on the creek. This project is funded by the City of Pacifica and the San Mateo County Office of Sustainability (\$34,640).
- The San Vicente Creek Bacteria Water Quality Improvement Plan Monitoring Program is to better understand sources of bacterial contamination and problem areas in the San Vicente Creek watershed and to help identify solutions. Work will include water quality monitoring, and data analysis and reporting. It is estimated that \$39,476 will be funded by the County and \$39,439 will be funded by GGNRA in FY23.

Water Resources & Conservation

- Water for Farms, Fish & People will design and permit irrigation efficiency and water storage infrastructure projects, repair/replace domestic water pipelines, conduct water audits, aid landowners with permitting, and work with domestic water users to upgrade water storage and distribution facilities. Funding for this fiscal year is anticipated as follows: Wildlife Conservation Board (\$2,567,197; \$52,173; and \$36,580), San Mateo County (\$117,738), Midpeninsula Regional Open Space District (\$18,279), POST (\$22,812; \$9,768), Silicon Valley Community Foundation (\$6,198), California Department of Water Resources (\$62,180), and Coastal Conservancy (\$15,251).
- Butano Creek Habitat Enhancement Project will create over 4 acres of floodplain and improve the connectivity of Butano Creek to a 100 acre floodplain while beneficially reusing fill to improve and protect farmland, as well as expanding a defunct storage pond to allow the farm to forgo from the creek from June through November. This project is anticipated to be funded by the Wildlife Conservation Board (\$98,701) with additional support from the landowner, POST, and current tenant farmer, Fifth Crow Farm.
- Stream gauging: The stream gauge program manages and coordinates stream gauges (one each) on San Gregorio, Butano, and Pilarcitos Creeks. The program is funded by RCD partner organizations. Funding for the Pilarcitos gage comes from SMC, CCWD, SFPUC, and SAM (\$8,034). Funding for the San Gregorio Gage comes from POST, MIDPEN, and SMC (\$18,326). Funding for the Butano Gage is expected to come from POST (\$10,000).

4.1.2. Other Revenue

Non-program revenues are estimated to be \$306,300. These are funding sources that are not tied restricted to specific work programs or outcomes. Each anticipated source and amount of revenue is described below based on the best staff estimates at the time of the development of the budget.

- County Contribution: This is an agreement with San Mateo County to support the RCD's integrated approach to resource conservation and management for long term sustainability in the amount of \$200,000.
- Donations: This is largely based on an annual campaign in fall of each year, with a goal of receiving \$20,000 in unrestricted donations to the RCD.
- Interest income: We anticipate earning \$1,300 interest from all accounts this year.
- Miscellaneous income: This item can include stipends, honoraria, service fees, or other miscellaneous income. We do not anticipate earning miscellaneous income this year.
- Property taxes: The RCD expects to receive \$85,000 in property taxes this year.

4.1.3. Operating Expenses

Total expenses for this fiscal year are estimated to be \$15,112,342. They include billable and non-billable operating expenses as well as billable program expenses. Operating expenses comprise \$3,028,615 of overall expenses as described below.

Personnel (salaries and fringe) assumes full time employment of 23 staff and part-time employment of 2 staff. The amount includes a 6% Cost of Living Adjustment for all employees. The subtotal of these estimated salaries is \$2,313,431. All staff will receive paid holidays, vacation, sick time, and Workers Compensation. 17% was added for fringe benefits. These include full time staff (32 hours or more per week) receiving medical, dental, and vision benefits and all eligible staff participating in a 401K retirement plan with an estimated contribution of 5% of salary.

The following budget items are under the category "Other Expenses," for items that support the operation of the RCD that are not billable directly to projects.

- Rent: This is for rental of office space at 80 Stone Pine Road in Half Moon Bay. The lease arrangement increases rent annually and additional space was rented to accommodate an expanded staff.
- Accounting Services: This is for contracted accounting and auditing services.
- Communications: This is the estimated cost for supplies, equipment, services, and subscriptions for the purpose of general RCD communications. Typical expenses include internet service, phone service, MailChimp, social media advertisements, flyers, business cards, brochures, mailers, communications and web design

consultants, and other costs that are not billed to specific projects or direct fundraising. The RCD anticipates hiring a communications consultant this year to complete an impact report and advance the communications strategy that was completed in the previous fiscal year.

- Information Technology: This item is for services and equipment. Typical expenses include contracted consultant technical support, off-site data storage, remote computer access, hardware and software needs, computers, and associated equipment. This includes equipment, subscriptions, and services related to GIS, field data collection, and field safety technology that are not directly billable to projects. The budgeted amount for this year includes an estimate to migrate the RCD server to the cloud, work that was deferred from the previous year.
- Professional development and meetings: This is for mileage, travel, accommodations, meals, registration costs, and materials for meetings, workshops, trainings, and conferences for staff and board members when these expenses are not billable to specific projects. Mileage rates are based on current IRS designations. This estimate assumes an approximate expense of \$2,500 per staff member.
- Liability insurance: This is the cost to the RCD for liability insurance through the Special District Risk Management Authority.
- Miscellaneous consulting services: This item is intended to pay for work with consultants as needed when those services are not budgeted under other line items (e.g., Communications) and not billable to specific grants.
- Equipment: This is for office furniture and fixtures, workstations, field gear, etc. and assumes some expenses for a recently expanded staff and a staff that is returning to the office post-pandemic.
- Membership, dues and subscriptions: Memberships include but are not limited to: California Association of Resource Conservation Districts, California Special Districts Association, National Association of Conservation Districts, TOGETHER Bay Area, Santa Cruz Mountains Stewardship Network. This item also includes subscriptions to professional and news publications and the cost to post job announcements.
- Office supplies: This item covers supplies and services (e.g. photocopying, postage, etc.) that are not provided by the NRCS or through project-specific grants. This estimate assumes a return to the office and an expanded staff.
- Discretionary: This item is intended to cover unforeseen situations, take advantage of arising small-scale opportunities, support staff morale, foster relationships, etc.
- Legal: The RCD contracts with County Counsel for legal services. This line item is for legal services that are not billable to specific projects.

- Bank fees: This is for finance charges, annual fees on credit cards, wire fees, returned check fees, ordering new checks, stopping payments, reissuing checks, etc.

4.1.4. Program Expenses

Program expenses for FY'23 are estimated to be \$12,083,727 and are directly related to Program Revenues as described and itemized in Section 4.1.1. These are the non-personnel expenses that are billable to specific project funder codes, essentially the “pass-through” revenues that do not pay for personnel or other operating expenses.