

Minutes of July 17, 2025 LCRCRD Board Meeting

CALL MEETING TO ORDER

Randy Krag of the LCRCRD Board of Directors, called the meeting to order at 1:01 p.m., Jing Wang will take the Minutes.

Directors Present: Randy Krag, Harry Lyons, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez, Steve Campbell, Joseph Sullivan

Directors Absent: none.

Others Present:

In Person: Julia Sullivan (Executive Director), Jing Wang (Bookkeeper), Megan McCluer-Lopez (Finance Manager), John Vandervort (Conservation Program Manager), Nicole Lau (Community Forester), Erica Lundquist (NRCS District Conservationist)

1. INTRODUCTIONS and consideration of extra items not appearing on the posted agenda.

- -none-

2. PUBLIC INPUT - Anyone may speak for three minutes on a subject not on the agenda; no action will be taken by the Board.

- Board member Kate Schmidt-Hopper shared that Ken Gonzalez, who is an ambassador/outreach person for Harbin, is interested in sustainable agriculture and the SALC program.

3. BOARD REVIEW AND UPDATES

3.1 UPDATE on staff activities by Executive Director - Julia Sullivan

- Julia reported that the past few weeks have focused on closing out the fiscal year, emphasizing program-level and staff-level financial planning.
- The RCD is hosting a Local Working Group Meeting, scheduled for August 7 in partnership with NRCS, which includes:
 - o Morning session: Agriculture and rangeland topics.
 - o Afternoon session: Forest health and wildfire resilience.
- Merry Jo (on behalf of the Land Trust) requested a copy of the pre-application for the Kuulanapo grant and asked to participate in the application process.
- Julia shared that the team toured McLaughlin Reserve to see rehabilitation efforts.
- Julia gave an introduction of the Lake Pillsbury "Floating 40" Parcel project, and the RCD's role to complete permitting (e.g., cultural resources survey) in collaboration with the Forest Service.

3.2 ROLL CALL on ongoing projects with Board Hosts

- Randy Krag
 - No update
- Harry Lyons
 - No update
- Kate Schmidt-Hopper
 - Kate requested that Shula and Harry email her the addresses of all Field Day presenters so she can send out thank-you notes.
- Shula Shoup
 - No update
- Merry Jo Velasquez
 - No update
- Steve Campbell
 - No update
- Joseph Sullivan
 - Absent

3.3 UPDATE on NRCS activities - Erica Lundquist

- Erica noted the upcoming Local Working Group meeting, and shared her belief that the input from diverse agencies and farming organizations will support both NRCS priorities and the RCD's strategic planning.
- Erica and Julia are collaborating on plans to expand office space by converting an adjacent storage area used by UC Cooperative Extension. The County has agreed to fund the expansion, pending Board of Supervisors approval
- Coordinating with RCD forestry staff to begin planning for next year's EQIP (Environmental Quality Incentives Program) forestry projects.

3.4 UPDATE from President and Directors

- Randy Krag
 - No update
- Harry Lyons
 - No update
- Kate Schmidt-Hopper
 - No update
- Shula Shoup
 - No update
- Merry Jo Velasquez
 - Shared update on the Middle Creek Restoration Project, and expressed concerns over whether \$750,000 in federal earmark funding secured by Congressman Mike Thompson is still available or stalled due to budget or staffing cuts.
 - Kate encouraged Merry Jo to contact Rep. Mike Thompson's office directly.
- Steve Campbell
 - No update
- Joseph Sullivan
 - Absent

3.5 UPDATE from Strategic Planning Committee

- There has been no major progress since the last board meeting.
- Consultant Amy has scheduled interviews with RCD staff, Board members and external stakeholders. These interviews will take place over the next few weeks.
- A Strategic Planning Workshop is scheduled to be held in October: surrounded by two committee check-in meetings: one pre-workshop in September, and one post-workshop in October for debriefing.

3.6 UPDATE from Finance Committee

- The Finance Committee (Randy, Harry, Julia, and Megan) has been meeting regularly to develop the FY 2025–26 budget.
- Randy clarified that the committee's role is oversight and review, while the budget development work is led primarily by RCD staff.
- A draft budget using both top-down and bottom-up approaches was presented, after adjusting for staff capacity and realistic billable hours.
- The Finance Committee will meet again before August 21 and incorporate end-of-year financials and Executive Review Committee recommendations.
- The final FY 2025–26 budget will be presented for adoption at the August 21, 2025 board meeting.

4. ACTION – Includes discussion.

4.1 VOTE on approval of June 26, 2025 meeting minutes

Discussion Highlights:

- Kate suggested that the minutes could be made more concise to be easier for the public to digest. She noted that while she's fine with being quoted, it's not always necessary to attribute every comment.
- General consensus emerged around potentially condensing future meeting minutes to balance public accessibility and administrative efficiency.

Motion to Approve: Merry Jo Velasquez

Seconded: Kate Schmidt-Hopper

Ayes: Randy Krag, Harry Lyons, Steve Campbell, Joseph Sullivan

Nays: none

Absent: none

Abstained: Shula Shoup

Result: Passed

4.2 VOTE on acceptance of monthly financial report

Discussion Highlights:

- Megan presented the financial report for May 2025.

- No major issues noted; overall financials appear strong and stable.
- Several new projects show high profitability in the Project Profitability report due to expenses not yet having caught up with revenue.
- Jing clarified that RCDs, as state government entities, are exempt from paying FUTA. A previous erroneous payment has been refunded by the IRS.

Motion to Approve: Steve Campbell

Seconded: Kate Schmidt-Hopper

Ayes: Unanimous

Nays: none

Absent: none

Abstained: none

Result: Passed

4.3 VOTE on California Special Districts Association and Special Districts Risk Management Association Board candidates

Discussion Highlights:

- Harry presented the California Special Districts Association (CSDA) Board candidate ballot.
 - Kylie Felicich, General Manager of the Mendocino Recreation and Park District, was recommended by Harry and supported by the board as a local and experienced candidate.
- The Special District Risk Management Authority (SDRMA) ballot involved 4 candidates for 4 open positions. Harry recommended voting for all four, as they are all excellent candidates.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Merry Jo Velasquez

Ayes: Unanimous

Nays: none

Absent: none

Abstained: none

Result: Passed

4.4 VOTE on approval of salary schedule/job classification system

Discussion Highlights:

- Julia made a presentation explaining the purpose, structure, and development of the system to improve internal consistency, transparency, and career progression.
- The Board discussed role classifications, career paths, and the COLA process.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Merry Jo Velasquez

Ayes: Unanimous

Nays: none

Absent: none

Abstained: none
Result: Passed

4.5 VOTE to approve Executive Director to enter into a contract with a new auditor for FY25-26

Discussion Highlights:

- Megan explained that the organization has used the same auditor for over six years, and best practices recommend auditor rotation after six years.
- The current RCD auditor will complete the FY 2023–24 audit. The new contract will begin with FY 2024–25.
- An RFQ was sent to nine audit firms, and although only one quote was received, it was exceptional and cost-effective, with great feedback from references.
- Megan initially misinterpreted rules regarding audit frequency. Although state law allows audits “every other year,” each individual fiscal year must be audited.
- Board consensus was that despite the lack of multiple responses, there was a thorough effort to solicit quotes and the existing proposal is acceptable.
- The Board authorized the Executive Director to enter a contract with the new auditor for FY 2024–25, with potential annual renewal for up to five years.

Motion to Approve: Harry Lyons
Seconded: Joseph Sullivan
Ayes: Unanimous
Nays: none
Absent: none
Abstained: none
Result: Passed

4.6 VOTE on RESOLUTION 2025-06 for LCRCDD to close its existing WestAmerica Bank business account and reopen a new one due to fraudulent checks

Discussion Highlights:

- Julia reported that WestAmerica Bank contacted the organization after identifying fraudulent checks with mismatched signatures and out-of-sequence check numbers.
- No funds were lost due to internal and bank systems successfully flagging the fraudulent checks.
- However, the organization must close the current affected checking account and open a new one, which is disruptive to operations.
- Megan acknowledged that the incident revealed the need for enhanced fraud prevention, particularly the adoption of Positive Pay, a check fraud mitigation service.

Motion to Approve: Shula Shoup
Seconded: Kate Schmidt-Hopper
Ayes: Unanimous
Nays: none
Absent: none

Abstained: none

Result: Passed, and RESOLUTION 2025-06 signed.

4.7 VOTE on approval of CAL FIRE Wildfire Prevention Grant application and CEQA Lead Agency role (due August 6th) - presentation by John and Nicole

Discussion Highlights:

- A presentation was given by John Vandervort, RCD Conservation Program Manager and Nicole Lau, RCD Community Forester, summarizing the project's focus on defensible space and fuels reduction in Clear Lake and North Shore areas.
- The project includes outreach and treatment of 200 homes (including 45 tax-default parcels), in coordination with local partners.
- RCD will file CEQA Notices of Exemption (NOEs), no full EIR (Environmental Impact Report) anticipated.
- The project will run through February 2029 if awarded.
- Board Q&A addressed:
 - Concern involving tax-default parcels: unmaintained lots abandoned by owners which increase wildfire risk.
 - Possible limitations on long term maintenance.
 - Opportunity for staff to attend the County Housing Action Implementation Plan (HAIP) meeting, a Board of Supervisors meeting taking place Tuesday 29th, 9:00am on Zoom.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Steve Campbell

Ayes: Unanimous

Nays: none

Absent: none

Abstained: none

Result: Passed

5. **DISCUSSION** – Does not include action.

5.1 Update on Julia's August/September schedule

- Due to travel, Julia will attend the August 2025 Board meeting virtually.

6. **AGENDA ITEM REQUESTS**

- **-None-**

7. **CLOSED SESSION** - Personnel

- With no additional agenda items, Randy called the meeting into closed session involving a report by the Executive Director Review Committee.

8. **ADJOURNMENT**

- No action was taken at the closed session, the meeting adjourned at 4:36 PM.