

Minutes of the Regular Meeting of the Board of Directors
July 18, 2019
3:30 pm – 6:00 pm
Location: RCD Office

Directors present: TJ Glauthier, Jim Reynolds, Adrienne Etherton, Neal Kramer

RCD staff present: Kellyx Nelson, Lau Hodges, Bryanna Whitney

NRCS staff present: Jim Howard

Guests Present: Ron Sturgeon, Ryan Charland, Chuck Clark, Shannon Webb

1. Call to Order

Meeting was called to order at 3:30 p.m.

2. Approval of Agenda

Motion to approve closed session agenda passed unanimously

3. Convene Closed Session

3.1 Public Employee Performance Evaluation Pursuant to California Government Code §54957

Title: Executive Director

4. Adjourn Closed Session

5. Convene Open Session and Report on Closed Session

Open session was called to order at 4:35 p.m.

- Glauthier added an action item on the Executive Director's compensation to the Regular Agenda as item 9.6.
- Reynolds moved to approve the agenda as amended, Kramer seconded. Motion passed unanimously.

6. Introductions of Guests and Staff

All in attendance introduced themselves.

7. Public Comment

No public comment

8. Consent Agenda

- Nelson pulled agenda item 8.1, to be brought back in August.
- Etherton moved to approve the consent agenda as amended, Kramer seconded. Motion passed unanimously.

9. Regular Agenda

9.1 June 2019 Draft Financial Statements for discussion as informal item and possible approval

- The financial statements are not final, as the end of the fiscal year is reconciled.
- Expenses are booked as they come in, while revenues are booked at quarterly invoicing, making the RCD appear to be in arrears when it is not- the revenues have been earned but not booked.
- Charland explained that a handful of expenses came in in July however were included on invoices that ended in June, yet the RCD was budgeting for them in the same fiscal year (FY). As the RCD took on larger projects it magnified the issue in the financial reports.
- Nelson noted that FY18 showed an extraordinary net of \$600k, approximately \$200K which should have been booked in FY19. She further explained that having such a high net can affect the RCD's federally negotiated indirect cost rate.
- There was agreement for \$15K, the amount recommended by the auditor, to be the threshold for material expenses to re-date.
- Glauthier requested Charland make the appropriate changes in time to notice them at the next Board Meeting. Nelson stated that staff would be bringing an accounting policy before the Board soon.

9.2 Executive Director Report

- The Chipper Program is underway. The RCD coordinated with Fire Safe San Mateo for two chipping days in Butano Canyon and one in El Granada. 30 – 40 homes participated. Kramer asked how the community had been informed; Nelson explained mailers had been sent out and more outreach would be done soon.
- The RCD will be participating in the Pescadero Arts and Fun Festival.
- The RCD has been hosting an intern from Puente de la Costa Sur, Yahir Gomez.
- Docent tours for the dredge project are scheduled for August 18th and September 15th.
- The RCD had been awarded funds from the San Mateo County Agricultural Commission to scope, design, and permit a project to eradicate *Hypericum canariense* (Canary Island St. John's Wort).
- Three people responded to the Board recruitment announcement in the last newsletter.
- CARCD (California Association of RCDs) and NRCS have been revising and updating the agreements that form the relationship.

9.3 Directors' reports

- Reynolds recently spent a month in Europe and noticed that there was a lot more being done regarding recycling and availability of organic food.
- Reynolds was excited to see the RCD's equipment mobilizing on his property for the Butano Creek dredge project.

- Kramer reported that he had been working on the San Mateo County fine scale vegetation mapping project, leading the field team efforts. To date they had done nearly 300 different samples and were expecting to wrap up in a few weeks. The final product, a map of San Mateo County's vegetation, will be housed with the County and available to the public. It will be the first time San Mateo County vegetation will be mapped at this scale with this level of detail.
- Etherton stated that San Mateo County was working on a disposable foodware ordinance which would hopefully be brought to the Board of Supervisors before the end of the year. The City of Brisbane is following the drafting of the ordinance closely.

9.4 Board will consider recommendation to contract with Storesund Construction for installation of a new irrigation system at Carpy Ranch in Pescadero.

- Discussion included the need for the work; difficulty getting contractors due to prevailing wage requirements and delayed state payments; and project costs.
- Reynolds moved to contract with Storesund Construction for the installation of a new irrigation system at Carpy Ranch in Pescadero; Etherton seconded. Motion passed unanimously.

9.5 Board will discuss and may take action regarding an RCD-sponsored art event.

- Glauthier explained that he'd seen a presentation at the 2018 CARCD Conference about highlighting the beauty of RCD projects such as plein air art projects. He stated that the RCD Board liked the idea but would need a local artist group to partner with such as South Coast Artists' Alliance (SCAA); of which Webb and Clark are on the Board.
- The discussion among directors, staff, and guests included finding and communicating beauty and inspiration in the RCD's work; partnership with SCAA; potential events and considerations; representation of water quality and climate data in abstract art; storm drain murals proposed by water quality program staff; whether an art event would be a fundraiser; etc.
- Webb asked the RCD to designate someone to work with SCAA to find two different landscapes for plein air art outings.

9.6 Board will discuss and may take action on the Executive Director's annual compensation.

- Glauthier reported that during the closed session the Board went through an annual review of the Executive Director (Nelson). The Board was very pleased with the Executive Director, she did a terrific job in each category reviewed, she is a local and state leader who works well with staff and the community and the technical side of the RCD's projects; and generally has outstanding performance in her role.
- The Board recommended a 10% increase (3% COLA, 7% additional) in her annual compensation to align her salary more closely with that of similar roles within the San Mateo County Parks Department.
- Kramer moved to increase Nelson's annual compensation 10%, Etherton seconded. Motion passed unanimously.

10. Adjourn Meeting

Meeting adjourned at 6:09 p.m.

Regular Meeting of the Board of Directors**July 18, 2019****3:30 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. Convene Closed Session 3.1. Public Employee Performance Evaluation Pursuant to California Government Code §54957 Title: Executive Director
4. Adjourn Closed Session
4:30pm 5. Convene Open Session and Report on Closed Session
6. Introduction of Guests and Staff
7. 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.
8. Consent Agenda The Board of Directors approves: 8.1. June 20, 2019 Draft Regular Meeting Minutes 8.2. 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" The Board of Directors receives into record: 8.3. June 17, 2019 letter to State Assemblymember Friedman from Kellyx Nelson regarding Senate Bill 253, the Environmental Farming Incentive Program 8.4. June 25, 2019 letter to California Department of Food and Agriculture from the California Association of RCDs providing comments on Technical Assistance Program grant guidelines
9. Regular Agenda 9.1. June 2019 Draft Financial Statements for discussion as informational item and possible approval 9.2. Executive Director Report 9.3. Directors' reports 9.4. Board will consider recommendation to contract with Storesund Construction for installation of a new irrigation system at Carpy Ranch in Pescadero. 9.5. Board will discuss and may take action regarding an RCD-sponsored art event.
10. Adjourn Meeting The next Regular Meeting of the Board of Directors will be August 15, 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.

DRAFT

6/28/2019

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. **Report/Letter date is TENTATIVE-TBD**

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

HALF MOON BAY, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management Discussion and Analysis	3-6
Basic Financial Statements:	
Statement of Net Position and Governmental Funds Balance Sheet	7
Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Notes to the Basic Financial Statements	9-14
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type	15

DRAFT

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

DRAFT

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.

DRAFT

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	1,300	-	1,300
Total assets	<u>1,534,322</u>	<u>-</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	43,193	-	43,193
Total liabilities	<u>1,103,705</u>	<u>-</u>	<u>1,103,705</u>
FUND BALANCES / NET ASSETS			
Fund balances:			
Assigned	430,617	(430,617)	-
Total fund balances	430,617	(430,617)	-
Total liabilities and fund balances	<u>\$ 1,534,322</u>		
Net Position:			
Unrestricted		430,617	430,617
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)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Grants and contracts	\$ 3,843,339	\$ 3,843,339	\$ 2,967,645	\$ (875,694)
Property taxes	55,000	55,000	70,652	15,652
Service fees	10,000	10,000	18,911	8,911
Interest	500	500	361	(139)
Contributions	110,000	110,000	24,933	(85,067)
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>	

DRAFT

6/28/2019

To be used only for management discussion purposes; engagement is incomplete; this draft is subject to final review and possible revision. **Report/Letter date is TENTATIVE-TBD**

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

BOARD OF DIRECTORS & MANAGEMENT REPORT

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

TABLE OF CONTENTS

	<u>PAGE</u>
Report on Internal Controls	1
Required Communications	2-3
Management Observations	4-5

DRAFT

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.
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.

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, 2 adjustments 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.

DRAFT



May 24, 2019

California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: AB 2377 Implementation

To whom it may concern:

Thank you for the opportunity to share our comments on the Climate Smart Agriculture Technical Assistance Grants draft Request For Proposals. Thank you, also, for hosting the Listening Session in Salinas on May 20th, which I attended. This letter is a follow up to the comments made during that meeting.

1. Eligibility for organizations with districts: While we appreciate the intention that all farmers across California have access to assistance, requiring every applicant to work outside of their jurisdiction eliminates the ability of Resource Conservation Districts and other regional organizations to participate. This would eliminate about half of TA providers that have helped to make the CSA programs a success. For other rounds of the Climate Smart Agriculture programs, CDFA has made the contact information of all TA providers available, as well as the date and time of all workshops. Continuing to make this information publicly available is a good tool to ensure that everyone has access to services. RCDs often offer events and workshops, which are attended by people outside of their district. Because of the already existing network of RCDs, referring someone to a TA provider that is either in their district or closer proximity is easy and commonly done.

2. True cost of delivering the CDFA CSA Programs:
 - Indirect costs

The San Mateo Resource Conservation District has a federally approved Negotiated Indirect Cost Rate Agreement of 32.19% that is based on an annual cost allocation plan. Notably, the California Department of Food and Agriculture itself has negotiated a rate of 38.44% rate to recover the Department's indirect costs from grants, contracts, and other agreements.¹

Indirect costs are essential for delivering projects, and include items such as rent; insurance; work stations and meeting spaces; utilities; office supplies; IT support and software; administrative staff; bookkeeping and accounting; legal consultation and

¹ https://www.aphis.usda.gov/mrpbs/fmd/downloads/CA_ICRA_SF15.pdf

review of contracts, labor practices, policies, etc.; development of financial, personnel, safety, and other policies; annual financial audits; staffing to prepare, notice, and support public Board meetings; other staff time that cannot be billed to specific projects, e.g. participation in this review and comment process, staff meetings, staff trainings, etc.; costs to comply with Division 9, the Brown Act, and other government codes that ensure our accountability and transparency. Negotiated Indirect Cost Rates are based on audited financials, which are then reviewed by the cognizant federal agency over the course of months. They are highly vetted and based on actual costs to operate as an organization. The grant program as currently proposed would limit our ability to recover our true costs, meaning that we would lose money by accepting the grant unless we were able to secure private donations or funding to deliver this CDFA program.

The recovery of indirect costs is a common and essential accounting practice at federal, state, and local levels. Indirect costs are defined by California's Office of the Controller in the December 2018 Edition of the Special District Uniform Accounting and Reporting Procedures² as "Those elements of cost necessary in the production of a good or service that are not directly traceable to the product or service. Usually these costs relate to objects of expenditure that do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management and supervision (indirect costs/charges/expenses)."

— Commission based structure for Phase 1 activities:

The commission based structure for assisted and submitted applications is inadequate to fund the necessary time and resources need to provide high-quality individualized assistance, and does not provide CDFA with accurate information about the true costs of delivering these programs.

The currently proposed structure provides \$200 for each farmer or rancher who does not submit an application. This assumes that those that do not submit applications require little assistance. Our two grants to provide TA for the Healthy Soils Program has shown that this is not the case. TA providers are to receive \$400 for every application that is submitted. This commission based cost structure does not take into account individual assistance requirements of farmers or ranchers regardless if they apply, or the varying staff costs across the state and from organization to organization. Four hundred dollars may cover 14 hours of staff time for one organization and 6 for another. Additionally, with this current structure, there have been some instances where assistance we provided to a farm was minimal, but we were reimbursed for more than it cost. However, more common is that the actual cost of assisting an applicant costs more than \$400. In this current structure CDFA is overpaying for some assistance and underpaying for others. Reimbursing TA providers for the actual hours spent assisting applicants would not only support TA organizations by reimbursing their true costs, but also provide CDFA with accurate information about the actual cost of their programs.

— Conservation plans:

² https://www.sco.ca.gov/Files-ARD-Local/SPD%20Manual_2019.pdf

Conservation plans are given extra points in the application evaluation and have been mentioned by CDFA as being important for the selection of Climate Smart Ag practices. However, the TA reimbursement rates do not allow for the development of conservation plans. Conservation (and carbon farming) plans are property scale, comprehensive plans that identify opportunities to address natural resource concerns as well as enhance natural resources. The plans assess and address soil health, wildlife, animal and plant health (both wild and part of the ag operation), and water quality. Conservation plans make site specific recommendations for conservation practices that are based on soil, water, wildlife, and water data, coupled with information from landowners, agricultural producers, and other specialists. CDFA should continue to encourage conservation plan development to ensure that the practices covered through the Healthy Soils Program are best suited for the farm or ranch, but they should recognize and cover the actual costs of developing these plans.

Conservation plans can take up to 100 hours of staff time (depending on the size and complexity of the agricultural operation)- an essential one-time investment to create a whole property plan that maximizes conservation practices that will complement each other, improve the agricultural operation, add and/or enhance ecosystem services, and sequester carbon. Development of these plans is an essential component of providing conservation technical assistance to farmers and ranchers and should be covered by this grant program.

3. Work program and budget: The current draft of the grant program is more detailed, onerous, and prescriptive than many other state funding programs. Typical public funding programs list priorities for the funding and allow applicants to build a work program and budget that best meets the needs of their individual projects. It is up to the applicant to propose a program or project that has merit and will meet the requirements of the funder. The funder may accept or reject a proposal, but rarely does the funder so definitively prescribe how applicants will implement a program or project.

In just this year, the San Mateo RCD has over 90 grant agreements. When we accept a funding award, we sign a grant agreement and are contractually obligated to meet its deliverables and other terms. Based on the discussion on May 20th, CDFA staff explained that the current draft budget outline and cost allocation per year was an attempt to ensure that TA providers have enough funding throughout the grant period to meet the deliverables of providing pre-award assistance, and post-award assistance through year three. When organizations apply for grants and sign grant awards, they are contractually agreeing to deliver the project as proposed. While the intention of CDFA to break down the costs by year to guarantee that work continues through year three is understandable, the reality is that its unnecessarily prescriptive, and likely to constrain how services will be delivered.

The budget and cost structure as currently proposed are more detailed and prescriptive than any other grant agreement we have seen. In our experience the more line items included in a budget, leads to high administrative costs required to restructure budgets when there are inevitable changes that need to be made, especially when working with farmers and ranchers. Some examples of costs the CDFA expects applicants to be able to accurately project are "PowerPoint/Printing handouts for workshops", "Postage", "Facility rental for Workshop".

Without knowing how many solicitations there will be in each year, the number of applicants attending the workshops or requesting assistance, projecting these costs are difficult, and in cases when actual costs are different than projected costs for number of handouts, we will have to contact CDFA to reallocate funding from other line items. Grant budgets are typically aggregated into fewer categories, with expenses aggregated in a single line item. A simpler budget that allows for flexibility, which is necessary when working with agricultural producers and conservation practices, while grantees are contractually obligated to deliverables, would better serve the TA providers and CDFA. Please see attached examples.

Likewise, the proposed workplan is also onerous. It is impossible to know how many people will attend an event, will request assistance, how many will be rewarded funds and what type of post-award assistance they will require. Workplans typically include more general tasks, such as "outreach", and in the narrative of the grant application, applicants describe in more detail what that task will entail, and a timeline for the task. A workplan that is reflective of the needs of the region, without being constricting, will lead to better technical assistance for farmers and ranchers. Please see examples of more typical grant application workplans attached.

The current rigidity of the workplans and budget will lead to high administrative costs. When workplans and budgets must be amended, the amendment process requires time of the organization that could otherwise be spent delivering programs, takes administrative time of CDFA staff, and delays the work until amendments can be processed. Adopting workplans and budgets that are similar to other state grant programs will lead to more effective technical assistance and reduced administrative costs of TA providers and CDFA.

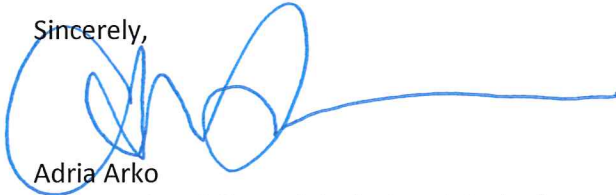
4. Sensitive information: One of the biggest barriers to farmers and ranchers participating in government sponsored beneficial programs is the fear of regulation. Many farmers and ranchers are uncomfortable sharing private information about their operations without knowing why the information is necessary. Understanding that those that receive TA or submit an application are tied into how CDFA can leverage the most funding support for the program, asking attendees of a workshop to provide sensitive information, like their address, ethnicity, or self-reporting as a socially disadvantaged farmer or rancher is not necessary, and will likely deter people from attending workshops, accurately reporting that information, and possibly following through with the program. Please remove the requirement for TA providers to report personal farmer and rancher information for those that attend workshops.

In conclusion, our recommendations for the Climate Smart Agriculture Technical Assistance Grants draft RFP are as follows:

- Allow RCDs and others to be eligible applicants by removing the requirement that TA providers area of work not be limited to a specific county or region.
- Allow for full reimbursement of the true costs of delivering CDFA's programs, including actual indirect rates and true cost of staff time using accepted standard accounting practices.
- Allow for the development of conservation plans as a tool to help farmers and ranchers maximize benefits of CSA practices to their operation and the environment.
- Structure the grant application to be like other public grant programs that allow applicants to submit a workplan and budget that best reflects the needs of their region, is flexible, and reduces administrative costs to the organizations and CDFA.
- Do not require workshop attendees to report personal information that is not necessary.

Thank you for considering our recommendations. Please feel free to reach out to me if you have questions.

Sincerely,

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a long horizontal line.

Adria Arko
Program Specialist and Agricultural Ombudsman
San Mateo RCD

adria@sanmateoRCD.org

650-712-7765 x105

Note: Partner and landowner names have been removed for privacy.

unding agreement with Wildlife Conservation board

EXHIBIT B

BUDGET

Task #	Project Task	WCB Funding	Non-State Match*	State Match*	Total Cost Per Task
1	Project Administration	\$28,417	\$36,000	\$5,015	\$69,432
2	Designs	\$734,960	\$17,773	\$109,988	\$862,721
3	Environmental Assessment and Permitting	\$64,980	\$14,774	\$45,958	\$125,712
	TOTAL	\$828,357	\$68,547	\$160,961	\$1,057,865

*Non-State Match funding sources includes:

*State Match funding sources include:

SECTION 8 - BUDGET

8.01 Expenditure Summary

The Grantor will provide an amount not to exceed \$160,382 as shown below in this Budget. The Grantee or their partners will provide up to \$38,803 in funds or in-kind services as cost share to complete tasks described in Section 6 - Project Statement: Objectives and Timelines. Accurate records of in-kind funds or services will be provided to the Grantor with the Final Report.

PERSONNEL SERVICES

LEVEL OF STAFF	TOTALS
Executive Director (1)	\$ 3,685
Finance Director (1)	\$ 3,672
Natural Resource Specialist (1)	\$ 16,200
Conservation Assistant (1)	\$ 10,800
Program Assistant (1)	\$ 5,610
Staff Benefits @ 20%	\$ 7,993
Total Personnel Services	\$ 47,960

OPERATING EXPENSES

SUBCONTRACTOR COSTS	
Management	\$ 98,300
(Responsible for selection of LWD, engineering, placement and oversight of LWD structures in channel; monitoring of structures)	
OTHER COSTS	
Tools and instruments	\$ 1,796
Mileage (@ \$0.56/mile)	\$ 627
LSAA application fee	\$ 1,352
<u>Subtotal Other Costs</u>	\$ 3,775
Total Operating Expenses	\$ 102,075
Subtotal (personnel & operating minus subcontractor & equipment purchase)	\$ 51,735
<u>INDIRECT CHARGES</u>	
Administrative Overhead @ 20 % (max 20%) (Less Equipment & Subcontractor Costs)	\$ 10,347
<u>GRAND TOTAL</u>	\$ 160,382

BUDGET**Project 5: Coastal San Mateo County Drought Relief Phase II**

Budget Category		Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total Cost
(a)	Direct Project Administration	\$177,430	-	-	\$177,430
(b)	Land Purchase/ Easements	-	-	-	-
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$215,405	-	\$75,755	\$291,160
(d)	Construction/ Implementation	\$1,007,165	-	\$473,818	\$1,480,983
TOTAL		\$1,400,000	-	\$549,573	\$1,949,573

Example of workplan:

SCHEDULE

Project 5: Coastal San Mateo County Drought Relief Phase II			
Category		Start Date	End Date
Task (a)	Direct Project Administration	January-16	February-20
Task 1	Project Management	January-16	February-20
Task 2	Labor Compliance	January-16	October-18
Task 3	Reporting	January-16	February-20
Task (b)	Land Purchase/Easement	n/a	n/a
Task 4	Not Applicable	n/a	n/a
Task (c)	Planning/Design/Engineering and Environmental Documentation	December-14	November-18
Task 5	Feasibility Studies	April-15	January-16
Task 6	CEQA Documentation	April-17	June-18
Task 7	Permitting	April-16	June-17
Task 8	Design	May-15	November-16
Task 9	Project Monitoring Plan	March-16	January-17
Task (d)	Construction/Implementation	March-16	November-19
Task 10	Construction Contracting	March-16	October-19
Task 11	Construction Administration	March-16	November-19
Task 12	Construction/Implementation Activities	March-16	October-19

Grant proposal to State Coastal Conservancy. Workplan and budget.

GRANT APPLICATION – PRELIMINARY BUDGET AND SCHEDULE

In the budget matrix below, relist the tasks identified in #4 above and for each provide: 1) the estimated completion date for the task, 2) the estimated cost of the task, and 3) the funding sources (applicant, Conservancy, and other) for the task. The table will automatically sum the totals for each row and column. To do this, highlight the whole table and hit F9.

			REQUEST	MATCHING FUNDS		
Task #	Task	Completion Date	Coastal Conservancy	Other CA State Funds	Other Non- State Funds	Total Cost
1	Project Management	09/2022	\$17,573	\$3,000	\$300	\$20,873
2	Irrigation System Assessment and Design	05/2020	\$95,903		\$4,500	\$100,403
3	Project Permitting	05/2020	\$32,248	\$2,000		\$34,248
TOTAL			\$145,725	\$5,000	\$4,800	\$155,525

Budget Justification

Please provide a brief narrative explanation of the budget that explains and justifies the costs. The purpose of the narrative is to provide background and detail to explain the costs in the budget, including the source of the estimates. It is helpful to know if the budget includes administrative or indirect costs or contingencies and those amounts. If you have an engineer's estimate, providing that will suffice.

Task 1 Administration:

- Includes funding for the RCD to coordinate project activities, develop and manage contracts, prepare invoices and progress reports and develop the final report (\$16,601). The hourly rates for RCD staff include wages, fringe benefit and the federally approved indirect rate.
- Mileage activities for RCD staff is estimated at \$972 based on the current federally approved mileage rate of \$0.545/mile

Task 2 Design costs includes:

- Funding for RCD staff to manage and participate in irrigation assessments, development of project designs and monitoring and maintenance plan (\$12,803)
- Funding for an irrigation specialist to conduct irrigation assessments with RCD staff at three locations (\$1,550 at 3 sites for a total of \$3,100)
- Engineering services at two sites at an estimated \$40,000 per site (based on recent RCD projects of similar size and nature) for a total of \$80,000).

Task 3 Environmental assessment and permitting costs includes:

- Funding for RCD staff to conduct biological assessments, assist in permit development, develop CEQA documentation (\$15,998.48).
- Funding for _____ to assist the RCD in reviewing permits, CEQA documents and biological assessments (\$2,250).
- Funding for _____ to assist in design review, develop water availability analysis reports and water rights permits (an average of \$7,000 at each of two sites for a total of \$14,000).

6. Specific Tasks. Identify the specific tasks that will be undertaken and the work that will be accomplished for each task.

#	Task Name	Description
1	Project Management	Under this task, the San Mateo RCD will take the lead in overall project management, including managing contracts and subcontracts; coordinating with partners, landowners and agencies; writing and submitting progress reports and invoices.
2	Irrigation System Assessment and Designs	Under this task, the RCD and _____ . will assess irrigation system to confirm estimated water demand and develop recommendations for irrigation system improvements. The RCD will also solicit proposals from engineer and design firms to investigate site suitability and design water systems.
3	Project Permitting	The RCD, _____ will prepare CEQA, 1600s (both sites), Water Rights _____ , Coastal Development Exemption (use NOAA RC's consistency determination with the Coastal Commission), and other necessary permits. Once implementation funding is secured, the RCD will submit permits.

7. Work Products. List the specific work products or other deliverables that the project will result in.

- 1) Project Management
 - a. Quarterly progress reports and invoices
 - b. Final Report
- 2) Irrigation System Assessment and Designs
 - a. Summary memo of irrigation system improvement recommendations
 - b. 100% design documents
 - i. irrigation systems
 - ii. storage systems
 - c. Monitoring and Maintenance Plan
- 3) Project Permitting
 - a. Biological Assessment report for each (2) project site
 - b. Prepare necessary environmental compliance (CEQA) and permit documents for each project site.
- 4) Expenses
 - a. Mileage at current federal/state rate

Proposal to NRCS: workplan and budget.

San Mateo County Resource Conservation District

Statement of Work

The vast majority of the San Mateo RCD's funding comes from grants that do not offer flexibility to respond to community needs. The San Mateo County RCD has had 4 contribution agreements with the NRCS over the last 13 years. The agreements have provided funding that enables RCD staff to respond to NRCS requests for technical assistance and to work on conservation projects that are necessary, but do not have grant funding, such as workshops, or bringing in consultants to backfill NRCS staffing deficiencies. The Contribution Agreements have led to the development of a stronger partnership between our organization and the NRCS, extended our reach to our conservation partners, and increased our customer base. Our organization has always met or exceeded the goals and deliverables of these agreements.

The proposed deliverables for this Agreement are as follows:

- Deliverable 1 – Technical assistance to 4 landowners to increase water quality (roads, LID, horses, etc.)
- Deliverable 2 – Technical assistance to 4 landowners for increased water storage and/or water use efficiency (irrigation efficiency, ag ponds, etc).
- Deliverable 3 – Technical assistance to 4 landowners with the primary objective of improving soil health (carbon farm plans, cover crops, etc.)
- Deliverable 4 – Technical assistance to 4 landowners with the primary objective of improving wildlife/pollinator habitat, including an outreach/demonstration project (streams, hedgerows, etc).
- Deliverable 5 – Outreach to at least 6 farmers/ranchers to educate them about NRCS conservation planning and financial assistance program opportunities.
- Deliverable 6- Biology assistance on at least 4 farms/ranches in support of NRCS conservation planning and financial assistance programs.
- Deliverable 7- Technical assistance to at least 4 landowners with the primary objective of invasive species management.

Budget Narrative

The original proposed budget for the deliverables included in this agreement was \$50,000 (\$25,000 from the NRCS, and \$25,000 in matching funds.) Additional funding is being requested for \$100,000 (\$50,000 NRCS, \$50,000 in matching funds), and to extend the Agreement by two years.



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

Carbon Cycle Institute



SAN MATEO
RESOURCE
CONSERVATION
DISTRICT



RESOURCE
CONSERVATION
DISTRICT
Greater San Diego County

May 24th 2019

Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N St
Sacramento, CA 95814

Dear OEFI Staff,

On behalf of the 96 Resource Conservation Districts (RCDs) and our partner, the Carbon Cycle Institute (CCI), CARCD thanks CDFA and the OEFI staff for their dedication to conservation and agriculture. We greatly appreciate all of your programs for the difference they are making to our farmers and ranchers and our environment.

We also appreciate the opportunity to comment on the Technical Assistance program legislated by AB 2377. We share your belief that technical assistance (TA) is vital to promote, enhance, and strengthen CDFA's Climate-Smart Agriculture programs (CSA Programs) and the overall resilience and adaptability of California's working lands. We are grateful that we are aligned on the need for these programs to exist for landowners and managers in order for California to reach our climate change mitigation and resiliency goals. The CDFA programs are an important mechanism to promote and implement agricultural practices that aid in the sustainability and vitality of California's agriculture.

Technical assistance is key to the success of implementation of these programs on-the-ground. High quality and consistent technical assistance leads to effective projects. If we want our investment in conservation practices to

California Association of Resource Conservation Districts
801 K Street, 14th Floor Sacramento, CA 95814
Phone: (916) 457-7904 | Fax: (916) 457-7934
www.carcd.org



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

be implemented well, it requires an investment in solid technical assistance that is long-term, reliable, scientifically-sound, and accountable. CARCD and its partners are continuing to develop the capacity for delivery of highly effective climate-smart agricultural focused TA at scale through platforms such as our Carbon Farming Network.

CARCD values the opportunity to provide public comment and submit feedback and suggestions to the TA Program and does so with the intention that constructive feedback from many sources creates programs that work better on the ground.

Recommendations

Below is the full list of recommendations for the Draft RFP of the Technical Assistance Program. Following this list, the recommendations are deconstructed and elucidated. Please consider the following recommendations:

1. Elimination of the phased program framework and adoption of a standard (more flexible) grant program.
2. Remove any designation or stipulation of service area to be covered by TA organizations.
3. Increase indirect rate and accept any federal or state approved indirect rates. Allow applicants to apply for the full \$60,000 without commission reimbursement.
4. Omit the requirement for TA providers to report farmer and rancher personal information.
5. TA Program awards contracted and finalized at least 3 months prior to CSA Program open solicitation.

1. Program Framework: Adopt a standard grant structure and eliminate the commission and phased program framework.

CARCD recommends adoption of a standard grant program structure instead of a phased program framework and the commission-based reimbursement system. The two-phase system is unnecessarily complex and not conducive to efficient budgeting, planning, and reporting. Allowing applicants the flexibility to structure their work plan and budget, integrating pre-award and post-award activities, would reduce administrative burden, and allow for easier accommodation of the variable needs from farmers and ranchers and changing circumstances on the ground. More flexibility (by removing the two-phase structure) will allow individual RCDs the ability to autonomously make the best decisions within the program guidelines. RCDs would be able to tailor distribution of awarded funds as most appropriate for their region and local programmatic interest and needs.

CDFA has many other grant programs that operate with a more standard grant structure, such as the Specialty Crop Block Grant and the Climate-Smart Agriculture programs this program supports.

Specific drawbacks of the two-phase system include:

1. The base payment of \$5,000 in Phase 1 does not recognize the scope, necessary time, and costs incurred for effective outreach. Outreach is critical to enrolling strong projects that have an ability to make a big impact, and the type of outreach and application assistance required and outlined by CDFA takes time and money. TA providers will also need to learn any new updates on the CSA programs and application



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

requirements. Without changing this payment structure, technical assistance providers may not be able to engage the best projects with the biggest impacts.

2. The commission-based structure for assisted and submitted applications is inadequate to fund the time and resources needed to provide high-quality individualized assistance. The CSA Program applications require intensive administrative, technical, and narrative responses. This frequently requires on-site visits and in-depth conservation planning to generate a competitive and complete application. The CSA Program prioritizes projects that have conservation plans; however, conservation plans cannot be developed under the commission based reimbursement because the reimbursement rate is orders of magnitude lower than the true cost of developing conservation plans with farmers and ranchers. Working under the drafted conditions doesn't equate to effective technical assistance.
3. The potential amount of \$15,000 over the \$5,000 base payment is unrealistic. Thirty-eight applications would have to be submitted to each the Healthy Soils Program (HSP) and the State Water Enhancement and Efficiency Program (SWEEP) to reach the full \$20,000. For the past seven years of the CSA Programs, no CDFA-registered technical assistance provider has assisted in submitting that many applications in one solicitation. RCDs have reported typically assisting 2-7 applicants through submission per program and have reported working at a loss through this current system. Given the potential amount of funding available and the average number of submitted applications, these funds would be better utilized if the applying RCD is able to allocate it to the appropriate activity and still not compromise the quality of TA and number of assisted applications.
4. The funding allocations do not allow for regional variation of costs including local interest, crop type prevalence, or standard of living costs. Recognizing the different needs in different agricultural regions is crucial for creating accurate organizational budgets, stable staff capacity, and long-term partnerships. While we share your commitment to these practices and programs, we cannot participate at a loss.
5. The Phase 1 funding cap does not easily allow for novel and targeted outreach to socially disadvantaged farmers and ranchers. The funding limitation hinders the ability to hire translators and/or interpreters. It also fails to support the time and attention it takes to build trust with growers. This often takes more time when working with language or cultural barriers.

The scored budget and activity plan required in the TA Program application and subsequent reporting are sufficient to ensure transparency and competition for most cost efficient uses of awarded funds without having the need of designated activities and funds through "Phase 1" and "Phase 2".

The overall complexity of the program will cost the agency more than the provisions are aimed to save. By being overly prescriptive, the cost of compliance, reporting, applications, documentation on the part of the TA provider and, in turn, the review, oversight, documentation, and compliance monitoring on the part of CDFA, will far outweigh any potential savings that could be gained particularly at such minor amounts of grant funding.

RCDs are experts at actualizing their mission - providing technical assistance - and have successfully partnered and contracted directly with State and Federal agencies for over seven decades. We understand how to create work plans that have multiple phases, and know how to collaboratively adjust those plans to match the needs of the funder. RCDs are public agencies with high ethical standards for documentation and reporting, as well as financial management. CARCD is confident that the RCDs will continue to operate in full transparency, and



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

organize and allot funds properly for their unique operations. RCDs have expertise in providing technical assistance through their daily and decade's worth of experience and are able to anticipate funding needs.

RCDs want to provide effective and efficient technical assistance to advance CDFA's goals, but they need adequate funding levels and programmatic flexibility to do so. It is critical that RCDs build their own budgets based on the unique TA and agricultural needs of their regions.

2. Program Requirements and Eligibility: Remove the program requirements of serving producers in multiple counties.

The draft guidelines currently require that TA providers be able to serve farmers and ranchers in multiple counties. The requirement of serving in more than one county, severely limits RCDs eligibility to this program. RCDs are special districts under Division 9 of the Public Resources Code. This gives RCDs both autonomy, local representation, and defined jurisdictional boundaries. As currently drafted, the guidelines eliminate RCDs as eligible applicants to this program.

RCDs were created to provide technical assistance to landowners and managers, promote conservation practices (CPs), connect producers with funding mechanisms for CP implementation, and provide a wealth of supporting activities. As such, RCDs have been essential in the delivery of CDFA programs. Excluding RCDs that serve a single county would greatly lessen the effectiveness of climate-smart agricultural practices. Currently, over 50% of CDFA's current CSA Program TA providers are RCDs, many of which have a countywide jurisdiction. RCDs are uniquely effective because of their intimate knowledge of their communities, ecosystems, and local permitting processes. Requiring them to work outside their jurisdictional boundaries and areas of expertise limits their efficacy.

RCDs actively leverage relationships that have been cultivated over decades to make conservation happen on the ground while honoring the unique needs of the people and places where they work. RCDs also recognize the value and urgency of working collectively to address challenges like climate change and building resilient communities since these issues extend far beyond district boundaries. RCDs have been working with farmers, ranchers, and foresters for close to a century to implement soil, land, and conservation practices, many of which reduce and sequester greenhouse gasses. For these reasons and many others, it will be detrimental to California's agricultural communities if RCDs are unable to participate due to service area boundary considerations.

3. Grant Awards: Increase indirect rate, accept any federal or state approved indirect rates. Allow budgeting at the maximum \$60,000 award available for any mandated and optional activity.

CARCD and the RCDs are enthusiastic about dedicated TA funding to help implement climate resilience conservation practices. However, there are funding limitations that limit the applicability and success of this program.

Extend the \$60,000 maximum award amount between both pre- and post-award activities.

CARCD is appreciative of the many important TA activities in the draft guidelines. However, given the mandatory scope of work, the current award amount of \$45,000 (baseline) for both pre- and post-award activities is not sufficient for providing exemplary and thorough TA. Allow for the activity planning and budgeting up to



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

the full \$60,000, not based on the expected number of submitted applications. This amount is adequate to provide comprehensive services per solicitation.

Indirect Rate Increase

Increasing the indirect rate to a minimum of 20%, and accepting any federally- or state-approved indirect rates helps ensure that technical assistance providers don't incur a loss by partnering with the Department on this important effort.

CARCD acknowledges and appreciates the immediate increase to 15% from 10% after the April 18th Environmental Farming Act Science Advisory Panel (EFA SAP) meeting. However, 15% is still lower than the majority of RCD's indirect costs; the overwhelming majority of RCD's have indirect rates above 20%, and many are closer to or above 30%. Notably, CDFA has a federally-approved indirect rate at 38.44%¹. We are strongly committed to the program and to partnering with CDFA; however, we aren't able to operate at a loss with no place to recover those funds.

The indirect rate of 20% strongly favors organizations that have significant general operating funds from other sources, an asset that most RCDs do not have. These full costs include necessities such as rent, utilities, administrative staff compensation, and office supplies, without which it would be impossible to carry out grant-funded program work such as planning and implementation.

Some RCD's have a federally negotiated indirect cost rate varying from 22%-35%. This rate does not represent "extra" funds, but rather a well-documented set of costs that are necessary to the grant-funded work. The negotiated indirect cost rate agreement requires an allocation of these costs evenly across all grant awards, which means that when a state agency does not honor the same indirect cost rate, money is lost on that state grant. We would assert that any work worth funding through a grant program is worth funding at the full cost of that work, rather than at a reduced.

4. Protect Farmer and Rancher Privacy: Omit the requirement of TA providers to report farmer and rancher personal information.

One of the biggest barriers to farmers and ranchers participating in government-sponsored beneficial programs is the fear of regulation. CDFA should remove the requirement for TA providers to report personal farmer and rancher information. Phase 1 activities mandate that personal information for each individual inquiring about assistance must be recorded. CDFA will receive that information from each farm/farmer that submits an application to a CSA program. The information is not necessary to the successful implementation of the programs. A trusting relationship between producer and TA provider is essential for future endeavors and inquires. RCDs build strong relationships by demonstrating and valuing producer privacy through our voluntary, non-regulatory approach.

5. Ensure sufficient time between programs: Ensure TA Program awards are contracted and finalized at least 3 months prior to CSA Program open solicitation. CSA Program solicitation guidelines available to TA providers prior to opening the solicitation period.

¹ https://www.aphis.usda.gov/mrpbbs/fmd/downloads/CA_ICRA_SF15.pdf



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

It is imperative to provide sufficient time between this TA Program solicitation and CSA Program solicitations. Currently, there is no timeline between the two correlating programs. The TA organizations need sufficient time to prepare to provide comprehensive services to producers on these specific programs. That includes, reviewing and understanding new program and application changes, determining staffing levels, updating and/or creating new outreach materials, sub-contracting translators and/or interpreters, locating workshop venues, initiating outreach activities *prior to* the start date of the CSA Programs solicitation periods, in order to allow sufficient time for assisting growers with their applications during the solicitation period, etc.

Aspects to Maintain

CDFA incorporated aspects into the RFP that we believe are important for programmatic success. Please maintain the following list:

- 25% of program-wide awarded funds to socially disadvantaged farmers and ranchers.
- Exclusion of TA providers requiring producers to use specific brands or contractor products
- Inclusion of project design, conservation plans, and irrigation plans as an eligible activity. This will be financially possible with the withdrawal of the commission based structure.

In summary, we make the following recommendations:

6. Elimination of the phased program framework and adoption of a standard (more flexible) grant program.
7. Remove any designation or stipulation of service area to be covered by TA organizations.
8. Increase indirect rate and accept any federal or state approved indirect rates.
9. Omit the requirement for TA providers to report farmer and rancher personal information.
10. TA Program awards contracted and finalized at least 3 months prior to CSA Program open solicitation.

We appreciate your consideration of the recommendations presented. CARCD also wants to remind CDFA of the grander partnering potential that we have with CDFA because of our status of special districts within the State. It would be advantageous to all parties, RCDs, CDFA, and the producers of California, to contract TA non-competitively with RCDs individually or through CARCD.

RCDs were created over seventy years ago to be the local, technical assistance agency carrying out programs of this very nature, promoted by the USDA Soil Conservation Service. Today, RCDs are still readily fulfilling this role. RCDs are Special Districts of the State of California under Division 9 of the Public Resources Code, and are set up under California law to be locally-governed agencies that are subject to the Brown Act. As such, RCDs combine the accountability and transparency of a public agency with the flexibility and non-regulatory approach of a non-profit organization. State contracting rules allow for RCDs, as state entities, to contract directly with state agencies, avoiding a tedious, competitive application process for both the applicant and grantor.

The structure of 96 RCDs nested in a statewide network and association that ties in directly to the needs of partners and statewide goals, making the RCDs critical to the success of conservation programs in California. Because of all the attributes mentioned above, RCDs are nimble, flexible, and locally specific agents of change that are able to conduct outreach, raise interest of producers in state programs, and implement conservation in places where it doesn't otherwise happen, furthering the actualization of statewide conservation goals.

RCDs are accountable, trusted experts in the field. CARCD encourages CDFA to work with these local community structures. CDFA has authorization to make selections on the entities that conduct programmatic work on the ground without a competitive process. The system of RCDs has been designed to provide effective,



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

accountable on the ground assistance at the local level. Utilizing these existing structures is the best and most effective and fiscally responsible way to get lasting results.

Once again, CARCD sincerely thanks the CDFA OEFI team for interpreting the legislative language, drafting this initial Technical Assistance Program Request for Proposal draft guidelines, and graciously accepting our feedback through this public comment period. We look forward to our continued partnership and collaborative efforts to increase climate smart agriculture practices throughout California.

Sincerely,

Karen Buhr, Executive Director

California Association of Resource Conservation Districts

Torri Estrada
Executive Director
Carbon Cycle Institute

Kellyx Nelson
Executive Director
San Mateo RCD

Anna Olsen
Executive Director
Cachuma RCD

Lisa Lurie
Executive Director
RCD Of Santa Cruz County

Sheryl Landrum
Executive Director
RCD of Greater San Diego County

Dr. Chandra Richards
Conservation Ecologist
RCD of Greater San Diego County

Curtis Ihle
Interim Executive Director
Humboldt County RCD

Nancy Scolari
Executive Director
Marin RCD

Devin Best
District Manager
Upper Salinas-Las Tablas RCD

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

	Jul 31, 18	Aug 31, 18	Sep 30, 18	Oct 31, 18	Nov 30, 18	Dec 31, 18	Jan 31, 19	Feb 28, 19	Mar 31, 19	Apr 30, 19	May 31, 19	Jun 30, 19
ASSETS												
Current Assets												
Checking/Savings												
1030 - Checking Account (5269)	1,870,856.74	1,840,138.19	1,651,434.10	2,101,123.27	1,045,230.29	1,396,268.29	1,982,286.34	1,252,293.77	1,333,871.21	1,176,079.14	1,782,380.25	1,330,831.58
1031 - Restricted State Funds (5012) (Butano Channel)	379,872.56	333,275.80	294,102.16	280,532.11	238,444.18	2,935.72	2,935.84	3,018.19	3,018.32	3,018.44	26,626.84	4,470.10
1032 - Operating Reserve (0202)	148,618.33	148,638.35	148,656.67	148,675.61	148,693.94	148,712.88	148,731.83	148,748.94	148,767.89	148,786.23	148,805.18	148,823.53
Total Checking/Savings	2,399,347.63	2,322,052.34	2,094,192.93	2,530,330.99	1,432,368.41	1,547,916.89	2,133,954.01	1,404,060.90	1,485,657.42	1,327,883.81	1,957,812.27	1,484,125.21
Total Accounts Receivable	1,358,916.77	1,859,980.30	1,408,257.10	2,796,764.62	2,940,248.07	2,591,146.19	2,720,446.61	2,814,835.96	2,066,311.81	2,566,432.02	1,929,806.36	4,003,727.36
TOTAL ASSETS	3,758,264.40	4,182,032.64	3,502,450.03	5,327,095.61	4,372,616.48	4,139,063.08	4,854,400.62	4,218,896.86	3,551,969.23	3,894,315.83	3,887,618.63	5,487,852.57
LIABILITIES & EQUITY												
Liabilities												
Current Liabilities												
Accounts Payable												
2000 - Accounts Payable	711,985.66	1,314,402.37	1,533,811.73	1,878,846.50	783,408.16	1,035,875.46	1,665,619.96	967,003.40	543,766.82	672,887.90	790,893.58	1,885,014.99
Total Accounts Payable	711,985.66	1,314,402.37	1,533,811.73	1,878,846.50	783,408.16	1,035,875.46	1,665,619.96	967,003.40	543,766.82	672,887.90	790,893.58	1,885,014.99
Credit Cards	4,785.01	2,840.33	7,229.95	120.20	2,971.04	4,344.13	3,738.85	3,479.50	3,428.25	5,467.06	2,417.78	4,586.63
Other Current Liabilities												
2060 - Accrued Time Off	53,348.24	53,348.24	53,348.24	77,715.81	74,692.59	69,717.54	69,717.54	65,799.14	65,799.14	65,799.14	65,799.14	65,799.14
2400 - Deferred Revenue	2,166,281.88	2,166,281.88	2,288,464.70	2,209,873.72	2,090,767.54	1,834,232.98	1,801,638.13	1,803,816.06	1,680,843.12	2,231,475.81	2,369,706.49	2,334,706.49
Total Other Current Liabilities	2,219,630.12	2,219,630.12	2,341,812.94	2,287,589.53	2,165,460.13	1,903,950.52	1,871,355.67	1,869,615.20	1,746,642.26	2,297,274.95	2,435,505.63	2,400,505.63
Total Current Liabilities	2,936,400.79	3,536,872.82	3,882,854.62	4,166,556.23	2,951,839.33	2,944,170.11	3,540,714.48	2,840,098.10	2,293,837.33	2,975,629.91	3,228,816.99	4,290,107.25
Long Term Liabilities												
2500 - Recoverable Grants	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Total Long Term Liabilities	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Total Liabilities	3,136,400.79	3,736,872.82	4,082,854.62	4,366,556.23	3,151,839.33	3,144,170.11	3,740,714.48	3,040,098.10	2,493,837.33	3,175,629.91	3,428,816.99	4,490,107.25
Equity												
3500 - Net Assets	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06	1,137,464.06
3999 - SUSPENSE	0.00	0.00	0.00	-101.80	-101.80	-101.80	-334.44	537.57	0.00	0.00	0.00	0.00
Net Income	-515,600.45	-692,304.24	-1,717,868.65	-176,822.88	83,414.89	-142,469.29	-23,443.48	40,797.13	-79,332.16	-418,778.14	-678,662.42	-139,718.74
Total Equity	621,863.61	445,159.82	-580,404.59	960,539.38	1,220,777.15	994,892.97	1,113,686.14	1,178,798.76	1,058,131.90	718,685.92	458,801.64	997,745.32
TOTAL LIABILITIES & EQUITY	3,758,264.40	4,182,032.64	3,502,450.03	5,327,095.61	4,372,616.48	4,139,063.08	4,854,400.62	4,218,896.86	3,551,969.23	3,894,315.83	3,887,618.63	5,487,852.57

San Mateo Resource Conservation District

07/15/19

Profit & Loss

Accrual Basis

July 2018 through June 2019

	Jul '18 - Jun 19
Ordinary Income/Expense	
Income	
SMC Operating Support	125,000.00
4010 · Contracts	7,707,567.78
4020 · Donations	
4021 · Annual Appeal Donation	16,570.07
4022 · Individual Contributions	32,469.00
Total 4020 · Donations	49,039.07
4030 · Interest	2,120.95
4200 · Property Tax	
4205 · SMC Contributions	1,936.69
4200 · Property Tax - Other	81,552.76
Total 4200 · Property Tax	83,489.45
Total Income	7,967,217.25
Gross Profit	7,967,217.25
Expense	
5000 · Personnel	1,017,966.81
6020 · Bank Fees	268.51
6070 · Communications	6,058.59
6300 · Equipment	6,579.17
6400 · Insurance	6,560.06
6500 · Membership-Dues-Subscriptions	7,599.00
6750 · Professional Development	4,390.37
6775 · Software	2,357.95
6850 · Rent	57,724.60
6900 · Supplies	7,751.36
6950 · Travel-Meals-Meetings	6,874.95
7200 · Organizational	77,954.69
7600 · Project Implementation	6,904,849.93
Total Expense	8,106,935.99
Net Ordinary Income	-139,718.74
Net Income	-139,718.74

Memorandum

Date: July 15, 2019
To: Board of Directors
From: Kellyx Nelson
Re: Recommendation to Contract with Storesund Construction for installation of a new irrigation system at Carpy Ranch in Pescadero

RCD staff recommends contracting with Storesund Construction for the construction of a new irrigation system at Carpy Ranch for an amount not to exceed \$457,000.

This is the second phase of the Pescadero Creek Streamflow Improvement Project at Carpy Ranch¹ and will enable the new 15.9-acre foot (AF) agricultural water storage reservoir that was built in summer 2018 to be used as designed. The irrigation system and reservoir are part of the RCD's effort to add water security for local farms and enhance streamflow in Pescadero Creek for anadromous fish and other riparian species.

Carpy Ranch is in Pescadero, northwest of the junction of Stage Road and North Street (see site map) bordering Bradley Creek on the eastern edge of the property and Pescadero Creek to the south. The ranch encompasses several hundred acres of coastal agricultural grassland. Current agricultural uses of the ranch include cattle grazing, growing hay, and growing pumpkins. Installation of the new irrigation system will allow Carpy Ranch to utilize the newly built reservoir and cease diversions from the creek during the dry season (August-October), allowing critically important instream flow to remain in Pescadero creek.

A Request for Bids (RFB) was sent on September 24, 2018 to eight firms and posted on the RCD's website. No bids were received. A new RFB was distributed to six different firms on November 5, 2018 and posted on the website. Only one contractor bid, but then withdrew the bid before it was brought to the board of directors due to the contractor's concerns with burdens posed by labor compliance requirements and the long amount of time for payment due to delays in State payments for this grant funded program. RCD staff then reached out individually to four firms (one was included in the first round RFB). Only one was firm was interested and available: Storesund Construction. Storesund Construction's bid was within

¹ Phase 1 contract for Campbell Grading, Inc. was approved by the Board of Directors in April 2018 under the name "Creek Streamflow Enhancement Project, Carpy Ranch. "

budget, they have successfully completed other projects for the San Mateo RCD, and they have experience with irrigation systems. The firm has excellent references, experience with labor compliance, and is aware that payments from the funder can take six to nine months on average.

Site Map

