

Minutes of the Regular Meeting of the Board of Directors**May 16, 2019****4:00 pm – 6:00 pm****Location: RCD Office**Directors present: Barbara Kossy (chair), Neal Kramer, Adrienne EthertonRCD staff present: Kellyx Nelson, Lau Hodges, Amy Kaeser, Andrew Hall, Kasey Butler, Joe IsselNRCS staff present: Jim HowardGuests Present: Fred Crowder, Ron Sturgeon, Doug Silverstein, Seth Dallmann, Erika Carrillo

At 4:01 p.m. Adrienne Etherton is sworn in as an RCD Director by Fred Crowder, the County of San Mateo's Agricultural Commissioner.

1. Call to Order

Meeting was called to order at 4:03 p.m.

2. Introduction of Guests and Staff

All in attendance introduced themselves

3. Approval Agenda

Nelson recommends moving items 6.3 and 6.4 to the top of the regular agenda. Kramer moved to approve the agenda as amended, Etherton seconded. Motion passed unanimously.

4. Public Comment

No public comment

5. Consent Agenda

- Nelson noted all of the recommendations for the Fiscal Year (FY) 2017 Audit had previously been implemented during FY18.
- April 25, 2019 Draft Regular Meeting Minutes were pulled because neither Etherton nor Kramer had been in attendance.
- Kramer moved to approve the consent agenda as amended, Etherton seconded. Motion passed unanimously.

6. Regular Agenda**6.3 Board will consider recommendation for the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm**

- There was discussion regarding the bid and bid process, how the project addresses streamflow (irrigation efficiency and changed time of diversion), current and planned agricultural production on the property, water rights, the forbearance agreement, California Water Code, and other nearby off-stream storage ponds.

- Etherton moved to enter into contract with Monteith Construction Inc. for the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm. Kramer seconded. Motion passed unanimously.

6.4 Board will consider recommendation to contract with Hanford ARC for the Alpine Creek Fish Passage Project

- There was discussion regarding the bid and bid process.
- Kramer moved to enter into contract with Hanford ARC for the Alpine Creek Fish Passage Project. Etherton seconded. Motion passed unanimously.
- Nelson noted that the RCD's experience with Hanford ARC had been positive and collaborative which could be difficult with projects that require adaptive management within government contracts.
- Etherton asked if this had been the first time the RCD has to reissue a RFB. Nelson said it was the second or third time in her tenure.

6.1 Executive Director's report

- The RCD hosted a Blue Circle on May 29, at New Leaf Community Market. The topic was *What is Organic? Know your labels. Know your local.* Adria Arko, RCD Program Specialist and Agricultural Ombudsman, Kathy Webster, from TomKat/LeftCoast Grassfed and Adrian Fischer from California Certified Organic Farms presented. Kossy asked what the origin of the topic had been; Nelson explained the idea came about at a RCD staff meeting. Kossy asked who the event had been marketed to; Nelson explained it had been sent to the RCD's contact list as well as the Coastsides Mothers Club, the Food System Alliance and flyers were hung at local bookstores and grocery stores.
- Nelson announced a celebration of the Butano Creek Reconnection Project on June 21.
- Nelson shared an early draft of the RCD's upcoming work program (attached). The group discussed both lists and the need and challenges to track and communicate all that the RCD is accomplishing.
- Nelson discussed how big projects define what the public think the RCD does; the RCD's funding is project based but the RCD's mandate is technical assistance, which is largely unfunded.
- There was discussion about NRCS reporting its work and how the NRCS/ RCD partnership model has evolved.
- Dallmann noted that it can be hard to align project permits with utilities regarding water permits; he asked if there was a sharing of information. Nelson responded that the Santa Cruz Mountain Stewardship Network and the California Landscape (CLN) Network have been navigating treamling the permitting process; she referenced a white paper she had written discussing restoration seen as a risk and the need to shift that paradigm. Nelson further noted that the CLN had recently hired an expert in social change to consult on how to best start the cultural shift.
- Nelson passed out her work plan (attached) and noted:
 - need for help looking at the staff 401K Plan and asked the Board to recommend anyone they knew who might be willing to help.
 - RCD energy audit.
 - surveys to be used as evaluation tools.
 - need for additional administrative support.

- Supervisor Don Horsley put \$200K into the San Mateo County budget for the RCD; Nelson reminded the Board that he would not be in office forever. Etherton asked if the \$200K was unrestricted; Nelson stated that it was broadly structured.

6.2 Directors' Reports

- Kossy reported:
 - She attended the 50th Anniversary of Fitzgerald Marine Reserve and wore her RCD hat; she received positive feedback about the RCD and mean with the new San Mateo County Parks Acting Director.
 - Someone had seen Japanese Knot Weed (*Reynoutria japonica*) locally.
 - Picnic in the Weeds, hosted by the San Mateo County Weed Management Area, was held on May 20, 2019.
- Kramer had nothing to report on.
- Etherton stated she was excited about Picnic in the Weeds.

7 Adjourn Meeting

Meeting adjourned at 5:35 p.m.

Regular Meeting of the Board of Directors**May 16, 2019****4:00 pm – 6:00 pm****Location: 80 Stone Pine Road, Suite 100, Half Moon Bay, CA 94019**

1. Call to Order
2. Approval of Agenda
3. Introduction of Guests and Staff
4. Public Comment- The Board will hear comments on items that are not on the agenda. The Board cannot act on an item unless it is an emergency as defined under Government Code Sec. 54954.2.
5. Consent Agenda The Board of Directors approves: <ul style="list-style-type: none">5.1. April 25, 2019 Draft Regular Meeting Minutes5.2. April 2019 Draft Financial Statements5.3. Independent Auditors' Report by R.J. Ricciardi Inc. Certified Public Accountants for the year ending June 30, 2017, including "Basic Financial Statements" and "Board of Directors & Management Report"5.4. Notice of Amendment to Contract with Amah Mutsun Land Trust for the Quiroste Valley Cultural Preserve Vegetation Management Project5.5. Resolution 2019-2: Approval to Enter into Agreement with the California Wildlife Conservation Board for the Butano Creek Streamflow Improvement Projects5.6. Resolution 2019-3: Approval to Enter into Agreement with the California Wildlife Conservation Board for the Butano Creek Streamflow Improvement Projects
6. Regular Agenda <ul style="list-style-type: none">6.1. Executive Director Report6.2. Directors' reports6.3. Board will consider contractor recommendation for the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm6.4. Board will consider recommendation to contract with Hanford ARC for the Alpine Creek Fish Passage Project6.5. Discussion of RCD work program through June 2020.
7. Adjourn Meeting The next Regular Meeting of the Board of Directors will be June 20, 2019.

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the San Mateo RCD office, located at the address above, for the purpose of making those public records available for inspection.

San Mateo Resource Conservation District
Balance Sheet
As of April 30, 2019

	Apr 30, 19
ASSETS	
Current Assets	
Checking/Savings	
1030 · Checking Account (5269)	1,176,079.14
1031 · Restricted State Funds (5012) (Butano Channel)	3,018.44
1032 · Operating Reserve (0202)	148,786.23
Total Checking/Savings	1,327,883.81
Accounts Receivable	
1200 · Accounts Receivable	2,839,473.14
Total Accounts Receivable	2,839,473.14
Total Current Assets	4,167,356.95
TOTAL ASSETS	4,167,356.95
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	627,684.82
Total Accounts Payable	627,684.82
Credit Cards	
2025 · Visa - Nelson - 0145	15.65
2035 · Visa - Issel - 0129	7.35
Total Credit Cards	23.00
Other Current Liabilities	
2300 · Accrued Time Off	43,193.34
2400 · Deferred Revenue	
2405 · Bonde Weir	6,081.36
2410 · Santa Cruz Mountain Stewardship	196,782.33
2411 · SCMSN - Atlas Project	167,301.17
2412 · SCMSN-Spotlight Stewardship	22,374.24
2413 · SCMSN-Permitting	21,380.00
2415 · SAM First Flush	369.67
2420 · MROSD - Driscoll Ranch	11,119.60
2421 · MROSD - Apple Orchard	14,107.50
2425 · Randtron Antenna	3,424.32
2430 · PG&E - Butano Mitigation Proj.	985,276.11
2431 · PG&E - Project Development	22,952.57
2432 · PG&E Foundation - Hedge Rows	15,000.00
2435 · Cloverdale Ponds	75,132.38
2445 · SMC Old Haul Road Phase 1	13,403.68
2460 · SMC Ag Ombudsman	15,619.57
2465 · NACD - Urban Farming TA	10,768.00
2470 · SVCF - Carbon Farm Planning	20,000.00
2480 · Colma - Cemetery Sustainability	8,043.00
2400 · Deferred Revenue - Other	16,426.00
Total 2400 · Deferred Revenue	1,625,561.50
Total Other Current Liabilities	1,668,754.84
Total Current Liabilities	2,296,462.66
Long Term Liabilities	
2500 · Recoverable Grants	200,000.00
Total Long Term Liabilities	200,000.00
Total Liabilities	2,496,462.66

San Mateo Resource Conservation District
Balance Sheet
As of April 30, 2019

	Apr 30, 19
Equity	
3500 - Net Assets	1,157,840.47
Net Income	513,053.82
Total Equity	1,670,894.29
TOTAL LIABILITIES & EQUITY	4,167,356.95

San Mateo Resource Conservation District
Profit & Loss
July 2018 through April 2019

	Jul '18 - Apr 19
Ordinary Income/Expense	
Income	
Contracts	6,137,825.32
Donations	
Annual Appeal Donation	16,570.07
Donations - Other	32,464.00
Total Donations	49,034.07
Interest	1,966.90
Property Sale Proceeds (SMC)	2,886.34
Property Tax	108,799.37
SMC Operating Support	128,742.11
Total Income	6,429,254.11
Gross Profit	6,429,254.11
Expense	
Communications	5,545.94
Equipment	4,664.85
Membership-Dues-Subscriptions	3,574.00
Organizational	57,107.33
Personnel	775,389.01
Professional Development	4,363.00
Project Implementation	5,012,766.54
Rent	40,092.60
Software	2,308.28
Supplies	3,940.35
Travel-Meals-Meetings	6,213.88
6020 - Bank Fees	234.51
Total Expense	5,916,200.29
Net Ordinary Income	513,053.82
Net Income	513,053.82

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

HALF MOON BAY, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Mateo County Resource Conservation District
Half Moon Bay, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of San Mateo County Resource Conservation District, as of June 30, 2017 and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the San Mateo County Resource Conservation District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to San Mateo County Resource Conservation District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Mateo County Resource Conservation District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of San Mateo County Resource Conservation District, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6) and the required supplementary information (page 15), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
May 1, 2019

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2017

San Mateo County Resource Conservation District's (the "District") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements. The MD&A is presented for the year ended June 30, 2017.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of the District.

The required financial statements include the Government-wide and Fund Financial Statements; Statement of Net Position and Governmental Funds Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances; and the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities – The District's basic services are considered to be governmental activities. These services are supported by general District revenues such as taxes, and by specific program revenues such as government grants and service charges.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually; the District has no Non-major Funds. Major Funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

In the District's case, the General Fund is the only Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Governmental Activities

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and investments	\$ 563,655	\$ 574,290
Other assets	<u>970,667</u>	<u>560,231</u>
Total assets	<u>1,534,322</u>	<u>1,134,521</u>
<u>Liabilities</u>		
Accounts payable	283,286	217,137
Other liabilities	<u>820,419</u>	<u>628,339</u>
Total liabilities	<u>1,103,705</u>	<u>845,476</u>
<u>Net Position</u>		
Unrestricted	<u>430,617</u>	<u>289,045</u>
Total net position	<u>\$ 430,617</u>	<u>\$ 289,045</u>

The District's net position was \$430,617 for the fiscal year ended June 30, 2017.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 June 30, 2017

The following table summarizes the District's change in net position at June 30:

	July 1, 2016 through June 30, 2017	July 1, 2015 through June 30, 2016
<u>Revenues</u>		
Program revenues:		
Operating grants and contracts	\$ 2,967,645	\$ 2,412,560
Mitigation funds and fines	-	4,432
General revenues:		
Taxes and other	114,857	118,015
Total revenues	<u>3,082,502</u>	<u>2,535,007</u>
<u>Program expenses</u>		
Resource conservation	<u>2,940,930</u>	<u>2,439,417</u>
Total expenses	<u>2,940,930</u>	<u>2,439,417</u>
Change in net position	<u>\$ 141,572</u>	<u>\$ 95,590</u>

Government Activities

For the period from July 1, 2016 through June 30, 2017, the total District revenues were \$3,082,502. The total District expenses were \$2,940,930. The difference of \$141,572 is the increase in net position bringing the total net position at June 30, 2017 to \$430,617. The main source of revenue for the District is grant revenue and contracts. The amount our taxpayers ultimately financed for these activities through local taxes and assessments was \$70,652.

Capital Assets

The District does not maintain any capital assets.

Debt Administration

The District does not utilize long term debt to fund operations or growth.

General Fund Budgetary Highlights

The District's General Fund operating budget for the period of July 1, 2016 to June 30, 2017 was adopted by the Governing Board. As adopted, projected expenditures totaled \$3,943,819. Budgeted revenues totaled \$4,018,839 with revenues projected to be over expenditures by approximately \$75,020. Please refer to page 15 of this report for actual amounts and related variances.

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2017

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the Finance Director at San Mateo County Resource Conservation District, 625 Miramontes Street, Half Moon Bay, California 94019.

San Mateo County Resource Conservation District
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
June 30, 2017

	General Fund	Adjustments (Note 3)	Statement of Net Position
ASSETS			
Cash and investments	\$ 563,655	\$ -	\$ 563,655
Grant receivable	969,367	-	969,367
Deposits	<u>1,300</u>	-	<u>1,300</u>
Total assets	<u>1,534,322</u>	-	<u>1,534,322</u>
LIABILITIES			
Liabilities:			
Accounts payable	283,286	-	283,286
Accrued expenses	71,832	-	71,832
Refundable advances	705,394	-	705,394
Compensated absences	<u>43,193</u>	-	<u>43,193</u>
Total liabilities	<u>1,103,705</u>	-	<u>1,103,705</u>
FUND BALANCES / NET ASSETS			
Fund balances:			
Assigned	<u>430,617</u>	<u>(430,617)</u>	-
Total fund balances	<u>430,617</u>	<u>(430,617)</u>	-
Total liabilities and fund balances	<u>\$ 1,534,322</u>		
Net Position:			
Unrestricted		<u>430,617</u>	<u>430,617</u>
Total net position		<u>\$ 430,617</u>	<u>\$ 430,617</u>

The accompanying notes are an integral part of these financial statements.

San Mateo County Resource Conservation District
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2017

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/expenses:			
Resource conservation	\$ 2,940,930	\$ -	\$ 2,940,930
Total expenditures/expenses	<u>2,940,930</u>	<u>-</u>	<u>2,940,930</u>
Program revenues:			
Operating grants and contracts	<u>2,967,645</u>	<u>-</u>	<u>2,967,645</u>
Net program expense	<u>(26,715)</u>	<u>-</u>	<u>(26,715)</u>
General revenues:			
Property taxes	70,652	-	70,652
Contributions	18,911	-	18,911
Interest	361	-	361
Other	<u>24,933</u>	<u>-</u>	<u>24,933</u>
Total general revenues	<u>114,857</u>	<u>-</u>	<u>114,857</u>
Excess (deficiency) of revenues over (under) expenditures	141,572	(141,572)	-
Changes in net position	-	141,572	141,572
Fund balance/net position at July 1, 2016	<u>289,045</u>	<u>-</u>	<u>289,045</u>
Fund balance/net position at June 30, 2017	<u>\$ 430,617</u>	<u>\$ -</u>	<u>\$ 430,617</u>

The accompanying notes are an integral part of these financial statements.

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description

The San Mateo County Resource Conservation District (the District) was formed under California Soil Conservation District Law popular election and approved by the San Mateo County Board of Supervisors on October 10, 1939. The function of the District is to provide a soil and water conservation program within its geographical boundaries.

B. Accounts and Records

Custodianship of the District's accounts and records are vested with the District. Assessment of property and collection of tax receipts for the District is provided by the County of San Mateo. The Board further authorized check signatory to a designated board member and the executive director.

C. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures recommended by the State of California. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

(1) Government-wide and Fund Financial Statements:

The government-wide financial statements (the statement of net position and the statement of activities) report on the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of the District's function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with the District's function. *Program revenues* include grant revenue and charges paid by the recipients of goods or services offered by the program. Other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for the governmental fund of the District (balance sheet and the statement of revenues, expenditures and changes in fund balances).

(2) Measurement Focus, Basis of Accounting and Financial Statement Presentation:

Government-wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Policies (continued)

Restricted Net Position - This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of the District not restricted for any project or other purpose.

Fund Equity

The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

C. Accounting Policies (concluded)

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District only has one major fund, the General Fund, which is used to account for all financial resources.

(3) Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

D. Budget and Budgetary Accounting

The District normally adopts an annual budget on or before June 30 for the ensuing fiscal year. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) Legally adopted annual budgets and formal budgetary integration is employed as a management control device during the year for the General Fund only.
- (2) The budgets for the General Fund are adopted on a basis consistent with GAAP.
- (3) Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances.
- (4) Budget appropriations for the various governmental funds become effective each July 1. The Board of Directors may amend the budget during the fiscal year.
- (5) Appropriations were under budgeted amounts by \$1,002,889.

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 2 - CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2017:

	<u>Carrying Value</u>	<u>Investment Rating</u>
Cash in First National Bank	\$ 563,655	N/A

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

NOTE 3 - RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

NOTE 4 - RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

NOTE 5 - GRANT RECEIVABLE

Grants receivable consisted of the following as of June 30, 2017:

Water Quality Management	\$ 50,960
Rural Roads	6,768
Integrated Watershed Restoration Program	14,219
Fisheries Restoration Grant Program	31,166
IWRP – Butano Floodplain	100,732
Climate Mitigation	16,739
Pescadero Integrated Fisheries Restoration	58,962
Program Development	35,180
Drought Relief	618,195
All other grant receivables	36,446
Total grant receivable	<u>\$ 969,367</u>

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 - COMPENSATED ABSENCES

Compensated absences comprise of unused vacation leave, which are accrued as earned. Compensated absences are recognized as a liability of the District. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the statement of net position. The District does not anticipate paying out any portion of the compensated absences within a year. Therefore, compensated absences are classified as long-term liabilities.

The compensated absences balance was \$43,193 as of June 30, 2017.

The net change of compensated absences is as follows:

Beginning balance	\$ 30,742
Additions	<u>12,451</u>
Ending balance	<u>\$ 43,193</u>

NOTE 7 - REFUNDABLE ADVANCES

The District has been awarded operational grants and contracts from multiple funding sources to provide comprehensive, integrated services for all aspects of natural resource management. These grants and contracts are considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2017, the balance in the refundable advances for grants and contracts was \$705,394.

NOTE 8 - PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES

The State of California (the "State") Constitution Article XIII A provides that the combined Maximum property tax rate on any given property may not exceed 1% of its assessed value unless voters have approved an additional amount. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among counties, cities, school districts and other districts. Counties, cities, school districts and other districts may levy such additional tax as is necessary to provide for voter approved debt service.

The County of San Mateo assesses properties, and bills and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	Upon receipt of billing
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternative method" of property tax distribution, known as the Teeter Plan, by the District and the County of San Mateo. The Teeter Plan authorizes the auditor/controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid.

San Mateo County Resource Conservation District
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

NOTE 8 - PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES (concluded)

The County of San Mateo remits tax monies to the District in installations as follows:

5% remitted in July
75% remitted in September, includes advance
15% remitted in May
5% remitted in June

NOTE 9 - RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related joint powers agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member government entities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

The District maintained insurance coverage for liability up to \$2,500,000, property up to \$1,000,000,000 per occurrence, automobile physical damage up to \$2,500,000 per occurrence, Public Officials and Employees Errors and Omissions up to \$2,500,000 per occurrence and Workers' Compensation up to \$5,000,000 per occurrence through the Special District Risk Management Authority (a public entity risk pool) and underwritten by various insurance companies.

Financial statements for the risk pool may be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

San Mateo County Resource Conservation District
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Budget and Actual
For the Year Ended June 30, 2017
(Unaudited)

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Operating grants and contracts	\$ 3,843,339	\$ 3,843,339	\$ 2,967,645	\$ (875,694)
Property taxes	55,000	55,000	70,652	15,652
Contributions	10,000	10,000	18,911	8,911
Interest	500	500	361	(139)
Miscellaneous income	<u>110,000</u>	<u>110,000</u>	<u>24,933</u>	<u>(85,067)</u>
Total revenues	<u>4,018,839</u>	<u>4,018,839</u>	<u>3,082,502</u>	<u>(936,337)</u>
Expenditures:				
Resource conservation	<u>3,943,819</u>	<u>3,943,819</u>	<u>2,940,930</u>	<u>1,002,889</u>
Total expenditures	<u>3,943,819</u>	<u>3,943,819</u>	<u>2,940,930</u>	<u>1,002,889</u>
Excess of revenues over (under) expenditures	<u>\$ 75,020</u>	<u>\$ 75,020</u>	141,572	<u>\$ 66,552</u>
Fund balance, beginning of period			<u>289,045</u>	
Fund balance, end of period			<u>\$ 430,617</u>	

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

BOARD OF DIRECTORS & MANAGEMENT REPORT

**For the Year Ended
JUNE 30, 2017**

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R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
San Mateo County Resource Conservation District
Half Moon Bay, California

In planning and performing our audit of the basic financial statements of San Mateo County Resource Conservation District for the period year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Resource Conservation District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's basic financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider material weaknesses, as defined above.

During our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration in this report. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are not intended to be all-inclusive, but rather represent those matters that we considered worthy of your consideration. Our comments and recommendations are submitted as constructive suggestions to assist you in strengthening controls and procedures; they are not intended to reflect on the honesty or integrity of any employee. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist San Mateo County Resource Conservation District in implementing the recommendations.

This report is intended solely for the information and use of the management of San Mateo County Resource Conservation District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank San Mateo County Resource Conservation District's staff for its cooperation during our audit.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
May 1, 2019

Board of Directors
San Mateo County Resource Conservation District
Half Moon Bay, California

We have audited the basic financial statements of San Mateo County Resource Conservation District for the year ended June 30, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 13, 2017, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of San Mateo County Resource Conservation District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by San Mateo County Resource Conservation District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by San Mateo County Resource Conservation District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Accrual and disclosure of compensated absences.
- Fair Value of investments and financial instruments.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements (Audit Adjustments)

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, of the 5 audit adjustments detected as a result of audit procedures and corrected by management most were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to San Mateo County Resource Conservation District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as San Mateo County Resource Conservation District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This report is intended solely for the information and use of the Board of Directors and management of the San Mateo County Resource Conservation District and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Mateo County Resource Conservation District
BOARD OF DIRECTORS & MANAGEMENT REPORT
For the Year Ended June 30, 2017

Current Year Observations

1) Quarterly Payroll Tax Return Reconciliation

Observation:

During the course of the audit, we noted San Mateo County Resource Conservation District's (the District) payroll tax returns were not reconciled to the general ledger on a quarterly basis.

Recommendation:

We recommend the District reconcile the payroll tax returns to the general ledger on a quarterly basis.

2) Accrued Payroll Expenditures

Observation:

During the course of the audit, we noted the District's year end payroll was not reviewed, analyzed and adjusted to the appropriate general ledger payroll liabilities accounts.

Recommendation:

We recommend the District review accrued payroll and payroll liabilities at year end and make sure to adjust the unpaid amounts at year end to the appropriate liabilities accounts.

3) Accrued Compensated Absences

Observation:

During the course of the audit, we noted the District's year end compensated absences schedule was not reviewed, analyzed and adjusted to the appropriate general ledger liabilities accounts.

Recommendation:

We recommend the District maintain an employee compensated absences schedule and reconcile this to the general ledger on a quarterly basis.

4) Authorized Signatures on Timesheets

Observation:

During the course of the audit, we noted that the submitted timesheets were not signed by employees or by their supervisors. The District uses spreadsheets to capture time for each employee on a monthly basis.

Recommendation:

We recommend the District require employees to print and sign their timesheets before submission. We also recommend employee time sheets be initialed and approved by their supervisors.

San Mateo County Resource Conservation District
BOARD OF DIRECTORS & MANAGEMENT REPORT
For the Year Ended June 30, 2017

Prior Year Observations

There were no prior year observations.

Memorandum

Date: May 16, 2019
To: Board of Directors
From: Kellyx Nelson
Re: Notice of Amendment to Contract with Amah Mutsun Land Trust for the Quiroste Valley Cultural Preserve Vegetation Management Project

In June 2018, the Board of Directors approved a contract with Amah Mutsun Land Trust (AMLT) to conduct vegetation management at Quiroste Valley Cultural Preserve in Año Nuevo State Park (*Exhibit A*) to preserve and restore biological and cultural resources within Quiroste Valley. The RCD subsequently contracted with AMLT to conduct vegetation management. Work completed includes over 4,000 hours of vegetation management within Douglas fir forest, coastal prairie, and along an access road. The current contract is scheduled to expire June 2019.

The RCD has secured additional funds from California State Parks to continue the work through 2021. This memorandum is a notification that the RCD is amending the current contract with AMLT to extend the final date through June 30, 2021 and increase the budget an additional \$247, 252. With the budget increase, the current contract budget of \$177, 175 will increase to \$424,427.

The amendment will include work by AMLT for two years of administration, implementation of vegetation management; invasive weed control; seed collection, propagation and planting; participating in prescribed or pile burning; cultural surveys, monitoring and expertise; attending trainings; spike camp set-up; tools and equipment.

Exhibit A. June 14, 2018 Request to Sole Source Amah Mutsun Land Trust for the Quiroste Valley Cultural Preserve Vegetation Management Project



PHONE: 650.712.7765

80 STONE PINE ROAD, SUITE 100
HALF MOON BAY, CA 94019

SANMATEORCD.ORG

Memorandum

Date: June 14, 2018
To: Board of Directors
From: Kellyx Nelson
Re: Request to Sole Source to Amah Mutsun Land Trust for the Quiroste Valley Cultural Preserve Vegetation Management Project

RCD Staff recommends to sole source to **Amah Mutsun Land Trust** (AMLT) for vegetation management of the phase I area at Quiroste Valley Cultural Preserve in Año Nuevo State Park. This vegetation management is the first step of a long-term management plan to preserve and restore biological and cultural resources within Quiroste Valley.

Quiroste Valley Cultural Preserve (QVCP) is located within Año Nuevo State Park in San Mateo County, 13 miles south of the town of Pescadero, CA. The entire preserve encompasses 224 acres of coastal prairie, coastal scrub, riparian, and mixed evergreen forest. The valley represents a culturally significant area for the local region. There are multiple indigenous cultural resources, including archeological sites and historical features within the valley. Historically, Native Cultural Indians have been part of the landscape and vegetation management from 1000 CE up to European contact. Since its acquisition in the 1980's, anthropogenic and natural disturbance has stopped within the valley, allowing woody vegetation, mostly Douglas fir (*Pseudotsuga menziesii*), to out compete biodiverse, open grasslands. A total of 115 acres is planned for vegetation management as part of the 5-year management plan. Work from 2018 to 2019 will cover vegetation management within Phase I. Work done within the valley will help preserve and restore biodiverse grasslands and prepare the valley for longer-term biological and cultural management.

The *Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy* adopted by this Board of Directors on March 20, 2014 (Appendix A) requires solicitation of formal advertised bids for expenditures exceeding \$50,000. The policy allows exceptions to

standard purchasing procedures in some circumstances, including when “services are of a unique type, are of a proprietary nature, or are otherwise of such a required and specific design or construction, or are specifically necessary for purposes of maintaining cost effective system consistency, so as to be available from only one source.” Staff believes that the work proposed to be sole sourced to AMLT meets each and all of these criteria. The procurement policy further states, “The basis for the sole source recommendation shall be documented in writing and approved, in advance, by the Board for purchases exceeding \$50,000.”

Major goals for this project include (1) restoring the landscape to conditions similar to pre-European colonization through removal of woody vegetation to promote grassland health, (2) consulting with local Native California Indians to establish resource management practices, protection of culturally significant sites and features, interpretation of local history, (3) allowing Native Californian Indian practices, ceremonies, special events, interpretive activities of indigenous history within the valley as part of the intent of the cultural preserve classification.

The AMLT is associated with the Amah Mutsun Tribal Band, a descendant community of indigenous people local to the San Mateo, Santa Cruz and Monterey Counties. The AMLT has been involved in partnership with the State Parks at QVCP since 2007. AMLT has collaborated with State Parks on scientific and historical research, and on identifying natural and cultural resources within QVCP to inform the biological resource restoration, including cultural management.

The RCD recommends sole sourcing to AMLT due to (1) AMLT’s unique services, and (2) specificity of the project’s goals. Specifically, AMLT:

- has historical, recent, and cultural knowledge of QVCP;
- indigenous involvement in vegetation management is part of the goals of project;
- AMLT’s unique ability to consult on indigenous historical interpretation, consultation of culturally significant sites and features;
- has a long-term partnership with State Parks;
- is involved in other cultural and vegetation management elsewhere in the San Mateo-Santa Cruz County area;
- has experience with project partners and aware of considerations for project, familiarity with stakeholders, permits;

The amount of the sole source contract is for 2018-2019 to implement vegetation management within QVCP is budgeted for \$177,175.00. This amount is majorly for crew labor, tools, and equipment.

Appendix A: Procurement Policy

San Mateo County Resource Conservation District

PUBLIC CONTRACT BIDDING, VENDOR AND PROFESSIONAL CONSULTANT SELECTION, AND PURCHASING POLICY

Adopted

March 20, 2014

The purpose of this policy is to ensure that the District obtains quality services, supplies, material and labor at the lowest possible cost, and to provide a uniform method for procurement of services and supplies. In addition, through proper documentation, conformance to this Policy will enable the District's constituents to know that their public funds are being spent responsibly, and potential vendors and contractors to know that they are being treated equitably.

I. PURCHASING AUTHORITY

There are three levels of authority for purchases: Board Approval, Executive Director Approval and Executive Director Delegated Approval. The maximum purchasing authority amounts refer to the total price of an order, including tax and/or shipping, which may include more than one item and also includes change orders and contract amendments. As used in this Policy, the term “purchasing” refers collectively to contracting or procurement of services, supplies, material or labor.

A. Board Approval for Purchases In Excess of \$50,000

If the cost for furnishing services, supplies, materials, labor, or other valuable consideration to the District will exceed Fifty Thousand Dollars (\$50,000), approval from the Board of Directors is required prior to entering into the contract.

Contracts which have been approved by the Board shall be signed by the Executive Director, or in the Executive Director's absence, his or her designee, unless the Board has directed that the President sign on behalf of the District.

B. Executive Director Approval for Purchases Not Exceeding \$50,000

The Executive Director may obtain bids without advertisement or published notice inviting bids and may authorize and execute contracts for payment for services, supplies, material, labor, or other valuable consideration for any purpose, including the new construction of any building, structure, or improvement, in an amount not exceeding \$50,000.

II. SOLICITATION OF BIDS

A. Solicitation of Formal Advertised Bids for Expenditures Exceeding \$50,000

When any expenditure is expected to exceed \$50,000, the District shall invite bids a minimum of one week prior to the time of receiving bids. Distribution may include digital

distribution networks, the District web site, a general circulation newspaper, or other means deemed appropriate. This type of formal bidding process typically includes the issuance of written plans or specifications describing the goods or services to be provided and the receipt of written bids from the vendors involved. Solicitation of formal bids from a minimum of three vendors is required. As described in Section III.D below, selection of vendors may be based on a variety of criteria and may include but is not limited to the lowest cost bidder.

B. Expenditures Not Exceeding \$50,000

The District may invite bids for expenditures not expected to exceed \$50,000 at the discretion of the Executive Director or at the Request of the Board of Directors. Staff members shall obtain competitive cost information and consider qualifications of contractors providing services, whenever reasonably feasible, for any District purchase even though formal bids are not required for goods or services costing \$50,000 or less.

III. EXCEPTIONS TO STANDARD PURCHASING PROCEDURES

A. Emergency Conditions

An emergency is defined as the inability of the District to provide services, or a threat to public health, safety, or welfare, including, but not limited to, threatened damage to natural resources. In the case of an emergency requiring an immediate purchase, the Executive Director may authorize his or her designee to secure in the open market any services, supplies, material or labor required to respond to the emergency, regardless of the amount of the expenditure. The Executive Director shall, as soon as possible, provide a full written explanation of the circumstances to the Board for inclusion at a publicly noticed meeting.

In the case of a disaster or for civil defense, nothing contained in this Policy shall limit the authority of the Executive Director to make purchases and take such other emergency steps as are, or may be, authorized by the Board.

B. Limited Availability/Sole Source

Occasionally, necessary supplies, material, equipment, or services are of a unique type, are of a proprietary nature, or are otherwise of such a required and specific design or construction, or are specifically necessary for purposes of maintaining cost effective system consistency, so as to be available from only one source. After reasonable efforts to find alternative suppliers, the District may dispense with the requirement of competitive bids and recommend negotiating and making the purchase from the sole source. The basis for the sole source recommendation shall be documented in writing and approved, in advance, by the Board for purchases exceeding \$50,000.

C. Cooperative Purchasing

The District shall have the authority to join in cooperative purchasing agreements with other public agencies to purchase goods or services at a price established by that agency through

a competitive bidding process. The Executive Director may authorize and execute such cooperative purchasing agreements.

The formal competitive bidding procedures of Section II.A. for purchases exceeding \$50,000 are not required when the other public agency has secured a price through a formal, advertised competitive bidding process. Board approval is required prior to purchase.

D. Professional Services

Professional consultant services are of a technical and professional nature, and, due to the nature of the services to be provided, do not readily fall within the “low bid” competitive bidding process. In addition, State law requires that selection of professional consultants in the categories of architects, landscape architects, engineers, surveyors, construction managers, and environmental consulting be made on the basis of demonstrated competence and the professional qualifications necessary for the satisfactory performance of the required services. Professional consultants should be individually selected for a specific project or problem with the objective of selecting the most qualified consultant at a price that is fair and reasonable. Professional services agreements shall not be split into smaller units, nor shall contract amendments be used, for the purpose of circumvention of this Policy.

1. Selection Procedures for Professional Services in Excess of \$50,000

When the cost for professional services is expected to be in excess of \$50,000, the District shall prepare a Request for Qualifications (RFQ) outlining the professional’s qualifications, relevant experience, staffing and support and hourly rates as a basis for negotiating a contract or a Request for Proposal (RFP) outlining the terms, conditions and specifications of the services required by the District. A minimum of three (3) qualified firms or individuals shall be invited to submit proposals.

District staff and/or District directors and/or partners selected by District staff will review the proposals received, will select the most qualified firms for interviews, and will rank the consultants based upon appropriate criteria developed for the project or required services. These criteria will be included in the RFQ or RFP.

2. Renewal of Contracts with Professional Consultants

The District may, at its sole discretion, and after following required consultant selection procedures, enter into consultant agreements which contain provisions authorizing their extension or renewal. However, recommendations to extend or renew an existing contract with a professional consultant should include an annual written evaluation of the work performed by the consultant as well as a determination that the fees being charged are comparable to similar services offered by other consultants at the time of renewal or extension. If the total amount of the original and renewed contract in any one fiscal year does not exceed \$50,000, the Executive Director may execute the agreement. If the total amount exceeds \$50,000, the request must be approved by the Board.

3. Conflict of Law

These procedures are not applicable where superseded by local, state or federal law, where the terms of grant funding provide for the use of other consultant selection procedures, or where the District is obligated to select consultants through the use of different procedures, such as due to the requirements of an insurance or self-insurance program.

4. Special Circumstances

These procedures are not applicable when three (3) qualified firms or individuals are unavailable, or if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue, to limit the number of consultants solicited. The basis for such action shall be documented in writing and approved by the Executive Director. When Board approval is required, the documented basis for such action shall be included in the report to the Board and publicly noticed at the next meeting of the Board.

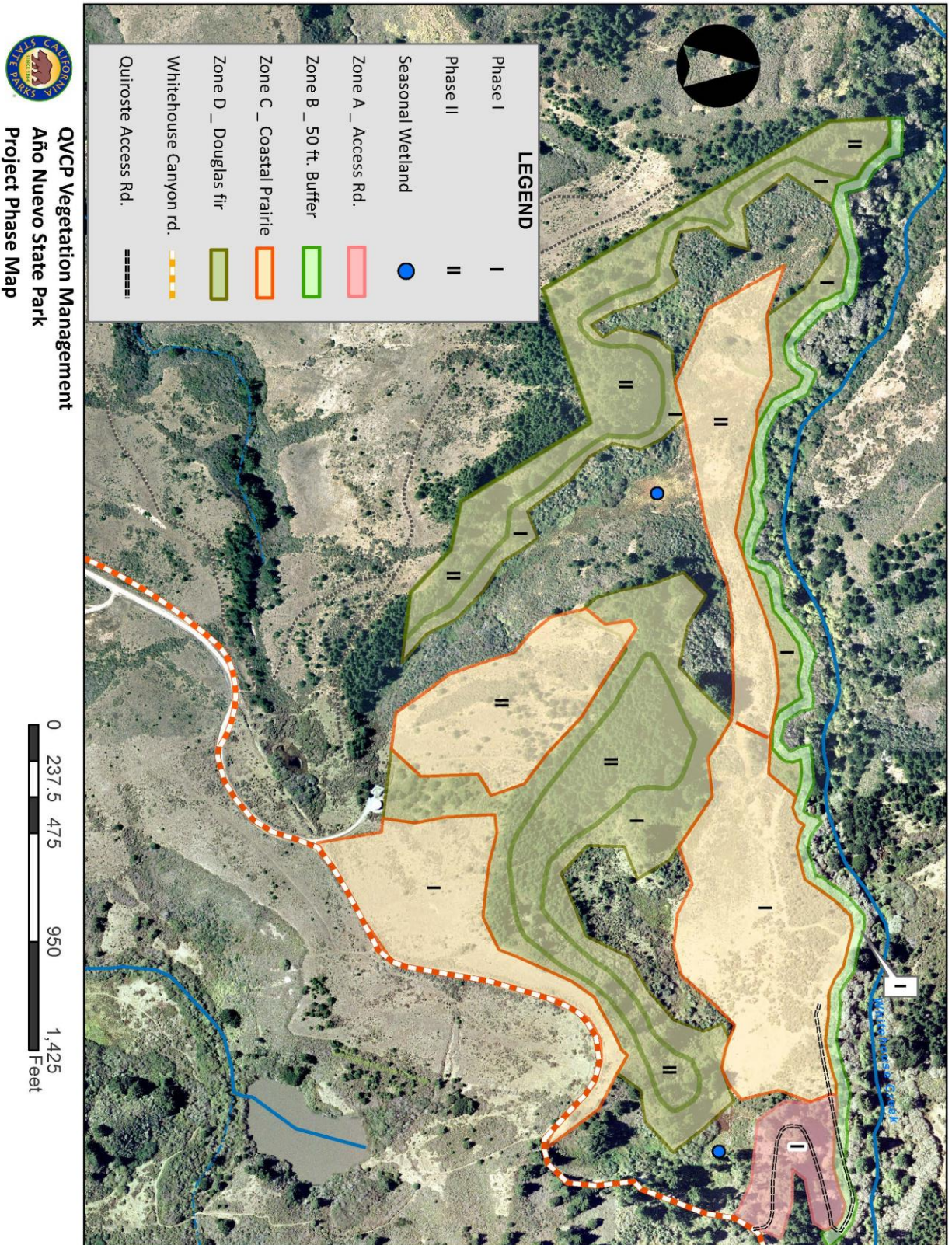
E. Open Purchase Orders for Routine and Repetitive Supplies and Services

Open purchase orders may be entered into with vendors who are expected to supply routine services, supplies, materials or labor to the District on a regular basis throughout the fiscal year. Open purchase orders shall be closed at the conclusion of each fiscal year. Vendors of repetitive supplies and services shall be selected through the competitive bidding procedures set out in Section II, based upon the anticipated or budgeted cumulative cost of the supply or service. Multi-year contracts can be let only when appropriate and necessary to secure the best pricing, best service, or assure continuity of service. An annual review of the services and prices provided shall be documented by District staff to assure that the vendor is meeting the District's needs and expectations and remains at a competitive price. Whenever feasible, multi-year contracts for service or supplies shall provide that the option to renew or extend the contract is at the District's sole discretion.

IV CONFLICT OF INTEREST

No District employee or official shall be financially interested, directly or indirectly, in any purchase, contract, sale, or transaction to which the District is a party and which comes before said official or employee for recommendation or action. Any purchase, contract, sale, or transaction in which any employee or official is or becomes financially interested shall become void at the election of the District. No employee or official shall realize any personal gain from any purchase, contract, sale, or transaction involving the District.

Site Map



Site Photos



1. Overview of QVCP. Note woody vegetation encroaching into grassland valley floor.



2. View of woody vegetation from valley floor. Plans are to retain islands of 25-33% shrub vegetation to maintain a scrub-grassland mosaic important to SFGS and CRLF.

RESOLUTION 2019-2**APPROVAL TO ENTER INTO AGREEMENT WITH THE CALIFORNIA WILDLIFE
CONSERVATION BOARD FOR THE BUTANO CREEK STREAMFLOW
IMPROVEMENT PROJECTS**

WHEREAS, the San Mateo Resource Conservation District is a Special District organized under Division 9 of the California Public Resources Code with an original petition granted on July 1, 1939;

WHEREAS, the San Mateo Resource Conservation District is defined in Section 3501 of the Government Code as a public agency;

WHEREAS, funds were made available to the Wildlife Conservation Board through the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) for projects that enhance stream flow;

WHEREAS, San Mateo Resource Conservation District intends to enhance stream flows in Butano Creek by working with two farms to increase irrigation efficiency as well as water storage capacity to allow for diversion forbearance from the creek during the late summer and early fall when streamflows are at their lowest level;

WHEREAS, the California Wildlife Conservation Board has encumbered \$466,696 through the Stream Flow Enhancement Program for the San Mateo Resource Conservation District to implement Butano Creek Streamflow Improvement Projects; and

WHEREAS, the California Wildlife Conservation Board requires a resolution from the governing body of the grant recipient authorizing its designee to sign a financial assistance agreement, and any amendments thereto;

NOW THEREFORE BE IT RESOLVED that the San Mateo Resource Conservation District Board of Directors hereby:

1. Authorizes its Executive Director to conduct negotiations, execute, submit, and sign all documents including but not limited to applications, agreements, amendments, payment

requests, and other documents which may be necessary for the completion of the proposed project;

2. Certifies that the Resource Conservation District will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the project and will obtain or will ensure that the other project partners obtain all appropriate permits applicable to the project; and
3. Further commits to the terms and conditions specified in the grant agreement.

ADOPTED at a regular meeting of the Board of Directors of the San Mateo Resource Conservation District on May 16, 2019.

TJ Glauthier, President

Date

RESOLUTION 2019-3**APPROVAL TO ENTER INTO AGREEMENT WITH THE CALIFORNIA WILDLIFE
CONSERVATION BOARD FOR THE SAN GREGORIO CREEK STREAMFLOW
ENHANCEMENT PROJECT, KLINGMAN-MOTY FARM**

WHEREAS, the San Mateo Resource Conservation District is a Special District organized under Division 9 of the California Public Resources Code with an original petition granted on July 1, 1939;

WHEREAS, the San Mateo Resource Conservation District is defined in Section 3501 of the Government Code as a public agency;

WHEREAS, funds were made available to the Wildlife Conservation Board through the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) for projects that enhance stream flow;

WHEREAS, San Mateo Resource Conservation District intends to enhance stream flows in San Gregorio Creek by increasing the water storage capacity at Klingman-Moty Farm to allow for diversion forbearance from the creek during the late summer and early fall when streamflows are at their lowest level;

WHEREAS, the California Wildlife Conservation Board has encumbered \$621,754 through the Stream Flow Enhancement Program for the San Mateo Resource Conservation District to implement the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm;

WHEREAS, the California Wildlife Conservation Board requires a resolution from the governing body of the grant recipient authorizing its designee to sign a financial assistance agreement, and any amendments thereto;

NOW THEREFORE BE IT RESOLVED that the San Mateo Resource Conservation District Board of Directors hereby:

1. Authorizes its Executive Director to conduct negotiations, execute, submit, and sign all documents including but not limited to applications, agreements, amendments, payment

requests, and other documents which may be necessary for the completion of the proposed project;

2. Certifies that the Resource Conservation District will comply with all federal, state and local environmental, public health, and other appropriate laws and regulations applicable to the project and will obtain or will ensure that the other project partners obtain all appropriate permits applicable to the project; and
3. Further commits to the terms and conditions specified in the grant agreement.

ADOPTED at a regular meeting of the Board of Directors of the San Mateo Resource Conservation District on May 16, 2019.

TJ Glauthier, President

Date

Memorandum

Date: May 2, 2019
To: Board of Directors
From: Kellyx Nelson
Re: Recommendation to contract with Monteith Construction Inc. for the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm

RCD staff recommends contracting with Monteith Construction Inc. to construct an 18.5 acre foot reservoir at Klingman-Moty Ranch. Construction of the reservoir is part of the San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm and will be in the amount of \$700,056.

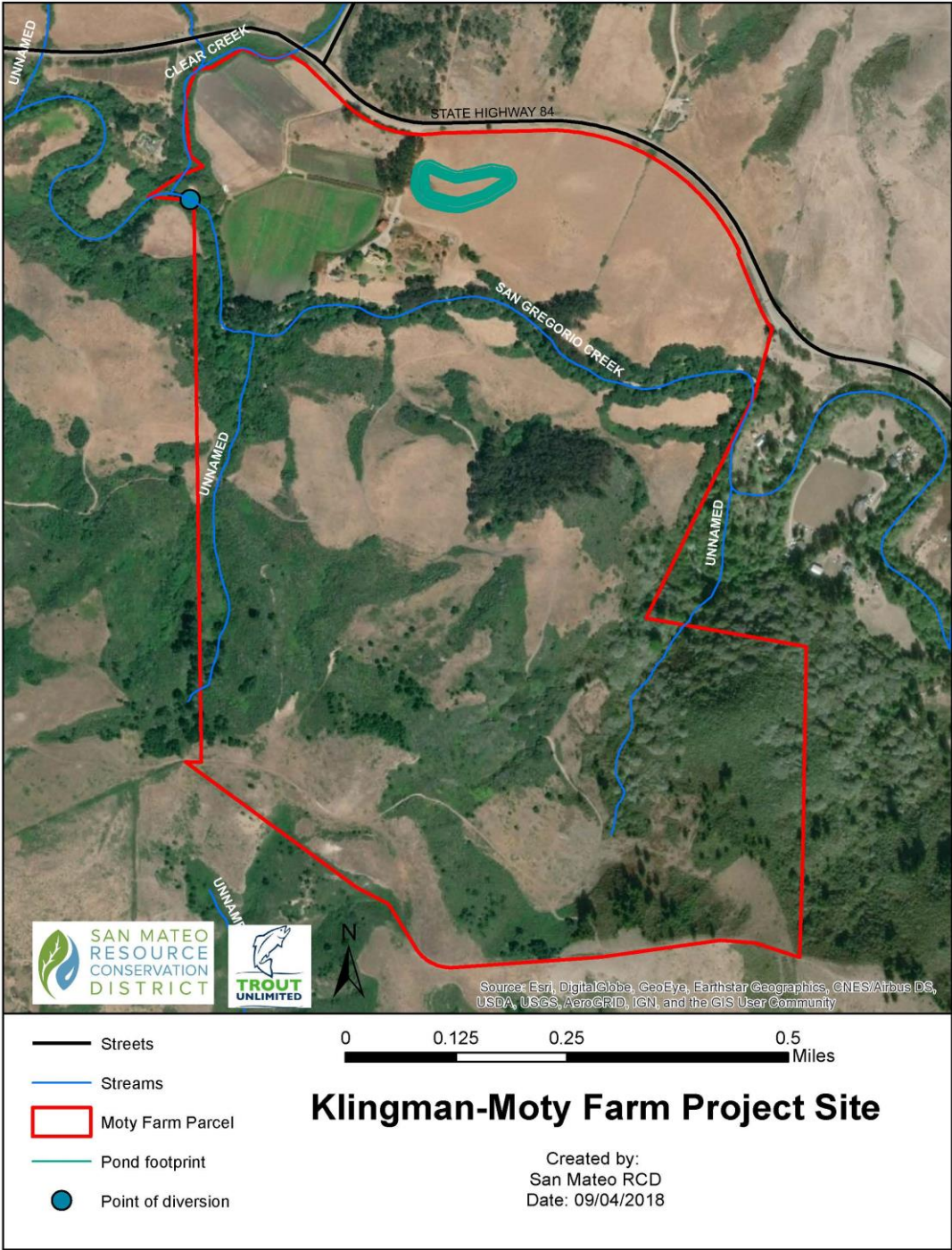
The San Gregorio Creek Streamflow Enhancement Project, Klingman-Moty Farm is located approximately 2 miles east of San Gregorio along highway 84. This project will improve instream flow conditions for salmonids in San Gregorio Creek by reducing the amount and timing of water diversions taken during low flow summer months. This project will construct a new 18.5 acre foot reservoir allowing the farmer to reduce diversion rates during the spring/summer (April -July) and eliminate diversions entirely in late summer/early fall (August-October) when streamflows are at their lowest level.

A Request for Bids was distributed to three qualified firms and posted on the RCD's website on April 15, 2019. Four contracting firms attended a pre-bid tour on April 23, 2019. One firm submitted a bid, Monteith Construction Inc. and in the amount of \$700,056.

After checking references and deliberating with project partners, RCD staff has decided to recommend Monteith Construction Inc. to complete this project because:

- All references gave Monteith Constructing Inc. outstanding recommendations.
- The bid was complete and turned in on time, the proposed approach for construction was sound, and the bid amount is within the RCD's budget for the project.
- The RCD has had positive experiences in previous work with Monteith Constriction Inc.

Location Map



Memorandum

Date: May 2, 2019
To: Board of Directors
From: Kellyx Nelson
Re: Recommendation to contract with Hanford ARC for the Alpine Creek Fish Passage Project

RCD staff recommends the Board of Directors approve contracting with Hanford ARC¹ to construct the Alpine Creek Fish Passage Project during the summer of 2019 for an amount up to \$1,000,000.

The Alpine Creek Fish Passage Project will restore fish passage through the culvert under Alpine Creek Road where the road crosses Alpine Creek, a tributary to San Gregorio Creek. The project is located approximately 2 miles from La Honda.

Work will include removing some concrete from the bottom of the culvert and installing engineered streambed material, removing the failing concrete at the downstream outlet of the culvert, removing the undersized fish ladder that is harmful to fish and will no longer be required to address steep stream gradient, installing rock weirs to create resting pools for fish and restore stream gradient for fish passage, and restore streambed material downstream where the streambed has become exposed bedrock. The project will provide access for both adult and juvenile salmonids to over three miles of quality spawning and rearing habitat in the San Gregorio Creek watershed. The project is funded through the Fisheries Restoration Grant Program administered by the California Department of Fish and Wildlife with federal funding from NOAA for restoration of anadromous fisheries.

A Request for Bids (RFB) was distributed to fourteen qualified firms and posted on the RCD's website on March 6, 2019. Six firms attended a mandatory pre-bid site tour on March 19, 2019. Two firms submitted a bid: Hanford ARC and Andreini Bros., Inc. Both bids were declined because they significantly exceeded the RCD's budget and available grant funds which were based on the engineer's estimates and assumptions about project scope of work. RCD staff re-issued an RFB on April 19, 2019 to the six firms that had attended the March 19 site visit and offered a conference phone call on April 24, 2019 eligible to the same six firms to discuss

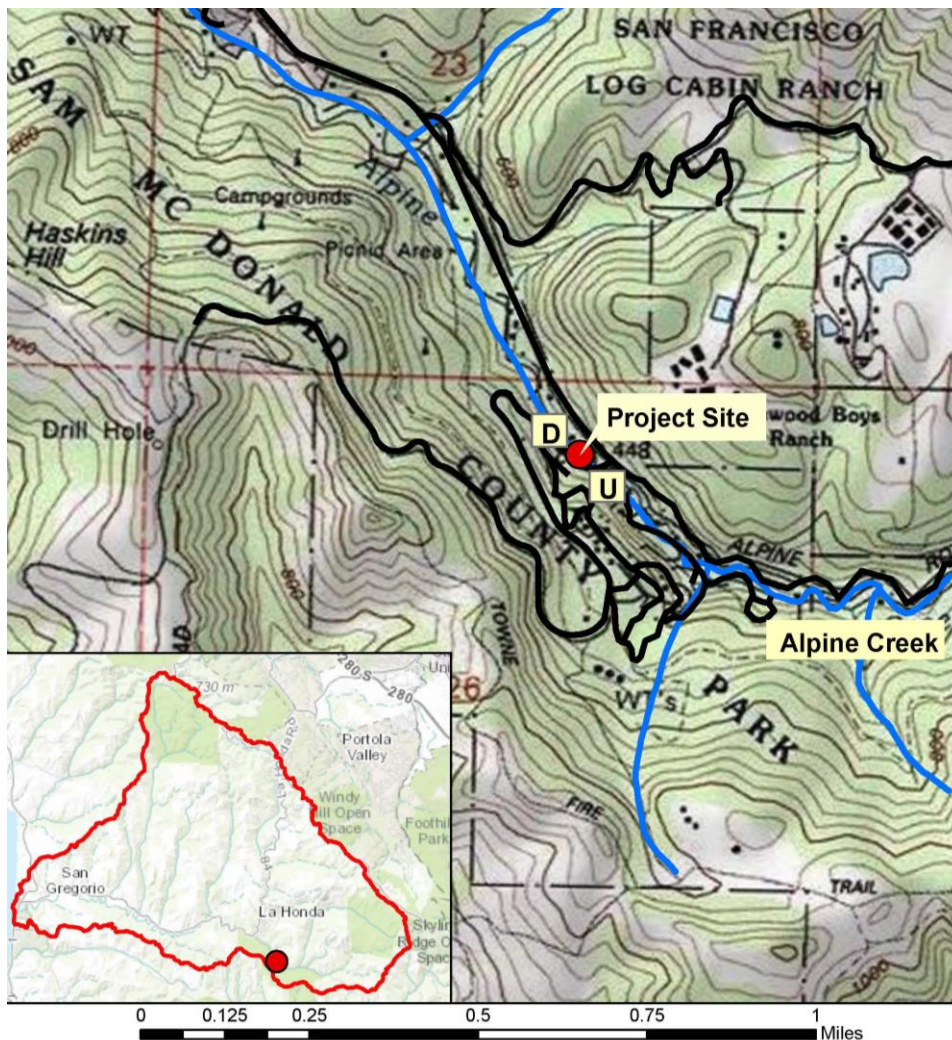
¹ <https://hanfordarc.com/>

construction methodology, construction approach, and other ideas for cost savings. Two firms attended the conference call: Hanford ARC and TKO General Engineering. Hanford ARC was the only firm to bid during the second round.

RCD staff recommends contracting with Hanford ARC for the following reasons:

- Hanford ARC was the only eligible bidder.
- The bid package was complete and submitted by deadline.
- The firm has excellent references and has completed several projects successfully for the RCD.

Location Map



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[illegible]

[illegible]

[illegible]

					4/19			5/19			6/19			7/19			8/19			9/19			10/19			11/19			12/19			1/20			2/20			3/20			4/20			5/20			6/20																						
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Annual Survey of Former Projects	-	-	0	0%																																																																	
Board of Directors	05/01/19	05/08/19	0h	0%																																																																	
Board meeting preparation and par...	05/01	05/08	0	0%																																																																	
Communication with directors and ...	-	-	0	0%																																																																	
Financial administration	04/01/19	06/19/20	0h	0%																																																																	
Review and approve check request...	05/30	06/06	0	0%																																																																	
FY '20 Budget	04/01	06/21	0	0%																																																																	
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Approve timesheets	-	-	0	0%																																																																	
Update Cost Allocation Plan and N...	-	-	0	0%																																																																	
HR and personnel matters	-	-	0	0%																																																																	
Fundraising and Development	-	-	0h	0%																																																																	
Unbillable time to develop and neg...	-	-	0	0%																																																																	
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Day in the District	-	-	0	0%																																																																	
Holiday Party	-	-	0	0%																																																																	
All-staff Training	-	-	0	0%																																																																	
Opportunities that arise	-	-	0	0%																																																																	
Legal matters, public records reques...	-	-	0	0%																																																																	
Office Space	-	-	0h	0%																																																																	
Complete furnishing (furniture, art,...	-	-	0	0%																																																																	
Ongoing office space management ...	-	-	0	0%																																																																	
Finish moving into personal office	-	-	0	0%																																																																	
Consolidate, digitize, and purge do...	-	-	0	0%																																																																	
Kitchenette	-	-	0	0%																																																																	
Negotiations with property manage...	-	-	0	0%																																																																	
Discrete Administrative Projects	05/02/19	06/28/19	0h	0%																																																																	
Strategic/ Long Range Plan	-	-	0	0%																																																																	
Personnel Manual	05/02	06/14	0	0%																																																																	
Communications Audit and Strategy	-	-	0	0%																																																																	
Base Funding Analysis and Next Steps	-	-	0	0%																																																																	
Revise QuickBooks Chart of Accounts	05/02	06/14	0	0%																																																																	
Financial Policy Manual	-	-	0	0%																																																																	
Project Management SOP	05/02	06/28	0	0%																																																																	
401K Plan Review and Recommendat...	-	-	0	0%																																																																	
Recruit New Director	-	-	0	0%																																																																	
Finish Name Change	-	-	0	0%																																																																	
Management Training for RCD Super...	-	-	0	0%																																																																	
Board Manual and Onboarding Mater...	-	-	0	0%																																																																	
RCD Emissions Audit and Climate Act...	-	-	0	0%																																																																	
New Group	-	-	0h	0%																																																																	
Develop 6 month reserve	-	-	0	0%																																																																	
Billable Conservation Programs	-	-	0h	0%																																																																	
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Time billed on projects managed by ...	-	-	0	0%																																																																	

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