

1. Application Cover Sheet for Watershed Coordinator Program grants

Project Title	
Location (County and/or City)	El Dorado County
District Number(s):	Senate: 1 st
	Assembly: 5 th
Watershed Coordinator Zone	Sierra Nevada & Cascade
Target Watershed(s) (HUC 10 and/or HUC 8)	South Fork American: 18020129 Middle Fork American: 18020123 Upper Cosumnes: 18040013
Grant Request Amount	\$235,000.00
Watershed Coordinator Costs	\$208,000.00
Administrative Costs	\$27,000.00
Applicant Information	
Applicant Name	El Dorado County Resource Conservation District
Organization Type	Special District
Department/Office	Placerville Field Office
Federal Employer ID Number	140650636
Mailing Address	100 Forni Road, Suite A
	Placerville, CA 95667
Contact Person	Mark Egbert
Title	District Manager
Phone Number	530-295-0120
Email Address	Mark.Egbert@ca.usda.gov

EXECUTIVE SUMMARY

The purpose of the Forest Health Watershed Coordinator Program is to employ a full-time Forest Health Watershed Coordinator to facilitate watershed-scale collaborations, promote integrated management efforts, and support implementation activities that result in resilient landscapes and fire adapted communities within the South Fork American River, Middle Fork American River and Upper Cosumnes River watersheds.

The South Fork American River (SOFAR) encompasses an area of 840 sq. mi (2,200 km²), or about a third of the 2,150 sq. mi (5,600 km²) American River watershed and is a major tributary of the American River in El Dorado County, California draining a watershed on the western slope of the Sierra Nevada east of Sacramento. The river begins in pristine Desolation Wilderness and flows through the Sierra Nevada foothills. The South Fork of the American is "the most popular recreation stream in the West" for whitewater rafting in North America, e.g., 80,000+/- visitors annually.

In 2009, Congress passed the Federal Land Assistance, Management, and Enhancement Act of 2009 (the FLAME Act). This legislation established a separate account for funding for emergency wildfire suppression activities undertaken on Department of the Interior and National Forest System lands. In 2016, as part of the FLAME Act implementation, the Eldorado National Forest was one of two forests in California selected to begin implementation of the National Cohesive Wildland Fire Management Strategy. CAL FIRE, the El Dorado County Resource Conservation District, and the USFS developed "Fire Adapted 50," which is a collaborative effort to reduce fuel, improve forest health, and increase effectiveness of wildland fire response. This is an example of collaborative prevention work consistent with the State's Forest Carbon Plan, Executive Order B-52-18 and Senate Bill 824.

The SOFAR Watershed was proposed for implementing the national cohesive strategy because of the many values at risk threatened by complex fire issues associated with drought, climate change, fuel loading, insects and disease. Communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that this watershed is a high priority for collaborative action. The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health.

The SOFAR Cohesive Strategy and Fire Adapted 50 Collaborative Strategy are an All-Lands Wildland Fire Management approach involving collaborative efforts among a dedicated group of diverse members, and using the best-available science, the Collaborative will increase pace and scale of management actions that promote a healthy, productive forest ecosystem across all lands consistent with the Forest Carbon Plan. On a watershed scale, we will work to create a fire-resilient ecosystem that supports viable populations of all native species, sustainable fisheries, functioning and restored watersheds and water quality, protected cultural resources, and diverse recreational opportunities.

Contributing partners include: American River Conservancy, Associated California Loggers, Cal Fire, California Forestry Association, California Native Plant Society, California Off-Road Vehicle Association, California State Parks, Center for Sierra Nevada Conservation, El Dorado County Sheriff, El Dorado County Supervisor, El Dorado Firesafe Council, Sierra Pacific Industries, El Dorado Irrigation District, Eldorado National Forest, Local Fire Departments, National Wild Turkey Federation, Natural Resources Conservation Service, Pacific Gas and Electric, Pacific Southwest Research Station, Resource Conservation Districts, and Private Citizens.

APPLICATION QUESTIONS

Demonstrated need (20 Points)

- I. Current Watershed Conditions/Potential Benefit to the Watershed
- a. Describe how the watershed encompasses forest lands with characteristics and indicators prioritized by the Forest Carbon Plan.

The project area includes both private and public lands. The private lands (51.2%+/-) fall under the land use protocols of El Dorado County General Plans while the public lands are administered primarily by the Eldorado National Forest (46.9%+/-). Land management policy throughout the Sierra Nevada and Cascade Region has gone through substantial changes over the last 20-30 years. Policies have tried to incorporate and adapt to public concerns on such issues as sensitive wildlife, high-severity wildfire, and changing climatic conditions. Through the 1990s and first decade of the 21st century, Sierra Nevada forest management focused on either mechanical fuels' reduction or minimal entry into and maintenance of California spotted owl habitat. The SOFAR, like many other areas throughout the Sierra Nevada, began using concepts found in U.S. Forest Service General Manual Technical Report PSW-GTR-220, "An Ecosystem Management Strategy for Sierran Mixed-Conifer Forests" (GTR220) as the foundation to plan and implement projects. The Watershed Coordinator program will contribute to forest management actions utilizing the provision GTR220 where appropriate. This brings the guiding principles and outcomes on parallel with other guiding documents such as the Forest Carbon Plan. For example, establishing a set of consistent goals within all planning and management units is important step in achieving desired outcomes and Forest Carbon implementation.

Fire is and will continue to be a major challenge in mixed-conifer forests and threaten communities, lives, and ecological processes. The occurrence of increasingly large devastating fires from warming climates and fuel accumulations warrants large scale, multi-jurisdiction, collaborative solutions. Recent studies in the Northern Sierra suggest that such landscape fuel treatment projects can be quite effective at reducing potential fire behavior (Collins et al. 2011a, Moghaddas et al.2010).

Section 6.4.3 of the Forest Carbon Plan discusses the Wildland-Urban Interface (WUI). Actions within this area will be a primary focus of the Watershed Coordinator work plan with a strong emphasis to bring together public and private stakeholders.

- b. Describe the watershed's current condition and cite any formal studies, reports, or research papers that support the description.

The following excerpt from the Sierra Business Council's Sierra Nevada Resource Needs Assessment" (2002) summarizes some of the most significant economic contributions offered by the SOFAR and Sierra watersheds:

- Provides 60% of California's water supply, which generates \$1.3 billion a year in direct resource commodity from value-added downstream uses, such as California's \$32 billion agricultural industry.
- Delivers one-third to one-half of California's annual timber supply,

The SOFAR watershed play's a very important role in achieving California's greenhouse gas reduction goals, but declining forest health and large, damaging wildfires are transitioning many Sierra forests like the SOFAR from a carbon sink to a carbon source. Forests are identified as California's largest carbon sink by the California Air Resources Board. However, today forests within the SOFAR watershed are

overgrown and are suffering from insect attacks, drought, and large, damaging wildfires such as the King Fire (2014). They are no longer the reliable carbon sink that California has depended on, but with help, they can become our climate heroes once again (Sierra Nevada Conservancy).

Research shows that between 2001 and 2010, California's forests emitted more carbon than they sequestered (Patrick Gonzalez^a, John J. Battles^b, Brandon M. Collins^c, Timothy Robards^d, David S. Saah^{de}), and since then, conditions in Sierra forests have gotten worse. Between 2010 and 2017, over 200 million trees in the Sierra Nevada were killed by wildfire, bark beetles, and drought. Once killed, these trees stop absorbing carbon dioxide and begin to release their stored carbon back to the atmosphere, turning them from a net sink to a net source of greenhouse gas emissions.

The Sierra Nevada Watershed Improvement Program – a partnership led by the Sierra Nevada Conservancy and the U.S. Forest Service – is working to stabilize forest carbon by increasing the pace and scale of ecologically sound restoration with high focus within the SOFAR.

c. Describe how the watershed coordinator would benefit the watershed.

The Watershed Coordinator program is consistent with and an integral part of the RCD's strategic plan which was developed with the understanding that it must align with other local, regional and state-wide strategic priorities, be quantifiable, and equitable to all demographics and community regions. As such, the RCD's short and long-term goals are consistent with the Carbon Plan through the following goals:

- Restoring and maintaining resilient landscapes – Landscapes across all jurisdictions are resilient to fire related disturbances in accordance with management objectives.
- Creating fire-adapted communities – Human populations and infrastructure can withstand a wildfire without loss of life or property.

The Watershed Coordinator will provide direct benefits to the watershed and the community through increasing capacity of local collaboratives to draft their management plans and actions, increase community awareness and advocacy, enhance information exchange, increase public engagement and involvement of planning processes, host and deliver field tours and workshops, develop outreach publications and media releases and will seek out and acquire grant funds to support efforts. Often times individual organizations are busy working to address their own land management responsibilities. The Watershed Coordinator will add services where necessary to ensure and all-lands – landscape level approach is elevated in the prioritization process of watershed planning. Project design will be innovative and holistic. Implementation of projects will be coordinated to ensure the allocation of resources are equitable and can achieve the greatest outcomes.

The backlog of restoration actions is immense. Approximately six million acres of forest within the Sierra Nevada need to be treated (Little Hoover Report #242, February 2018). The USFS commits in the Forest Carbon Plan to increasing yearly forest treatments. The Watershed Coordinator will increase pace and scale through: facilitating the development of joint NEPA/CEQA environmental analysis efforts, facilitate interagency agreements such as Master Stewardship Agreements and Good Neighbor Authority Agreements (it should be noted that the Watershed Coordinator will be engaged with such agreements already in place and will work to expand and establish new agreements), facilitate development of community action plans that will be exhibits to the County Wildfire Protection Plan to ensure private landowner concerns are addressed, and will research and acquire grant funding. The Watershed Coordinator will fill gaps in the collaborative framework as follows: Establish new and build upon existing partnerships between government and non-government entities. Where possible, construct formal mechanisms such as interagency agreements, MOU's, and Charters that identify the role and responsibilities of each partnering group.

Consistency with the recommendations of the Forest Carbon Plan (25 Points)

II. List the overall goal(s) that the watershed coordinator will focus on during the grant period. The Watershed Coordinator will focus on three primary goals consistent with the SOFAR Cohesive Strategy, Fire Adapted 50 Collaborative and the State's Forest Carbon Plan:

- 1) Restoring and maintaining resilient landscapes – Landscapes across all jurisdictions are resilient to fire related disturbances in accordance with management objectives.
- 2) Creating fire-adapted communities– Human populations and infrastructure can withstand a wildfire without loss of life or property.

The SOFAR Collaborative sets a broad, strategic, and watershed level framework as a foundation for implementing actions and activities throughout the entire watershed. Three components, intended to be conducted concurrently, are necessary to achieve the overall goal:

- 1) Strategic alignment, where all parties agree to the same goals, principles, and strategic course of action;
- 2) Collaborative engagement, which includes governance, shared information and resources, communications, and monitoring and accountability; and
- 3) Programmatic alignment, where individual agency or organization objectives and explicitly supportive of the overarching goals.

a. Describe how each goal relates to at least one recommendation or action outlined in the Forest Carbon Plan.

The first goal is Restoring and maintaining resilient landscapes. The Forest Carbon Plan states that the California Natural Resources Agency (including CAL FIRE and the USFS) will be responsible for ensuring that the Forest Carbon Plan is implemented regionally. The exchange of information and guidance with CAL FIRE and the USFS will be conducted through the SOFAR Cohesive Strategy.

The second goal is promoting fire-adapted communities. The wildfire risk to communities and values can be viewed as the intersection of three principal elements: wildfire occurrence and extent, homes and communities, and social and economic resources. The first simply captures the magnitude of the hazard posed by wildfire. The second and third reflect the principal values at stake. The values threatened include buildings, homes, infrastructure, public and firefighter safety, public health, and many of the benefits that communities derive from the landscapes around them.

The third goal is Responding to wildfires. The actions taken which benefit emergency response organizations include widening access and evacuation routes, defensible space enforcement, signage, large animal contingency plans, evacuation communication system, and preparedness will all be incorporated into the community plans.

b. Identify and discuss the tasks that will be implemented to support each goal. Each goal must have one or more tasks. A task is a significant step that must be completed to achieve a goal. Tasks must focus on outcomes rather than the methods used.

- c. For each task, discuss the sub-tasks that will be completed. Describe why this approach was chosen to address issue(s) within the watershed. Describe the connection between sub-tasks and tasks and how they will contribute to the completion of each goal.

Goal:

- Restoring and maintaining resilient landscapes – Landscapes across all jurisdictions are resilient to fire related disturbances in accordance with management objectives.

Task 1: Watershed Planning.

Task 1.a: SOFAR Cohesive Strategy - Work Group/ Committee Support.

Provide technical support to the various Workgroups and committees. Assist in organizing meetings and coordinating activities. Provide leadership to develop strong working relationships among committee members, stakeholders, and other federal, state, local government. The Coordinator will also assist subcommittees as necessary.

Implement forest management demonstration projects that showcase scalable models for management, funding, and achieving and quantifying multiple benefits.

Develop outreach, education, and training materials as needed to facilitate and build capacity for implementing the activities of this program.

Task 1.b: Fire Adapted 50 Collaborative - Work Group/ Committee Support. Complete written project performance reports for land management activities within the project area. Provide technical support in the development of Project Plans to further implementation activities. Assist in organizing meetings and coordinating activities. Provide leadership to develop strong working relationships among committee members, stakeholders, and other federal, state, local government. Document accomplishments in terms of completing project maps, photo documentation, project evaluations and completion reports.

Task 1.c: Forest Management Plans: Develop Priority Plans for forestry, fire protection, and forested watershed improvements needed to achieve regional and statewide public safety, climate resiliency, and ecosystem goals included in Executive Order B-52-18, and the California Forest Carbon Plan.

- Creating fire-adapted communities– Human populations and infrastructure can withstand a wildfire without loss of life or property.

Task 2: Coordination.

Task 2.a: Watershed Coordination: Provide leadership in community outreach efforts related to watershed planning. This includes developing and disseminating outreach materials to stakeholders at venues such as community events and networking among agencies, organizations and individuals. The coordinator will be responsible for outreach such as preparing press releases, PowerPoint presentations and displays. Attend and contribute to watershed collaboratives throughout the State to ensure information exchange including but not limited to the California Tree Mortality Task Force, Joint Chiefs Landscape Restoration Partnership Program, El Dorado

County Fire Safe Council Meetings, County Board of Supervisors meetings when appropriate, CABY IRWMP, Agricultural Council, and relative community meetings.

Task 2.b: Community Wildfire Protection Plans. Complete project development and permitting to generate implementation-ready projects that address regional forest and fire protection priorities for funding consideration by the various programs represented in the California Forest Management Task Force.

Task 3: Monitoring

Task 3.a: Watershed Education Summit. Implement an annual Watershed based educational program involving High Schools in the region to educate students on watershed processes. The Water Education Summit (WES) is a place-based educational program that gives students a hands-on opportunity to learn how watersheds are assessed and managed. Local high schools participate in a week-long field trip at the Union Valley Reservoir camping out and collecting scientific data that will be used by the Forest Service and other agencies.

Task 3.b: Development of a Centralized Database using CAL FIRE's CALMAPPER, or other, to track progress of restoration actions in a way that links policies, programs and funding sources to outcomes.

Task 3.c: Carbon Benefit. Establish protocol for conducting quantitative estimate of the potential greenhouse gas (GHG) emissions reduction and sequestration (in terms of carbon dioxide equivalent; measured in metric tons – MT CO₂e) that could result from implementing restoration actions (effects on fire behavior and GHG) as well as the cumulative effect.

- d. Performance Measures: Explain the methods that will be used to measure the effectiveness of the watershed coordinator's efforts.

Goal 1) Restoring and maintaining resilient landscapes – Landscapes across all jurisdictions are resilient to fire related disturbances in accordance with management objectives.

Task 1: Watershed Planning.

Task 1.a: SOFAR Cohesive Strategy - Work Group/ Committee Support. Performance Measures:

- Cohesive Strategy for the SOFAR.
- Number of forest management demonstration projects that showcase scalable models for management, funding, and achieving and quantifying multiple benefits.

Task 1.b: Fire Adapted 50 Collaborative - Work Group/ Committee Support. Performance measures:

- Number of acres treated.
- Number of agreements secured.
- Amount of funding leveraged.

Task 1.c: Forest Management Plans: Performance measures:

- Number of forest management plans completed.
- Number of Environmental Compliance filings (CEQA/ NEPA).

Goal 2) Creating fire-adapted communities– Human populations and infrastructure can withstand a wildfire without loss of life or property.

Task 2: Watershed Coordination.

Task 2.a: Watershed Coordination: Performance measures:

- Ongoing participating measured in level of attendance and contributions made for the following including but not limited to the California Tree Mortality Task Force, Joint Chiefs Landscape Restoration Partnership Program, El Dorado County Fire Safe Council Meetings, County Board of Supervisors meetings when appropriate, CABY IRWMP, Agricultural Council, and relative community meetings.

Task 2.b: Community Wildfire Protection Plans. Performance measures:

- Number of community wildfire protection plans completed.
- Number of CEQA documents completed.

Task 3: Monitoring

Task 3.a: Watershed Education Summit. Performance measures:

- Watershed data collected.
- Number of students attending event.

Task 3.b: Development of a Centralized Database. Performance measure:

- Number of projects uploaded into centralized database.

Task 3.c: Carbon Benefit. Performance measure:

- Adopted GHG benefit analysis protocol.

Collaboration (25 Points)

III. Describe any existing partnerships that will be leveraged to meet the goals identified above. In addition to formalizing new partnerships, the Watershed Coordinator will work within existing partnerships to implement Landscape-scale actions. The roles and responsibilities have been defined within a collaborative framework designed to increase pace and scale of restoration actions. Examples include:

El Dorado County Collaborative Watershed Management Strategy. \$190,000.00. Good Neighbor Agreement between CAL FIRE and the RCD. Scope: Joint NEPA/ CEQA Environmental Analysis on 1625 acres of lands in the Wildland-Urban Interface. Project Partners: RCD, CAL FIRE, Sierra Pacific Industries, El Dorado Irrigation District, private landowners.

Sly Park Vegetation Management Project. \$150,000.00. Stewardship Agreement between USFS/ Mule Deer Foundation and the RCD. Scope: Joint NEPA/ CEQA Environmental Analysis on 2800 acres of lands in the Wildland-Urban Interface. Project Partners: RCD, CAL FIRE, USFS, private landowners.

Fire Adapted 50 Phase I: \$972,000.00. Scope: Vegetation Management on 675 acres of lands in the Wildland-Urban Interface within the priority area of the SOFAR. Project Partners: RCD, CAL FIRE, Sierra Pacific Industries, El Dorado Irrigation District, private landowners.

Fire Adapted 50 Phase I.a: \$975,000.00. Scope: Vegetation Management on 925 acres of lands in the Wildland-Urban Interface. Project Partners: RCD, CAL FIRE, Sierra Pacific Industries, El Dorado Irrigation District, private landowners.

Fire Adapted 50 Phase I.snc: \$500,000.00. Scope: Vegetation Management on 380 acres of lands in the Wildland-Urban Interface. Project Partners: RCD, CAL FIRE, El Dorado Irrigation District, private landowners.

Fire Adapted 50 Phase II: \$1,975,000.00. Scope: Vegetation Management on 1625 acres of lands in the Wildland-Urban Interface. Project Partners: RCD, CAL FIRE, Sierra Pacific Industries, USFS, El Dorado Irrigation District, SMUD, BLM, private landowners.

Tahoe Central Sierra Partnership: \$200,000.00. Scope: Develop community protection plans and complete CEQA for five (5) communities in the Wildland-Urban Interface encompassing 1680 acres.

Fire Safe Council (FSC) partnership and capacity building is an important component of this workplan. The RCD currently manages over \$1,200,000.00 in grants for the FSC. Coordination with the Council and the community organizations will result in the Community Wildfire Protection Plan containing strategic priorities.

Letters of support attached.

IV. Describe any existing or planned collaborations with other organizations operating in the watershed. What efforts are currently under way to encourage cooperation between organizations? Consistency with additional planning efforts.

In 2009, Congress passed the Federal Land Assistance, Management, and Enhancement Act of 2009 (the FLAME Act). This legislation established a separate account for funding for emergency wildfire suppression activities undertaken on Department of the Interior and National Forest System lands. In 2016, as part of the FLAME Act implementation, the Eldorado National Forest was one of two forests in California selected to begin implementation of the National Cohesive Wildland Fire Management Strategy. CAL FIRE, the El Dorado County Resource Conservation District, and the USFS developed "Fire Adapted 50," which is a collaborative effort to reduce fuel, improve forest health, and increase effectiveness of wildland fire response. This is an example of collaborative prevention work consistent with the State's Forest Carbon Plan, Executive Order B-52-18 and Senate Bill 824.

SOFAR is made up of diverse organizations contributing to achieve cohesive strategy goals. Participation and membership are open to all stakeholders: individuals, businesses, agencies or organizations that live, work, operate, manage public and/or private forest or watershed lands, or assist in local sustainability of the environment, community, and economy. Membership requires signing the Charter and acceptance as a member by the group at a regularly scheduled meeting. A member may leave the Collaborative at any time and for any reason with a letter to the Collaborative withdrawing from the Charter. Members work to understand each other's interests and develop recommendations that include and address the range of interests represented. This commitment to inclusion is a foundation of the collaborative process and constitutes a fundamental part of acting in good faith.

The watershed-scale collaborations which the Watershed Coordinator will facilitate and or contribute include but are not limited to:

- Tree Mortality Task Force
 - Forest Health and Resiliency Working, Reforestation Strategies, Regulations Groups
 - Sierra and Eastside Regional Prioritization Group
- The South Fork American River Cohesive Strategy (SOFAR)
 - Landscape and Vision Committee, Funding Strategies, Biomass Utilization
- Fire Adapted 50 "All Lands Collaborative Strategy"

- El Dorado County Community Wildfire Protection Planning Group
- Cosumnes, American, Bear, Yuba Integrated Water Management Plan (CABY)
- Joint Chiefs Landscape Restoration Partnership Program (USDA Forest Service and Natural Resources Conservation Service)
- Tahoe Central Sierra Initiative.

V. Describe how the proposal will complement other planning efforts in the watershed. How does the proposal support published watershed goals identified by the State or other entities?

Co-benefits (10 Points)

The Watershed Coordinator will complement existing planning efforts in the watersheds by advancing those plans into implementation actions.

An important part of working with a variety of collaboratives at a landscape-watershed scale is to ensure consistency in the form of guidance, policy, and principles including:

- 1) Strategic alignment, where all parties agree to the same goals, principles, and strategic course of action;
- 2) Collaborative engagement, which includes governance, shared information and resources, communications, and monitoring and accountability; and
- 3) Programmatic alignment, where individual agency or organization objectives and explicitly supportive of the overarching goals.

The Watershed Coordinator will also work to ensure the actions taken by the SOFAR and Fire Adapted 50 collaborative efforts do not conflict with other planning efforts or conflict with any law, policy or regulation. The Watershed Coordinator will work with the diverse collaborative to find solutions to address priority issues through leveraging a variety of funding to enable the collaboratives to reach their goals. As such, the accomplishments of the Watershed Coordinator will not only be how many plans have been developed but how many plans have been implemented. These complimentary efforts will also result in a reduction in competition for grant funds through the watershed. One primary component of collaborative planning is the establishment of priorities. Projects prioritization must be based on an agreed upon prioritization criteria. The problems facing the watershed are not going to go away any time soon. As such, the prioritization of projects must also include a data collection system to document when restoration actions have been completed so that other projects can be re-prioritized. It will also establish a schedule of maintenance schedules to ensure the investment of public dollars are protected and serve the community long-term.

VI. Provide a qualitative description of the co-benefits anticipated to result from successful completion of the proposed tasks, as well as any quantitative information to support your claims.

This program will maximize benefits to disadvantaged communities and invest in projects that provide direct, meaningful, and assured benefits to priority populations by:

- engaging priority populations in developing actionable plans that address their needs, reduce environmental burdens in their community, and/or improve public health in their community.
- incorporating actionable components into the SOFAR Strategy that, when executed, will reduce risk to priority populations from fire or associated disasters.

Between 1984 and 2010, there was a significant increase in the number of acres within a forest fire burning at high intensity, from an average of 20% in the mid-1980s to over 30% by 2010. The Rim Fire burned at nearly 40% high intensity, and as shown by the King Fire (2014) which burnt at greater than

50%, the trend continues. Increasing forest restoration efforts in the SOFAR to reduce wildfire severity is of critical importance to California's water supply. These catastrophic fires have a direct effect on both the natural and built systems that millions of Californians rely on for water. Every year, fire damage to homes and businesses threatens lives and the financial stability of rural communities. Fire protection preserves and cultivates financial capital (Sierra Business Council 2006). A large fire can damage property to the extent of billions of dollars. The threat of severely-affected utility delivery, especially electricity and water can limit financial capital growth by discouraging investment in communities. As mentioned earlier, the SOFAR encompasses an area of 840 sq. mi (2,200 km²), or about a third of the 2,150 sq. mi (5,600 km²) American River watershed and is a major tributary of the American River in El Dorado County, California draining a watershed on the western slope of the Sierra Nevada east of Sacramento. The South Fork of the American is "the most popular recreation stream in the West" for whitewater rafting in North America, e.g., 80,000+/- visitors annually.

VII. Describe any methods or plans to sustain the watershed coordinator position and build upon the accomplishments of the work plan beyond the life of the grant. Include an explanation of how the organization will attempt to maintain funding for the watershed coordinator position after the grant term.

In order to sustain the Watershed Coordinator, we propose to establish a Memorandum of Understanding, contributions agreements, or similar, with stakeholders to cooperatively maintain the position. The Coordinator will continue to provide support to the SOFAR collaborative; however, the focus will be on building local capacity to plan and implement priority actions in strategic locations. The longevity of the Coordinator position will also focus on the longevity of the projects. Additional methods to sustain the watershed Coordinator Program includes acquiring additional grant funds to support the work plan of the position. The Regional Forest and Fire Capacity Program is an example of possible grant programs which seeks to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience, facilitate greenhouse gas emissions reductions, and increase carbon sequestration in forests throughout California. Block grants will be utilized by recipients to support regional implementation of landscape-level forest health projects consistent with the California Forest Carbon Plan and Executive Order B-52-18.

4. WORK PLAN

Applicants must provide a detailed work plan that specifies the tasks, sub-tasks and deliverables that will be performed to develop and complete the Strategy, including establishing benchmarks with target completion dates and cost estimates. The project cost estimate and schedule should be of sufficient detail to allow assessment of the applicant's progress through the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding. The work plan should clearly provide:

- a) An overview of goals and objectives, strategy, timeline, committed resources, and partner support.
- b) The tasks and proposed sub-tasks for designing and developing the proposed policy and implementing the Strategy. See pages 32-34 of the Guidelines for the tasks required for each Strategy.
- c) A description of the final Outcome that must occur in order to demonstrate that the Strategy has resulted in a net GHG benefit through the successful long-term protection of agricultural lands from conversion. This describes the eligible final deliverable from the developed strategy.
- d) The target completion dates.

WORK PLAN

TASK 1: Watershed Planning	Timeline	Total Requested Grant Funds
<p>Subtask A: SOFAR Cohesive Strategy Provide technical support to the various Workgroups and committees. Assist in organizing meetings and coordinating activities. Provide leadership to develop strong working relationships among committee members, stakeholders, and other federal, state, local government.</p> <p>Implement forest management demonstration projects that showcase scalable models for management, funding, and achieving and quantifying multiple benefits.</p> <p>Develop outreach, education, and training materials as needed to facilitate and build capacity for implementing the activities of this program.</p> <p>Subtask B: Fire Adapted 50 Collaborative Complete written project performance reports for land management activities within the project area. Provide technical support in the development of Project Plans to further implementation activities. Assist in organizing meetings and coordinating activities. Provide leadership to develop strong working relationships among committee members, stakeholders, and other federal, state, local government. Document accomplishments in terms of completing project maps, photo documentation, project evaluations and completion reports.</p> <p>Subtask C: Forest Management Plans Develop Priority Plans for forestry, fire protection, and forested watershed improvements needed to achieve regional and statewide public safety, climate resiliency, and ecosystem goals included in Executive Order B-52-18, and the California Forest Carbon Plan.</p> <p>Performance Measures:</p> <ul style="list-style-type: none"> ○ Cohesive Strategy for the SOFAR. ○ Number of forest management demonstration projects that showcase scalable models for management, funding, and achieving and quantifying multiple benefits ○ Number of acres treated. ○ Number of agreements secured. ○ Amount of funding leveraged. 	<p>March 1, 2019 – March 1, 2021</p>	<p>\$100,000.00</p>

TASK 2: Coordination		
<p>Subtask A: Watershed Coordination Provide leadership in community outreach efforts related to watershed planning. This includes developing and disseminating outreach materials to stakeholders at venues such as community events and networking among agencies, organizations and individuals. The coordinator will be responsible for outreach such as preparing press releases, PowerPoint presentations and displays. Attend and contribute to watershed collaboratives throughout the State to ensure information exchange including but not limited to the California Tree Mortality Task Force, Joint Chiefs Landscape Restoration Partnership Program, El Dorado County Fire Safe Council Meetings, County Board of Supervisors meetings when appropriate, CABY IRWMP, Agricultural Council, and relative community meetings.</p> <p>Subtask B: Community Wildfire Protection Plans Complete project development and permitting to generate implementation-ready projects that address regional forest and fire protection priorities for funding consideration by the various programs represented in the California Forest Management Task Force.</p> <p>Performance Measures:</p> <ul style="list-style-type: none"> ○ Ongoing participating measured in level of attendance and contributions made for the following including but not limited to the California Tree Mortality Task Force, Joint Chiefs Landscape Restoration Partnership Program, El Dorado County Fire Safe Council Meetings, County Board of Supervisors meetings when appropriate, CABY IRWMP, Agricultural Council, and relative community meetings. ○ Number of community wildfire protection plans completed. ○ Number of CEQA documents completed. 	<p>March 1, 2019 – March 1, 2021</p>	<p>\$100,000.00</p>

TASK 3: Monitoring		
<p>Subtask A: Watershed Education Summit Implement an annual Watershed based educational program involving High Schools in the region to educate students on watershed processes. The Water Education Summit (WES) is a place-based educational program that gives students a hands-on opportunity to learn how watersheds are assessed and managed.</p> <p>Subtask B: Centralized Database. Development of a Centralized Database using CAL FIRE’s CALMAPPER, or other, to track progress of restoration actions in a way that links policies, programs and funding sources to outcomes.</p> <p>Subtask C: Carbon Benefit. Establish protocol for conducting quantitative estimate of the potential greenhouse gas (GHG) emissions reduction and sequestration</p> <p>Performance Measures:</p> <ul style="list-style-type: none"> ○ Watershed data collected. ○ Number of students attending event. ○ Number of projects uploaded into centralized database. ○ Adopted GHG benefit analysis protocol. 	<p>March 1, 2019 – March 1, 2021</p>	<p>\$35,000.00</p>
<ul style="list-style-type: none"> • This project does not trigger the need for an environmental impact report or negative declaration, or exemption under CEQA. It also will not trigger NEPA compliance for Federal Lands. 		
GRAND TOTAL		\$235,000.00

5. BUDGET

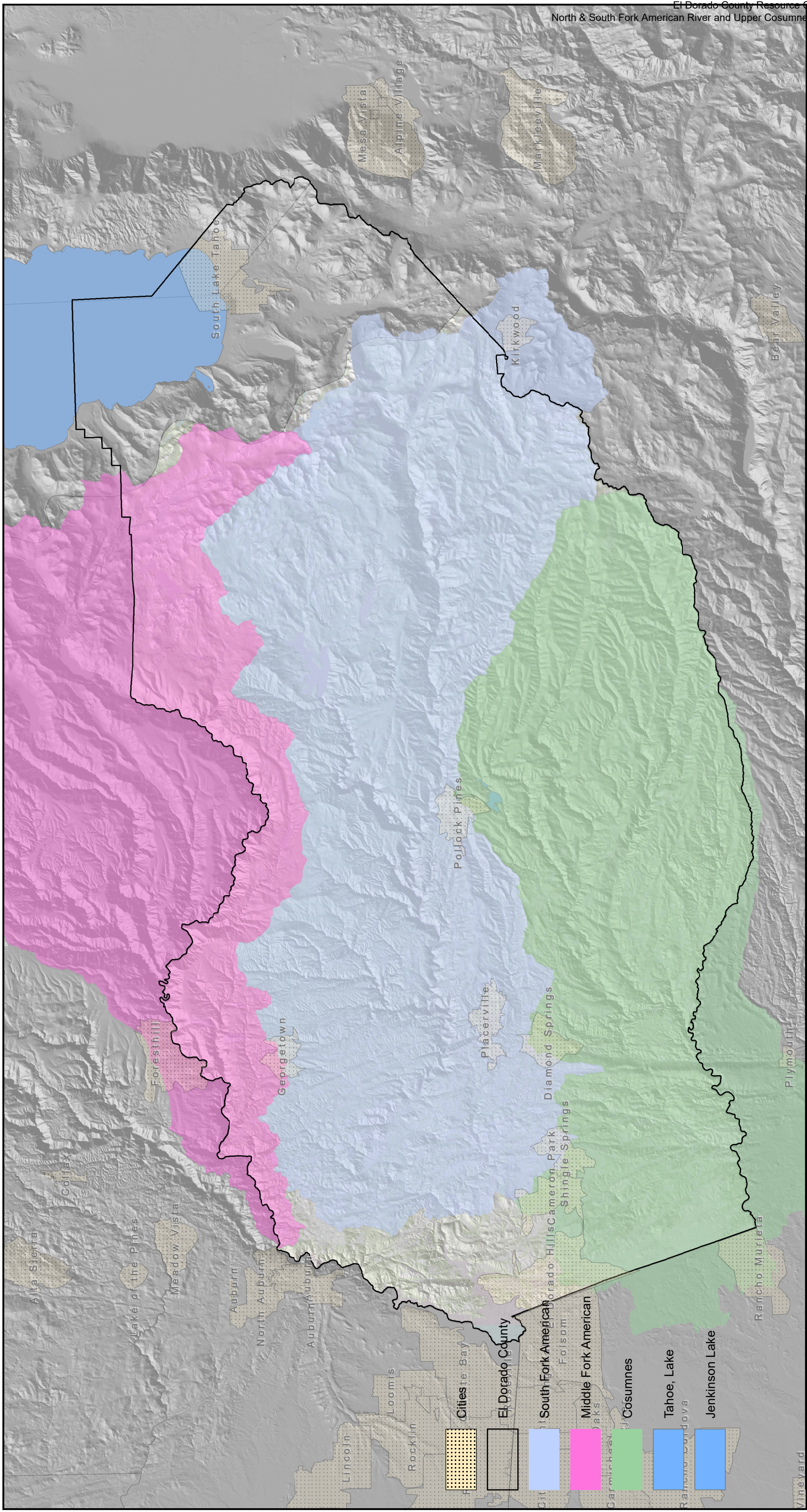
Budget applicants must provide a budget broken down by cost type and by task. All costs must be eligible. Applicants may use the Excel template provided. If awarded funding, this Budget will be incorporated into the Grant Agreement.

PERSONNEL	Hourly Rate/ Unit Cost	Number of hours/units	Task 1	Task 2	Task 3	Total Requested Grant Funds
Watershed Coordinator	\$50.00/ hr.	4160	\$90,000.00	\$90,000.00	\$28,000.00	\$208,000.00
		Subtotal	\$90,000.00	\$90,000.00	\$28,000.00	\$208,000.00
TRAVEL COSTS						
Travel: Within watershed						
Travel: To required meetings						
		Subtotal	\$0.00	\$0.00	\$0.00	\$0.00
ADMINISTRATIVE COSTS (maximum of 20% of grant)						
Example: Office space (prorated)						
Example: Supplies						
Example: Travel						
Example: Legal or Management staff	\$75.00/ hr.	360	\$10,000.00	\$10,000.00	\$7,000.00	\$27,000.00
		Subtotal	\$10,000.00	\$10,000.00	\$7,000.00	\$27,000.00
		TOTAL	\$100,000.00	\$100,000.00	\$35,000.00	\$235,000.00

6. MAP(S) OF THE PROJECT GEOGRAPHIC AREA

A PDF map of the watershed in which the coordinator will work must be included in the application. Watershed location will be used to evaluate the extent to which the proposal meets the priorities outlined in the selection criteria. Additional maps that further describe or otherwise support the proposal may be included. All maps must be of sufficient resolution that it would be legible if printed on an 8 ½” x 11” sheet of paper.

The applicant may submit geographic information system (GIS) data in addition to any .pdf maps provided.

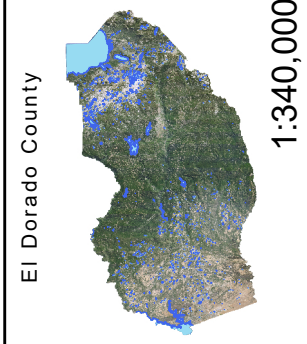


0 100,000 200,000 300,000 400,000 Feet



Created by: Mark Egbert
Date: February 5, 2019
Contact: 100 Forni Road, Placerville CA (530) 295-5630

The Resource Conservation Districts (RCD) make no representations or warranties regarding the accuracy of data or maps. The RCD shall not be liable under any circumstances for any direct, special incidental, or consequential damages with respect to any user or third party on account of or arising from the use of data or maps.



2018 Watershed Coordinator Program
Sierra Nevada Watershed Identification Map

7. SIGNED AUTHORIZING RESOLUTION

Applicants must submit a signed Resolution of Support adopted by the entity's governing body that evidences authority to submit the application and, if awarded funding, to enter into and perform under the terms of the template Grant Agreement (Appendix C).

The resolution must:

- Authorize the submittal of the grant application to the Forest Health Watershed Coordinator Grant Program.
- Authorize entrance into a grant agreement with the Department for the project and accept the template terms and conditions, if the project is awarded funding.
- Certify that no conflict of interest or appearance of conflict of interest exists for any member of the applicant's Board of Directors as relates to the project.
- Authorize a designated individual to execute tasks, such as signing documents, related to the application, grant agreement, and acquisition, if the project is awarded funding.



El Dorado County Resource Conservation District
100 Forni Road, Suite A • Placerville, CA 95667 • Phone (530) 295-0120

RESOLUTION NO. 01-2019

**Of the Board of Directors of the
El Dorado County Resource Conservation District**

A Resolution to authorize the El Dorado County Resource Conservation District to submit an application to the State of California Department of Conservation for the Forest Health Watershed Coordinator Grant Program.

WHEREAS, the Forest Health Watershed Coordinator Grant Program is designed to facilitate the development and implementation of watershed improvement plans consistent with the Forest Carbon Plan and Executive Order B-52-18. This program is administered by the Department of Conservation; and

WHEREAS, the Forest Health Watershed Coordinator Grant Program is funded by the California Environmental License Plate Fund; and

WHEREAS, Resource Conservation Districts (RCDs) provide a critical link between state agency programs and assist in the implementation of programs that are critical to the State's natural resources; and

WHEREAS, the State of California Public Resources Code (PRC) Section 9084 establishes the provisions to allow the DOC to provide grants to RCDs for the purpose of assisting RCDs in carrying out any work that they are authorized to undertake; and

WHEREAS, the El Dorado County Resource Conservation District has developed a project in coordination with public and private stakeholders; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the El Dorado County Resource Conservation District that application be made to the DOC to obtain funding and to enter into an agreement to receive a grant for the *Capacity Building Grant Project* and

- 1) Authorizes the submittal of the grant application to the Forest Health Watershed Coordinator Grant Program; and
- 2) Authorizes the President of the Board to execute a grant agreement with the DOC for the project and accept the template terms and conditions, if the project is awarded funding; and
- 3) Certifies that no conflict of interest or appearance of conflict of interest exists for any member of the applicant's Board of Directors as relates to the project; and
- 4) Authorizes the District Manager to execute tasks, such as signing documents, related to the application and acquisition, if the project is awarded funding.

PASSED AND ADOPTED BY the Board of Directors of the El Dorado County Resource Conservation District on February 13, 2019.

By 

Chuck Mitchell, President,
Board of Directors

Date 2/13/19

8. COLLABORATION AND SUPPORT LETTERS

Provide copies of letters from collaborating entity/entities within the project geographic area and from the local community demonstrating match or in-kind support and their specific role in the development or implementation of the Watershed Coordinator Program.

Exhibit A: Letters of Support.

9. PROOF OF APPLICANT CAPACITY

Applicants should provide a short narrative description of their capacity to successfully implement the grant, should the project be funded.

Established in 1940, the El Dorado County Resource Conservation District is a local, independent, non-enforcement, non-regulatory, self-governed special district organized under Division 9 of the Public Resources Code. The RCD has the institutional capabilities to administer the project and to ensure project performance measures and deliverables are met. The District has administered several federal, state and local agreements within scope, budget and has provided all deliverables with the scheduled time frame for each agreement.

Administration and Management of this project will be the responsibility of the El Dorado County Resource Conservation District (RCD) and includes: technical and administrative services needed for project completion; assurance the project as described under the Scope of Work is completed within the budget, performance period, and in accordance with approved procedures, applicable laws, and regulations. RCD shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in contracts with other entities for acquisition of goods and services with funds provided by the State under this Agreement.

The RCD's financial capacity and personnel policies have and will provide the ability to acquire a Watershed Coordinator while providing a competitive salary and health and retirement benefits. The watershed coordinator will be provided a functional office space with administrative privileges including access to a government owner vehicle and related administrative support.

Exhibit B: Audit of Financial Reports for the Year Ending June 2018.

FY 2018-19 Budget

El Dorado County Resource Conservation District
 Financial Statement
 Fiscal Year 2018-2019

Revenues		
Account #	Account	Budget
0400	Interest	\$500.00
0880	Appropriated Funds	\$537,052.15
1200	Rev-Other Gov Agencies	\$81,350.00
1740	Charges for Services	\$8,000.00
1940	Misc Revenues	\$0.00
0001	Carry Over Fund Balance	\$537,843.41
Total Revenue		\$1,164,745.56

Expenditures		
Account #	Account	Budget
3000	Wages - Permanent	\$52,343.98
3001	Wages - Temporary	\$27,292.59
3002	Wages - Overtime	\$0.00
3021	OASDI	\$4,937.47
3022	Medicare	\$1,154.73
3020	Calpers Retirement	\$11,656.39
3040	Employee Health Insurance	\$12,000.00
3041	U/I	\$766.89
3043	Deffered Comp	\$1,687.53
3060	Workers Comp.	\$1,000.00
Total Salary & Benefits		\$112,839.58
4100	Insurance Liability	\$6,000.00
4220	Memberships	\$4,675.00
4260	Office Expenses	\$2,000.00
4261	Postage	\$500.00
4262	Software	\$500.00
4263	Subscriptions	\$500.00
4264	Books/ Manuals	\$500.00
4266	Printing/ Duplication	\$500.00
4300	Professional Services	\$29,340.00
4304	Agency Administration Fee	\$0.00
4308	Remote County Access	\$144.00
4337	Reimburse NRCS	\$0.00
4400	Publications	\$3,000.00
4461	Minor Equipment	\$500.00
4500	Special Dept. Expenses	\$7,000.00
4502	Education Materials	\$500.00
4503	Staff Development	\$2,000.00
4525	Special Plantings	\$0.00
4600	Transpo. & Travel	\$6,000.00
4602	Mileage: Employees	\$1,000.00
4604	Travel & Trans - Ed Outreach	\$500.00
6040	Fixed Assets: Equipment	\$2,000.00
7700	Appropriation for Contingencies	\$46,727.42
Total Office Expenditures		\$113,886.42
4501	Special Projects	\$938,019.56
Total Office Expenditures inc. 4501		\$1,051,905.98
Total Expenditures		\$1,164,745.56

% of Budget
 Variance \$0.00

10. PAYEE DATA RECORD (STD 204)

Applicants must complete the payee data record (fillable PDF format) with all appropriate tax information.

Form can be found at: <https://www.dgsapps.dgs.ca.gov/osp/StatewideFormsWeb/Forms.aspx> . Enter STD 204 into the Form # field and select “contains” for the current version.



02/14/2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Re: Support for the El Dorado County Resource Conservation District funding proposal to the Department of Conservation under the Forest Health Watershed Coordinator Grant Program

Grant Review Committee,

On behalf of the charter members of the South Fork Cohesive Strategy (SOFAR) collaborative group, I would like to express support for the Department of Conservation under the Forest Health Watershed Coordinator Grant Program proposal from the El Dorado County Resource Conservation District.

The SOFAR collaborative was created in 2015 to efficiently address vegetation management and fire risk concerns within the South Fork of the American River watershed. The need for proactive fuels management and implementing a cohesive strategy in this watershed has been driving factor for the collaborative. The proposal identified above to fund a watershed coordinator for the South and Middle Forks of the American River, falls within the SOFAR collaborative boundary and meets the collaborative cohesive strategy goals, which are to create; 1) Resilient landscapes, 2) Fire adapted communities, 3) Safe and effective wildfire response.

Through the open and transparent collaboration among a dedicated group of diverse members, and using the best-available science, the collaborative promotes a healthy, productive forest ecosystem across all lands. On a watershed scale, the group works to create a fire-resilient ecosystem that supports viable populations of native species, sustainable fisheries, functioning and restored watersheds and water quality, protected cultural resources, and diverse recreational opportunities.

The SOFAR collaborative is committed to continue to build upon the work outlined in this grant application, along with other projects throughout the SOFAR landscape.

Thank You,

A handwritten signature in black ink, appearing to read "J M. Sieg".

Jason M. Sieg, SOFAR Cohesive Strategy Coordinator



United States
Department of
Agriculture

Forest
Service

Pacific Southwest Region
Eldorado National Forest

100 Forni Road
Placerville, CA 95667
530-622-5061
TDD: 530-642-5122
Fax: 530-621-5297

File Code: 1520
Date: February 13, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee:

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. Our involvement in the South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-641-5206.

Sincerely,

LAURENCE CRABTREE
Forest Supervisor



**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

P.O. Box 944246
SACRAMENTO, CA 94244-2460
(916) 653-7772
Website: www.fire.ca.gov



February 13, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

CAL FIRE mission is to **protect life and property** through the development and application of fire prevention engineering, education and enforcement. CAL FIRE has responsibility for the prevention and suppression of wildland fires within the State Responsibility Area within the State of California. Our involvement in the Fire Adapted 50 Program and South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-647-5203.

Thomas Tinsley
Unit Forester Pre-Fire Management Division
CAL FIRE
California Department of Forestry and Fire Protection
Amador – El Dorado Unit



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Mother Lode Field Office
5152 Hillsdale Circle
El Dorado Hills, CA 95762
www.blm.gov/california



In Reply Refer To:
6520 (CAC080)

To: California Department of Conservation

Subject: Letter of Support for El Dorado County RCD Watershed Coordinator Grant

To whom it may concern:

On behalf of the Bureau of Land Management (BLM) Mother Lode Field Office (MLFO), I am offering a letter of support for El Dorado County Resource Conservation District's (RCD) proposal to acquire funding for the Forest Health Watershed Coordinator Grant. BLM MLFO supports efforts to protect watersheds within our field office boundaries and relies on collaborative efforts to do so.

We support RCD for taking the initiative to help improve public land through the Watershed Coordinator Position. Our shared efforts in the South Fork American River Cohesive Strategy would be directly affected by the Forest Health Watershed Coordinator grant funding. It is important to the BLM to sustain the health, diversity, and productivity of public lands through the Watershed Coordinator Position.

Thank you for your consideration of RCD's grant application. Please contact Monte Kawahara, Forester at mkawahara@blm.gov or 916-941-5052, if any additional information is needed.

Sincerely,

Sarah Mathews
Field Manager (Acting)
Mother Lode Field Office



Sierra Pacific Industries

P.O. Box 680 • Camino, California 95709 • (530) 644-2311

February 15, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager

Re: El Dorado County RCD Watershed Coordinator Proposal

Dear Grant Review Committee,

I am writing on behalf of Sierra Pacific Industries in support of the proposal by the El Dorado County Resource Conservation District (RCD) to acquire funding under the Forest Health Watershed Coordinator Grant Program for a watershed coordinator for the Middle and South Forks of the American River and North Fork Consumes River watersheds.

These watersheds provide multiple resource, environmental, and economic values, including yields of high-quality domestic water, support of the extensive hydroelectric power-generating infrastructure owned by the Sacramento Municipal Utility District, recreational infrastructure utilized by hundreds of thousands of annual visitors to the Eldorado National Forest, wildlife and fishery habitat, and a sustainable supply of wood products. At the same time, the threat of wildfire is evidenced by the dramatic fire history of these watersheds, exacerbated by other environmental conditions such as ongoing drought and insect infestations, among other destructive agents.

The need to protect the values noted above is critical to the local and regional economy and to ecosystem health, and is already recognized through such efforts as the South Fork American River Collaborative (SOFAR), and the Fire-Adapted 50 Program. SPI is actively involved with these collaborative efforts to increase fire resilience in these critical watersheds, including having partnered with the RCD to conduct ongoing fuel treatments in critical wildland-urban interface areas.

I envision the role of watershed coordinator as instrumental in supporting local watershed enhancement activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and fostering further landscape-scale treatments designed to return forests and wildlands to a more natural, fire resilient condition, consistent with the objectives of the Forest Carbon Plan and Governor Brown's Executive order B-52-18.

Thank you for your consideration of the approval of the El Dorado County RCD's Forest Health Watershed Coordinator Program grant application. If I can be of further assistance in your deliberations, please feel free to contact me at (530) 644-2311.

Sincerely,

Rich Wade
Camino District Manager

COUNTY OF EL DORADO

330 Fair Lane
Placerville, CA 95667
(530) 621-5652
(530) 622-3645 Fax

JAMES S. MITRISIN
Clerk of the Board



BOARD OF SUPERVISORS

Brian K. Veerkamp
District III

February 12, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, reduced humidity levels, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Our involvement in the South Fork American River Cohesive Strategy is an example of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-621-5652.

Sincerely,

Brian K. Veerkamp
Supervisor, District III
County of El Dorado



El Dorado County Water Agency

George Osborne
El Dorado Irrigation District

Shiva Frentzen
Board of Supervisors

Lori Parlin
Board of Supervisors

Kelly Sheehan
South Tahoe P.U.D.

Brian K. Veerkamp
Board of Supervisors

Kenneth V. Payne, P.E.
General Manager

February 12, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The mission statement of the El Dorado County Water Agency is to "Ensure that El Dorado County has adequate water for today and in the future." The RCD's involvement in the Fire Adapted 50 Program and the South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program and are directly related in helping the Water Agency meet its mission.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-621-5392.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth V. Payne".

Kenneth V. Payne, P.E.
General Manager



El Dorado Irrigation District

Letter No.: DW2019-02-0018

February 15, 2019

VIA E-MAIL
Mark.Egbert@ca.usda.gov

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager

Re: Forest Health Watershed Coordinator Grant Program Letter of Support

Dear Grant Review Committee:

The El Dorado Irrigation District (EID) is submitting this letter of support for the El Dorado County Resource Conservation District (RCD) grant application under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Cosumnes River watersheds.

EID provides drinking water to over 110,000 residents of El Dorado County using solely surface water supplies derived from the South Fork American River and North Fork Cosumnes River watersheds. As such, EID has a vested long-term interest in maintaining these supplies not only for high quality drinking water, but also for clean hydroelectric power generation and recreation opportunities for the residents of our county. RCD has been a key partner in protecting these resources and EID supports any efforts, such as this grant opportunity, for RCD to continue and expand this partnership.

The South Fork American River and North Fork Cosumnes River Watersheds exemplify the status of the Sierra as evidenced by complex issues associated with drought preparedness and response, climate variability, excessive fuel loading from decades of fire suppression, scars from high intensity fires, insects and disease. Each of these issues places significant challenges on management of EID's water and hydroelectric power storage and conveyance infrastructure along with many other resources necessitating sustained and durable collaborative action such as that led by the RCD.

This grant will allow the RCD to continue and expand Forest Health Watershed Coordinator efforts supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across jurisdictional



boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition. The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health and the RCD is a critical partner is leading these county-wide efforts.

Forest management is essential to ensuring the reliability of water supplies, hydropower, and recreational opportunities for EID and other water and power purveyors within our county who are supported by the RCD. For example, EID's partnership with the RCD has resulted in hundreds of acres treated over the past three years at EID's key water supply reservoir - Jenkinson Lake. Additionally, EID continues to partner with the RCD on the Fire Adapted 50 program, the South Fork American River Cohesive Strategy all-lands wildland fire management strategy, and many other efforts across the South Fork American River and North Fork Cosumnes River watersheds. This Forest Health Watershed Coordinator grant will allow for further expansion of similar landscape management coordination efforts by the RCD.

Thank you for your consideration of the RCD's application for the Forest Health Watershed Coordinator grant. If I can be of further assistance, please feel free to contact me at 530-642-4082.

A handwritten signature in blue ink, appearing to read "Dan Corcoran", is written over a light blue horizontal line.

Dan Corcoran
Operations Director

Powering forward. Together.



February 12, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

To deliver electricity safely and reliably, our Vegetation Management team regularly inspects and prunes more than 200,000 trees in our 900-square-mile service area. Throughout the year, we clear vegetation away from power lines, poles and transformers to reduce the chance of power outages. We also partner with other organizations to maintain and protect our community's urban forest. Our involvement in the South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 916-732-6766.

A handwritten signature in blue ink, appearing to read "Eric Brown", is written over a horizontal line.

Eric Brown
SMUD
Transmission & Distribution Program Manager
Grid Assets, Vegetation Management



February 14, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds have experienced the devastating effects of recent high severity fires including the King Fire. They have also been identified as priority for treatment because of the many values threatened by drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Securing funds for the Forest Health Watershed Coordinator Program will allow the RCD and partners to support local watershed activities, contribute to the development of watershed improvement plans, facilitate and coordinate collaborative efforts across all jurisdictional boundaries, to produce landscape scale treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The RCD and their director, Mark Egbert, have been a real leader in implementation of on the ground work to enhance forest resilience in the area, through projects including reforestation in the King Fire, the Fire Adapted 50 Program, and the South Fork American River Cohesive Strategy. All these projects, as well as additional new efforts, can be supported by having a Forest Health Watershed Coordinator embedded at the RCD.

I enthusiastically support this proposal by the RCD. The University of California Cooperative Extension has partnered with the RCD to conduct educational workshops on forest health and associated topics over the years. We have also worked together on applied research to understand how better to work with landowners to accomplish their conservation goals. I believe that adding funding for this position will allow us to work together to deliver educational programs throughout El Dorado County that have a potential for enabling landowners to make real progress on reducing their fire hazard.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-542-2571.

Sincerely,

Susie Kocher, Forestry/ Natural Resources Advisor, El Dorado, Amador, Calaveras and Tuolumne Counties, 1061 3rd Street, South Lake Tahoe, CA 96150, sdkocher@ucanr.edu



El Dorado County Fire Safe Council

P.O. Box 1011
Diamond Springs, CA 95619

Phone: (530) 647-1700

Email: board@edcfiresafe.org

Website: edcfiresafe.org

February 14, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The mission of the El Dorado County Fire Safe Council is to protect the people of El Dorado County and their property from the effects of catastrophic wildfire through education, cooperation, innovation, and action." Our relationship with the RCD has proven to benefit work on both public and private lands. We feel the position will greatly assist our collaboration and capacity to develop an updated Community Wildfire Protection Plan, grant applications, and project implementation. Our involvement in the South Fork American River Cohesive Strategy is an example of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program.

We strongly support and thank you for your consideration of this Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 916-933-3238.

A handwritten signature in black ink, appearing to read 'Steve Willis'.

Steve Willis
EDC Fire Safe Council
916-933-3238
scwillis@comcast.net



Still Finding Gold In El Dorado County

February 12, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The mission of the El Dorado County Chamber of Commerce is to advocate and promote a strong, healthy and diverse business community to preserve the quality of life in El Dorado County. The RCD's involvement in the Fire Adapted 50 Program and the South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program and are directly related in helping the Water Agency meet its mission.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-621-5885.

Sincerely,

Laurel Brent-Bumb
Chief Executive Officer
El Dorado County Chamber of Commerce
542 Main Street
Placerville, CA 95667

EL DORADO COUNTY CHAMBER OF COMMERCE

542 Main Street, Placerville, California 95667
(530) 621-5885 (800) 457-6279 Fax (530) 642-1624

February 12, 2019

Department of Conservation
Division of Land Resource Protection
Watershed Coordinator Program Manager
wcp@conservation.ca.gov

Dear Grant Review Committee,

The El Dorado County Resource Conservation District (RCD) is proposing to acquire funding from the Department of Conservation under the Forest Health Watershed Coordinator Grant Program for the Middle and South Forks of the American River and North Fork Consumes River Watersheds.

These watersheds exemplify the status of the Sierra as evidenced by the devastating effects of recent fires and have been identified as priority because of the many values threatened by complex issues associated with drought, climate change, fuel loading, insects and disease. In addition, communities, infrastructure, private timber, water, power, recreation, protected species, and fire frequency are all reasons that these watersheds are a high priority for collaborative action.

The values to be protected in this watershed are critical to the local and regional economy and to ecosystem health. Emphasis on the Forest Health Watershed Coordinator Program will be placed on supporting local watershed activities, contributing to the development of watershed improvement plans, facilitating and coordinating collaborative efforts across all jurisdictional boundaries, and will result in landscape scale land treatments designed to return forests and wildlands to a more natural, fire resilient condition.

The NRCS is an agency committed to “helping people help the land”—our mission is to provide resources to farmers and landowners to aid them with conservation. Ensuring productive lands in harmony with a healthy environment is our priority. The RCD’s involvement in the Fire Adapted 50 Program and the South Fork American River Cohesive Strategy are examples of current landscape management efforts that will be supported by the Forest Health Watershed Coordinator Program and are directly related in helping the NRCS meet its mission.

Thank you for your consideration in the approval of the Forest Health Watershed Coordinator Program grant application. If I can be of further assistance, please feel free to contact me at 530-303-5323.

Sincerely,



Danny Marquis
District Conservationist
Placerville Field Office
100 Forni Road, Suite A
Placerville, CA 95667

**EI DORADO COUNTY RESOURCE
CONSERVATION DISTRICT**

**REPORT ON ACCOUNTING CONTROLS
AND PROCEDURES**

June 30, 2018

ROBERT W. JOHNSON
Certified Public Accountant



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohncpagroup@gmail.com | 916.723.2555
www.bob-johnson-cpa.com

November 14, 2018

To the Board of Directors
El Dorado County Resource Conservation District
Placerville, California

We have audited the financial statements of El Dorado County Resource Conservation District as of and for the year ended June 30, 2018. 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.

In planning and performing our audit of the financial statements of El Dorado County Resource Conservation District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered El Dorado County Resource Conservation District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures but not for the purpose of expressing our opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we have enclosed other recommendations for your consideration.

This communication is intended solely for the information and use of management and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Robert W. Johnson, An Accountancy Corporation

Robert W. Johnson, An Accountancy Corporation

1. Financial Results:

	<u>2018</u>	<u>2017</u>	Favorable (Unfavorable)
Revenues	\$1,429,868	\$ 782,200	\$ 647,668
Expenses	<u>1,320,619</u>	<u>568,015</u>	<u>(752,604)</u>
Net income (loss)	\$ <u>109,249</u>	\$ <u>214,185</u>	\$ <u>(104,936)</u>
Cash	\$ <u>907,467</u>	\$ <u>967,887</u>	\$ <u>(60,420)</u>

Observations:

- Revenue and expenses both increased due to increased project activity.
- The net pension liability at June 30, 2018 was \$7,931, an increase of \$3,917 from the prior year.

2. Prior Year Recommendations:

(A) Petty Cash:

Recommendation – Request the County update the general ledger petty cash balance.

Balance, per County	\$25
---------------------	------

The District does not have petty cash, thus the balance should be zero.

Follow-up Still not done. County still shows \$25. District will contact County to reflect correct balance. The District will propose a journal entry to remove the \$25 petty cash balance.

(B) Grant Accounting:

Recommendation – consider implementing QuickBooks software to do grant invoicing and to record income and expenses by individual grant. The District can still process transactions through the County as usual. QuickBooks can be a useful tool because grant income and expenditures can be more easily and accurately monitored by management and the Board. We further recommend that more care be given at year end to determine timing of grant receivables between fiscal years.

Follow-up – The District is developing reports in Quickbooks using class and task functions to create project reports. These reports will help manage projects.

3. Credit Cards:

Observation – The District does not have a credit card policy.

Recommendation – Board and management should establish a credit card policy which would set out:

- limit
- purpose of use
- documentation, such as receipts
- safeguarding card

**EL DORADO COUNTY
RESOURCE CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

for the year ended June 30, 2018

ROBERT W. JOHNSON
Certified Public Accountant

CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	3-4
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances	5
Statement of Revenues and Expenditures - Compared to Budget	6-7
Notes to Financial Statements	8-25
Supplemental Information:	
Principal Officials	27
Schedule of Cash Flows	28
Schedule of the District's Proportionate Share of the Net Pension Liability	29
Schedule of Contributions for Pensions	30



Robert W. Johnson
an accountancy corporation

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com 916 723.2555
www.bob-johnson-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
El Dorado County Resource Conservation District
Placerville, California

Report on the Financial Statements

We have audited the accompanying financial statements of El Dorado County Resource Conservation District, as of and for the year ended June 30, 2018, as listed in the table of contents, and the related notes to the financial statements.

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 an opinion 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 the entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Dorado County Resource Conservation District as of June 30, 2018, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Robert John, An Acting CPA

Citrus Heights, California
November 14, 2018

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2018

ASSETS AND DEFERRED OUTFLOWS	General Fund	Adjustments	Statement of Net Position
Cash and investments (Note 4)	\$ 907,467	\$ -	\$ 907,467
Accounts receivable	428,815	-	428,815
Prepaid expenses	5,528	-	5,528
Capital assets (Note 6)	-	6,918	6,918
Less, accumulated depreciation	<u>-</u>	<u>(6,205)</u>	<u>(6,205)</u>
Total assets	<u>1,341,810</u>	<u>713</u>	<u>1,342,523</u>
DEFERRED OUTFLOWS	<u>-</u>	<u>28,858</u>	<u>28,858</u>
Total assets and deferred outflows	<u>\$1,341,810</u>	<u>\$ 29,571</u>	<u>\$1,371,381</u>
 LIABILITIES AND DEFERRED INFLOWS			
Vouchers payable	\$ 240,229	\$ -	\$ 240,229
Salaries and benefits payable	1,826	-	1,826
Compensated absences	34,804	-	34,804
Customer deposits	11,345	-	11,345
Unearned revenue (Note 14)	-	244,050	244,050
Net pension liability (Note 8)	<u>-</u>	<u>7,931</u>	<u>7,931</u>
Total liabilities	<u>288,204</u>	<u>251,981</u>	<u>540,185</u>
DEFERRED INFLOWS	<u>-</u>	<u>452</u>	<u>452</u>
Total liabilities and deferred inflows	<u>288,204</u>	<u>252,433</u>	<u>540,637</u>

(continued)

See notes to financial statements

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET, continued
 June 30, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
FUND BALANCES/NET POSITION			
Fund balances:			
Restricted	\$ 273,852	\$(273,852)	\$ -
Committed	-	-	-
Unassigned	<u>779,754</u>	<u>(779,754)</u>	<u>-</u>
Total fund balances	<u>1,053,606</u>	<u>(1,053,606)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$1,341,810</u>		
Net position:			
Net investment in capital assets		\$ 713	713
Restricted (Notes 4 and 5)		273,852	273,852
Unrestricted		<u>556,179</u>	<u>556,179</u>
		<u>\$ 830,744</u>	<u>\$ 830,744</u>

See notes to financial statements

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
for the year ended June 30, 2018

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Projects/grants - costs	\$1,297,321	\$(911)	\$1,296,410
Community service	24,235	(161)	24,074
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>135</u>	<u>135</u>
Total program expenditures/expenses	<u>1,321,556</u>	<u>(937)</u>	<u>1,320,619</u>
Program revenues:			
Projects/grants	1,286,981	-	1,286,981
Seedling program, net (Note 13)	<u>41,092</u>	<u>-</u>	<u>41,092</u>
	<u>1,328,073</u>	<u>-</u>	<u>1,328,073</u>
General revenues:			
Contribution - El Dorado County (Note 14)	-	81,350	81,350
Interest income	9,180	-	9,180
Other income	<u>11,265</u>	<u>-</u>	<u>11,265</u>
Total general revenues	<u>20,445</u>	<u>81,350</u>	<u>101,795</u>
Excess of revenues (expenditures)/ changes in net position	26,962	82,287	109,249
Beginning fund balances/ net position	<u>1,026,644</u>	<u>(305,149)</u>	<u>721,495</u>
Ending fund balances/ net position	<u>\$1,053,606</u>	<u>\$(222,862)</u>	<u>\$ 830,744</u>

See notes to financial statements

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
COMPARED TO BUDGET
for the year ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Projects/grants	\$1,437,879	\$1,286,981	\$(150,898)
Charges for services	10,000	11,265	1,265
Contribution -- El Dorado County	81,350	-	(81,350)
Interest income	500	9,180	8,680
Seedling program, net	-	41,092	41,092
Other	-	-	-
Total revenues	<u>1,529,729</u>	<u>1,348,518</u>	<u>(181,211)</u>
Expenditures:			
Permanent employees	62,374	71,291	(8,917)
Temporary employees	43,846	32,860	10,986
Overtime	-	-	-
O.A.S.D.I.	7,831	6,374	1,457
Medicare	1,832	1,491	341
Calpers retirement	15,157	10,174	4,983
Health insurance	12,000	10,256	1,744
Unemployment insurance	810	984	(174)
Deferred compensation	1,713	1,998	(285)
Workers' compensation	1,000	386	614
Insurance	2,500	4,688	(2,188)
Memberships	3,358	3,863	(505)
Office expense	-	3,700	(3,700)
Postage	500	652	(152)
Software	1,800	-	1,800
Subscription/newspaper/journals	1,000	40	960
Books/manuals	500	-	500
Printing & duplicating services	500	-	500
Professional & specialized services	25,000	8,561	16,439
External data processing services	144	16	128
Publication & legal notices	2,000	-	2,000

(continued)

See notes to financial statements

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES, continued
COMPARED TO BUDGET
for the year ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Expenditures, continued:			
Rent & lease: equipment	\$ -	\$ -	\$ -
Minor equipment	1,000	104	896
Special dept. expense	10,000	12,723	(2,723)
Education materials	2,000	-	2,000
Special projects	1,700,563	1,147,896	552,667
Staff development	3,000	20	2,980
Spec plantings	-	-	-
Transportation & travel	8,000	1,623	6,377
Mileage: employce	1,000	1,856	(856)
Mileage: volunteer	1,000	-	1,000
Fixed assets: equipment	4,000	-	4,000
Contingencies	<u>34,623</u>	<u>-</u>	<u>34,623</u>
 Total expenditures	 <u>1,949,051</u>	 <u>1,321,556</u>	 <u>627,495</u>
 Excess of revenues/ (expenditures)	 <u>\$ (419,322)</u>	 <u>\$ 26,962</u>	 <u>\$ 446,284</u>

See notes to financial statements

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. Resource Conservation Districts' Background:

Resource Conservation Districts (RCDs), which derived from soil conservation districts, emerged in California during the 1930s and 1940s. In 1935, the Federal Government passed legislation establishing the Soil Conservation Service to address the impacts of drought and soil loss resulting from the "Dust Bowl" crisis in the early 1930s. In 1937, President Roosevelt recommended to the Governors of each state to pursue legislation allowing local landowners to form soil conservation districts. These soil conservation districts were originally empowered to manage soil and water resources for conservation. These powers were expanded to include related resources such as fish and wildlife habitat, the responsibility was divided among counties, and the name was changed to Resource Conservation Districts. Formed as independent local liaisons between the federal government and landowners, conservation districts work closely with the United States Department of Agriculture (USDA) Natural Resources Conservation Services (formerly the Soil Conservation Service).

RCDs are grassroots government organizations that advise and assist individual landowners and public agencies in planning and implementing conservation practices for the protection, restoration, or development of land, water, and related natural resources. As a local government entity, RCDs can work with any local, state or federal agency through simple cooperative agreements. Many times the RCD can get conservation activities on the ground faster, cheaper and with greater local sensitivity than any other government agency.

RCDs work in urban areas as well as with farmers and ranchers on agricultural related concerns. California's size and geographical diversity, along with an ever growing population, make natural resources stewardship a great challenge in the Golden State. California currently has 103 RCDs, most of which are funded largely through grants, although a few of the RCDs receive limited funds through county property tax revenues. The Department of Conservation and the Natural Resources Conservation Service (NRCS) provide training and in-kind support, as well as a watershed grant program for districts.

State Law and Governing Statutes RCDs are "single purpose special districts" organized under the State Public Resources Code, Division 9 (Sections 9001-9978). A central component of Division 9 is its authorization for RCDs to be formed for the purpose of addressing local resource conservation needs. Particular emphasis is placed upon the conservation of soil and water resources, although, under the Code, an RCD may be formed for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and improvement of land capabilities, wildlife habitat restoration, forest fuel management, conservation education and much more. Each RCD within the state of California is an autonomous special district; as such, each district is able to define its own local goals and objectives based on the issues and needs within its service areas, defined by population and development.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

1. Resource Conservation Districts' Background, continued:

Each District is governed and managed by a locally elected volunteer board of directors, consisting of five, seven or nine trustees that reside within the district. The board members may be elected or appointed by the Board of Supervisors based upon the recommendations of the supervisor(s) representing the district area.

Description and Analysis

El Dorado County and Georgetown Divide RCDs share office, staff, and operations; however, they retain separate governing boards and funding sources. For these reasons, this section will first outline the differences between the districts, followed by a description of similar funding mechanisms and the projects and programs in which both districts participate.

2. Formation:

El Dorado County RCD (EDCRCD) was formed in 1939 by election of the landowners pursuant to the provisions of the California Public Resources Code. At the time, it was the second RCD in California. Prior to district formation, the area was an Erosion Control Demonstration Area administered by the Soil Erosion Service. Due to serious erosion problems on hillside orchards, the District was reorganized as the EDCRCD. This District was created to address soil and other resource management problems in the southern portion of El Dorado County and promote sound land management practices by working with landowners on a voluntary basis to promote good stewardship. In an early action by the original board of directors, they declared that the purpose of the district is "to conserve, improve and properly use all the soil, water, wildlife, plant and related resources for the benefit of all the people."

The following in-kind materials and services are provided by the USDA/NRCS to the RCD:

- Office space
- Utilities
- Use of vehicle
- Office equipment copier, printers, fax and telephone
- IT Services
- Office supplies

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

3. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

3. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final budget for each fiscal year.

Compensated Absences

Vested or accumulated vacation and comp. time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability. Sick pay is not vested.

Cash and Investments

The District maintains a cash balance with the Treasurer of El Dorado County in an interest-bearing pooled investment account. Conservation Easement funds are invested with LAIF (State of California pooled investment fund). All cash invested is within the State statutes.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

3. Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the *United States of America* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, 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 this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued

3. Summary of Significant Accounting Policies (continued):

Fund Balance

Fund balance is classified in the following categories:

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District's Board of Directors.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes fund balance which has not been classified within the above mentioned categories.

4. Cash and Investments:

Cash and investments consist of:

	<u>2018</u>
Imprest cash	\$ 25
Cash with County – general	447,432
Cash with County – seedling program	186,158
LAIF-Easement	<u>273,852</u>
	<u>\$ 907,467</u>
Allocated:	
Operating	\$ 633,615
Restricted	<u>273,852</u>
	<u>\$ 907,467</u>

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Home Depot Conservation Easement:

On January 22, 2004, the El Dorado County Resource Conservation District (RCD) entered into a Perpetual Conservation Easement Agreement with Home Depot U.S.A., Inc. to establish a 1.5 acre Preserve along Hangtown Creek, located in the Placerville area. It is the purpose of this easement to assure that the Preserve Area will be retained forever in an open space condition. The RCD received an endowment to act as Preserve Manager of the easement. As Preserve Manager, the RCD shall perform such preservation and maintenance of the Preserve Area as described in the Operations and Maintenance Plan. The easement is transferable and the RCD may assign its rights and obligations under this easement to a qualified organization. Easement funds are maintained in the LAIF account.

6. Changes in Capital Assets:

	Balance <u>6-30-17</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6-30-18</u>
Equipment	\$ <u>6,918</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,918</u>

7. Deferred Compensation Plan:

The District has contracted with the California Public Employee Retirement System to provide a deferred compensation program for employees as follows:

- (a) The District contributes 2.5% of base salary to deferred compensation for eligible employees, and
- (b) The District will make a contribution to deferred compensation (457 Plan) accounts on behalf of participating department heads in the amount of 10% of the amount contributed by the employee and the District during the prior calendar year not to exceed \$800.

District contributions amounted to:

2018

\$ 1,998

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan:

Plan Description and Benefits

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. Effective on January 1, 2013, in accordance with Public Employees' Pension Reform Act (PEPRA), new employees who meet the definition of new member of CalPERS will have benefit formulas calculated as 2% at 62. The District participates in the miscellaneous 2% at 55 pool. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS requires agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the system. Benefits vest after five years of service. A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

The Plan's provisions in effect at June 30, 2018 are summarized as follows:

	Miscellaneous - <u>Classic</u>
Benefit formula	2.0% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Required employee contribution rate	7.0%
Required employer contribution rate	9.599%

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

Plan Description and Benefits, continued

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense were as follows:

Contributions – employer	\$ 9,522
Contributions – employee	\$ 6,944

At June 30, 2018 the unpaid employee contribution for CALPERS amounted to \$5,627. This liability of the District employees to the District covers the period July, 2011 through February, 2014 and has resulted from administrative problems in setting up employee withholding and the corresponding payments to CALPERS. The District is collecting \$50 @ month from each of the three individuals involved.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

A. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

As of June 30, 2018, the District reported net pension liability as follows:

Net pension liability	\$ <u>7,931</u>
-----------------------	-----------------

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 was as follows:

	Miscellaneous <u>Plan</u>
Proportion June 30, 2016	0.0001155%
Proportion June 30, 2017	<u>0.0002012%</u>
Change – Increase/(Decrease)	<u>-0.0000856%</u>

For the year ended June 30, 2018, the District recognized pension income of \$1,072.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

B. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:*

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Changes in employer's proportion	\$ 7,240	\$ -
Net differences between projected and actual earnings on pension plan investment	952	-
Difference between the employee's contribution and the employer's proportionate share of contributions	7,255	-
Difference between expected and actual experience	-	452
Changes in assumptions	3,889	-
Pension contributions subsequent to measurement date	<u>9,522</u>	<u>-</u>
	<u>\$ 28,858</u>	<u>\$ 452</u>

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

\$9,522 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	
<u>June 30</u>	
2019	\$ 6,563
2020	7,721
2021	5,166
2022	(565)
2023	-
Thereafter	-

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power
Increase	Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In December 2016, CalPERS' Board of Directors voted to lower the discount rate from 7.5% to 7.0% over the next three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates beginning in fiscal year 2019 and result in increases to the normal costs and unfunded actuarial liabilities.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$12,363
Current Discount Rate	7.15%
Net Pension Liability	\$ 7,931
1% Increase	8.15%
Net Pension Liability (Asset)	\$ 4,260

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

8. Defined Benefit Retirement Plan, continued:

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

9. Risk of Loss:

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During 2018, the District purchased certain commercial insurance coverages to provide for these risks.

10. Subsequent Events:

Management has evaluated subsequent events through November 14, 2018, the date these June 30, 2018 financial statements were available to be issued.

11. Contingency:

The District’s federal and state funds which are for specific purposes are subject to review and audit by the various grantor agencies. These audits, if they were to occur, could generate expenditure disallowances under terms of the grants, which would require reimbursements by the District. The ultimate results of such audits and potential expenditure disallowances, if any, cannot presently be determined. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

12. Grant Status:

At June 30, 2018 the status of grants is as follows:

<u>Project Name</u>	<u>Grantor</u>	<u>Grant Agreement #</u>	<u>Total Grant/Project Award</u>	<u>Invoiced through 6/30/18</u>	<u>Project Balance</u>	<u>Amount Received Through 6/30/18</u>	<u>Difference Between Invoiced and Received Effective 6/30/18</u>	<u>Project Expiration Date</u>
Sly Park Vegetation Management Project (1)	CAL FIRE	8CA03053	\$ 972,000	\$ 961,222	\$ 10,778	\$ 961,222	\$ 0	4/30/2018
New York Creek Fuel Load Reduction Project Capacity Building	El Dorado County Fire Safe Council	56216132	\$ 174,300	\$ 16,030	\$ 108,270	\$ 15,060	\$ 970	3/15/2019
	Department of Conservation	3016-641	\$ 46,209	\$ 17,884	\$ 28,325	\$ 17,884	\$ 0	2/28/2019
California Restoration Project	CAL FIRE	8CA03473	\$ 97,878	\$ 89,278	\$ 8,600	\$ 89,278	\$ 0	6/30/2018
Sand Fire Watershed Rehabilitation and Reforestation Project	CAL FIRE	8GG14902	\$ 793,351	\$ 667,623	\$ 125,928	\$ 522,183	\$ 145,440	12/19/2019
Total Grants/Projects			<u>\$2,033,938</u>	<u>\$1,752,037</u>	<u>\$ 281,901</u>	<u>\$1,605,622</u>	<u>\$146,810</u>	

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

13. Seedling Distribution Project:

Reforestation program delivery capacity is dependent on several program areas, as well as numerous partnerships and cooperative agreements. The El Dorado County Resource Conservation District (RCD) has entered into a sales agreement with the U.S. Forest Service Placerville Nursery in July 2014. As a public agency, the RCD can act as an intermediary between private landowners and the nursery to facilitate seedling distribution. Under the terms of the agreement, the Placerville Nursery will provide tree seedlings to the RCD to be used for a variety of reforestation needs. Seedlings will be grown from native or approved seed sources including the CALFIRE seed bank or Placerville Nursery seed bank. All seedlings are produced in accordance with U.S. Forest Service grading standards. This reforestation collaborative aims to increase communications, to share information, to increase efficiencies of available resources, and to enhance mutual program capacity to meet reforestation needs.

Division 9 of the Public Resources Code §9409 allows for the District to make improvements or conduct operations on public lands, with the cooperation of the agency administering and having jurisdiction thereof, and on private lands, with the consent of the owners thereof, in furtherance of the prevention or control of soil erosion, water conservation and distribution, agricultural enhancement, and erosion stabilization, including, but not limited to, terraces, ditches, levees, and dams or other structures, and the planting of trees, shrubs, grasses, or other vegetation.

Activities for 2018 consist of:

Sales	\$240,225
Interest	1,394
Less, cost of sales	188,390
expenses	<u>12,137</u>
Net	<u>\$ 41,092</u>

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

14. Unearned Revenue:

The District made an agreement with El Dorado County to receive four years of future County base funding in the June 30, 2017 fiscal year. The District had upfront costs on projects and needed funds to pay projects costs. The agreement provided \$325,400 of funding ($\$81,350 \times 4$ years) to the District for fiscal year June 30, 2017.

The amount of unearned revenue on the statement of activities at June 30, 2018 is as follows:

Unearned revenue, July 1, 2017	\$325,400
Annual allocation amount	(<u>81,350</u>)
Unearned revenue, June 30, 2018	<u>\$244,050</u>

SUPPLEMENTAL DATA

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
PRINCIPAL OFFICIALS
2018

Board of Directors:

Charles Mitchell	President
Dale Pierce	Vice President
Ann Johnson	Secretary
John James II	
Chrisandra Flores	

Staff:

Mark Egbert	District Manager
-------------	------------------

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
 SCHEDULE OF CASH FLOWS
 for the year ending June 30, 2018

Cash flows from operating activities:

Change in net position (net income) \$ 109,249

Adjustments to reconcile change in net position
 to net cash provided to operating activities

Depreciation \$ 135

(Increase) decrease in:

Accounts receivable (21,930)

Prepaid expenses (5,528)

(Decrease) increase in:

Accounts payable and accrued liabilities (41,823)

Compensated absences 3,344

Customer deposits (21,445)

Unearned revenue (81,350)

(168,597)

Net cash provided
 to operating activities (59,348)

Cash flows from investing activities:

Purchase of equipment -----

Net cash used
 by investing activities -

Cash flows from financing activities:

Pension liability, net (1,072)

Net cash used
 by financing activities (1,072)

Net decrease in cash (60,420)

Cash at beginning of year 967,887

Cash at end of year \$ 907,467

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET
 PENSION LIABILITY

As of June 30, 2018

Last 10 years (1)

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Proportion of the net pension liability	0.0002%	0.00005%	0.00006%	0.00006%
Proportionate share of the net pension liability	\$ 7,931	\$ 4,014	\$ 1,686	\$ 3,668
Covered – employee payroll	\$ 100,808	\$ 76,625	\$ 76,625	\$ 76,625
Proportionate Share of the net pension liability as percentage of covered-employee payroll	7.86%	5.24%	2.20%	4.79%
Plan's fiduciary net position	\$ 92,974	\$ 57,894	\$ 34,323	\$ 17,942
Plan fiduciary net position as a percentage of the total pension liability	92.14%	93.52%	95.32%	83.03%

Changes in assumptions: None

(1) Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

EL DORADO COUNTY RESOURCE CONSERVATION DISTRICT
 SCHEDULE OF CONTRIBUTIONS FOR PENSIONS
 As of June 30, 2018
 Last 10 years (1)

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>
Contractually required contribution (actuarially determined)	\$ 9,522	\$ 8,866	\$ 15,863	\$ 7,712
Contributions in relation to the actuarially determined contributions	(9,522)	(8,866)	(19,488)	(7,712)
Contribution deficiency (excess)	\$ -	\$ -	\$(3,625)	\$ -
Covered – employee payroll	\$100,808	\$ 94,851	\$ 76,625	\$ 76,625
Contributions as a percentage of covered employee payroll	9.45%	9.35%	25.43%	10.06%
Notes to Schedule:				
Valuation date:	6/30/16	6/30/15	6/30/14	6/30/13

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.



Transmitted via e-mail

April 22, 2015

Mr. Jim Branham, Executive Director
Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603

Mr. Ken Pimlott, Director
Department of Forestry and Fire Protection
P.O. Box 944246
Sacramento, CA 94244-2460

Mr. Mark Cowin, Director
Department of Water Resources
P.O. Box 942836, Room 1115-1
Sacramento, CA 94236-0001

**Final Report—Georgetown Divide Resource Conservation District, Propositions 1E, 40,
and 84 Grant Audits**

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the following Georgetown Divide Resource Conservation District (District) grants awarded by the Sierra Nevada Conservancy (SNC), Department of Forestry and Fire Protection (CAL FIRE) and the Department of Water Resources (DWR):

<u>Grantor</u>	<u>Agreement Number</u>	<u>Award Amount</u>
SNC	163	\$661,000
SNC	G0770024	\$283,480
CAL FIRE	8CA11526	\$95,000
DWR	4600009672	\$260,000

The enclosed report is for your information and use. Because there were no audit observations requiring a response, we are issuing the report as final. This report will be placed on our website.

We appreciate the assistance and cooperation of the District. If you have any questions regarding this report, please contact Jon Chapple, Manager, at (916) 322-2985.

Sincerely,

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: On following page

cc: Ms. Amy Lussier, Chief, Administrative Services Division, Sierra Nevada Conservancy
Mr. Mathew Daley, Grant Administrator, Sierra Nevada Conservancy
Ms. Janef Barentson, Chief Deputy Director, Department of Forestry and Fire Protection
Ms. Windy Bouldin, Chief, Office of Program Accountability, Department of Forestry and Fire Protection
Ms. Laura King Moon, Chief Deputy Director, Department of Water Resources
Ms. Katherine Kishaba, Deputy Director of Business Operations, Department of Water Resources
Ms. Gail Chong, Deputy Assistant DWR Executive, Bond Accountability, Department of Water Resources
Mr. Jeff Ingles, Chief Auditor, Department of Water Resources
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Mr. William Bennett, President, Georgetown Divide Resource Conservation District
Mr. Mark Egbert, District Manager, Georgetown Divide Resource Conservation District

Georgetown Divide Resource Conservation District
Propositions 1E, 40, and 84 Bond Programs
Grant Agreements 163, G0770024,
8CA11526, and 4600009672



Title: Fannon Reservoir
Source: Youngdahl Consulting Group, Inc. website

Prepared By:
Office of State Audits and Evaluations
Department of Finance

MEMBERS OF THE TEAM

Jon G. Chapple, CPA
Manager

Staff
Rosalie Bradley

Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40), the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), and the Disaster Preparedness and Flood Protection Bond Act of 2006 (Proposition 1E), for \$2.6 billion, \$5.4 billion and \$4.09 billion, respectively. The bond proceeds finance a variety of natural resource programs.

The Georgetown Divide Resource Conservation District (District) advises and assists individual landowners and public agencies in planning and implementation of conservation practices for the protection, restoration, or development of land, water, and related natural resources.¹ The District received the following grants:

- **Finnon Lake Restoration and Habitat Improvement Project** (Grant 163)—\$661,000 awarded by the Sierra Nevada Conservancy (SNC) under Proposition 84 for the restoration of Finnion Lake back to its former operating capacity of 350 acre-feet while enhancing fishery and aquatic habitats, improving wetland habitat, improving upland forested habitats, and securing a sustainable water supply to combat wildfires.
- **Fish Friendly Farming Environmental Certification Program** (Grant G0770024)—\$283,480 awarded by the SNC under Proposition 84 to address water quality impairments and toxicity levels in North Canyon Creek and Coon Hollow Creek in El Dorado County. The Certification Program provides workshops and technical assistance in order to reduce erosion, conserve water, increase native habitats, and enhance aquatic habitats on private farms and ranches.
- **Widening of “Perimeter Shaded Fuel Break” on Ridge above the Lower Middle Fork of the American River and the American River Canyon Watershed Protection Project** (Grant 8CA11526)—\$95,000 awarded by the Department of Forestry and Fire Protection (CAL FIRE) under Proposition 40 to administer a fuels (vegetation) management program for the purpose of maintaining and/or enhancing watershed values via projectors that modify and eliminate vegetation, thereby reducing risk of wildland fire.
- **Stormwater Flood Management Grant** (Grant 4600009672)—\$260,000 awarded by the Department of Water Resources (DWR) under Proposition 1E to help finance the Finnion Lake Restoration and Habitat Improvement Project. The grant funding was to assist in financing a portion of a larger project and also required the District to fund in excess of \$1.75 million towards the project.

¹ Source: www.eldoradoford.org

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited the following grants:

<u>Grant Agreement</u>	<u>Audit Period</u>
163	July 26, 2010 through March 1, 2013
G0770024	May 23, 2008 through March 1, 2012
8CA11526	May 31, 2012 through March 31, 2014
4600009672	January 7, 2013 through March 31, 2014 ²

The audit objectives were to determine whether the District's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant deliverables were completed as required. We did not assess the efficiency or effectiveness of program operations.

The District's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. SNC, CAL FIRE, DWR, and the California Natural Resources Agency are responsible for the state-level administration of the bond programs.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant deliverables were completed, we performed the following procedures:

- Examined the grant files, grant agreements, and applicable policies and procedures.
- Reviewed the District's accounting records, vendor invoices, and deposit slips/county ledger.
- Selected a sample of claimed expenditures and determined whether they were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Evaluated whether other revenue sources were used to reimburse expenditures claimed for reimbursement under the grant agreements.
- Evaluated whether a sample of grant deliverables were met by reviewing inspection reports, photographs, and conducting site visits.

In conducting our audits, we obtained an understanding of the District's internal controls including any information systems controls that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audits and determined to be significant within the context of our audit objectives are included in this report.

We conducted these audits in accordance with generally accepted government performance auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

² An interim audit was conducted since the grant term ends September 30, 2015.

RESULTS

The results of the audits are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

Based on the procedures performed, the grant expenditures claimed complied with the grant agreements' requirements. Additionally, grant deliverables available for inspection at the time of our audits were completed as specified in the grant agreements. The Schedules of Claimed Amounts are presented below.

Schedules of Claimed Amounts

Grant Agreement 163	
Task	Claimed
Project Administration	\$ 60,000
Environmental Monitoring	30,000
Fish Rescue and Relocation	20,000
Construction Implementation	551,000
Total Grant Funds	\$ 661,000

Grant Agreement G0770024	
Task	Claimed
Outreach, Materials Development, and Overall Project Coordination	\$ 55,680
Operating Expenses: supplies, postage, education/outreach materials	5,000
Professional and Consultant Services: conservation planning technical assistance	222,800
Total Grant Funds	\$ 283,480

Grant Agreement 8CA11526	
Task	Claimed
Project Administration	\$ 14,250
CEQA Compliance	2,250
Project Implementation	78,500
Total Grant Funds	\$ 95,000

Grant Agreement 4600009672	
Task	Claimed ³
Administration	\$ 19,200
Planning/Design/Engineering/Environmental	37,683
Project Monitoring Plan Requirements	4,577
Construction Implementation	26,297
Habitat Improvements	16,738
Total Grant Funds	\$ 104,495
Match Funds	\$ 256,820
Total Project Expenditures	\$ 361,315

³ Reflects amounts claimed through March 31, 2014.