

Fiscal Year 2024-2025 Financial Budget

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1. About San Mateo RCD

1.1. A Mission for People and Nature

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

We are keenly aware that thriving human communities and healthy natural resources depend upon each other. When natural systems are broken it is not just wildlife that suffers. Towns flood, forested neighborhoods burn, farmers fallow fields, and people risk illness from polluted water. Our approach is to bring boots-on-the-ground solutions that benefit both the environment and people. We protect streamflows for endangered salmon while building community water security, restore the health of forests while building regional resilience to wildfire, restore habitat for endangered species while mitigating flooding that harms people downstream, support the viability of local agriculture while helping farms reverse climate change, and more.

We help people help the land and help people by helping the land.

RCDs are an extremely nimble form of local government that provide accountability to our communities along with some of the flexibility and function of nonprofit organizations:

RCDs are a trusted community resource. We provide free, confidential, nonregulatory assistance and work as an invited neutral party to support voluntary conservation, typically finding win-win solutions. Furthermore, our enabling legislation ensures local leadership in the communities we serve. Our publicly appointed directors are constituents and neighbors, readily accessible to the communities we serve and living the local issues.

RCDs were designed to evolve with changing needs and priorities. This enables us to address emerging issues and opportunities to support thriving communities, landscapes, and economies. In recent years this has enabled San Mateo RCD to bring solutions for species survival; viable local food systems; water security; flood and drought mitigation; wildfire resiliency; clean creeks and beaches; and more.

RCDs work across boundaries for at-scale benefits. We bring our services to private and public landowners, land managers, tribes, government agencies, non-profit organizations, advocates, and agricultural producers alike. We work across jurisdictional, political and economic divides to bring programs and resources that benefit properties, watersheds, communities, landscapes, the region, the state, and the globe. In addition, RCDs collaborate with each other and other organizations regionally and statewide to achieve larger scale conservation objectives.

1.2. Our Services

In 1939, visionary farmers in San Mateo County formed the first conservation district in California under a new State law that enabled communities to create local agencies to help them conserve soil and water. It was part of a movement. Conservation districts were being created across the nation in response to the Dust Bowl Crisis to serve as local hosts for the USDA Natural Resources Conservation Service² (formerly Soil Conservation Service). There are now nearly 100 conservation districts in California and about 3,000 across the United States—in nearly every county of the nation.

Today, the threats of climate change such as extreme weather, natural disasters, sea level rise and species extinction have emerged as truly existential issues related to natural resource management. Our current priorities address these threats head-on by restoring ecosystems and habitat with a focus on species at risk of becoming extinct; improving water conservation, management, and quality to help ensure clean and reliable water for people, wildlife, and agriculture; both mitigating and adapting to climate change; supporting viable and environmentally beneficial local agriculture; and improving the health of local forests, reducing the risk of catastrophic wildfire, and healing the land after fire does occur.



To make these priorities a reality, we provide very diverse services in support of the goals, outcomes and strategies outlined in our Strategic Plan for 2021-2024 (see Appendix A). They include:

- **Technical assistance** from experts on staff, partners, or consultants as needed, e.g. soil and water testing for food safety in urban farms; composting systems; hydrologic analysis; engineering; geotechnical analysis; biology; and forestry.
- **Project implementation:** on public and private lands, e.g. chipping and hauling services for home hardening to reduce risk of wildfire; modifying a County road to restore migration for endangered salmon; dredging a creek through State, County, and private properties to implement a wildlife-friendly flood control project; improving farm water infrastructure to maximize conservation.
- **Convening and facilitating:** coordinating across jurisdictions and land ownerships, leveraging local, state, federal, and private funding, e.g. securing grants to repair a failing access road on County Parks property; serving as a compost broker for municipalities needing to comply with a waste reduction law and farms needing healthy soils; serving as the fiscal sponsor for the Santa Cruz Mountains Stewardship Network; and convening Coastside One Water and South Coast One Water groups for to facilitate collaboration on water-related issues.

¹ [California Public Resources Code, Division 9](#)

² [A Brief History of NRCS](#) and conservation districts

- Outreach and education: in various formats on a wide range of issues of concern to the community, e.g. on-farm workshops in Spanish about best practices in irrigation and water conservation; webinars about migratory wildlife, composting, and climate mitigation; presentations to equestrians, community groups, and others about water quality monitoring results; town hall style meetings about winter storms, creeks and flooding; and community walking tours.
- Financial assistance: via grants, cost-share programs, and other resources for RCD staff, partner organizations, and contractors to directly benefit the community.
- Disaster mitigation: working to prevent disaster and helping people and the land recover after one strikes, e.g. providing technical assistance and federal funding to address impacts of the August 2020 CZU Lightning Complex Fires; removing logjams in Pescadero Creek to reduce flooding and erosion during the January 2023 atmospheric river storms; working across dozens of neighboring properties for community-level solutions to streambank erosion and flooding; creating fuel breaks for community evacuation and firefighting access; and building water storage to withstand drought.

1.3. Funding (section to be completed)

2. Financial Position and Priorities Entering FY '25

At approximately \$17.3M, the FY'25 budget is similar to that which was approved for FY'24 (approximately \$17.7M). We estimate the actual amount accounted for FY'24 will be \$13.8M. This variance is largely due to work that was postponed to FY'25. Because the RCD operates primarily on grants that reimburse expenses, the reduction in expenses tracks closely with a reduction in revenues and generally balances out.

At the time of adoption of this RCD budget, California is navigating a state budget deficit with associated cuts, uncertainty in grant programs, and clawbacks of grants that were already awarded. RCD staff incorporated their best estimates about funding certainty in preparing this budget. Another component of our fiscal resilience strategy has been the development of an operating reserve for the stability of our mission, programs, employment, and ongoing organizational needs. The reserve has been a model for some other RCDs wanting to build financial security. As of July 2024, the amount will be nearly \$1.4 million for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. If the RCD were to lose nearly all funding, as we did in 2008 during the Great Recession, and did not reduce or defer any expenses, the reserve would enable continued operations for four months. This is a worst-case scenario, as we also have local and federal funding, deferred revenues, private donors, and the ability to cut some expenses.

Unrestricted funds continue to be the highest priority for financial stability and to deliver our mission.

At about \$90,000, the RCD's property tax revenues are not a significant percent of our overall budget, but are significant in terms of having unrestricted income for operations. Nonetheless, they are insufficient to support a single staff person, let alone basic services and administration. We therefore depend on grants, a business model that is inherently volatile and particularly sensitive to downturns in the economy. Our dependence on grant funding is similar to a non-profit organization. However, private donors, corporations, and foundations that make unrestricted charitable donations are less likely to give to public agencies. Many, including the most common Donor Advised Funds used by philanthropists, only give to 501(c)3 organizations. Consequently, the RCD's primary income is from public sources such as interagency agreements or bond-funded competitive grant programs that are restricted to specific tasks and outcomes.

Absent unrestricted funds, staff typically bill in 15-minute increments to funding contracts for specific tasks identified within a defined project with predetermined and preapproved outcomes. Most staff work on multiple projects, most projects have multiple funders, different funders have different rules regarding allowable expenses, and most funding contracts contain multiple tasks that must be tracked and billed separately. As a result, billing and invoicing are enormously complex and pose a barrier to workflow. There are many consequences to this business model, such as:

- It can be challenging or impossible to respond to constituent requests, participate in meetings with the community or agency partners, develop projects, or work on priorities that are not billable.
- It diminishes the RCD's ability to deliver our mission as envisioned in our enabling legislation or by the local voters who petitioned to form the RCD.

- Our administrative capacity is extremely low- for an organization of 27 employees and a budget of \$17 million, we have only two administrative staff to tackle bookkeeping, human resources, office management, complex invoicing to grants, risk management, and preparing and noticing board meetings. There is no dedicated staff for higher level accounting; development, fundraising, and advancement; outreach, public information, communications, or web page maintenance; developing, tracking, or updating policies; ensuring compliance with diverse requirements of government agencies; clerking for the board of directors; preparing annual reports, annual workplans; strategic planning; preparing grant proposals or managing grant awards; or IT support.
- It has a profound effect on staff morale.

The RCD establishes billing rates through a board-approved Cost Allocation Plan which forms the basis of an indirect cost rate to be applied to grants. This rate is negotiated each year with the “cognizant federal agency,” determined by which federal agency provided the most funding in the previous year. The target billing rate is essential to recover the true costs of doing grant-funded work. However, some funders restrict or outright prohibit indirect expenses, *causing the RCD to lose money on grant-funded projects*. Unrestricted revenues, including property taxes allocated to the RCD, are essential to fill this gap. They also provide critical leverage to access grant funding.

Beginning in 2014, San Mateo County recognized the value of the RCD and our need for unrestricted funds. Through a written agreement, the County began making annual budget allocations to support unfunded operational needs such as rent, audits, outreach, and responding to constituent requests. This funding has been significant, at times paying for more than half of the RCD’s non-billable operations and at times preventing the RCD from going into deficit. Over the last few years, the funds have incurred new restrictions and requirements, and the County has told the RCD not to expect funding into the future.

3. Fiscal Year Financial Budget

<u>Program Revenue</u>	
Agricultural Ombudsman	166,234
Agricultural Stewardship	932,340
Conservation Technical Assistance	467,054
Cutting Green Tape	75,000
Erosion and Sediment Management	578,390
Forest Health and Wildfire Resiliency	3,627,290
Habitat Enhancement	5,143,896
Santa Cruz Mountains Stewardship Network	243,706
Water for Farms Fish and People	4,563,464
Water Quality	997,152
Subtotal Program Revenue	16,794,525
<u>Other Revenue</u>	
Donations	100,000
Interest Income	2,000
Misc. Income	
Property Tax	90,000
Subtotal Other Revenue	192,000
Total Revenue	16,986,525
<u>Operating Expenses</u>	
Personnel (Salaries & Fringe)	3,856,463
Other	523,034
Subtotal Operating Expenses	4,379,498
<u>Program Expenses</u>	
Agricultural Ombudsman	69,495
Agricultural Stewardship	567,613
Conservation Technical Assistance	77,137
Cutting Green Tape	50,000
Erosion and Sediment Management	565,000
Forest Health and Wildfire Resiliency	2,714,066
Habitat Enhancement	3,823,732
Santa Cruz Mtns. Stewardship Network	117,698
Water for Farms Fish and People	3,897,246
Water Quality	551,500
Subtotal Program Expenses	12,433,492
Total Expenses	16,812,990
NET	173,535
Operating Reserve Allocation	350,000

3.1. Budget Process

Because of significant annual variation in our funding, we annually create a predominantly zero-based budget. Zero-based budgeting involves developing a new budget from scratch every time (i.e., “starting from zero”), rather than the more common method of starting with the previous budget and adjusting it as needed.

The Executive Director and Administrative Officer initiated the annual budget development process in February 2024 in an annual staff training and in communication with the finance committee of the board of directors. The Administrative Officer worked with

staff to ensure that all projects anticipated to have budget-related activity in the fiscal year are assigned a project code. Project codes include the RCD program area, the project name, and the funder. For example, the Green Oaks Creek wetlands habitat enhancement project, which falls under our Habitat Enhancement program area and is funded by the Wildlife Conservation Board has HE-GO-WCB as its project code.

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

An operating budget was then developed to include those items or services anticipated to be purchased in the upcoming year that are not billable to specific grants, such as rent, insurance, legal expenses, accounting services, IT support, vehicle maintenance, and professional development.

A personnel budget was then developed that is not zero-based. It starts from the assumption that all regular staff will stay employed at the RCD. Adjustments are made for anticipated changes to staffing or employment designations, and a cost-of-living adjustment (COLA) based on changes in the Consumer Price Index for the last year. Then 20% is added to the total base salary for benefits.

The overall fiscal year financial budget includes the total revenues and expenses from the program budget, operating budget, and personnel budget. Non-program revenues, i.e. anticipated unrestricted funds, are added. The Executive Director, Administrative Officer, relevant staff, and Finance Committee members reviewed and adjusted budget assumptions and proposed operating expenses while tracking implications for the “bottom line” net amount, which is the difference between overall revenues and expenses.

The Board of Directors approved the final FY '25 Financial Budget in a publicly noticed regular meeting on June 20, 2024.

3.2. Budget Detail and Footnotes

The net revenues- total revenues minus total expenses- are anticipated to be \$173,535 (this is the fund pool from which 401K allocations are made). The category named Climate Mitigation and Adaptation in previous fiscal years has been changed to Agricultural Stewardship to better reflect the ongoing work. This is because most work at the RCD supports climate mitigation and/or adaptation, while the work in this category specifically supports on environmental stewardship on agricultural operations. Other program areas may also work on agricultural lands, but they do not focus exclusively on agricultural stewardship. Another change from previous The category previously named Water Resources has been changed to Water for Fish, Farms and People. This aligns with the name of the program that is budgeted in this section and eliminates confusion about the water quality program, a separate budget line item that also pertains to water resources. Revenue previously budgeted as County Contributions in Other Revenue, an unrestricted category,

has been moved to Conservation Technical Assistance in Program Revenue. This is because the County has discontinued funding for unrestricted operating support such as rent. RCD staff now bill to specific activities that are allowable expenses under the agreement.

3.2.1. Program Revenue

Program revenues are estimated to be \$16,794,525. The vast majority of overall income to the organization is program revenue, i.e. earned by billing for expenses to specific funding sources that are restricted to specific work programs or outcomes, as described above in this document. Each anticipated source and amount of program revenue is described below based on the best staff estimates at the time of the development of the budget.

Agricultural Ombudsman

The *Agricultural Ombudsman* helps ensure the viability of local agriculture by helping stakeholders navigate County permits; helping County staff understand agriculture and improve related processes, programs, and permitting; investigating the feasibility of a regional food hub (e.g. aggregated processing and distribution); and more. The program is a service provided by the County as a contract to the RCD (\$42,249). Food hub work is funded by the USDA's Local Food Promotion Program (\$112,262) and Peninsula Open Space Trust (\$10,000).

Agricultural Stewardship

- *Conservation Technical Assistance* will provide diverse services and programs on-farm conservation, including:
 - Develop approximately 8 property-scale conservation plans for farmers and ranchers to improve pollinator habitat, build soil health, sequester carbon sequestration, and other natural resource concerns on a property. Funding: CDFA (\$54,241).
 - Provide a workshop series about soil health and regenerative agriculture to Rancho San Benito, a farmworker cooperative. Funding: Silicon Valley Community Foundation (\$4,060).
 - Soil health workshops and technical assistance for producers in Spanish and English. Funding: CDFA Healthy Soils Technical Assistance Grant (\$3,082).
 - Project verification and case studies about on-farm projects that save water and reduce greenhouse gas emissions. Funding: CDFA State Water Efficiency & Enhancement Program Technical Assistance Grant (\$37,928).
 - Technical assistance to producers in support of NRCS programs. Funding: NRCS via National Association of Conservation Districts as grantee (\$49,481).
 - Support the formation of a new RCD Regional Agriculture and Climate Hub for the Northern Central Coast region of California to assist land managers in adapting to and mitigating the impacts of climate change (\$82,454).
 - Help producers implement climate-beneficial practices on farms and ranches (e.g. compost, hedgerows, riparian plantings, and cover crops) that sequester carbon and improve habitat for wildlife. Funding: California Wildlife

Conservation Board through a block grant to the California Association of RCDs (\$48,202).

- Support producers in developing projects that are competitive for specific conservation funding opportunities, e.g. on-farm water conservation, reduced greenhouse gas emissions, and carbon sequestration. Funding: CDFA's State Water Energy Enhancement Program via RCD of Santa Cruz County, the grant awardee (\$97,830) and CDFA's Healthy Soils Program via Zero FoodPrint, the grant awardee (\$33,040).
- Regenerative Ranching 101 is an educational series for Bay Area ranch managers and landowners that we are also planning and hosting in partnership with TomKat Ranch, Point Blue Conservation Science, California FarmLink, and the NRCS. Funding: NRCS Grazing Lands Conservation Initiative (\$94,971).
- Help the City of Half Moon Bay develop a natural and working lands component to their Climate Action and Adaptation Plan, similar to the support we provided to San Mateo County's Community Climate Action Plan. Funding: City of Half Moon Bay (\$9,121).
- Continue providing technical assistance to agricultural and equine operations about soil health and organic waste management, exploring the development of a Coastside compost collaborative or facility, helping all cities within the county and the County meet waste reduction targets in compliance with SB 1383 requirements, facilitating compost procurement and application for farms and ranches, and complete a pilot project comparing different types of compost on rangeland. Funders: CalRecycle via individual contracts with San Mateo County and all cities within the county (\$367,072), City of San Francisco (\$496), and South Bay Waste Management Authority (\$5,948).

Conservation Technical Assistance

- County Contribution: This is an agreement with San Mateo County to support the RCD's integrated approach to resource conservation and management for long term sustainability in the amount of \$200,000.

Cutting Green Tape

- Cutting Green Tape is a statewide initiative to reduce regulatory barriers to environmentally beneficial restoration. This is to continue partnering with California Landscape Stewardship Network to support and track the initiative, convene stakeholders, and facilitate meetings. Funding: Kingfisher Foundation (\$75,000).

Erosion and Sediment Management

- Campground Road Crossing Repair in Huddart County Park will repair a large washout on Campground Road where it crosses McGarvey Gulch Creek in Huddart County Park. This road provides essential access for recreation and firefighting in the park and surrounding areas. Repair of the crossing will rebuild a stable crossing with

proper drainage which will reestablish access and prevent further erosion and damage to the streambank. Funding: San Mateo County Parks Department (\$578,390).

Forest Health and Fire Resiliency

- *Butano State Park Forest Health Project* will masticate and thin vegetation to restore the forest to healthier conditions and mimic ecological processes that promote biodiversity and reduce the risk of high intensity fire; and provide imagery and data regarding the 2020 CZU Fire burn scar. Funding: CAL FIRE's Forest Health program (\$992,613) and California State Park Wildfire and Forest Resilience Program (\$121,121).
- *Fire Resilient Communities and Landscapes* will be supported by coordinating the county-wide neighborhood chipper program; providing technical assistance to residents and partner organizations; responding to emerging community needs; developing fuel reduction and vegetation management projects; updating vegetation maps and fuel/fire models that are critical to project planning and prioritization; completing the Regional Prioritization Plan to identify priority projects for future funding; and continuing efforts to streamline permitting. Funding: two grants from San Mateo County Measure K (\$284,416), CAL FIRE (\$41,376), Coastal Conservancy (\$168,337), CA Office of Planning and Research (\$103,531), and as a subgrantee to three block grants to CA Association of RCDs from NRCS and CAL FIRE (\$59,728).
- *Forest Health Monitoring in the Coast Redwood Region* will monitor forest conditions (e.g. biodiversity; tree height, diameter, and health; and canopy cover) at different locations in the region, using shared monitoring protocols developed by members of the Santa Cruz Mountains Stewardship Network to provide data related to the effects of forest management projects. It is a partnership effort with the Network and the UC Cooperative Extension. Funding: CAL FIRE Forest Health Research Program (\$30,167).
- The *La Honda Shaded Fuel Break Project* will create a 19 mile fuel break across 23 public and private properties in La Honda to reduce flammable vegetation, provide defensible space, and create a buffer zone between the community and potential wildfire ignition sources. Funding: CAL FIRE (\$812,575).
- *Pescadero Creek County Park and YMCA Camp Jones Gulch Forest Health Project* will masticate and thin vegetation to restore areas of forest to healthier conditions and mimic ecological processes that promote biodiversity and reduce the risk of high intensity fire while improving access for firefighting. Funding is from two grants from CAL FIRE's Forest Health program (\$353,970).

Habitat Enhancement

[Note: NOAA Restoration Center provided a block grant supporting a number of projects that improve conditions for the survival and recovery of populations of coho salmon and steelhead trout. The total amount of funding that will be spent this year is \$1,097,858, spread across several projects below. As appropriate, they reference this budget item.]

- Bay Rise Park (formerly called Burlingame Shoreline Park) is a collaborative effort to transform a vacant parcel of bayfront land using nature-based solutions to protect

Burlingame from sea level rise, create a nature park and educational opportunities, and improve tidal marsh habitat for species. Work this year is to support permitting and design for the ecological restoration components of the project. Funding: US Environmental Protection Agency (\$46,383.18).

- Butano Creek Channel Stabilization and Habitat Enhancement Project was completed in FY'22. Work this year is to continue post-project monitoring. Funding: CA Wildlife Conservation Board (\$9,711).
- Butano Farms San Francisco Garter Snake Habitat Enhancement Project was completed in 2021. Work this year is to monitor and maintain the wetland habitat enhancement project. Funding: PG&E (\$7,622).
- Evans Creek Fish Passage will improve creek habitat and remove two fish passage barriers within Portola Redwoods State Park to reconnect approximately 1 mile of habitat for coho salmon and steelhead. Funding: CA Department of Parks and Recreation (\$178,321) and NOAA Restoration Center (see above).
- Gazos Watershed Assessment and Conservation Planning will use existing information to assess the condition of streams, roads and forest in Gazos Creek watershed and provide direction for conservation and restoration projects. Funding: Sempervirens Fund (\$20,000).
- Green Oaks Creek at Ano Nuevo Wetlands Restoration Project was completed 2023. Work this year is to conduct post-construction monitoring and reporting. Funding: CA Wildlife Conservation Board (\$93,878).
- *Hypericum* Eradication will begin removing *Hypericum canariense*, an invasive plant that has infested over 500 acres of privately owned rangeland. Eradication will improve habitat for endangered species, wildfire resiliency, and agricultural viability. Funding: CA Wildlife Conservation Board (\$150,000).
- Johnston Ranch Riparian Enhancement Project will improve riparian habitat on Arroyo Leon Creek for California red-legged frog and San Francisco garter snake by removing cape ivy and other invasive plants and trash from about three acres. Funding: Wildlife Conservation Board through a block grant to CA Association of RCDs (\$101,688).
- Little Butano Creek Fish Passage and Habitat Enhancement Project will restore fish migration and access to habitat by removing two human-made barriers. Funding: CA Department of Fish and Wildlife (\$905,963) and NOAA Restoration Center (see above).
- Lower Pescadero Corridor Management Plan, Upper Town Reach Project will develop designs for multiple creekfront properties in downtown Pescadero to improve habitat, reduce bank erosion, and reduce flooding. Funding: National Fish and Wildlife Foundation (\$106,342), and NOAA Restoration Center (see above).
- Mindego Creek Fish Passage removed a fish migration barrier in Mindego Creek in 2023. Work this year is to monitor conduct post-project monitoring. Funding: CA Wildlife Conservation Board (\$30,702) and NOAA Restoration Center (see above).

- Pescadero Creek Habitat Enhancement at Pescadero Creek County Park enhanced creek habitat by strategically dropping trees into the creek to restore natural ecological processes. Work this year is to conduct post-project monitoring. Funding: CA Wildlife Conservation Board (\$8,355) and NOAA Restoration Center (see above).
- Pescadero Marsh Habitat Restoration and Resiliency Project: North Marsh North Pond will restore the ecosystem processes in a priority area of Pescadero Marsh by restoring hydrology. Funding: CA Department of Parks and Recreation (\$1,409,011)
- Pescadero Easement & Acquisition will identify and advance easement or fee-title acquisition projects in the Pescadero-Butano watershed that are key to accomplishing restoration priorities. Funding: United States Fish and Wildlife Service (\$8,390).
- Riparian Restoration at Pie Ranch is a partnership with Pie Ranch and Amah Mutsun Land Trust to improve riparian habitat on the farm. Work this year is to design the project. Funding: CA Wildlife Conservation Board through a block grant to CA Association of RCDs (\$19,704).
- Potrero Nuevo Farm Tree Planting is a partnership with Potrero Nuevo Farm to plant native trees and shrubs as mitigation for PG&E tree removal along Highway 92. The planting was completed in 2023. Work this year is for weeding and post-project monitoring. Funding: PG&E (\$21,051).
- San Bruno Mountain Lower West Peak Butterfly Habitat Enhancement Project restored five acres of grassland habitat in 2023 to support butterfly species at risk of extinction. Work in 2024 has focused on maintenance of the site and work for FY '25 primarily includes post-project monitoring. Funding: PG&E (\$7,216).
- San Bruno Mountain Owl & Buckeye Canyon Habitat Enhancement Project will enhance habitat for four butterfly species at risk of extinction by enhancing grassland habitat on 47 acres of San Bruno Mountain. Funding: PG&E (\$124,498).
- San Gregorio Creek Habitat Enhancement Project at Apple Orchard, Phase 2 will enhance creek habitat for coho salmon and steelhead by installing downed trees and logs in the creek to restore natural ecological processes, and enhance riparian habitat by removing cape ivy in the project area. Funding: PG&E (\$122,266) and Midpeninsula Regional Open Space District (\$166,109).
- San Gregorio Creek Habitat Enhancement Phase 3 at Repetto Farm will enhance habitat for coho salmon and steelhead in partnership with Repetto Farm by installing by installing downed trees and logs in the creek to restore natural ecological processes. Funding: CA Wildlife Conservation Board (276,131) and NOAA Restoration Center (see above).
- San Pedro Creek Fish Passage Project at Adobe Bridge will enhance creek habitat and restore migration for steelhead trout by modifying the Adobe Bridge stream crossing. Work this year is to complete designs and begin permitting. Funding: CA Wildlife Conservation Board through a block grant with CA Association of RCDs (\$120,773).

- San Francisco Garter Snake Recovery Working Group is a collaboration of organizations, convened by the RCD, to coordinate and accelerate efforts to ensure survival of the San Francisco garter snake species across its endemic region. Funding: USFWS (\$23,000) and an Peninsula Open Space Trust (\$10,000).
- Vegetation Management at Quiroste Valley Cultural Preserve is a multi-benefit vegetation management project that provides cultural, ecological, and fire resilience within a 224-acre State Parks preserve in partnership with State Parks and Amah Mutsun tribal band. Funding: CA Department of Parks and Recreation (\$94,089).
 - **[PREVIOUS YEAR FOR REFERENCE AND POTENTIAL INCORPORATION]** Quiroste Valley Cultural Preserve Vegetation Management aims to enhance biodiversity of native plants and ecosystems, improve indigenous cultural resources, and reduce fuel loads just north to the CZU lightning complex. In addition to continued vegetation management within the 115-acre cultural preserve, the RCD will be planning and permitting an additional 500-acres of Año Nuevo State Park for vegetation management and prescribed burning. Funding from State Parks is expected to be \$437,619.
- Watershed Restoration Project Development for California State Parks will design and develop five projects on State Parks properties to restore habitat for salmonids and amphibians, enhance water quality, and address watershed health. Funding: State Park's Cannabis Watershed Protection Program (\$469,077).
- Wavecrest Integrated Resilience Project will restore historical seasonal wetlands on the Wavecrest property in Half Moon Bay to improve habitat for multiple species and reduce erosion issues of concern to the community. Funding: Peninsula Open Space Trust (\$24,927).

Santa Cruz Mountains Stewardship Network

- The Santa Cruz Mountains Stewardship Network (SCMSN) is a vehicle for collaboration between its 25 member organizations who own, manage, or in some way steward land in the Santa Cruz Mountains region. Members collaborate on issues like fire, climate, habitat restoration, water, invasive species, and public access. The purpose of the SCMSN is to allow its members to be able to think and work at a landscape scale. The RCD is the fiscal sponsor for the Network and most funds are administered through us. Discrete projects of the Network may be funded through the RCD or other member agencies. If through the RCD, they appear in other program areas of this budget, e.g. as a project in the Forest Health and Fire Resiliency section. Other projects may be supported with funding or in-kind by member organizations and not appear in the RCD's fiscal year budget, although they are part of the overall budget of the Network. Funding for the Network for this fiscal year that is (1) administered through the RCD and (2) not included in a discrete project in another section of the budget will be from member organizations (\$270,820).

Water for Farms, Fish & People

- *Water conservation and storage:* In FY'25 we will build a 16.2 acre-foot pond/ reservoir at the Backfield site, construct water storage and infrastructure at Portola Redwoods State Park, complete implementation of water storage and distribution infrastructure

for the Loma Mar Mutual Water Company, and design and permit several other agricultural and domestic water conservation and storage projects. Funding: CA Wildlife Conservation Board (\$101,953 + \$143,872 + \$2,954,933), San Mateo County (\$139,174), CA Department of Water Resources (\$41,391 + \$452,462), CA State Parks (\$720,000), Silicon Valley Community Foundation (\$19,931),

- *Stream gauging*: The RCD coordinates efforts to provide USGS-operated gauges on San Gregorio, Butano, and Pilarcitos Creeks. The data support watershed management, research, monitoring, and project development. Funding for the Pilarcitos gauge is a multi-year agreement sharing costs between San Mateo County, Coastside County Water District, San Francisco Public Utilities Commission, and Sewer Authority Midcoastside with a budget for this year at \$7,623. Funding for the gauges on San Gregorio Creek (\$18,622) and Butano Creek (\$27,598) come from Peninsula Open Space Trust, Midpeninsula Regional Open Space District, and San Mateo County.

Water Quality

- First Flush is an annual volunteer water quality sampling program that occurs during the first significant rain of the season at stormwater outfalls and creeks flowing into the ocean. It helps identify what pollutants are of greatest concern and where. It is part of a broader regional effort, including outfalls in Santa Cruz and Monterey counties, in partnership with Monterey Bay National Marine Sanctuary to help protect the sanctuary. Funding: Sewer Authority Midcoastside (\$25,000), SMC Harbor District (\$15,000), City of Pacifica (\$5,000). Rose Foundation (\$27,000) and Peninsula Open Space Trust (\$10,000).
- Ranch Water Quality at Madonna Creek Stables will develop a water quality plan, test water quality, and provide data for use in an annual report of the Midpeninsula Regional Open Space District (MROSD). Funding: MROSD (\$8,832).
- Pillar Point Harbor Water Quality Assistance Program helps San Mateo County Harbor District protect water quality in Pillar Point Harbor, primarily focusing on fecal indicator bacteria. Anticipated work in FY'25 will include regulatory compliance support, inspecting and mapping sanitary sewer lines and reinspecting stormwater lines, engaging with the public through outreach and education, and identifying and managing funding opportunities for implementation projects. It is expected that the Harbor District will contribute \$20,000.
- San Pedro Creek and Pacifica State Beach TMDL Monitoring Program assists the City of Pacifica and San Mateo County with regulatory compliance for bacterial pollution of San Pedro Creek and Pacifica State Beach and completing the final draft of the Pacifica State Beach Special Study. General tasks include water quality monitoring, data entry, analysis, and reporting. Funding: City of Pacifica (\$78,126).
- San Vicente Creek Bacteria Water Quality Improvement Plan Monitoring Program is to better understand sources of bacterial contamination and problem areas in the San Vicente Creek watershed and identify solutions. In FY'25, work will focus on completing water quality monitoring, data analysis, and reporting for the FY'24

monitoring and complete the majority of sampling for the FY'25 monitoring. Funding: Golden Gate National Recreation Area (\$46,710) and San Mateo County (\$59,030).

- Vallemar Sewer Infrastructure Relocation project will design and permit new infrastructure to relocate a Montara Water and Sanitary District sewer main inland away from exposed coastal areas and to provide emergency sewage storage to improve system redundancy. Funding: CA Coastal Conservancy (\$699,264).

3.2.2. Other Revenue

Non-program revenues are estimated to be \$192,000. These are funding sources that are not tied restricted to specific work programs or outcomes. Each anticipated source and amount of revenue is described below based on the best staff estimates at the time of the development of the budget.

- Donations: We plan to have an annual end-of-year campaign as well as a fall donor event with a goal of receiving \$100,000 in unrestricted donations to the RCD.
- Interest income: We anticipate earning \$2,000 interest from all accounts this year.
- Miscellaneous income: This item can include stipends, honoraria, service fees, or other miscellaneous income. We do not anticipate earning miscellaneous income this year.
- Property taxes: The RCD expects to receive \$90,000 in property taxes this year.

3.2.3. Operating Expenses

Total expenses include program and operating expenses. All program expenses are billable. Operating expenses are non-billable and comprise \$4,379,498 of overall expenses as described below.

Personnel expenses of \$3,856,463 are for salaries and fringe benefits. They assume employment of 27 staff (25 full-time, one part-time, and one seasonal full-time). The amount includes a 3.4% Cost of Living Adjustment for all employees. All staff will receive paid holidays, vacation, sick time, and Workers Compensation. These include full time staff (32 hours or more per week) receiving medical, dental, and vision benefits and all eligible staff participating in a 401K retirement plan with an estimated contribution of 7.5% of salary. It also includes an increased allocation to medical benefits from \$450 per month per eligible employee to \$500.

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

- Rent: (\$103,034) This is for rental of office space at 80 Stone Pine Road in Half Moon Bay. The lease arrangement increases rent annually and additional space was rented to accommodate an expanded staff.
- Accounting Services: (\$70,000) This is for contracted accounting and auditing services.
- Communications: (\$ 40,000) This is the estimated cost for supplies, equipment, services, and subscriptions for the purpose of general RCD communications. Typical

expenses include internet service, phone service, MailChimp, social media advertisements, flyers, business cards, brochures, mailers, communications and web design consultants, and other costs that are not billed to specific projects or direct fundraising. The RCD anticipates hiring a communications consultant this year to complete an impact report and advance the communications strategy that was completed in the previous fiscal year.

- Information Technology: (\$66,000) This item is for services and equipment. Typical expenses include contracted consultant technical support, off-site data storage, remote computer access, hardware and software needs, computers, and associated equipment. This includes equipment, subscriptions, and services related to GIS, field data collection, and field safety technology that are not directly billable to projects. The budgeted amount for this year includes an estimate to migrate the RCD server to the cloud, work that was deferred from the previous year.
- Professional development and meetings: (\$37,000) This is for mileage, travel, accommodations, meals, registration costs, and materials for meetings, workshops, trainings, and conferences for staff and board members when these expenses are not billable to specific projects. Mileage rates are based on current IRS designations.
- Liability insurance: (\$30,000) This is the cost to the RCD for liability insurance through the Special District Risk Management Authority.
- Miscellaneous consulting services: (\$30,000) This item is intended to pay for work with consultants as needed when those services are not budgeted under other line items (e.g., Communications) and not billable to specific grants.
- Equipment: (\$ xxx) This is for office furniture and fixtures, workstations, field gear, etc. and assumes some expenses for a recently expanded staff and a staff that is returning to the office post-pandemic.
- Membership, dues and subscriptions: (\$xxx) Memberships include but are not limited to: California Association of Resource Conservation Districts, California Special Districts Association, National Association of Conservation Districts, TOGETHER Bay Area, Santa Cruz Mountains Stewardship Network. This item also includes subscriptions to professional and news publications and the cost to post job announcements.
- Office supplies: (\$ xxx) This item covers supplies and services (e.g. photocopying, postage, etc.) that are not provided by the NRCS or through project-specific grants. This estimate assumes a return to the office and an expanded staff.
- Discretionary: (\$xxx) This item is intended to cover unforeseen situations, take advantage of arising small-scale opportunities, support staff morale, foster relationships, etc.
- Legal: (\$xxx) The RCD contracts with County Counsel for legal services. This line item is for legal services that are not billable to specific projects.

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

3.2.4. Program Expenses

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

3.2.5. Operating Reserve Allocation

An allocation of \$350,000 is proposed to the operating reserve from current cash assets, which will bring the operating reserve to approximately \$1.4 million. This amount is sufficient to support approximately 4 months of operations if all revenues were to disappear and no expenses were to be cut, as described above in section 2.

DRAFT

Appendix A: Strategic Plan for 2021-2024

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

Outcomes:

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

Strategies:

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

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

Outcomes:

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

Strategies:

- 2.1. Increase the knowledge, ability, and confidence of diverse constituents to steward natural resources.
- 2.2. Provide access to information and tools for diverse constituents to be able to confidently manage natural resources sustainably.

- 2.3. Inform community leaders about natural resource challenges and invite their input and participation in solutions.

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

Outcomes:

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

Strategies:

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

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

Outcomes:

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

Strategies:

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

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

Outcomes:

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

Strategies:

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

Appendix B: Project Budget Template

FY'25 BUDGET TEMPLATE	
Submitted by:	
Date:	
Approved (LH):	
Enter Data	
Automatically Calculated	
Not Applicable	

INSTRUCTIONS:

- 1) Enter project name & change the tab name at the bottom of the workbook. Enter funder codes.
- 2) Enter personnel billing rates from the grant agreement and the estimated hours for the budget year.
- 3) Enter total estimated contractor expenses for the budget year; insert a comment if you have notes.
- 4) Enter total estimated expenses for the budget year (these are expenses that are billed to the grant as a budgeted line item). Insert a comment if you have notes.
- 5) If the project budget has a line item for overhead and/or additional fringe (other than included in billing rates), include it here. Enter the dollar amount, not the percentage. Make sure you are only calculating the overhead on what is allowed in the grant (ex. personnel, but not expenses or vice versa.) If you can, use a formula in the cell. Insert a comment with an explanation (include rate).
- 6) Fill in narrative portion of this budget memo. The top box is a description of work you think will happen this year and your budget assumptions. The footnote text is high level for the Board and public.
- 7) On the second tab enter your project name, and an "X" for each strategic plan objective that your project meets.
- 8) When complete put in Draft folder:
<https://smrcd.sharepoint.com/:f:/r/sites/general/Shared%20Documents/Budget/FY25%20Project%20Budget?csf=1&web=1&e=bduhYE>

PROGRAM BUDGET FY 2025 July 1, 2024 - June 30, 2025		Project														
		CODE			CODE			CODE			CODE			CODE		
Personnel		Rate	Hrs	Total	Rate	Hrs	Total	Rate	Hrs	Total	Rate	Hrs	Total	Rate	Hrs	Total
Aguilar, Cesar	Administrative Assistant			\$0			\$0			\$0			\$0			\$0
Allen, Grace	Conservation Project Manager			\$0			\$0			\$0			\$0			\$0
Cowman, David	Forest Ecologist			\$0			\$0			\$0			\$0			\$0
Federal, Timothy	Conservation Program Manager			\$0			\$0			\$0			\$0			\$0
Fisher, Jarrad	Director of Water Resources			\$0			\$0			\$0			\$0			\$0
Hall, Andrew	Senior Conservation Technician			\$0			\$0			\$0			\$0			\$0
Harris, Erica	Conservation Ecologist			\$0			\$0			\$0			\$0			\$0
Hensman, Maaya	Conservation Project Coordinator			\$0			\$0			\$0			\$0			\$0
Hodges, Lau	Administrative Officer			\$0			\$0			\$0			\$0			\$0
Issel, Joe	Director of Stewardship			\$0			\$0			\$0			\$0			\$0
Javier, Aine	Conservation Associate			\$0			\$0			\$0			\$0			\$0
Kaeser, Amy	Conservation Program Manager			\$0			\$0			\$0			\$0			\$0
Kelleher, Christina	Conservation Project Manager			\$0			\$0			\$0			\$0			\$0
Kipreos, Barb	Engagement Officer			\$0			\$0			\$0			\$0			\$0
MacDonald, Stephanie	Conservation Project Manager			\$0			\$0			\$0			\$0			\$0
Milio, Eliza	Ag Stewardship Program Manager & Ag Om			\$0			\$0			\$0			\$0			\$0

6) PROGRAM BUDGET NARRATIVE	
Description of Work to be Done in FY 2025:	
This section describes what will happen during the fiscal year, i.e. what phase the project will be in. For example "This year the project will be in a planning phase. We will contract with an engineer to develop conceptual designs and start permitting."	
Budget Assumptions (permits come through, contractors bid, etc.):	
Typically there is some level of uncertainty and some assumptions that are made in developing our budgets. This is where you should describe those assumptions. For example: "We are not sure when CDFW will get us a contract. This budget assumes the contract is executed by spring and work starts in May." "There is a 60-70% chance this project will qualify for a permit exemption. This budget assumed it would. If not, the project may be delayed by 3 months and there may be additional permit fees of \$15K." "This project was delayed two years. We hope to negotiate a new billing rate but are not sure we will get one. We accommodated	

