

Project Title: Central Coast Forest Health Coordination

An application submitted to the Department of Conservation's Forest Health Watershed Coordinator Grant Program funded by the California Environmental License Plate Fund.

Submitted by:

The Resource Conservation District of Santa Cruz County

Submitted in close collaboration with:

The San Mateo County Resource Conservation District
The Resource Conservation District of Monterey County
The Upper Salinas – Las Tablas Resource Conservation District

Please find the following included in our application package:

1. Cover Sheet
2. Executive Summary
3. Application Questions
4. Work Plan
5. Budget
6. Maps
 - a. Project area map (1 map)
 - b. Jurisdictional maps for each of the collaborating RCDs (4 maps)
7. Authorizing Resolution from Governing Body
8. Collaboration and Support Letters
 - a. Big Sur Coast Property Owners Association
 - b. CAL FIRE San Benito – Monterey
 - c. CAL FIRE San Mateo - Santa Cruz
 - d. Carmel River Conservancy
 - e. Fire Safe Council for Monterey County
 - f. Fire Safe Santa Cruz County
 - g. Midpeninsula Regional Open Space
 - h. Monterey County Board of Supervisors
 - i. Monterey County Office of Emergency Services
 - j. Monterey County Supervisor Mary Adams
 - k. National Resources Conservation Service
 - l. Peninsula Open Space Trust
 - m. RCD- Monterey
 - n. RCD- San Mateo
 - o. RCD- Santa Cruz
 - p. RCD- Upper Salinas – Las Tablas
 - q. San Mateo County Supervisor Scott Horsley
 - r. Santa Cruz County Office of Emergency Services
 - s. Santa Lucia Conservancy
 - t. Sempervirens Fund
 - u. State Parks Monterey District
 - v. State Parks Santa Cruz District
 - w. United States Forest Service - Los Padres National Forest
9. Proof of Applicant Capacity
10. Payee Data Record (STD 204)

Contact name: Lizzy Eichorn, Program Specialist, leichorn@rcdsantacruz.org. Date submitted: 2/15/19

**2018 FOREST HEALTH WATERSHED COORDINATOR PROGRAM
GRANT APPLICATION**

Checklist for Watershed Coordinator Program Grant Application	
X	1. Cover Sheet
X	2. Executive Summary
X	3. Application Questions
X	4. Work Plan
X	5. Budget
X	6. Map(s)
X	7. Authorizing Resolution from Governing Body
X	8. Collaboration and Support Letters
X	9. Proof of Applicant Capacity
X	10. Payee Data Record (STD 204)

1. Cover sheet for watershed coordinator program

Project Information	
Project Title	Central Coast Forest Health Coordination
Location (County and/or City)	San Mateo, Santa Cruz, Monterey, and San Luis Obispo Counties
District Number(s):	Senate: 8 th , 13 th , 12 th & 17 th
	Assembly: 24 th , 29 th , 30 th & 35 th
Watershed Coordinator Zone	Central Coast
Target Watershed(s) (HUC 10 and/or HUC 8)	Alisal-Elkhorn Slough: 18060011 Carmel: 18060012 Carrizo Plain: 18060003 Cuyama: 18060007 Central Coastal: 18060006 Pajaro: 18060002 Salinas: 18060005 Estrella: 18060004 San Francisco Bay: 18050004 San Francisco Coastal South: 18050006 San Lorenzo-Soquel: 18060001 Santa Maria: 18060008
Grant Request Amount	\$234,959.05
Watershed Coordinator Costs	\$195,843.36
Administrative Costs	\$39,115.69
Applicant Information	
Applicant Name	Resource Conservation District of Santa Cruz County
Organization Type	Special District
Department/Office	
Federal Employer ID Number	80-0700832
Mailing Address	820 Bay Avenue Suite 136
	Capitola, CA 95010
Contact Person	Lizzy Eichorn
Title	Program Specialist

Phone Number	(831) 464-2950 ext. 28
Email Address	eeichorn@rcdsantacruz.org

2. Executive summary

The Central Coast Forest Health Coordination project will focus watershed coordinator efforts on coastal mountain range forest units and their associated watersheds that have significant potential for forest health improvement: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties and the Santa Lucia range in Monterey and northern San Luis Obispo County. These coastal mountain ranges are characterized by chaparral, oak woodlands, and mixed conifer forests which have been subject to varying levels of fire suppression, vegetation management, and pest pressures, creating the potential for increased carbon dioxide emissions, flooding, erosion, and ecosystem type conversion in the event of wildfire. Additionally, the majority of forested lands across these watersheds are at moderate to high risk of fire and are often subject to prolonged periods of drought and reduced periods of summertime fog. The Central Coast forest units are likely to experience increased temperatures and drier conditions due to climate change in the immediate future, increasing the risk of catastrophic wildfire. The Forest Carbon Plan's (FCP) overarching goal is to manage forests as healthy and resilient net sinks of carbon. The forests on the Central Coast are far from resilient. Our project will build the collaborative, regional foundation and capacity necessary to mobilize at the local level to meet the FCP's goals and objectives.

The Resource Conservation Districts (RCDs) of California's Central Coast (Santa Cruz County, San Mateo, Monterey County, and Upper Salinas – Las Tablas), will work together to make watershed coordinator efforts a success. These four RCDs constitute a charter to ensure a durable collaboration to enhance the effectiveness, scale, and impact of each RCD's work and each either plays a key role in local fire safe council management or regularly join forces with fire management personnel to leverage efforts. Additional partnerships that the watershed coordinators will leverage include the Santa Cruz Mountain Stewardship Network, the Monterey County Fire Fuel Mitigation Partnership, the Central Coast Regional Prioritization Group, and the Integrated Watershed Restoration Program. These existing collaborative partnerships and project implementation mechanisms make the Central Coast RCDs strategically aligned to deliver a coordinated, landscape-scale forest health resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, streamlined permitting, and leveraging of funding for future implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast in the event of wildfire.

3. 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:

There are approximately twelve HUC 8 watersheds within the jurisdictional boundaries of the Central Coast RCDs partnering on this proposal. The majority of forested lands across these watersheds are at moderate to high risk of fire and are often subject to prolonged periods of drought and reduced periods of summertime fog. The Central Coast forest units, that cover the Santa Cruz Mountains, in Santa Cruz and San Mateo Counties, and the Santa Lucia and interior range forest units in Monterey and northern San Luis Obispo Counties, are likely to experience increased temperatures and drier conditions due to climate change in the immediate future (Santa Cruz – San Mateo CWPP, 2018). Recent climate change analysis of the region predicts longer, more intense droughts, with more frequent, but still rare, extremely wet and intense winter storms. This leads to conditions for increased vegetation growth followed by prolonged drought which often leads to more intense fire seasons (Santa Cruz – San Mateo CWPP, 2018).

The watersheds across San Mateo, Santa Cruz, Monterey, and Northern San Luis Obispo Counties (project area) are biodiverse and varied, however, they are put at risk of significant, negative alteration in the event of catastrophic wildfire. Forested lands in the project area are home to coniferous species (coast redwood, Douglas fir, ponderosa pine, Monterey pine, Monterey cypress, Santa Lucia fir) and a number of other native trees (coast live oak, Pacific madrone, California black oak, tanoak, and California bay laurel). These forest ecosystems have been impacted significantly by accentuated cycles of drought and insect infestation in the last ten years. Trees in the project area watersheds weakened or killed by drought, pests and stressors like sudden oak death (SOD) are at higher risk of extreme wildfire events. Unusually intense wildfires often change larger areas of previously forested landscape into a patchwork of non-native grasses, chaparral and invasive plants. Without adequate management, these previously-forested areas have an undesirable ecological trajectory resulting in large areas of type conversion, reducing the amount of desired forest structure, native vegetation communities, and intact ecosystem services. Multiple areas within these watersheds contain important habitat (including stands of large trees) for Federally Threatened and Endangered species as well as State Threatened and Endangered species. Wildlife habitat within the project area at risk of catastrophic wildfire and drought-related stressors include California red-legged frog, California tiger salamander, Santa Cruz long-toed salamander, Smith's blue butterfly, arroyo toad, California condor, marbled murrelet, Coho salmon, steelhead and numerous plant species. The watersheds that these species depend on are also extremely important water sources for cities and towns in the Central Coast region and for major agricultural centers of the State (Pajaro and Salinas Watersheds).

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

Watershed coordinator efforts will be focused on watershed areas that contain the majority of forested land within Central Coast RCD jurisdictional boundaries. Specifically, targeted San Mateo and Santa Cruz County watershed units include: San Francisco Bay, Coyote, San Francisco Coastal South, San Lorenzo – Soquel, and Pajaro. Targeted Monterey and northern San Luis Obispo County watershed units include: Salinas, Estrella, Carmel, Alisal-Elkhorn Slough, and Pajaro.

Land use in the lower areas of the above-mentioned, Central Coast watershed units are generally characterized by agricultural and urban use with some areas of natural vegetation existing in estuaries, chaparral, riparian corridors, and oak woodlands. The upper reaches of the watersheds are less densely populated, are characterized by forest, chaparral or grassland ecosystems, and are largely under private, state, or federal ownership. Many areas within these watersheds are at high risk for extreme, large-scale wildfires, accentuated by the drought cycle and a natural proclivity for wildfire created by vegetation composition, steep topography, and Mediterranean climate. Climate change has altered normal weather patterns: the five-year drought that began in 2012 is the most severe drought California has experienced since the 9th century (Griffin and Anchukaitis 2014). Climate change, coupled with decades of forest fire suppression, habitat fragmentation, loss of biodiversity and various abiotic factors (Long, Davidson and Skinner 2014) are negatively impacting watershed conditions.

Due to a combination of local topography, a history of fire suppression, removal of prescribed fire on the landscape, high fuel loads, and frequent extreme drought conditions, the watersheds in the four participating counties have significant potential for catastrophic wildfires as demonstrated in recent history. Since 2008, five large wildfires burned over 13,900 acres in Santa Cruz County, destroying over 233 structures and costing the State over \$35 million in suppression expenses. In San Mateo County, fifteen wildfires over 10 acres have been recorded since 1959. Wildfires in the Monterey and northern San Luis Obispo County watershed areas, including the Soberanes in 2016 and Basin Complex in 2008, have become larger and more devastating than in years past (Potter 2016). The Soberanes fire destroyed 57 buildings and burned approximately 132,130 acres in the upper reaches of the Salinas and Central Coastal units.

Though some of these numbers pale in comparison to recent damages incurred by larger fire complexes across the state, the potential for disastrous consequences of wildfire is exceptional across the wildland urban interface (WUI) in the Central Coast Region. The WUI has expanded into vulnerable areas including historical fire zones with high fuel loads which are more frequently reaching high fire danger levels. In addition to low fire resilience capacity, the majority of the San Mateo and Santa Cruz County watershed units are negatively affected in some capacity by one or a combination of the following: high fuel loads, erosion, diminished late-season streamflow, nutrient or pesticide loading, and seawater intrusion (San Lorenzo River Watershed Management Plan Update, 2002, PVWMA Basin Management Plan Update, 2014). To the south, several areas in the Los Padres National Forest have been identified as Tier 1 and Tier 2 high hazard zones for tree mortality by the State of California (Tree Task Force 2019) as a result of infestations of bark beetles, pine borers, and pathogens. Proper management of watersheds will be critical in upcoming years and decades.

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

The four RCDs involved in this proposal are guided by a variety of strategic and long-range plans. Watershed coordinator work will further a number of our organization plan goals and objectives. The Resource Conservation District of Santa Cruz County's (RCDSCC) 10-year work plan (RCDSCC, 2010) identifies vegetation management (for fire and invasive species), habitat restoration, and water quality among the priority natural resource issues that the RCDSCC addresses. Additional priorities include outreach and education and increasing capacity for district operations. The plan identifies mountain watersheds as priority geographic areas for focusing RCDSCC work. The RCDSCC's goal, related to vegetation management, is to implement a program to reduce fuel loading to decrease chances of catastrophic events caused by wildfire. RCDSCC's most recent strategic planning document, the RCDSCC Business Plan (RCDSCC, 2014), identifies Fire Readiness as a key program focus within the Watershed Restoration and Protection core business area. Additional relevant program areas within the business plan are Regulatory Assistance, Multi-objective Planning, and Habitat Restoration. The San Mateo RCD's Interim Long Range Plan (SMRCD, 2017) includes strategic issues related to addressing wildfire risks to forest health, including reducing greenhouse gas emissions, removing greenhouse gasses from the atmosphere, and preparing communities and wildlife habitat for resiliency to extreme weather. Resource Conservation District of Monterey County's (RCDMC) 2017-22 Strategic Direction focuses on habitat restoration, cleaner water, helping NRCS implement technical assistance and cost-share programs, better stewardship of natural resources by residents throughout the county and managing invasive vegetation in critical areas of watersheds: all activities that are stated goals of the State's Forest Carbon Plan. The direction also emphasizes coastal watershed resource management as it relates to fire (i.e. erosion prevention). The Upper Salinas - Las Tablas Resource Conservation District's strategic plan (USLTRCD 2016) outlines the importance of the RCD's involvement in land management, stewardship, collaboration, and as a service provider to landowners and resource agencies to improve water conservation, resource management, and best management initiatives. USLTRCD does this by engaging with diverse stakeholder groups, improving USLTRCD's capacity through networking, and aligning with partners such as Natural Resource Conservation Service, University of California Extension, San Luis Obispo Firesafe Council, and California Polytechnic University – San Luis Obispo, among others, to leverage available knowledge and resources to protect wildlife communities and conserve soil and water resources.

The Forest Carbon Plan has a number of synchronicities with the strategic plan documents that guide our collective organizations. Most notably, collaboration is the fundamental pillar on which all our plans are based. Each plan recognizes the threats of climate change, the need and value of resilient watersheds, and the necessity of landscape-level, multi-objective project planning and implementation.

There is an urgent need for regional coordination to plan, prioritize, and facilitate implementation of landscape-scale forest health resiliency work across the mosaic of landowners, multiple jurisdictions, and stakeholders within the project area. Moreover, there is a need for centralized coordination to ensure that forest health and fuel load reduction work is integrated into broader multi-objective conservation planning efforts across the region. Many partners, including those providing the attached

letters of support, have turned to the participating RCDs to fill this critical role. Two part-time watershed coordinators (one dedicated to San Mateo/Santa Cruz watershed units and the other dedicated to Monterey/Upper Salinas-Las Tablas watershed units), will directly respond to this community need and support the implementation of the common objectives shared by the RCD strategic plans and Forest Carbon Plan. They will work directly with various stakeholders to integrate and expand existing, multi-objective forest health efforts across the Central Coast region and will play a pivotal role in reducing duplication of efforts by doing so. There is an urgent need for a mechanism that prioritizes cross-jurisdictional, landscape-level forest health projects in a fair and informed way. Additionally, implementation funding availability is growing at a pace and scale that few entities have the ability to effectively manage in their current capacity (e.g. RCD's usually have total annual budgets of less than a million dollars while available funds for just one forest health grant can be dramatically higher). The watershed coordinators will directly address these issues by identifying existing project prioritization models that can inform project selection on the Central Coast, determining data gaps and model shortcomings, and outlining organizational capacity needs to make RCDs and collaborators well-positioned to successfully implement forest health objectives outlined in the Forest Carbon Plan. A primary task of the Watershed Coordinator will be to prepare applications for the CAL FIRE Forest Health Grant Program.

The direct, physical benefits of the watershed coordinators' work will largely be appreciated once forest health and fire prevention project implementation money is secured and projects commence. Projected impacts of their work will, however, be documented during the collaborative planning and grant writing process, as quantifiable benefits of priority projects will be modelled. Inter-agency collaborative planning efforts that the coordinators facilitate will also have lasting beneficial impacts by opening the lines of communication between state, federal, and private landowners and encouraging the development of cohesive landscape-level watershed management strategies across property boundaries to improve the resiliency of our forests and increase the fire readiness of our communities.

A number of professional networks, collaboratives, and communication avenues for streamlined natural resource-related project planning and implementation exist across the project area, but opportunities exist to increase the relevance of these efforts by better addressing emerging state-level priorities, specifically forest health. On the Central Coast, CAL FIRE and other forest land managers have traditionally been minimally involved in collaborative watershed restoration planning and project development, but their agency mandates are increasingly and directly connected with broader natural resource management concerns. The watershed coordinators will fill this gap and be the link between existing collaboratives across the central coast region and will help facilitate streamlined interagency communication, making existing connections more robust and comprehensive.

Benefits will be evaluated through a combination of model outputs (to estimate physical benefits of priority projects), tracking of partnerships fostered and new stakeholders engaged, and surveys/personal feedback from stakeholders.

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.

Goal 1: To coordinate and accelerate efforts to improve forest health and reduce the risk of catastrophic wildfire on the Central Coast.

Goal 1 relation to Forest Carbon Plan: Section 4.2.1 of the Forest Carbon Plan states that “Agencies, nongovernmental organizations, and landowners should undertake forest health and resilience assessments and actions at the large landscape scale to maximize ecoregional and statewide benefits.” By engaging key stakeholders and working across jurisdictional boundaries, we will open pathways of communication that might not otherwise be established. More fluid and efficient communication between involved entities will allow for the acceleration of the pace and scale of forest health initiatives on the Central Coast.

Task 1: Integrate and expand existing forest health efforts in the Central Coast region.

Subtask A: Identify key stakeholders and communities, including, but not limited to, landowners; timber and agricultural groups; environmental groups; non-governmental organizations; academics; federally recognized California Native American tribe and non-federally recognized California Native American tribes; and local, regional, state, and federal agencies. Q1-2

Subtask B: Cultivate relationships and coordinate with diverse stakeholders, existing professional networks, and communities to enhance collaboration and communications related to forest health. Facilitate collaborations and resolve conflicts between diverse stakeholders and communities. Q1-8

Task 1 Performance Measures: Expanded network of partners engaged in forest health, improved inter-agency communication and coordination to accelerate implementation of forest health projects measured through changes in the number/diversity of partners positively involved and resources they represent.

Deliverables: Quarterly summaries tracking stakeholders coordinated with and relationships built.

Task 1 Justification: There are a number of disparate fire preparedness and natural resource conservation planning efforts occurring throughout the watersheds, and forest lands in the region cross a myriad of different jurisdictions and landowners. By identifying key stakeholders who may be absent or underrepresented in these efforts, and by cultivating relationships across these various individuals and efforts, the watershed coordinators will work to improve processes for identifying, planning, and implementing forest health projects at the landscape scale.

Task 2: Coordinate collaborative planning to identify, prioritize, map, and develop forest health improvement projects

Subtask A: Collaboratively identify data gaps and define critical biophysical and social units for analysis and project development. Q1-3

Subtask B: Support development of GIS mapping and/or modeling tools to inform regional prioritization. Q1-8

Subtask C: Utilize existing prioritization models (fire risk reduction models, carbon models, etc.) to identify watershed-scale priorities that will enhance forest health and resilience, protect forests, and promote innovations in wood products and biomass utilization as outlined in the Forest Carbon Plan. Q1-4

Subtask D: Facilitate development of a regional watershed improvement plan that identifies priority forest health projects across the four counties through participatory processes and technical advisory committees. Q1-8

Subtask E: Identify environmental compliance and permit needs, barriers, and opportunities for permit streamlining. Q2-4

Subtask F: Provide technical assistance to private and public landowners to plan, permit, and advance priority forest health projects Q1-8

Task 2 Performance Measures: A minimum of 10 priority forest health projects are developed and submitted for implementation funding.

Deliverables: Mapping/modelling products (ex. Centralized map of fuel load reduction projects (completed projects requiring maintenance and new priority projects), geodatabase of fire and fuels data, fire risk, access roads, etc.), regional watershed improvement plan listing priority projects for each county, summary of permit requirements and pathways to implementation

Task 2 Justification: The region currently lacks transparent, participatory processes to identify, prioritize, and develop priority forest health projects. By facilitating this collaborative process, the watershed coordinators will help advance the pace and scale of forest health work on the ground.

Goal 2: To build local capacity for collaborative planning and implementation at the watershed and landscape scale.

Goal 2 relation to Forest Carbon Plan: Section 3 of the Forest Carbon Plan lists targeted activity levels needed to reach the Plan's three leading goals: enhance forest health and resilience, increase protection of California's forested lands, and pursue innovations in wood products and biomass utilization. The Plan states: "Targeted activity levels identified by this section in many cases are not achievable with current fiscal resources," and then mentions the importance of securing grant funds to perform work outlined in the Plan. Task 4 below directly addresses this call to action. All tasks listed

below will allow central coast RCDs and our collaborators to be well positioned to help meet the Nonfederal Forest Land Targets outlined in Section 3.1.1 of the Forest Carbon Plan. Section 3.4 of the Plan lists a number of actions that State and Federal agencies should take to support collaborative planning and implementation of forest restoration work. As special districts of the State, Resource Conservation Districts are also called upon here to encourage and facilitate collaboration, secure funding, and develop project implementation capacity.

Task 3: Identify local capacity needs

Subtask A: Survey local partners and landowners for technical capacity needs related to forest health planning, project implementation, and maintenance Q1-2

Subtask B: Develop a regional database of available technical assistance for project development and implementation, including private, appropriately licensed contractors Q3

Subtask C: Compile and review existing plans within the project area and identify data gaps and needed updates to address forest health and Forest Carbon Plan priorities Q1-3

Task 3 Performance Measures: Actions to meet local capacity needs are included in proposals for forest health resiliency programs and projects (Task 4) and are met through capacity building activities (Task 5)

Deliverables: List of technical capacity needs for public and private forest health initiative assistance. List of contractors and resources available for project implementation. Identification of regionally important, watershed-based fire resilience, carbon sequestration, forest, and soil health plans in need of updates.

Task 3 Justification: With the amount of work needed to improve forest health management on the Central Coast, and the amount of financial resources becoming available to facilitate this work, there is a need to assess and improve local capacity. Task 3 will create a baseline understanding of what the technical assistance needs are of diverse stakeholders, compile critical information on existing resources, and help highlight needs.

Task 4: Leverage funding for forest health project implementation

Subtask A: Identify and seek long term funding from the CAL FIRE Forest Health Grant Program and other funding opportunities to sustain watershed coordination activities and to implement forest health projects across the entire project area. Develop and submit collaborative grant proposals for landscape-scale forest health project implementation. Q1-8

Subtask B: Strategize with partners at the local, regional, and state level to develop sustained, programmatic funding streams for improving and protecting forest health. Q1-8

Task 4 Performance Measures: Amount of funding applied for and secured as a result of the watershed coordinators.

Deliverables: Quarterly summary of funding proposals submitted, including funding source, amount

Task 4 Justification: Key to increasing local capacity for forest health collaborative planning and implementation is securing new and sustainable funding for this work. Task 4 will help move our efforts from project identification to implementation through identifying, seeking, and securing funding for this work. Additionally, this task will help develop sustained and diverse funding streams to ensure the impacts of watershed coordination endure beyond the grant period.

Task 5: Build regional professional capacity through cross training and information sharing

Subtask A: Participate in technical trainings to increase in-house capacity of the partnering RCDs related to best forest management practices, forest management planning, project permitting, etc. Q1-8

Subtask B: Integrate and coordinate local forest health efforts with regional and state-wide efforts. Assess what has been most effective, lessons learned, and what is transferrable. Present on successful approaches and outcomes, share documents, strategies, and facilitate cross-trainings with partner organizations and RCDs across the broader region and statewide, for example via the California Association of RCDs and the Central Coast Regional Prioritization Group. Q1-8

Task 5 Performance Measures: Increased number and availability of forest health professionals to meet local needs (as identified in Task 3)

Deliverables: Quarterly summaries of number and type of professional skills gained and trainings completed, number of additional RCDs benefiting from the outcomes and lessons learned as a result of the watershed coordinators.

Task 5 Justification: There is a need to increase local capacity beyond those RCDs participating in this proposed work. Task 5 will enable the watershed coordinators to not only gain skills themselves, but also transfer the skills and tools developed through this project to benefit other RCDs and collaborating partners across the broader region and state.

Task 6: Provide project management and coordination with the Department of Conservation Q1-8

Subtask A: Participate in required DOC workshops for the watershed coordinators

Subtask B: Complete quarterly project reports and invoices

Subtask C: Complete final report Q8

Subtask D: Indirect Costs

Task 6 Performance Measures: Quarterly reports, invoices, final report and all deliverables submitted on time and within budget

Deliverables: Quarterly reports, quarterly invoices, final report

Collaboration (25 Points)

- III. Describe any existing partnerships that will be leveraged to meet the goals identified above.

In addition to having a strong track record of working efficiently with one another, the participating RCDs have a number of relevant relationships developed with collaborating agencies, non-profits, and land trusts that will be leveraged to achieve the goals of this proposal. The strength of these partnerships is articulated by the letters of support attached to this application and by the descriptions below. These collaborations will allow the watershed coordinators to effectively accelerate collaborative planning and forest health project implementation on the Central Coast.

General Agency Partnerships

The Counties of San Mateo, Santa Cruz, Monterey, and San Luis Obispo have all partnered with their respective RCDs to coordinate and help deliver fire preparedness programs, providing financial assistance for RCD coordination of fire safe councils, delivery of chipper programs, and forestry technical assistance. These County funds will provide match to expand the efforts of the watershed coordinators. Elected officials (most notably numerous county supervisors), within the project area, have also shown their support for this project, reflecting the importance of this work to their constituencies.

CAL FIRE is a key agency partner who will provide technical advice and expertise on project planning and prioritization. Each of the partnering RCDs have collaborated with CAL FIRE through their respective fire safe councils and forest management activities and will build on these strong foundational relationships through the work of the watershed coordinators.

California State Parks is a significant land owner and land manager within the project area, especially within San Mateo and Santa Cruz Counties. CA State Parks has been a leader in forest management, using prescribed fire to reduce fuel loads and habitat complexity, as well as manual removal of fire sensitive species. This proposal will help expand these efforts, that to date have been limited in scope, to work on a landscape scale. State Parks will participate in project identification and prioritization. California State Parks will provide matching funds to support this proposal in the form of a forester for the Santa Cruz district who will work to continue implementation of forest health and fuel reduction projects in Santa Cruz and San Mateo Counties.

The United States Forest Service manages the Los Padres National Forest that stretches from Monterey County south to Ventura County. The northern division lies within Monterey and San Luis

Obispo counties and includes Big Sur, which historically has been the epicenter of several large wildfires on the Central Coast. The United States Forest Service (USFS) will continue to partner with RCDMC and US-LTRCD in providing technical advice and help in planning, prioritizing and implementing fuel treatments in upper watershed areas. Through the watershed coordinator position, this relationship will be able to expand further towards forest and ecosystem resiliency in these areas while solidifying our partnership with the Forest Service. As a key stakeholder in the upper watersheds, the RCD Watershed Coordinator will serve a significant role to link priorities between Federal (e.g. USFS), state, and local agencies.

Additionally, RCDs have a longstanding, inter-institutional collaborative relationship with the USDA Natural Resources Conservation Service (NRCS). The watershed coordinators will leverage the expertise of the NRCS by coordinating and consulting with NRCS foresters for conservation planning assistance. This DOC funding will directly leverage \$190,000 in 'Forestry Assistance' funds from USDA NRCS to the RCD of Monterey County for forest health technical assistance, coordination, outreach and assistance within the proposal region (San Mateo south to San Luis Obispo counties), as noted in the letter from NRCS included with this proposal.

RCD of Santa Cruz County (RCDSCC)

RCDSCC helped form, and now serves on the board of directors of the 501(c)3 Fire Safe Santa Cruz County (FSSCC), whose mission is to educate and mobilize the people of Santa Cruz County to protect their community, homes, and environment from wildfire. FSSCC will serve as an advisory body and outreach mechanism that the watershed coordinator will leverage to achieve the goals of the proposal. RCDSCC will continue to work closely with FSSCC board members to host educational workshops and to help prioritize forest health projects. FSSCC Board members represent the following entities: smaller in-county associate fire safe councils (i.e. Bonny Doon and South Skyline FireSafe Councils), CAL FIRE San Mateo-Santa Cruz Unit, city fire departments, Santa Cruz County emergency services, local water districts, California State Parks, environmental non-profits, Pacific Gas & Electric, Santa Cruz County residents, and RCDSCC. Each Board member has wide-reaching networks across the county's watersheds which will allow strategic project planning from a County-wide perspective rather than from an isolated project approach. RCDSCC also works in close coordination with large private landowners (e.g. The Land Trust of Santa Cruz County, Sempervirens Fund, Peninsula Open Space Trust) and local interest groups like the Santa Cruz Weed Management Area.

San Mateo RCD (SMRCD)

San Mateo RCD will work with many of the same collaborators as RCDSCC that span both counties, as well as additional partners within San Mateo County. SMRCD is contracted to coordinate the Fire Safe Council in San Mateo County and will work with the watershed coordinator to identify and develop forest health and fuels reduction projects with the Fire Safe Council board of directors and organization members. San Mateo County Board of Supervisors Don Horsley and Dave Pine are working with SMRCD and partners on providing resources for fuels management throughout San Mateo County. Similarly, San Mateo County Parks department is investing resources in implementing

Resource Conservation District of Santa Cruz County – Central Coast Watersheds

forest health and fuels reduction projects. Also, County Parks supports participating in a broader effort to develop a proposal to the CAL FIRE Forest Health Grant and include additional County Park projects and leveraged resources on an application which would include other small (e.g. private residences) and large (e.g. POST, San Mateo county, State Parks, Golden Gate National Parks Recreation Area) landowners. The Peninsula Open Space Trust (POST) and SMRCD staff have discussed shared goals for increasing the pace and scale of restoration projects on POST lands, including forest health projects, and leveraging POST projects and resources to expand these efforts beyond POST property. SMRCD is contracted by and partners with State Parks to implement numerous on-going restoration projects that include vegetation management. State Parks has expressed interest and support for continuing these efforts and participating in a joint proposal to the CAL FIRE Forest Health grant, which the Watershed Coordinator would help develop.

RCD of Monterey County

RCDMC is engaged with a diverse group of stakeholders through the Monterey County Fire Fuel Mitigation Program (FFMP), which involves CAL FIRE, Monterey County Office of Emergency Services (OES), Monterey Regional Fire District, Monterey County Resource Management Agency, California State Parks, California State University of Monterey Bay (CSUMB), US Forest Service, the Fire Safe Council for Monterey County (FSCMC), Santa Lucia Conservancy, Monterey County Supervisor's office (5th district), various homeowners associations and interested stakeholders from the local communities. These members cover a wide range of Monterey County, encompassing Salinas, Pajaro, Estrella, Alisal-Elkhorn Slough, Carmel and Central Coastal watersheds. Many in the group are known public agencies with decision-making authority over state, county, federal and local lands. The \$150k of county seed-funding for fire fuels management coordination (the RCDMC Forest Health Coordinator) was made available because of the commitment of these entities to the FFMP group.

Upper Salinas – Las Tablas RCD

San Luis Obispo County Board of Supervisor Debbie Arnold has requested USLTRCD and SLO Firesafe Council/CalFire to engage in partnering to provide strategic technical services for homeowners in and/or adjacent to Wildfire Urban Interface (WUI) in San Luis Obispo County based on the Community Wildfire Protection Plan (2016). North County of San Luis Obispo is predominantly rural, with few urban areas punctuating the landscape, surrounded by oak woodland and chaparral. USLTRCD is currently engaged with a diverse group of landowners in high priority areas and is in the process of developing fire fuels management coordination with the FireSafe Council through collaboration and leveraging grants.

- IV. Describe any existing or planned collaborations with other organizations operating in the watershed.

At its core, this proposal integrates the four RCDs of Santa Cruz County, San Mateo, Monterey County, and Upper Salinas – Las Tablas to provide watershed coordination across the mountain ranges on the Central Coast. This project will complement and leverage a number of existing multi-

Resource Conservation District of Santa Cruz County – Central Coast Watersheds

stakeholder collaborative efforts underway within the project area. As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this proposed project would be delivered, and a decades-long track record of success.

For example, the Integrated Watershed Restoration Program (IWRP), initiated in 2003, evolved out of a recognized need for a coordinated, regional process for identifying, developing and funding state and federal priority projects to improve fish and wildlife habitat and water quality in Santa Cruz, San Mateo, and Monterey Counties. IWRP leverages federal, state, and local resources to efficiently facilitate and coordinate these priority watershed restoration projects using a voluntary, non-regulatory approach. The RCDSCC serves as the administrative lead and coordinates program delivery with neighboring RCDs, which has resulted in successful implementation of over 170 projects across the region. The IWRP model allows for efficient project administration and implementation across county jurisdictions.

The four RCDs included in this proposal have developed a charter to ensure a durable collaboration “to enhance the effectiveness, scale, and impact of each RCD’s work by strategically sharing and leveraging each other’s skills, information, tools and resources relative to existing shared work areas. This affords a more unified and consistent RCD presence and function throughout the region, including development and/or proliferation of multi-District/county programs.” All four RCDs also either play key roles in local fire safe council management or regularly join forces with fire safe groups to leverage efforts. These existing collaborative partnerships and project implementation mechanisms make the Central Coast RCDs strategically aligned to deliver a coordinated, landscape-scale forest health resiliency program.

The Santa Cruz Mountain Stewardship Network is a region-wide and cross-sector collaboration of independent individuals and organizations who are committed to working together to help cultivate a resilient, vibrant region where human and natural systems thrive for generations to come. The Stewardship Network is comprised of 21 organizations including representatives from local, state, and federal agencies, nonprofits, academia, business, community, and tribal groups, the RCDs of Santa Cruz County and San Mateo, along with many of the other partnering organizations on this project. Through the Santa Cruz Mountain Stewardship Network, the watershed coordinator will collaborate with stewards of the Santa Cruz Mountain region, share information to enhance knowledge, identify data gaps and technical capacity needs, and inform project identification and prioritization.

Local CAL FIRE and Forest Service personnel are leading the Coastal Regional Prioritization Group, a subset of the California Forest Management Task Force, which is made up of state, local, and tribal bands, federal agencies, and non-governmental organizations. It is tasked with developing regional strategies for streamlined information flow between entities involved in forest health project implementation while prioritizing prescribed fire, forest health, and fuel load reduction projects in our region. The Central Coast Forest Health Watershed Coordinators will work with partners at the smaller watershed level to identify and prioritize forest health projects that will feed into the larger

regional prioritization group, while increasing local capacity to develop and implement these priority projects on-the-ground.

The above-mentioned collaboratives are excellent avenues for increased communication regarding forest health projects and will help leverage watershed coordinator efforts across the Central Coast.

Consistency with additional planning efforts (15 Points)

- 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?

The watershed coordinators' work would complement other planning efforts in the project area watersheds and would support the watershed goals of the state, other agencies, and other organizations by helping to facilitate a number of the recommendations identified in the plans outlined below.

Forest Health/ Fire Preparedness Plans

The proposed project directly addresses the goals and objectives of the California Forest Carbon Plan (2018), the 2018 Strategic Fire Plan for California, and the California Forest Management Task Force Organizational Document (2019). It is also consistent with the Santa Cruz County/San Mateo County Community Wildfire Protection Plan (2018 update - pending release), Monterey County Community Wildfire Protection Plan (2010), and the Community Wildfire Protection Plan for San Luis Obispo County (2013). Each one of these plans specifically mentions the importance of collaboration in addressing forest health issues on a county and statewide basis. An example of how the CWPPs align with the Forest Carbon Plan is included in the Monterey County example where it states “...*health and resilience implies restoration of conditions (lower stem densities, larger and more fire-resistant trees, reduced fuel loads) that support a reduction in the propensity for highly damaging and costly wildfires and other disturbance events such as drought and insects. Activities aimed at improving resilience in these forests are often centered around reduction of hazardous fuels and modification of degraded stand structure.*” (Forest Action Climate Team 2018).

Climate Action Plans

The County of Santa Cruz Climate Action Strategy (2013) outlines strategies for reducing GHG emissions, articulates eight climate adaptation goals and specific adaptation actions. The plan emphasizes building connections among people and among organizations to accomplish the climate adaptation goals through partnership, an approach that is supported through the proposed scope of work. Forest health management to increase carbon sequestration and reduce the risk of GHG emissions resulting from catastrophic wildfire are not specifically called out in the plan which was adopted in 2013. The results of the watershed coordinators work can therefore help inform future revisions to this action strategy.

Resource Conservation District of Santa Cruz County – Central Coast Watersheds

San Mateo County has two Climate Action Plans in place. The Community Climate Action Plan is focused on unincorporated areas. The plan focuses on opportunities for reducing and sequestering emissions of greenhouse gasses. Protecting vulnerable forests on County Park lands due to their value in carbon sequestration is identified as a priority action. The SMRCD is currently working with County Parks to support their projects and facilitate accelerated implementation of projects to improve forest stand health and resiliency to climate change. The Watershed Coordinator will aid in this effort by integrating County Parks projects into project databases and funding proposals. The County of San Mateo Government Operations Climate Action Plan also identifies opportunities to mitigate climate change through reducing greenhouse gas emissions through reducing waste. The SMRCD is working with the San Mateo County Office of Sustainability on a pilot waste reduction project associated with fuels reduction of eucalyptus trees and generating compost from project byproducts to be used in rangeland soil health and carbon sequestration projects. Similarly, the Watershed Coordinator will aid in these efforts by collecting information about additional project opportunities and integrating them into funding proposals that leverage additional project partners, project opportunities, and funding.

The Draft Monterey County Municipal Climate Action Plan (2013) supports the adoption of the AB 32 Scoping Plan adopted by the California Air Resources Board. Some of the main objectives from AB 32 are to preserve forest carbon sequestration and encourage the use of forest biomass for sustainable energy generation (which the Forest Carbon Plan recommends as well). Work in watersheds will be focused on resiliency of vegetation systems and in forest systems that highlights the need to leave larger, more-fire resistant trees which in turn are more efficient at sequestering large amounts of carbon.

Species Recovery Plans

RCDs are specifically called out as a partner for recovery in both the Central Coast California (CCC) Evolutionary Significant Unit (ESU) Recovery Plan for Coho (NMFS, 2012), and the Steelhead Recovery outline (NMFS, 2007) and South-Central California Coast Steelhead Recovery Plan (2013). The SMRCD is identified in the CCC ESU Recovery Plan as a conservation partner for recovery of Coho salmon in the Pescadero-Butano watershed. Furthermore, the plan states that, “RCDs represent an important vehicle through which... private landowners can voluntarily address and correct management practices that impact ESA-listed salmonids and their habitats” (p. 122). RCDs, “often serve as a bridge between [other] government agencies and private landowners to assist in navigating the permitting process, to encourage landowners to implement recovery actions” (p. 241) (NMFS, 2012). Included in these recovery plans is protecting and enhancing the forest lands which make up a majority of the critical habitat for these threatened and endangered species. without the ecosystem services of healthy forests, critical habitat features like sustained flows during dry summer months, large woody debris recruitment that creates habitat complexity, and stabilizing soils against intense rainfall, to name a few, would mean further collapse of these species.

Watershed Plans

San Mateo County

Resource Conservation District of Santa Cruz County – Central Coast Watersheds

- In San Mateo County, Watershed Plans in Pilarcitos Creek, San Gregorio Creek, Pescadero-Butano Creek and Gazos Creek describe the history of vegetation management and the changes that have occurred over the last 150 plus years that have led to extremely high fuel loads and forests susceptible to stresses like drought, disease and competition. Example of fuels management changes include removal of prescribed fire in most areas historically practiced, wide-scale clear-cut logging and lack of management on unmanaged timber lands, and the introduction of non-native and invasive species. Many of these watershed plans are over a decade old and are in need of updating. The watershed coordinator will help to identify gaps in existing Watershed Plans and integrate these needs with other priority efforts to plan forest health management projects.
- Bay area Integrated Regional Water Management (IRWM) Plan (last updated in 2013, currently in the probes of updating) is a framework that promotes collaborative, integrated, local solutions to water management challenges across the bay area. The Bay Area IRWM Plan identifies the importance of intact, healthy forests to maintaining the production, collection and storage of high-quality drinking water. The Bay Area IRWM process also develops grant applications to the California Department of Water Resources which includes projects from all nine Bay Area county members. The SMRCD has had projects included in these proposals over the last decade and has been awarded approximately \$5.5M in funding for water improvement projects. SMRCD intends to seek additional funding to DWR through the Bay Area IRWM process in the future.

Santa Cruz County

- The San Vicente Creek Watershed Plan for Salmonid Recovery (2014) clearly shows the value of this watershed in terms of Coho salmon and steelhead recovery efforts but mentions that the effect of large wildfires on the watershed are largely unknown/have not been adequately studied.
- San Lorenzo River Watershed Management Plan (2002 update) focuses on water quality, with detailed investigations into erosion, sedimentation, and water quality degradation in urban areas of the lower river. Wildfire is mentioned as a disturbance that can result in significant erosion in this watershed due to steep slopes, but the majority of the watershed has not burned in the past half century.
- The San Lorenzo River 2025 Partnership is a 10-year program to catalyze investment into the San Lorenzo River watershed to implement a suite of habitat restoration, watershed protection, flood management, fire readiness, and recreation improvements through the year 2025. The San Lorenzo 2025 Partnership Plan (2016) identifies priority multi-benefit projects from existing watershed plans to improve the health of the watershed. Among those priority projects are fire protection and climate change adaptation.
- The purpose of the Soquel Creek Watershed Assessment and Enhancement Plan (2003) was to propose and justify a prioritized list of projects and actions for implementation by cooperating residents and land managers that would improve conditions for Coho salmon and steelhead. Fire is mentioned as a likely source of fine sediment, which can negatively affect fish survival.

- Aptos Creek Watershed Assessment and Enhancement Plan (2003) identifies barriers to salmonid recovery and mentions fuels management as a concern of local residents. Approximately sixty percent of the Aptos Creek watershed is located within the boundaries of the Forest of Nisene Marks State Park (an area currently subject to low levels of fuel management due to funding constraints and proximity to urban areas).
- The Pajaro River Watershed Integrated Regional Water Management Plan (2014) and the Pajaro Valley Water Management Agency Basin Management Plan Update (2014) were developed within a collaborative framework of water management agencies and private interest groups. The plans aim to coordinate water resource planning and resource use.
- The Santa Cruz Integrated Regional Water Management Plan (2013, conceptual framework update) adds to the 2005 IRWM plan and outlines county-wide goals for water supply, water quality, aquatic ecosystems, and flood and stormwater management. Fuels/fire management is specified as a means to ensure watershed function.

Monterey and San Luis Obispo Counties

- The Carmel River Watershed Assessment and Action Plan (2016) identifies ‘Wildfire Management’ as a critical issue and prioritizes “development and implementation of an integrated wildland fire and hazardous fuels management plan”.
- The Nacitone Watershed Management Plan (2010) for the eastern drainages of the Santa Lucia Mountains in southern Monterey and northern San Luis Obispo Counties, Issue 5 (Wildfire), Objective 1: “Work with...(multiple entities from CAL FIRE to Fire Safe Councils)...to address fire protection and fuel load reduction while enhancing watershed health”.
- The Big Sur River Watershed Management Plan (2014) specifically calls out support for the Monterey County CWPP and community fuel load reduction projects as watershed protection actions in its concluding ‘Recommendations’ section.
- Monterey Peninsula, Carmel Bay and South Monterey Bay Integrated Regional Water Management Plan (IRWMP) (2014) includes Forest Management as one of 26 Resource Management Strategies for advancing water resource management (as healthy forests naturally regulate streamflow and buffer water quality).
- The Greater Monterey County IRWMP (2014) includes the objective “Support research and monitoring efforts to understand the effects of wildfire events on water resources” under the Environmental Protection goal.
- San Luis Obispo County IRWMP (2014) identifies watershed management through Watershed Planning and Environmental and Habitat Protection & Improvements as key strategies for ecosystem health with water supply vulnerabilities due to wildfires impacting North County (e.g. Paso Robles, Atascadero, Templeton).
- The Upper Salinas Watershed Action Plan (2004) references the use of prescribed fires as means to provide wildlife habitat and forest health.
- The San Luis Obispo County Watershed Management Plan (2014) assesses and characterizes the condition of each watershed (a total of 25) in San Luis Obispo County with individual snapshots of watershed health and data gaps.

While this proposal will support the goals and objectives of existing fire preparedness, climate action, species recovery and watershed plans, planning efforts led by the watershed coordinators will provide valuable new information to inform future revisions to local plans (many of which are outdated) to better integrate forest health objectives and priority actions into watershed management initiatives.

Co-benefits (10 Points)

- 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 proposal anticipates dramatic increases in implementation of forest health projects, with intended benefits of increased resilience of our forested lands and reduced risk of catastrophic wildfire. We expect these, in turn, to provide the following co-benefits:

- reduced financial impacts of fire response and destruction,
- improved quality of life for residents,
- Enhanced carbon sequestration due to projects leaving larger trees less susceptible to wildfire, drought and pathogens
- restored habitat and enhanced ecosystem function, protecting special status species,
- less soil erosion and improved water quality in upper and lower watersheds related to the shift in fire regimes from uncontrolled fire events to controlled management (fuels treatments and prescribed fire),
- moderate beneficial impacts on local economies from increased project implementation as contractor employment and organizational capacity will be augmented

Our utilization of an integrated, watershed -based approach for forest health and fire prevention project planning and prioritization would result in enhanced emphasis on habitat benefits when using prescribed fire and other management tools for animal and plant species. Prescribed fire coupled with silvicultural or vegetation treatments can create a heterogenous structure in forest stands, mimicking conditions when forests in California were burned regularly to encourage and facilitate wildlife health as well as forest stand health and resiliency (Long, Davidson and Skinner 2014).

Additionally, the Amah Mutsun Tribal Band (represented by the Amah Mutsun Land Trust) looks to expand their prescribed burning practices to revive and maintain their cultural heritage and connection with the land. Watershed coordinator planning efforts will include conversations with the Amah Mutsun to determine ways to collaborate and broaden their possibilities for revitalizing their cultural and spiritual practices.

Watershed coordination leading to implementation of improved forest health resiliency projects will result in the added economic benefits to central coast communities by working to protect ecosystem services derived from healthy forests. The RCDSCC completed the *Healthy Lands & Healthy Economies* report in 2015, which presents a countywide economic valuation of nature's services. This report quantified the economic value of ecosystem services provided by nature across different

land cover types. Ecosystem services from forest lands include recreation and tourism, climate stability, air quality, moderation of extreme events, water supply, energy and raw material, among others. The annual value of the flow of these services from forest lands within Santa Cruz County was estimated at between \$675 Million - \$1.776 Billion. Improving forest health and stewarding our forest lands, therefore, will have significant co-benefits for protecting ecosystem services provided by forests, which in turn have significant economic values for our communities.

Long-term success (5 Points)

- 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.

We understand long-term success of this effort to be dependent upon building a three-legged stool of relationships, capacity, and funding. We address each of these in the context of our proposed tasks with the intention of building a long-term program during the 2-year grant term rather than 'completing' a program within the grant timeframe despite the fact that we have defined deliverables and performance measures for this initial period.

The coordinator positions would result in enhancing previously established relationships in the watershed areas as well as help make new relationships possible. Longevity of these types of positions is key in terms of ability to get appropriate project work identified, planned, and implemented. Sustaining that role through the coordinator grant would be beneficial to partners, increase trust and reliability for the coordinator, and allow longer-term projects or planning to occur efficiently. The end result would be more acreage of resilient forest systems, more acres of vegetation having less potential for large wildfires, less impact to local communities from these catastrophic events, and improved watershed conditions.

Within the proposed scope of work, the watershed coordinators and the participating RCDs will work with local and state partners to develop long-term funding strategies to sustain the role of watershed coordination and to implement critical forest health projects identified through this work. Potential funding strategies we will pursue include but are not limited to: collaborative grant proposals, inter-agency agreements (for example between RCDs and CAL FIRE), mission-critical baseline funding, and fee-for-service programs.

The DOC forest health watershed coordinator grant program will provide our RCDs with critical seed funding and capacity building upon which, through our partnerships, we will grow a fully operational, landscape-scale forest health coordination and technical assistance program to meet the needs of our forests, our communities, and our agency and organizational partners.

4. Work plan

TASK 1 Integrate and expand existing forest health efforts in the Central Coast region.	Timeline	Total Requested Grant Funds
<p>Subtask A: Identify key stakeholders and communities</p> <p>Subtask B: Cultivate relationships and coordinate with diverse stakeholders. Facilitate collaborations and resolve conflicts between diverse communities.</p> <p>Performance Measures: Expanded network of partners engaged in forest health, improved inter-agency communication and coordination to accelerate implementation of forest health projects measured through changes in the number/diversity of partners positively involved and resources they represent.</p> <p>Deliverables: Quarterly summaries tracking stakeholders coordinated with and relationships built.</p>	<p>1.A Quarter 1-2</p> <p>1.B Q1-8</p>	<p style="text-align: right;">\$29,172.67</p>
TASK 2 Coordinate collaborative planning to identify, prioritize, map, and develop forest health improvement projects		
<p>Subtask A: Identify data gaps and define critical biophysical and social units for analysis and project development</p> <p>Subtask B: Support development of GIS mapping and/or modeling tools</p> <p>Subtask C: Utilize existing prioritization models to identify watershed-scale priorities</p> <p>Subtask D: Facilitate development of a regional watershed improvement plan that identifies priority forest health projects across the four counties</p> <p>Subtask E: Identify environmental compliance and permit needs, barriers, and opportunities for permit streamlining</p>	<p>2.A Q1-3</p> <p>2.B Q1-8</p> <p>2.C Q1-4</p> <p>2.D Q1-8</p> <p>2.E Q2-4</p> <p>2.F Q1-8</p>	<p style="text-align: right;">\$63,136.18</p>

<p>Subtask F: Provide technical assistance to private and public landowners to plan, permit, and advance priority forest health projects</p> <p>Performance Measures: A minimum of 10 priority forest health projects are developed and submitted for implementation funding.</p> <p>Deliverables: Mapping/modelling products (ex. Centralized map of fuel load reduction projects (completed projects requiring maintenance and new priority projects), geodatabase of fire and fuels data, fire risk, access roads, etc.), regional watershed improvement plan listing priority projects for each county, summary of permit requirements and pathways to implementation</p>		
TASK 3 Identify local capacity needs		
<p>Subtask A: Survey local partners for technical capacity needs related to forest health</p> <p>Subtask B: Develop a regional database of available technical assistance</p> <p>Subtask C: Compile and review existing plans and identify data gaps and needed updates to address forest health and Forest Carbon Plan priorities</p> <p>Performance Measures: Actions to meet local capacity needs are included in proposals for forest health resiliency programs and projects (Task 4) and are met through capacity building activities (Task 5)</p> <p>Deliverables: List of technical capacity needs for public and private forest health initiative assistance. List of contractors and resources available for project implementation. Identification of regionally important, watershed-based fire resilience, carbon sequestration, forest, and soil health plans in need of updates.</p>	<p>3.A Q1-2 3.B Q3 3.C Q1-3</p>	<p style="text-align: right;">\$29,110.34</p>
TASK 4. Leverage funding for forest health project implementation		

<p>Subtask A: Identify and seek long term funding, Develop and submit collaborative grant proposals for landscape-scale forest health project implementation.</p> <p>Subtask B: Strategize with partners at the local, regional, and state level to develop sustained, programmatic funding streams for improving and protecting forest health.</p> <p>Performance Measures: Amount of funding applied for and secured as a result of the watershed coordinators.</p> <p>Deliverables: Quarterly summary of funding proposals submitted, including funding source, amount</p>	<p>4.A Q1-8 4.B Q1-8</p>	<p style="text-align: right;">\$38,816.67</p>
<p>TASK 5: Build regional professional capacity through cross training and information sharing</p>		
<p>Subtask A: Participate in technical trainings to increase in-house capacity</p> <p>Subtask B: Integrate and coordinate local forest health efforts with regional and state-wide efforts. Present on successful approaches and outcomes, share documents, strategies, and facilitate cross-trainings with partner organizations and RCDs across the broader region and statewide</p> <p>Performance Measures: Increased number and availability of forest health professionals to meet local needs (as identified in Task 3)</p> <p>Deliverables: Quarterly summaries of number and type of professional skills gained and trainings completed, number of additional RCDs benefiting from the outcomes and lessons learned as a result of the watershed coordinators.</p>	<p>5.A Q1-8 5.B Q1-8</p>	<p style="text-align: right;">\$19,408.34</p>
<p>TASK 6: Provide project management and coordination with the Department of Conservation</p>		

<p>Subtask A: Participate in required DOC workshops for the watershed coordinators</p> <p>Subtask B: Complete quarterly project reports and invoices</p> <p>Subtask C: Complete final report</p> <p>Subtask D: Indirect Costs</p> <p>Performance Measures: Quarterly reports, invoices, final report and all deliverables submitted on time and within budget</p> <p>Deliverables: Quarterly reports, quarterly invoices, final report</p>	Q1-8	
		\$55,314.86
GRAND TOTAL		\$234,959.05

5. Budget

PERSONNEL	Hourly Rate/ Unit Cost	Number of hours/units	TASK 1	Task 2	Task 3	Task 4	Task 5	Task 6	Total Requested Grant Funds
			Integrate Efforts	Collaborative Planning	Identify Needs	Leverage Funding	Professional Development	Project Management	
RCDSCC WC staff	71.26	1,362.05	\$19,412.67	\$ 33,972.18	\$ 9,706.34	\$19,412.67	\$ 9,706.34	\$ 4,853.17	\$ 97,063.36
		Subtotal	\$19,412.67	\$ 33,972.18	\$ 9,706.34	\$19,412.67	\$ 9,706.34	\$ 4,853.17	\$ 97,063.36
SUBCONTRACTOR									
RCDMC WC staff	70.00	1,386.00	9,702.00	29,106.00	19,404.00	19,404.00	9,702.00	9,702.00	\$ 97,020.00
RCDMC-within watershed travel	0.58	100.00	29.00	29.00	-	-	-	-	\$ 58.00
RCDMC-DOC required lodging	3.00	100.00	-	-	-	-	-	300.00	\$ 300.00
RCDMC-DOC required travel	0.58	900.00	-	-	-	-	-	522.00	\$ 522.00
		Subtotal	\$ 9,731.00	\$ 29,135.00	\$ 19,404.00	\$19,404.00	\$ 9,702.00	\$ 10,524.00	\$ 97,900.00
TRAVEL COSTS									
RCDSCC-within watershed travel	0.58	100.00	29.00	29.00	-	-	-	-	\$ 58.00
RCDSCC-DOC required lodging	3.00	100.00	-	-	-	-	-	300.00	\$ 300.00
RCDSCC-DOC required travel	0.58	900.00	-	-	-	-	-	522.00	\$ 522.00
		Subtotal	\$ 29.00	\$ 29.00	\$ -	\$ -	\$ -	\$ 822.00	\$ 880.00
ADMINISTRATIVE COSTS (maximum of 20% of grant)									
Indirect Costs	16.88%	195,843.36	-	-	-	-	-	33,058.36	\$ 33,058.36
Admin Staff Costs	71.26	85.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,057.33	\$ 6,057.33
		Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,115.69	\$ 39,115.69
		TOTAL	\$29,172.67	\$ 63,136.18	\$ 29,110.34	\$38,816.67	\$ 19,408.34	\$ 55,314.86	\$ 234,959.05

6. *Map(s) of the project geographic area*

Please see attached.

7. *Signed authorizing resolution ALL RCDs*

Please see attached.

8. *Collaboration and support letters*

Please see attached.

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.

Formed in 1941, the RCD of Santa Cruz County (lead applicant) has a proven reputation for successfully managing multi-million-dollar grants. The RCDSCC has annual revenue of approximately \$2M, the vast majority of which is grant revenue. The RCDSCC has a long and proven track record implementing grants from Federal, State and Public sources, including DOC, NOAA, USFWS, SWRCB, RWQCB, DFW, and DWR. The RCDSCC is skilled in all aspects of grant management, beginning with the application process, and including contracting, project implementation, permitting, invoicing, and reporting. The RCDSCC is also familiar with issues such as labor compliance, prevailing wage and the use of volunteers, which may be applicable to this project and/or a possible audit. The RCDSCC board of directors meets on a monthly basis and provides guidance and feedback on project activities.

Specifically related to fire over the last decade, the RCDSCC has managed six fuel load management grants, including the Cooperative Initiative to Improve Forest Health, funded by California Association of Resource Conservation Districts (2009), four funded by the California Fire Safe Council, including Santa Cruz County RCD's Fuels Reduction Partnership of Santa Cruz County (2011), Santa Cruz County Wildland Urban Interface Chipper Program (2009), Santa Cruz County's San Mateo-Santa Cruz CWPP Development Project (2008) and revisions (2018); the RCD's Zayante Fuel Load Reduction project (2007), and the Graham Hill Fuel Reduction project funded by CAL FIRE (2016).

Additionally, the RCDSCC successfully managed a DOC watershed coordinator grant from 2012-2015 (Agreement Number 3010-227) to serve the Pajaro River watershed. As a result of that watershed coordinator grant, the RCDSCC provided stakeholder coordination, facilitated collaborative dialogue, conducted outreach and education, provided technical assistance for conservation planning, permitting, and project implementation, and submitted grant proposals/funding requests securing a total of over \$2.7 million in additional funding to support conservation work throughout the watershed. The ongoing benefits of that coordination work continue to be evident today.

The proposed project funds will be safeguarded by strong interagency collaboration, regular communication, and fiscal controls that are well managed and meet the objectives of this grant proposal.

Qualified Staff

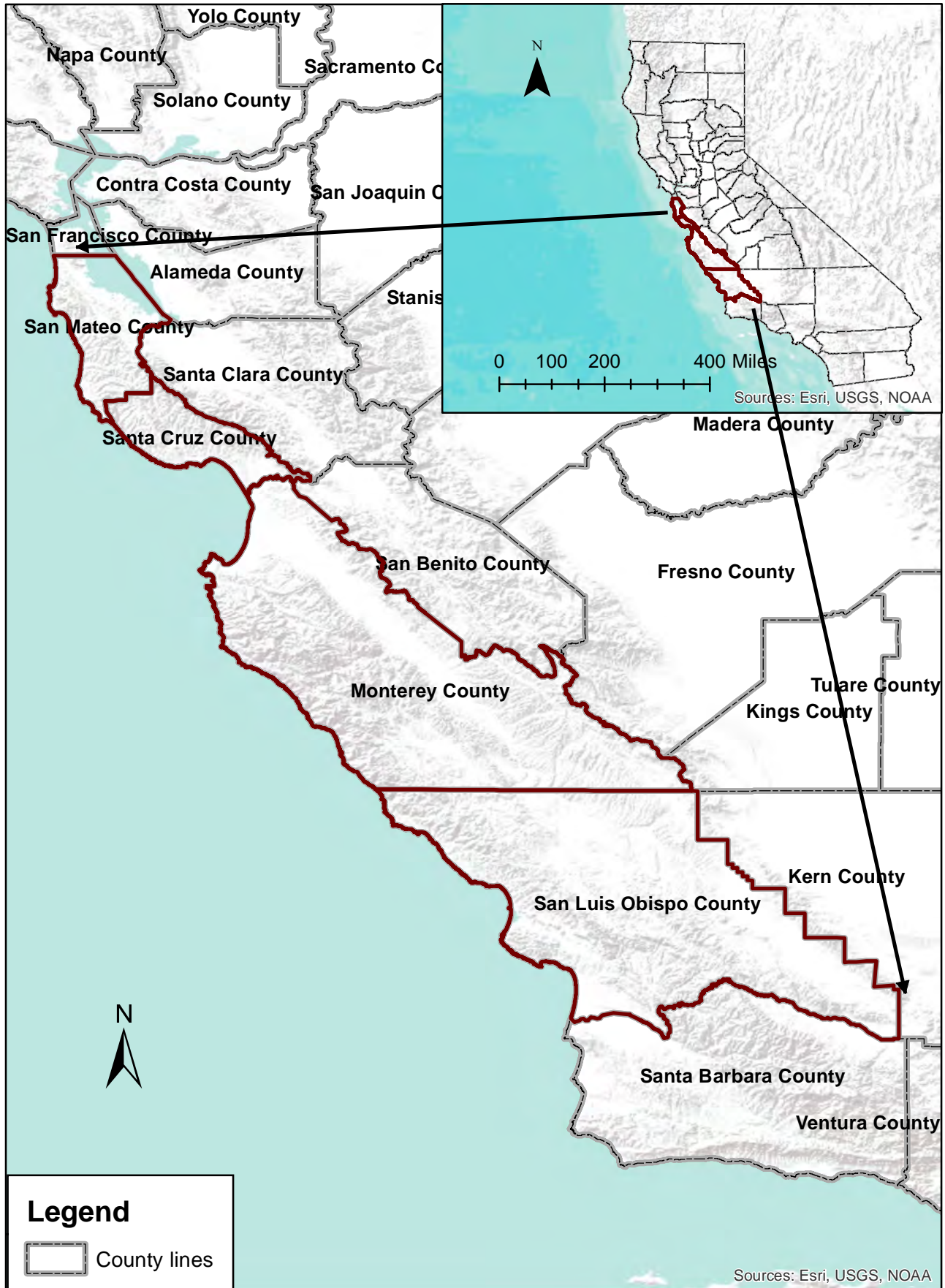
1. Lisa Lurie, RCDSCC Executive Director, Project Oversight, Employee
Ms. Lurie, through match funding, will be responsible for general project oversight and reviewing key deliverables. Qualifications: Ms. Lurie has worked extensively on watershed management projects throughout the project area, specializes in leading collaborative initiatives, and originally started at RCDSCC as a watershed coordinator (through DOC funding, 2012).
2. Lizzy Eichorn, RCDSCC Program Specialist, Watershed Coordinator A, Employee
Ms. Eichorn will be the lead for the project. She will serve as the part-time watershed coordinator for the Santa Cruz Mountains subregion and will be responsible for the implementation of all project goals and tasks. She will work closely with the San Mateo RCD and will coordinate efforts with the second watershed coordinator based in Monterey County. Qualifications: Ms. Eichorn holds and MS in Applied Watershed Science and has extensive experience working in collaborative environments. She is detail oriented, tracks budgets efficiently, and meets all deadlines.
3. Karl Fieberling, RCDSCC Grant Administrator, Project Management and Coordination, Employee
Mr. Fieberling will perform project administration tasks such as invoicing and reporting.
4. Sharon Corkrean, RCDSCC Director of Finance, Fiscal Oversight and Audit Process (as necessary), Employee
Ms. Corkrean will provide financial oversight if needed. She prepares audits for RCDSCC on an annual basis.
5. Jaime Tuitele-Lewis, RCD Monterey County, Watershed Coordinator B, Subcontractor
The RCDSCC will subcontract with RCDMC for Mr. Tuitele-Lewis to serve as the second part-time watershed coordinator for the Santa Lucia range subregion. He will be responsible for implementing all project goals and tasks as they pertain to Monterey and Upper Salinas – Las Tablas RCDs. Forest health watershed coordinator funds will leverage existing funds that support Mr. Tuitele-Lewis as the part-time Forest Health Coordinator and Fire Fuel Mitigation Coordinator for Monterey County in coordination with the partners described earlier in this proposal. Tuitele-Lewis will support the engagement of the Upper Salinas – Las Tablas RCD, Cachuma RCD (Santa Barbara County), and the Ventura County RCD in grant development, strategic planning of programs, and creating long-term partnerships for fuels reduction and forest health projects. Qualifications: Jamie holds a MS in Forest Ecology and spent eighteen years with the US Forest Service in a variety of jobs, the most recent being Assistant Forest Botanist on the Sierra National Forest. He has been a member of a nationally recognized collaborative effort (Dinkey Collaborative) and currently is organizing and coordinating the Fire Fuel Mitigation program in Monterey County.

In addition to the above narrative, applicants must provide at least two of the following documents as evidence of their capacity to manage the grant, if the project is awarded funding:

- A copy of the current annual organizational budget (see attached)
- A copy of the most recent financial audit (see attached)

10. *STD 204 – Payee Data Record*
See attached

Area of influence for San Mateo, Santa Cruz, Monterey and Upper Salinas-Las Tablas RCDs



Legend

County lines

Sources: Esri, USGS, NOAA

0 20 40 80 Miles

Monterey County RCD



Santa Cruz RCD

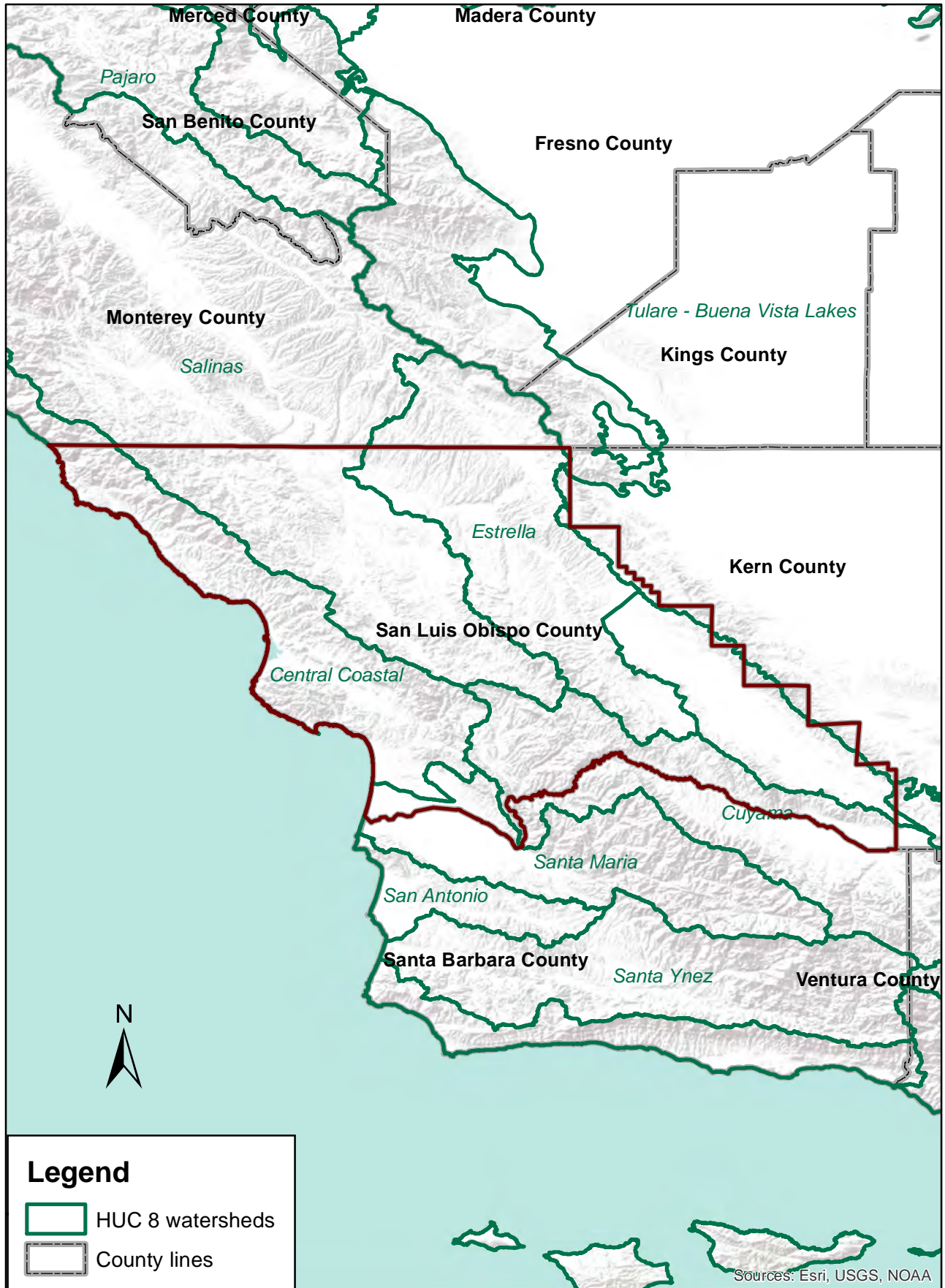


0 5 10 20 Miles



San Mateo RCD



Upper Salinas-Las Tablas RCD



Legend

-  HUC 8 watersheds
-  County lines

0 15 30 60 Miles

RESOLUTION RCDSCC 2019-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY APPROVING AN APPLICATION FOR GRANT FUNDS FROM THE CALIFORNIA DEPARTMENT OF CONSERVATION

Whereas, funds were made available to the California Department of Conservation (DOC) for watershed coordinator positions to develop and implement watershed improvement plans consistent with the Forest Carbon Plan;

Whereas, the Resource Conservation District of Santa Cruz County (District), a special district organized under state law, with no enforcement or regulatory functions, works closely with individuals, groups and agencies to conserve and restore the County's natural resources, and;

Whereas, technical assistance will be provided by the District in coordination with the RCD of San Mateo, RCD Monterey County and Upper Salinas-Las Tablas RCD to coordinate regional partners and build capacity to deliver landscape-scale forest health programs.

Now, therefore, be it resolved, that the Board of Directors for the District (Board) authorizes the District and approves the filing of an application for funding from the DOC Forest Health Watershed Coordinator Grant Program; and

Be it further resolved, that the Board authorizes entrance into a grant agreement with the DOC for the project and accept the template terms and conditions, if the project is awarded funding; and

Be it further resolved, that the Board 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

Be it further resolved, that the Board appoints the Executive Director, or designee, as a representative of the District to execute tasks, such as signing documents, related to the application, grant agreement, and acquisition, if the project is awarded funding.

CERTIFICATION

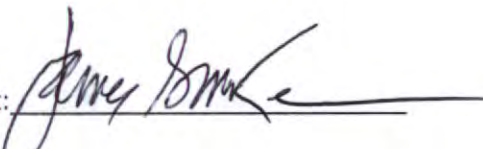
I hereby certify that the foregoing Resolution RCDSCC 2019-01 was duly and regularly adopted by the Board of Directors of the RCDSCC at the meeting thereof held on the 13th day of February 2019, motion by John Ricker and seconded by Robert Ketley motion passed by the following roll call vote:

Ayes: Steve Authen, Kelley Bell, Robert Ketley, Mike Manfre, Jim McKenna, John Ricker

Noes:

Abstained:

Absent: Howard Liebenberg

Attest: 
Name: Jim McKenna, Board President

Community Association of Big Sur

2-14-19

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. [Insert language on how this project relates to your organization’s goals, your role in supporting this work, and/or match contributions you can commit. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast. Thank you for your consideration of this proposal.

Sincerely,



Butch Kronlund, Executive Director Community Association of Big Sur

PO Box 59, Big Sur Ca. 93920. 831-595-7221



DEPARTMENT OF FORESTRY AND FIRE PROTECTION
San Benito-Monterey Unit
2221 Garden Rd
Monterey, CA 93940
831-333-2600



February 12, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom It May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Fulcher".

David Fulcher
CAL FIRE San Benito-Monterey
Unit Chief

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

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



February 14, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

As the Unit Forester for the CAL FIRE San Mateo – Santa Cruz Unit, I support the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program.

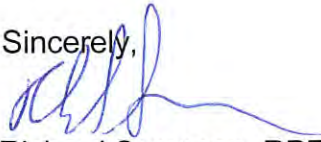
These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

My unit works with the RCD and the local FireSafe Councils on a regular basis. Our mission as listed below requires us to protect people, property and resources. Working with the RCD accomplishes all of those requirements. Having a Watershed Coordinator would enable the RCD's to expand the amount of assistance they can provide to our mission substantially.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Richard Sampson, RPF #2422
Division Chief - Forester II

CAL FIRE

San Mateo – Santa Cruz Unit
6059 Highway 9 P.O. Drawer F-2
Felton, CA 95018 (831) 335-6740

Carmel River Watershed Conservancy
PO Box 223833, Carmel, CA 93922



Board of Directors:

Michael Waxer, President
Paul Bruno, Vice President
Abbie Beane, Treasurer
Andy Magiasco, Secretary
Lorin Letendre, Exec Dir
Catherine Steidman
Jennifer Duggan
Scott Hennessy

February 11, 2019
Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires, the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. At the Carmel River Watershed Conservancy we are committed to the health of our watershed forests and supportive of RCD’s watershed coordinator. We support this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast. Thank you for your consideration of this proposal.

Sincerely,

Lorin Letendre, Executive Director



February 13, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

The Fire Safe Council For Monterey County (FSCMC) fully supports the “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County.

The FSCMC is the custodian and organization responsible for the implementation of the Monterey County Community Wildfire Protection Plan (MCCWPP). We find that this grant proposal conforms with the Strategy and Action Plan (Section 8) within the MCCWPP in its overall goals for protecting critical watersheds and coordinating with other local agencies and private landholders to create landscapes and that are more resilient to wildfire. The proposal will also specifically facilitate Section 8.2, Long-Term Monitoring of project outcomes, and Section 8.3, Public Education and Outreach (see above).

The FSCMC is supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast.

Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in blue ink that reads "Michael A. Emmett". The signature is fluid and cursive, with the first name "Michael" and last name "Emmett" clearly legible.

Michael A. Emmett
President, Fire Safe Council For Monterey County
2221 Garden Road
Monterey, CA 93940



820 Bay Avenue, Suite 136
Capitola, CA 95010
www.firesafesantacruz.org

2/7/19

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

Fire Safe Santa Cruz County’s mission is to educate and mobilize the people of Santa Cruz County to protect their community, homes, and environment from wildfire. Our board will collaborate with the RCD watershed coordinators to accelerate the pace and scale of forest health and fuel load reduction initiatives. We are supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast. Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Horvat", written over a horizontal line.

Paul Horvat
Fire Safe Santa Cruz County Board President



Midpeninsula Regional
OpenSpace

Midpeninsula Regional Open Space District

GENERAL MANAGER
Ana M. Ruiz

BOARD OF DIRECTORS
Pete Siemens
Yoriko Kishimoto
Jed Cyr
Curt Rittle
Karen Holman
Larry Hassett
Zoe Kersteeh Tucker

February 13, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom It May Concern:

I am writing to urge you to support the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo County. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

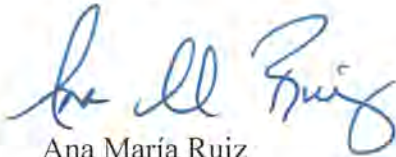
This program is particularly important for the Midpeninsula Regional Open Space District as our land stewardship responsibilities extend to over 63,000 acres in the Santa Cruz Mountains region and spanning three counties. The San Mateo Resource Conservation District has proven to be a strong partner with us on many stewardship projects and the funding provided by this program will allow us to address critical forest management goals, including projects to improve wildland fire protection, increasing carbon sequestration, and improving habitat for sensitive wildlife dependent upon healthy forests. The watershed coordinators funded through this program will

RE: Central Coast Forest Health Coordination – Letter of Support

leverage our funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Ana María Ruiz
General Manager

MONTEREY COUNTY



BOARD OF SUPERVISORS

LUIS ALEJO, *District 1*

JOHN M. PHILLIPS, *Chair, District 2*

CHRIS M. LOPEZ, *Vice Chair, District 3*

JANE PARKER, *District 4*

MARY L. ADAMS, *District 5*

February 14, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

Re: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

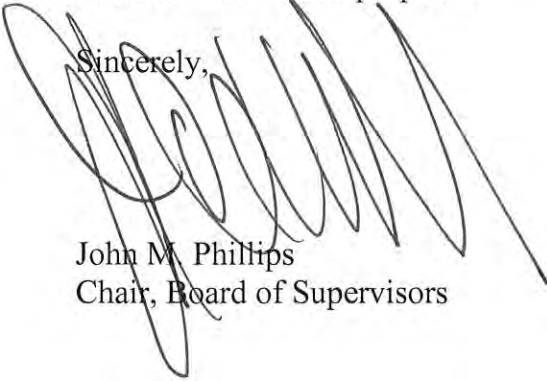
On behalf of the Monterey County Board of Supervisors, I write in support of the “Central Coast Forest Health Coordination” project submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo Counties. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. The funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. The watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and safeguard Central Coast forests and communities.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by Monterey County and USDA NRCS, coordinated by the RCD of Monterey County. The County allocated \$150,000 in FY 2018-19 to initiate a FFMP through the RCD, managed by Monterey County Resource Management Agency (RMA), to get a program started that we intend will become self-funding. In addition, RMA and the County Office of Emergency Services (OES) provide staffing and technical resources to support these efforts.

Monterey County supports this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



John M. Phillips
Chair, Board of Supervisors

MONTEREY COUNTY

OFFICE OF EMERGENCY SERVICES

1322 Natividad Road, Salinas, CA 93906
Phone: (831) 796-1900 · FAX: (831) 796-1911



Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination - Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project "Central Coast Forest Health Coordination" submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. This greatly supports the preparedness mission of the Monterey County OES.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,

MONTEREY COUNTY



BOARD OF SUPERVISORS

MARY L. ADAMS, SUPERVISOR – FIFTH DISTRICT

1200 Aguajito Road, Suite #1, Monterey, CA 93940

E-mail: District5@co.monterey.ca.us

Phone: (831) 647-7755

February 8, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by

MONTEREY COUNTY



BOARD OF SUPERVISORS

MARY L. ADAMS, SUPERVISOR – FIFTH DISTRICT

1200 Aguajito Road, Suite #1, Monterey, CA 93940

E-mail: District5@co.monterey.ca.us

Phone: (831) 647-7755

the RCD of Monterey County. Our office supported the establishment of the FFMP and Monterey County's financial contribution to it. There is a critical need in my District to continue to build this program with additional resources. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,

Mary L. Adams, Supervisor
Monterey County Board of Supervisors
Fifth District



2/14/19

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

This project aligns with the USDA Natural Resources Conservation Service goals as it pertains to delivering assistance in forest management work that improves forest health and resiliency on private non-industrial forestlands. The assistance will result in on-the ground-work that reduces forest susceptibility to wildfire, removes excess vegetative debris, improves vigor of live forest trees, and reforests areas damaged by wildfire or pests.

RCD of Monterey County will be awarded \$190,000 to provide forestry assistance and services to NRCS, private landowners, and forestry related partners within certain central coast counties in California. Counties included are Monterey, San Benito, San Luis Obispo, San Mateo, Santa Clara, and Santa Cruz counties. Services provided will include:

- 1) Development of Forest Management Plans;
- 2) Technical assistance services landowners and NRCS staff as needed to support contract development and project design, forestry practice implementation and inspection of forestry field practices associated with an NRCS project;
- 3) Professional forestry advice to NRCS as requested for activities such as outreach with individual or groups of landowners and conducting needs and feasibility assessments with landowners regarding potential forestry projects;
- 4) Outreach/client recruitment for environmentally-sensitive vegetation management work; and
- 5) Agreement administration.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Erika Boyland
District Conservationist



February 15, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

Board of Directors

- Dennis DeBroeck
Chair
Andrew Bosworth
Vice Chair
John Chamberlain
Sean Dempsey
Rod Ferguson
Jan F. Garrod
Wende Hutton
Jennifer Lynch
Rajesh Mashruwala
Matt Miller
Brad O'Brien
Suzanne Sullivan
Sandra Thompson
Karie Thomson
Sanjay Vaswani
Emerick Woods
Kimberly Young

President

Walter T. Moore

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

On behalf of the Peninsula Open Space Trust (POST), I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. POST works closely with these RCDs, and we are excited about the resources this project could bring to the region.

We are especially eager to work with a new coordinator to address significant potential for catastrophic wildfires in the Santa Cruz Mountains in Santa Cruz and San Mateo Counties. The watershed coordinators will work on the ground to coordinate and build much-needed capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

Over the past 41 years, POST has protected over 75,000 acres of open space in the region, and have an interest in ensuring that all lands, whether protected by POST or not, remain resilient and healthy. We recognize the need for landscape scale restoration, and believe the RCDs are uniquely positioned to address this critical need. We are supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast. Thank you for your consideration of this proposal.

Sincerely,

Justin Garland
Redwoods Program Manager

Peninsula Open Space Trust

222 High Street
Palo Alto, CA 94301
openspacetrust.org
(650) 854-7696



February 15, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to participate in the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with my RCD and those in San Mateo County and northern San Luis Obispo County (Upper Salinas-Las Tablas). Through this project, a part-time watershed coordinator at RCDMC and one at RCDSCC will focus on forested regions in our four counties that have significant potential for catastrophic wildfires. Our watershed coordinators will work with local partners to coordinate and build capacity to deliver a collaborative, comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Our partnership will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, RCDMC is engaged with a diverse group of stakeholders through the Monterey County Fire Fuel Mitigation Program (FFMP), for which the County of Monterey has provided \$150k of seed-funding for an RCDMC Forest Health Coordinator. We anticipate having at least \$50k of that along with USDA funding (see NRCS letter with grant app) available during the DOC grant project term to flesh out the RCDMC-based Watershed Coordinator’s time, as our tasks under the FFMP and USDA funding are consistent with the work program outlined in the Central Coast Forest Health Coordination proposal. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast and meeting our goals in Monterey County. Thank you for your consideration of this proposal.

Sincerely,



Paul Robins
Executive Director

2/14/19

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

The San Mateo RCD is currently coordinating the Fire Safe Council in San Mateo County, working on permit streamlining for fuels management projects, fundraising for fuels reduction projects and in the process of securing funding from the County of San Mateo to support these efforts. The San Mateo RCD anticipates leveraging approximately \$140,000 a year, or \$280,000 over the grant performance period, toward efforts that support the work program outlined in the Central Coast Forest Health Coordination proposal. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast. Thank you for your consideration of this proposal.

Sincerely,

Kellyx Nelson, Executive Director (sent via email)

February 15, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Commitment

To Whom it May Concern:

As the lead applicant to the proposed project “Central Coast Forest Health Coordination”, the Resource Conservation District of Santa Cruz County (RCDSCC) commits to working together with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas to deliver critical watershed coordination services in a region at great risk of catastrophic wildfire. We will partner with and engage diverse stakeholders across the Santa Cruz and Santa Lucia mountain ranges and build local capacity for collaborative planning and implementation of landscape-scale forest health initiatives.

Over the two year grant period, the RCDSCC anticipates leveraging matching funds from the County of Santa Cruz Office of Emergency Response, and from grants secured by the RCDSCC from Cal Fire, California Fire Safe Council, and others to amplify the work of the DOC funded watershed coordinator.

Thank you for your consideration of this proposal. Please don’t hesitate to contact me for any additional information.

Sincerely,

Lisa Lurie
Executive Director
Resource Conservation District of Santa Cruz County



Upper Salinas-Las Tablas Resource Conservation District

65 S. Main St. Ste. 107 Templeton, CA 93465 | 805.434.0396 x 3196 | www.us-ltrcd.org

February 13, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

The Upper Salinas – Las Tablas Resource Conservation District is writing to express its support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, and Monterey County. Through this project, the watershed coordinators will focus on two forest units and adjoining areas with significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

The Upper Salinas – Las Tablas Resource Conservation District’s mission is to education and technical services to landowners to assist in management of natural resources. This program to fund a Watershed Coordinator will greatly enhance RCDs capacity to engage and collaborate with landowners and stakeholders for forest health. USLTRCD is supportive of this project as

Upper Salinas-Las Tablas Resource Conservation District

65 S. Main St. Ste. 107 Templeton, CA 93465 | 805.434.0396 x 3196 | www.us-ltrcd.org

an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Devin Best
Executive Director

COUNTY OF SAN MATEO
DON HORSLEY
SUPERVISOR, 3RD DISTRICT

County Government Center
400 County Center, 1st Floor
Redwood City, CA 94063
650-363-4569
dhorsley@smcgov.org

February 12, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom It May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas.

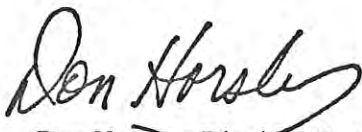
The San Mateo Resource Conservation District (SMRCD) has been a critical partner in my Supervisorial District in coastal San Mateo County for the planning and implementation of significant projects ranging from flood to drought and leading on innovative rangeland and forest resource management initiatives to help counter impacts from the changing climate. We are actively working with the SMRCD and others on the County’s Fire Risk Strategy and see stakeholder coordination, education and outreach, and land-scape level coordination on forest health improvement projects as essential components to enhance resiliency for our natural resources as well as our communities regionally.

Through the Central Coast Forest Health Coordination Project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo counties. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California’s central coast, and anticipate proposing county funding to help leverage these efforts. Thank you for your consideration of this proposal.

Sincerely,



Don Horsley, District 3 Supervisor





COUNTY OF SANTA CRUZ

OFFICE OF EMERGENCY SERVICES

5200 Soquel Ave., Building C 2nd Floor
Santa Cruz, CA 95062-7800
(831) 454-2715

February 14, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

This project is directly related to the County of Santa Cruz Office of Emergency Services (OES) mission to protect lives and property and build capabilities and resilience within our communities. The County OES enjoys a very strong partnership and sponsorship of the RCDSCC. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast.

Thank you for your consideration of this proposal

Sincerely,

Rosemary L. Anderson
Emergency Services Manager



26700 Rancho San Carlos Road

Carmel, CA 93923

Phone: 831.626.8595

Fax: 831.626.8522

www.slconservancy.org

February 12, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

26700 Rancho San Carlos Road • Carmel, California 93923-7998

831-626-8595 • 831-626-8522 fax

www.slconservancy.org

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. The Santa Lucia Conservancy manages 18,000 acres of wilderness and Wildland-Urban Interface in the Carmel Valley area of the Monterey Peninsula. Recent wildfire events, including the 2016 Soberanes fire that impacted our lands, highlight the importance of funding such as this grant for watershed-level coordination and regional collaboration to address wildfire risk in ways that keep communities safe and protect the natural resources of the region. The Santa Lucia Conservancy has been a partner and steering committee member for the successful implementation and project advancement of the FFMP which is critical for landscape planning and implementation of wildfire preparation and prevention in the Northern Santa Lucia Mountain range. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christy Fischer', is written over the word 'Sincerely,'.

Christy Fischer

Executive Director

Santa Lucia Conservancy

26700 Rancho San Carlos Road • Carmel, California 93923-7998

831-626-8595 • 831-626-8522 fax

www.slconservancy.org



Preserving redwood forests since 1900

Executive Director
Sara Barth

Chief Financial Officer
Patrick Gibbons

Director of Development
Michael Kawalek, CFRE

Director of Land Conservation
Laura McLendon

Director of Marketing & Communications
Russell Ferretti-Hoyle

Board of Directors

Diane Talbert, President
Kevin Flynn, Vice President
Amanda Montez, Secretary
Richard L. Conniff, Audit Chair
Channing Chen
Gage Dayton, Ph.D.
Meagan Demitz
William N. Harris
Hon. Fred Keeley
Pamela Koch
Kent Putnam
Evan Siegel
Vishy Venugopalan
Jacqueline B. Wender
Stephen N. Wyckoff, J.D.

Science Advisory Panel

Phillippe S. Cohen, Ph.D., Chair
Anthony R. Ambrose, Ph.D.
Nona Chiariello, Ph.D.
Gage Dayton, Ph.D.
David Freyberg, Ph.D.
Alan Launer, Ph.D.
Virginia Matzek, Ph.D.
Lisa Micheli, Ph.D.
Wallace "J" Nichols, Ph.D.
Scott Stephens, Ph.D.
Chris Wilmers, Ph.D.

The Redwood Circle

Phillippe Cohen
Robert L. Katz
Ellie & Dick Mansfield
Dan Martin
Emily Thurber

February 14, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project "Central Coast Forest Health Coordination" submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

We have partnered extensively with the RCDs of Santa Cruz and San Mateo, and they've provided essential and collaborative support to make restoration projects both large and small happen. The increased capacity and regional vision the watershed coordinator position will support aligns perfectly with our goals to conduct meaningful forest restoration to help the habitats across the Santa



Cruz Mountains become more resilient to climate change and fire. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink that reads "Laura McLendon". The signature is written in a cursive, flowing style.

Laura McLendon
Director of Land Conservation



DEPARTMENT OF PARKS AND RECREATION

Monterey District
2211 Garden Road
Monterey, CA 93940

Lisa Ann L. Mangat, Director

February 15, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom It May Concern:

I am pleased to write in strong support of the proposed project "Central Coast Forest Health Coordination" submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo County. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success. In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,

Stephen Bachman
Senior Park and Recreation Specialist



February 11, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

RE: Central Coast Forest Health Coordination – Letter of Support

To Whom it May Concern:

I am pleased to write in strong support of the proposed project “Central Coast Forest Health Coordination” submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo county. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

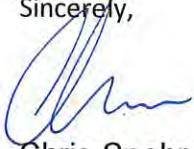
The Santa Cruz District of California State Parks, has been a leader in forest management for the past 50 years. Using prescribed fire to reduce fuel loads, maintain seral stages, and habitat complexity in our old growth and second growth stands in Big Basin Redwoods State Park. More recently we have been working to achieve those same goals in our oak woodlands and mixed evergreen forests, through manual removal of fire sensitive species. While we have been very successful in these efforts they are extremely limited in scope.

With the help of this funding and the RCDs, we could expand these efforts to work on a landscape scale. This funding would also allow for the prioritization of projects to assure that the dollars were spent most efficiently. With the RCDs ability to work across properties projects could be designed in a way that made the most sense without regard to property boundaries.

California State Parks intends to continue our forest management work in San Mateo and Santa Cruz Counties, and this work could serve to match grant funds. We are in the process of hiring a forester for the district who will be working primarily on projects related forest health and fuel reduction.

I am supportive of this project as an important means for implementing the Forest Carbon Plan and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Chris Spohrer
Santa Cruz District
Superintendent I



File Code: 1580; 2520; 5140
Date: February 15, 2019

Watershed Coordinator Program Manager
California Department of Conservation
Division of Land Resource Protection
801 K Street, MS 14-15
Sacramento, CA 95814
wcp@conservation.ca.gov

To Whom It May Concern:

I am pleased to write in strong support of the proposed project "Central Coast Forest Health Coordination" submitted by the Resource Conservation District of Santa Cruz County (RCDSCC) in collaboration with the RCDs of San Mateo, Monterey County, and Upper Salinas-Las Tablas. Through this project, the watershed coordinators will focus on two forest units and adjoining areas that have significant potential for catastrophic wildfires: the Santa Cruz Mountains in Santa Cruz and San Mateo Counties, and the Santa Lucia range in Monterey and northern San Luis Obispo County. The watershed coordinators will work on the ground with local partners to coordinate and build capacity to deliver a comprehensive, landscape-scale forest health and resiliency program. These funds will provide critical support for increased technical capacity, stakeholder coordination, education and outreach, planning, project prioritization and development. Additionally, the watershed coordinators will leverage funds to accelerate implementation of coordinated projects to improve climate change resiliency and to safeguard forests and communities on the Central Coast.

As non-regulatory agencies that connect people with the technical, financial, and educational assistance needed to conserve and manage natural resources, RCDs have extensive networks and trusted relationships with partners and landowners to implement region-wide forest health and climate change resiliency initiatives. The four partnering RCDs have regional collaboration mechanisms already in place through which this program would be delivered, and a decades-long track record of success.

In Monterey County, this funding will directly leverage current investments in the local Fire Fuel Mitigation Program (FFMP) by the County of Monterey and USDA NRCS, being coordinated by the RCD of Monterey County. This project will support the ongoing efforts of the Los Padres National Forest (LPNF) and the Monterey Ranger District (MRD) forest priority to increase the pace and scale of ecological restoration through our timber fuels program. Furthermore, support of this project will continue to foster and grow our relationships with our partners to cooperatively deliver an effective Fire Fuel Mitigation Program (FFMP) in Monterey County. I am supportive of this project as an important means for implementing the Forest Carbon Plan



and improving forest health at the landscape level on California's central coast. Thank you for your consideration of this proposal.

Sincerely,



Fer
TIMOTHY J. SHORT
District Ranger

Resource Conservation District of Santa Cruz County

Basic Financial Statements and Independent
Auditors' Report

For the Year Ended June 30, 2017

Resource Conservation District of Santa Cruz County

Table of Contents

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet	15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities.....	18
Notes to Basic Financial Statements	20
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances -	
Revenue - Budget and Actual - General Fund	39
Expenditure - Budget and Actual - General Fund.....	40



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Resource Conservation District of Santa Cruz County
Capitola, California

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

Opinions

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

To the Board of Directors
of Resource Conservation District of Santa Cruz County
Capitola, California
Page 2

Report on Summarized Comparative Information:

The prior year summarized comparative information has been derived from the District's 2016 financial statements. The prior year financial statements were audited by other auditors whose report dated June 21, 2017 expressed an unmodified opinion on these statements.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in Note 10 that were applied to restate the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures on the 2016 financial statements of the District other than with respect to the adjustments, and accordingly we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 3-5 and 39-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Badawi & Associates, CPAs
Oakland, California
April 6, 2018

RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
Management's Discussion and Analysis
June 30, 2017

This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2017.

Description of the Basic Financial Statements

The financial statements consist of the following parts: Management's discussion and analysis; the basic financial statements, government-wide and governmental fund financial statements; notes to the financial statements; and required supplementary information (budgetary comparison schedules).

The basic government-wide and governmental fund financial statements present the financial results on different methods of accounting. Included in the financial statements are reconciliations that explain the difference between the two methods.

Government-wide financial statements are prepared on the accrual basis of accounting and economic resources focus. The required statements are: Statement of Net Position and Statement of Activities. The State of Net Position reports all assets, liabilities, and deferred inflow/outflow of resources with the difference reported as the net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the long-term financial position of the District is improving or deteriorating. The Statement of Activities presents information on how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is paid or received.

Governmental fund financial statements are prepared on the modified accrual basis of accounting and current financial resources focus. The required financial statements are: Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The Balance Sheet shows only assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included. The Statements of Revenues, Expenditures, and Changes in Fund Balance reports revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

The government-wide and governmental fund financial statements show the results of the following Funds:

General Fund – The District's basic services are accounted for in this fund.

RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
Management's Discussion and Analysis
June 30, 2017

Condensed Government-Wide Financial Data

	2017	2016
Current Assets	\$ 1,278,466	\$ 1,111,184.0
Non-current Assets	24,622	25,932
Capital Assets	-	-
Total Assets	\$ 1,303,088	\$ 1,137,116
Current Liabilities	\$ 739,386	\$ 585,777
Non-current Liabilities	44,391	45,039
Total Liabilities	\$ 783,777	\$ 630,816
 Net Position		
Net Invested in Capital Assets	-	-
Unrestricted	519,311	506,300
Total Net Position	519,311	506,300
Total Liabilities and Net Position	\$ 1,303,088	\$ 1,137,116
 Expenses		
	2,461,503	2,786,845
 General Revenues		
Property Tax	31,504	29,159
Interest Income	4,077	1,917
Aid from Other Government Agencies	188	189
Other Taxes - Special District Augmentation Fund	41,289	41,289
Donations and Other Income	28,050	8,066
Grants	2,369,406	2,641,343
Change in Net Position	\$ 13,011	\$ (64,882)

Financial Analysis of the District as a Whole

The District's net position increased by \$13,011 for the fiscal year ended June 30, 2017, or 2.57 percent, to a total of \$519,311. Of the \$519,311 in net position, \$-0- is invested in capital assets (net of accumulated depreciation).

RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
Management's Discussion and Analysis
June 30, 2017

Financial Analysis of the District's Funds

Governmental fund balances decreased by \$101,187 for the fiscal year ended June 30, 2017. The main reason for the difference between the increase in District net position and the decrease in fund balances is the difference in recording revenue between the government-wide financial statements and governmental fund financial statements.

Budgetary Highlights

Budgets are based on current and expected expenditures related to grant funding and the day-to-day activities of the District under government fund accounting. Variances between budget and actual were due to the timing of one or more of the major programs funded with grant revenue. For line item variances, see the budgetary comparisons schedule presented as required supplementary information.

Capital Assets

As of June 30, 2017, the District had invested \$40,489, consisting of office furniture and equipment. The accumulated depreciation of the capital assets was \$40,489 as of June 30, 2017. There were no capital assets additions during the year.

Long-Term Liabilities

At year-end the District had no long-term liabilities.

Economic Factors and Net Year's Budget

The District's main source of revenue is grant revenue.

For the fiscal year 2017-2018, the District budgeted all dollars as available to spend, or a net zero budget, based on fund balance of \$499,966, budgeted revenues of \$3,649,192 and budgeted expenses of \$4,149,158.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This page intentionally left blank.

Resource Conservation District of Santa Cruz County

Statement of Net Position

June 30, 2017

with Summarized Totals as of June 30, 2016

	2017	2016
ASSETS		
Current assets:		
Cash	\$ 525,392	\$ 463,046
Accounts receivable	753,074	648,138
Total current assets	<u>1,278,466</u>	<u>1,111,184</u>
Noncurrent assets:		
Prepaid items	24,622	25,932
Furniture and equipment	40,489	40,489
Less: accumulated depreciation	<u>(40,489)</u>	<u>(40,489)</u>
Total noncurrent assets	<u>24,622</u>	<u>25,932</u>
Total assets	<u><u>1,303,088</u></u>	<u><u>1,137,116</u></u>
LIABILITIES		
Current liabilities		
Accounts payable - claims	372,885	411,519
Accounts payable - payroll	24,468	25,309
Grant funds received in advance	<u>342,033</u>	<u>148,949</u>
	<u>739,386</u>	<u>585,777</u>
Noncurrent liabilities		
Compensated absences	<u>44,391</u>	<u>45,039</u>
	<u>44,391</u>	<u>45,039</u>
Total liabilities	<u><u>783,777</u></u>	<u><u>630,816</u></u>
NET POSITION		
Net investment in capital assets	-	-
Unrestricted	<u>519,311</u>	<u>506,300</u>
Net position	<u><u>\$ 519,311</u></u>	<u><u>\$ 506,300</u></u>

See accompanying Notes to Basic Financial Statements.

Resource Conservation District of Santa Cruz County
Statement of Activities
For the year ended June 30, 2017
with Summarized Totals for the year ended June 30, 2016

	Program Revenues					2017	2016
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Net (Expense)	Net (Expense)
						Revenue and Changes in Net Position	Revenue and Changes in Net Position
					Governmental Activities	Governmental Activities	
Governmental activities							
General government	\$ 2,461,503	\$ -	\$ 2,438,933	\$ -	\$ 2,438,933	\$ (22,570)	\$ (145,502)
Total governmental activities	<u>\$ 2,461,503</u>	<u>\$ -</u>	<u>\$ 2,438,933</u>	<u>\$ -</u>	<u>\$ 2,438,933</u>	<u>(22,570)</u>	<u>(145,502)</u>
General Revenues:							
						31,504	70,448
						4,077	1,917
						-	8,255
						<u>35,581</u>	<u>80,620</u>
						13,011	(64,882)
						<u>506,300</u>	<u>571,182</u>
						<u>\$ 519,311</u>	<u>\$ 506,300</u>

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

Resource Conservation District of Santa Cruz County
Balance Sheet - Governmental Funds
June 30, 2017
with Summarized Totals as of June 30, 2016

	General Fund	
	2017	2016
ASSETS		
Cash	\$ 525,392	\$ 463,046
Accounts receivable	753,074	648,138
Prepaid items	24,622	25,932
Total assets	\$ 1,303,088	\$ 1,137,116
LIABILITIES		
Accounts payable - claims	\$ 372,885	\$ 411,519
Accounts payable - payroll	24,468	25,309
Grant funds received in advance	342,033	148,949
Total liabilities	739,386	585,777
DEFERRED INFLOW OF RESOURCES		
Unavailable revenue	521,402	407,852
Total deferred inflow of resources	521,402	407,852
FUND BALANCES		
Nonspendable:		
Prepaid items	24,622	25,932
Unassigned	17,678	117,555
Total fund balances	42,300	143,487
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,303,088	\$ 1,137,116

See accompanying Notes to Basic Financial Statements.

Resource Conservation District of Santa Cruz County
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
For the year ended June 30, 2017
with Summarized Totals as of June 30, 2016

	<u>2017</u>	<u>2016</u>
Fund Balances of Governmental Funds	\$ 42,300	\$ 143,487
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Certain revenues in the government-wide are not available to pay for current obligations and therefore are deferred in the governmental funds statements	521,402	407,852
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore they are not reported in the governmental funds.		
Compensated absences	<u>(44,391)</u>	<u>(45,039)</u>
Net Position of Governmental Activities	<u>\$ 519,311</u>	<u>\$ 506,300</u>

See accompanying Notes to Basic Financial Statements.

Resource Conservation District of Santa Cruz County
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017
with Summarized Totals for the year ended June 30, 2016

	General Fund	
	2017	2016
REVENUES:		
Property taxes	\$ 31,504	\$ 29,159
Use of money and property	4,077	1,917
Aid from other governmental agencies	1,521,515	2,395,479
Miscellaneous revenues	803,868	448,694
Total revenues	2,360,964	2,875,249
EXPENDITURES:		
Salaries and benefits	846,516	784,977
Services and supplies	1,615,635	1,992,691
Total expenditures	2,462,151	2,777,668
Net change in fund balances	(101,187)	97,581
FUND BALANCES:		
Beginning of year	143,487	45,906
End of year	\$ 42,300	\$ 143,487

See accompanying Notes to Basic Financial Statements.

Resource Conservation District of Santa Cruz County
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2017
with Summarized Totals for the year ended June 30, 2016

	<u>2017</u>	<u>2016</u>
Net Change in Fund Balances - Total Governmental Funds	\$ (101,187)	\$ 97,581
Amounts reported for governmental activities in the Statement of Activities are different because:		
Certain revenues in the government-wide statement of activities are not available to pay for current expenditures and are not reported as revenue in the governmental funds.	113,550	(153,289)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	<u>648</u>	<u>(9,174)</u>
Change in Net Position of Governmental Activities	<u>\$ 13,011</u>	<u>\$ (64,882)</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Resource Conservation District of Santa Cruz County (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

A. Description of Reporting Entity

The Santa Cruz County Resource Conservation District (the "District") was organized on January 1, 1978, in conformity with Santa Cruz County Board of Supervisors Resolution 744-77. This resolution authorized consolidation of the Pajaro Resource Conservation District and the Redwood Conservation District to form the Santa Cruz County Resource Conservation District. The District is comprised of the land areas of the former Pajaro and Redwood Resource Conservation Districts.

In September of 2007, the Santa Cruz County Resource Conservation District was renamed Resource Conservation District of Santa Cruz County. The mission of the District is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether it exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters). The District has determined that no outside entity meets the above criteria, and therefore no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

B. Basis of Accounting/M Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - Wide Financial Statements - The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the District.

The Statement of Net Position and Statement of Activities display information about the primary government. These statements include the financial activities of the overall government.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting/Measurement Focus, Continued

associated with the District. Program revenues include contributions from other governmental agencies that are restricted for meeting the operational or capital requirements of the District. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Certain eliminations have been made in regards to interfund activities. All internal balances (transfers in and out) in the Statement of Net Position have been eliminated.

The government-wide, proprietary, and fiduciary financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for governmental funds.

The accounting objectives of the economic resources measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with their activities are reported. Fund equity is classified as net position.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred or economic asset used.

Governmental Fund Financial Statements - Fund financial statements are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

The emphasis of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. The District has no proprietary or fiduciary funds.

The District reports the following governmental fund:

General Fund - The General Fund accounts for all of the financial resources of the District.

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting/Measurement Focus, Continued

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

In the current financial resources measurement focus, only current financial assets and liabilities are generally included on the balance sheets. The operating statements present sources and uses of funds available for financial resources during a given period. The fund balance is used as the measure of available financial resources at the end of the period.

Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means having been earned and collectible within the current period. Expenditures (including capital outlay) are recorded when the related liability is incurred, except for debt service expenditures (principal and interest), as well as expenditures related to compensated absences which are reported when due.

C. New Accounting Pronouncements

In 2017, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*– The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this statement did not apply to the District for the current fiscal year.
- GASB Statement No. 77, *Tax Abatement Disclosure*– This Statement addresses the financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. New Accounting Pronouncement, Continued

obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The requirements of this statement did not apply to the District for the current fiscal year.

- GASB Statement No. 78, *Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans*– The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this statement did not apply to the District for the current fiscal year.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units*– An Amendment of GASB Statement No. 14 - The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* - This Statement addresses certain issues that had been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement did not apply to the District for the current fiscal year.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. A reservation of fund balance has been reported in the governmental funds to show that prepaid amounts do not constitute "available spendable resources."

E. Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of \$3,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Furniture office equipment and computers	3 years
--	---------

F. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.

Restricted Net Position - This amount is restricted by external creditors.

Unrestricted Net Position - This amount is all net position that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net position."

G. Fund Balances

In the fund financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables, and other current assets, less its liabilities.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on specific purposes for which amounts in the funds can be spent. As of June 30, 2017, fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid items, and long-term loans receivable.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Fund Balances, Continued

Restricted Fund Balance - includes the amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the District's highest level of decision-making authority, the Board of Directors by passage of a resolution. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally. The District does not have any committed fund balances.

Assigned Fund Balance - comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. The District has not designated any level of authority for assigning fund balance, therefore, the Board of Directors can assign fund balance.

Unassigned Fund Balance - includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

H. Property tax

Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes, whereby all local agencies, including special districts, receive from the County their respective shares of the amount of ad valorem taxes collected.

I. Cash in County Treasury

The Districts cash is held in the Santa Cruz County (the "County") Treasury Pool, which is not rated by national credit rating agencies. See Note 3 to these financial statements for information regarding the Pools investments, interest rate risk, concentration of credit risk and custodial credit risk. The County Treasurer pools cash with other County and Special District funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the County's investment pool. The County routinely reviews its investment policy. The estimated fair value of investments in the pool is based on quoted market prices. The fair value of the District's position in the pool is the same as the value of the pool shares. The value of the pool shares may be withdrawn at any time based on an amortized cost basis, which is different than the fair value of the District's position in the pool. Information regarding the investments within the pool, including related risks, can be found in the County of Santa Cruz's Comprehensive Annual Financial Report.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Accounts receivable

Management believes all accounts receivable to be collectable and are shown without any allowance for uncollectible accounts. All receivables which have been remitted within 60 days subsequent to fiscal year end are considered measurable and available and recognized as income in the government- fund financial statements.

K. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of financial position will sometimes report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS

The District's funds held in the County of Santa Cruz pooled cash and investment pool was \$525,392 as of June 30, 2017. The following is information from the audited financial statements of the County of Santa Cruz.

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds monthly using a formula based on the average daily cash balance of each fund. Interest earned through June 30, 2017 was distributed on the thirtieth business day during June 2017, and is shown as part of receivables on the financial statements.

The following is a summary of cash and investments at June 30, 2017:

	Government-Wide Statement of Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Santa Cruz County Sanitation District
Cash and Investments	\$ 211,407,554	\$ 9,321,184	\$ 220,728,738	\$ 10,385,721
Restricted Cash and Investments	11,750,266	7,356,690	19,106,956	969,937
Total Cash and Investments	\$ 223,157,820	\$ 16,677,874	\$ 239,835,694	\$ 11,355,658
	Fiduciary Funds			County Total
	Agency Funds	Investment Trust Fund	Private Purpose Trust Fund	
Cash and Investments	\$ 53,547,289	\$ 552,112,345	\$ 13,224,532	\$ 849,998,625
Restricted Cash and Investments	-	-	3,483,329	23,560,222
Total Cash and Investments	\$ 53,547,289	\$ 552,112,345	\$ 16,707,861	\$ 873,558,847

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, Continued

	Cash and Investments	Restricted cash and Investments	Total
Primary Government and Fiduciary Funds:			
Cash on hand or imprest cash	\$ 1,762,650	\$ -	\$ 1,762,650
Cash deposits in treasury pool	28,482,515	-	28,482,515
Investments in treasury pool	809,367,739	-	809,367,739
Restricted investments in other pools	-	15,250,263	15,250,263
Restricted cash deposits in treasury pool:			
County Disposal Sites CSA 9C	-	7,340,022	7,340,022
Total	839,612,904	22,590,285	862,203,189
Component Unit:			
Investments in treasury pool	10,385,721	-	10,385,721
Restricted investments in other banks	-	969,937	969,937
Total	10,385,721	969,937	11,355,658
Total cash and investments	\$ 849,998,625	\$ 23,560,222	\$ 873,558,847

At June 30, 2017, the County's cash on hand, deposits, and investments consisted of:

	Treasury Pool	Other Banks/ Investment Pools	Total
Primary Government and Fiduciary Funds:			
Cash on hand or imprest cash	\$ 60,536	\$ 1,702,114	\$ 1,762,650
Deposits	28,482,515	-	28,482,515
Investments	816,158,514	15,799,510	831,958,024
Total Primary Government	844,701,565	17,501,624	862,203,189
Component Unit:			
Investments	10,385,721	969,937	11,355,658
Total Component Unit	10,385,721	969,937	11,355,658
Total Reporting Entity	\$ 855,087,286	\$ 18,471,561	\$ 873,558,847

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, Continued

The carrying amounts of the County's cash deposits were \$28,482,515 at June 30, 2017, of which the bank balances were fully insured or collateralized with securities held by the pledging financial institutions in the County's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This California Government Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The fair value of pledged securities must equal at least 110% of the County's cash deposits. State law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

A. Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	10%	None
U.S. Treasury obligations	5 years	100%	None
U.S. Government Agency obligations	5 years	100%	25%
Bankers' acceptances	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	10%
Bank deposit	5 years	10%	10%
Repurchase agreements	1 year	100%	10%
Medium-term notes	5 years	30%	10%
Mutual funds/money market mutual funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$65 million	None
Joint Powers Authority investment funds	N/A	25%	10%
Supranationals	5 years	30%	10%

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments were stated at cost, as the fair value adjustment at year-end was immaterial.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, Continued

A. Investments

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the County's investment policy.

B. Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

At June 30, 2017, the County had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 2	2 to 3	3 to 4
U.S. Treasury Securities	\$ 314,658,348	\$ 149,841,930	\$ 128,271,428	\$ 16,780,190	\$ 19,764,800
Federal Agency Securities	283,244,403	123,884,210	159,360,193	-	-
Medium-Term Notes - Other	57,359,088	37,530,188	9,947,400	9,881,500	-
Money Market Mutual Funds	5,009,647	5,009,647	-	-	-
Local Agency Investment Fund (LAIF)	65,123,913	65,123,913	-	-	-
Certificates of Deposit	76,236,156	74,999,500	969,937	266,719	-
Investment Agreements	12,000,000	12,000,000	-	-	-
Supranationals	39,688,350	-	-	29,798,850	9,889,500
Total Investments	\$ 853,319,905	\$ 468,389,388	\$ 298,548,958	\$ 56,727,259	\$ 29,654,300

C. Concentration of Credit Risk

At June 30, 2017, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds, or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, Continued

C. Concentration of Credit Risk, Continued

The following schedule is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool’s fair value at June 30, 2017.

Investment Type	Standard & Poor's	Moody's	% of Portfolio
U.S. Treasury Securities	N/A	N/A	36.10%
Federal Agency Securities	AA+	Aaa	32.51%
Supranational	AAA	Aaa	4.57%
Medium-Term Notes	A/AAA	A+	6.60%
Money Market Mutual Funds	Unrated	Unrated	0.57%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	7.46%
Certificates of Deposit	A1+	P1	8.62%
Checking Account	Unrated	Unrated	2.20%
Investment Agreements	Unrated	Unrated	1.37%
Total			100.00%

D. Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, the County’s investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

E. Local Agency Investment Fund (LAIF)

As of June 30, 2017, the County had \$65,123,913 invested in LAIF, which had invested 0.05% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 0.08% in the previous year. LAIF provided a fair value factor of 0.998940671 to calculate the fair value of the investments in LAIF. However, an adjustment was not made to reflect the fair value of LAIF, as the fair value adjustment was considered immaterial.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

F. Fair Value Measurements

The County investment pool categorizes its fair value measurements within the fair value hierarchy established by GAAP. These principles recognize a three-tiered fair value hierarchy, as follows.

Level 1: Investments reflect prices quoted in active markets,

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, Continued

F. Fair Value Measurements, Continued

Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active, and

Level 3: Investments reflect prices based upon unobservable sources.

The County investment pool has the following recurring fair value measurements as of June 30, 2017:

Investment Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Treasury Securities	\$ 314,658,348	\$ 314,658,348	\$ -	\$ -
Federal Agency Securities	283,244,403	283,244,403	-	-
Medium-Term Notes - Other	57,359,088	57,359,088	-	-
Certificates of Deposit	75,249,793	75,249,793	-	-
Investment Agreements	12,000,000	12,000,000	-	-
Supranationals	39,688,350	39,688,350	-	-
Total Investments Measured at Fair Value	782,199,982	\$ 782,199,982	\$ -	\$ -
Investment Measured at Amortized Cost:				
Money Market Mutual Funds	5,009,647			
Local Agency Investment Fund (LAIF)	65,123,913			
Total Pooled and Directed Investments	\$ 852,333,542			

3. COMPENSATED ABSENCES PAYABLE

A summary of changes in compensated absences for the District for the years ended June 30, 2017 and 2016, are as follows:

	2017			
	Balance at July 1, 2016	Addition	Deletion	Balance at June 30, 2017
Accumulated unpaid compensated absences	\$ 45,039	\$ 51,132	\$ 51,780	\$ 44,391
	2016			
	Balance at July 1, 2015	Addition	Deletion	Balance at June 30, 2016
Accumulated unpaid compensated absences	\$ 35,865	\$ 56,386	\$ 47,212	\$ 45,039

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

4. CAPITAL ASSETS

The following is a summary of capital assets activity for the fiscal years ended June 30, 2017 and 2016:

	2017			Balance at June 30, 2017
	Balance at July 1, 2016	Addition	Deletion	
Furniture, office equipment and computers	\$ 40,489	\$ -	\$ -	\$ 40,489
Total depreciable assets	<u>40,489</u>	<u>-</u>	<u>-</u>	<u>40,489</u>
Less accumulated depreciation:				
Furniture, office equipment and computers	(40,489)	-	-	(40,489)
Total accumulated depreciation	<u>(40,489)</u>	<u>-</u>	<u>-</u>	<u>(40,489)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2016			Balance at June 30, 2016
	Balance at July 1, 2015	Addition	Deletion	
Furniture, office equipment and computers	\$ 40,489	\$ -	\$ -	\$ 40,489
Total depreciable assets	<u>40,489</u>	<u>-</u>	<u>-</u>	<u>40,489</u>
Less accumulated depreciation:				
Furniture, office equipment and computers	(40,489)	-	-	(40,489)
Total accumulated depreciation	<u>(40,489)</u>	<u>-</u>	<u>-</u>	<u>(40,489)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

5. LONG-TERM DEBT LIABILITIES

The District had no long-term debt as of June 30, 2017.

6. INSURANCE

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and there have been no settlements.

Workers' Compensation: Special District Risk Management Association

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. INSURANCE, Continued

Liability insurance: The District is insured through the special District Risk Management Association

General Liability

Personal injury and property damage: per occurrence \$ 2,500,000

Public officials and employees errors

Per occurrence \$ 2,500,000

General aggregate \$ 2,500,000

Personal liability coverage for board members

Per occurrence \$ 500,000

General aggregate \$ 500,000

Employment proactives liability and employment benefits liability

Per occurrence \$ 2,500,000

General aggregate \$ 2,500,000

Employee dishonesty coverage

Per occurrence \$ 2,500,000

Auto

Auto liability: personal injury and property damage: per occurrence \$ 2,500,000

Auto physical damage Limits on File

Uninsured/underinsured motorists: each accident \$ 100,000

Property coverage

Includes fire, theft and flood: each occurrence \$ 1,000,000,000
(replacement cost for scheduled property)

Boiler and machinery coverage: each occurrence \$ 100,000,000
(replacement cost for scheduled property)

Workers' comp

Statutory workers comp: each occurrence Statutory

Employers' liability coverage: each occurrence \$ 5,000,000

7. LEASES

The District leases office space in Capitola, California under a lease agreement that expires on July 31, 2016. An extension and amendment of lease agreement becomes effective on August 1, 2016. As of June 30, 2017 monthly rent totals \$3,229 per month. Total rent expense for the fiscal years ended June 30, 2017 and 2016 were \$40,944 and \$62,370, respectively. Minimum rent payments through the end of the lease term are \$3,229 for the one month period July 2017. Total rent due under the new lease agreement for the period August 1, 2017 to July 31, 2018 is \$38,748.

Resource Conservation District of Santa Cruz County
Notes to Basic Financial Statements
For the year ended June 30, 2017

8. RETIREMENT PLAN

The District’s employees are able to participate in a 401(k) retirement plan after a one year probation period. Employees only need to work one hour per year to participate and interns and contract employees are excluded from the plan. In addition, there is a five year vesting period where the employee becomes 20% vested each year. The District makes dollar-for-dollar contributions on behalf of the employees up to 4.5% of the employees’ wages. For the year ended June 30, 2017 and 2016, the District contributed \$ 24,952 and \$22,598, respectively, to the plan.

9. CONCENTRATION OF RISK

The District receives a substantial portion of its revenue from government grants. These grants represent a significant concentration of the District’s support and revenue, which require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the management deems the contingency remote, since by accepting the grants and their terms; it has accommodated the objectives of the District to the provisions of the grant.

10. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The District recorded a prior period adjustment to account for receivables outstanding and related unavailable revenue that were not collected within sixty days from the end of the year.

Fund Financial Statements	Fund Balance, as Previously Stated	Prior Period Adjustment		Fund Balance, as Restated
		Accounts Receivable	Unavailable Revenue	
General Fund	\$ 143,487	\$ 407,852	\$ (407,852)	\$ 143,487

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

Resource Conservation District of Santa Cruz County
Budget Comparison Schedule - Revenues
Budget and Actual - General Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes				
Current secured	\$ 22,000	\$ 22,000	\$ 28,112	\$ 6,112
Current unsecured	-	-	565	565
Current secured - supplemental	-	-	517	517
Current unsecured - supplemental	-	-	20	20
Prior years	-	-	2,290	2,290
Total property taxes	<u>22,000</u>	<u>22,000</u>	<u>31,504</u>	<u>9,504</u>
Use of money and property - interest	<u>750</u>	<u>750</u>	<u>4,077</u>	<u>3,327</u>
Aid from other governmental agencies				
Homeowners' property tax relief	-	-	188	188
Total aid from other governmental agencies	<u>-</u>	<u>-</u>	<u>188</u>	<u>188</u>
Grants				
State - Department of Parks and Recreation	110,958	110,958	-	(110,958)
State - Water Resources Control Board	644,464	644,464	-	(644,464)
State - other	1,204,090	1,204,090	1,340,769	136,679
Federal - other	206,059	206,059	180,558	(25,501)
Total grants	<u>2,165,571</u>	<u>2,165,571</u>	<u>1,521,327</u>	<u>(644,244)</u>
Other revenue				
Other funds - special district augmnetation fund	40,900	40,900	41,289	389
Contributions and donations	-	-	28,050	28,050
RDA Pass-Throughs	-	-	56	56
Other revenue	<u>778,605</u>	<u>778,605</u>	<u>734,473</u>	<u>(44,132)</u>
Total other revenue	<u>819,505</u>	<u>819,505</u>	<u>803,868</u>	<u>(15,637)</u>
Total revenues	<u>\$ 3,007,826</u>	<u>\$ 3,007,826</u>	<u>\$ 2,360,964</u>	<u>\$ (646,862)</u>

Resource Conservation District of Santa Cruz County
Budget Comparison Schedule - Expenditure
Budget and Actual - General Fund
For the Year Ended June 30, 2017

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Salaries and employee benefits				
Regular pay	\$ 693,191	\$ 693,191	\$ 708,024	\$ (14,833)
Social security	42,978	42,978	52,512	(9,534)
Employee insurance and benefits	184,043	184,043	74,580	109,463
Unemployment insurance	11,486	11,486	6,800	4,686
Workers' compensation	7,209	7,209	4,600	2,609
Total salaries and employee benefits	<u>938,907</u>	<u>938,907</u>	<u>846,516</u>	<u>92,391</u>
Services and supplies				
Telephone	7,218	7,218	5,862	1,356
Insurance	15,000	15,000	14,312	688
Memberships	4,500	4,500	2,640	1,860
Postage	600	600	346	254
Supplies	23,000	23,000	(46)	23,046
Accounting and auditing	24,000	24,000	26,702	(2,702)
Legal Services	5,000	5,000	9,234	(4,234)
Professional services	2,098,415	2,098,415	1,387,541	710,874
Publication printing costs	3,750	3,750	-	3,750
Rents and leases - structures	42,900	42,900	38,748	4,152
Special district expense - services	34,146	34,146	122,671	(88,525)
Mileage	4,542	4,542	4,799	(257)
Utilities	3,400	3,400	2,779	621
Credit Card Fees	-	-	47	(47)
Total Services and supplies	<u>2,266,471</u>	<u>2,266,471</u>	<u>1,615,635</u>	<u>650,836</u>
Appropriations for contingencies	<u>145,614</u>	<u>145,614</u>	<u>-</u>	<u>145,614</u>
Total expenditures	<u>\$ 3,350,992</u>	<u>\$ 3,350,992</u>	<u>\$ 2,462,151</u>	<u>\$ 888,841</u>



2018-2019 **FINAL** Budget -- 684810

FUND BALANCE

0000 - Undesignated	-
0000 - Designated	278,269
Subtotal	278,269

REVENUES

40100	Misc Taxes	30,516
40430	Interest	4,000
40893	St Wtr Res Cntrl Bd	480,366
80494	St - Other	1,599,046
41096	Fed - Other	298,541
42367	Spec Dist Aug Funds	42,538
42372	Contrib & Donations	-
42384	Other Revenue	926,141
Subtotal	3,381,148	

GRAND TOTAL **3,659,417**

EXPENDITURES

SALARIES

51000	Regular Pay	690,313
52010	Social Security	52,032
53010	Emp Ins & Bene	101,708
53015	Unemployment Ins	5,208
54010	Workers Comp	5,145
Subtotal	854,406	

SVCS & SUPPLIES

61221	Telephone	7,980
61515	Blanket Ins	15,470
62020	Memberships	4,000
62221	Postage	600
62223	Supplies	5,900
62301	Acct/Auditing	30,000
62360	Legal Services	11,850
62381	Prof/Spec Svcs	2,308,387
62415	Printing	600
62420	Legal Notices	-
62610	Rent	45,000
62888	Special Dist Exp	221,017
62926	Mileage/Travel	8,761
63070	Utilities	3,300
Subtotal	2,662,865	

EQUIPMENT

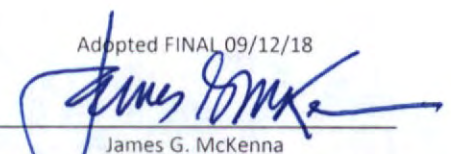
86204	Equipment	-
Subtotal	-	

CONTINGENCIES

98726	Contingencies	142,146
Subtotal	142,146	

GRAND TOTAL **3,659,417**

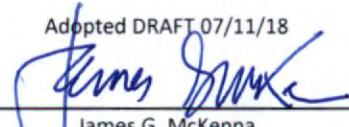
Adopted FINAL 09/12/18


 James G. McKenna
 President, Board of Directors



2018-2019 **DRAFT Budget -- 684810**

		FUND BALANCE	
	0000 - Undesignated		-
	0000 - Designated		340,290
		Subtotal	340,290
		REVENUES	
40100	Misc Taxes		22,880
40430	Interest		2,500
40893	St Wtr Res Cntrl Bd		476,052
80494	St - Other		1,206,905
41096	Fed - Other		272,070
42367	Spec Dist Aug Funds		42,536
42372	Contrib & Donations		-
42384	Other Revenue		650,399
		Subtotal	2,673,342
		GRAND TOTAL	3,013,632
		EXPENDITURES	
	SALARIES		
51000	Regular Pay		699,033
52010	Social Security		43,339
53010	Emp Ins & Bene		206,565
53015	Unemployment Ins		4,854
54010	Workers Comp		8,738
		Subtotal	962,529
	SVCS & SUPPLIES		
61221	Telephone		7,980
61515	Blanket Ins		16,575
62020	Memberships		6,000
62221	Postage		900
62223	Supplies		6,100
62301	Acct/Auditing		29,000
62360	Legal Services		13,950
62381	Prof/Spec Svcs		1,638,402
62415	Printing		1,200
62420	Legal Notices		-
62610	Rent		45,000
62888	Special Dist Exp		161,198
62926	Mileage		10,413
63070	Utilities		3,000
		Subtotal	1,939,718
	EQUIPMENT		
86204	Equipment		-
		Subtotal	-
	CONTINGENCIES		
98726	Contingencies		111,385
		Subtotal	111,385
		GRAND TOTAL	3,013,632

Adopted DRAFT 07/11/18

 James G. McKenna
 President, Board of Directors

