

Minutes of December 18th 2025 LCRCO Board Meeting

CALL MEETING TO ORDER

Randy Krag of the LCRCO Board of Directors, called the meeting to order at 2:06 p.m., Jing Wang will take the Minutes.

Directors Present: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez,

Directors Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Others Present:

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

Virtually: Amy Stork (Strategic Planning Consultant)

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.
 - No members of the public were present, and none present had any input.
3. **BOARD REVIEW AND UPDATES**
 - 3.1 UPDATE on staff activities - Julia Sullivan, Executive Director
 - Julia Sullivan, Executive Director, reported on recent staff activities.
 - The Forestry team has been actively collaborating with the U.S. Forest Service on a project in the Lake Pillsbury area. Frequent meetings and field visits are being conducted to plan for future forest health projects. One section of a project focuses on improving northern spotted owl habitat.
 - The Forest Service showed interest in formalizing the partnership through a Master Agreement, which Julia found encouraging.
 - Staff, including Nicole and Estefania, have taken the new RCD truck on its inaugural trips, expanding capacity for site work.
 - The new RCD office is undergoing renovations, causing some disruption from construction activities.
 - Board Director Merry Jo Velasquez requested an update on progress incorporating the “fourth breach” into the levee breach project, raising concerns about accessibility for survey teams after recent rains.
 - Board President Randy Krag asked Julia to express to staff his appreciation of the goatsrue project as well as the Board’s general appreciation for all RCD projects.

3.2 ROLL CALL on ongoing projects with Board Host

- Randy Krag – No update.
- Harry Lyons – absent.
- Kate Schmidt-Hopper – No update.
- Shula Shoup – No update.
- Merry Jo Velasquez –
 - Merry Jo reported leading a public walk at a preserve and noted positive engagement, specifically, new fourth-grade teachers showed interest in participating in future programs.
- Steve Campbell – absent.
- Joseph Sullivan – absent.

3.3 UPDATE on NRCS activities - Erica Lundquist

- Erica Lundquist provided an update on NRCS activities
 - The team is currently accepting applications, ranking applicants for funding, and working toward the EQIP/CSP application deadline of January 15th, 2026.
 - Recent federal guidance has introduced new procedures, specifically regarding stricter adherence to contract schedules.
 - RCD staff are supporting NRCS planning efforts and active contract management efforts.
 - The office is undergoing remodeling, resulting in a temporarily disorganized and dusty environment.

3.4 UPDATE from President and Directors

- Randy Krag – No update.
- Harry Lyons – absent.
- Kate Schmidt-Hopper
 - Board Director Kate Schmidt-Hopper shared positive experiences at a Women for Agriculture event, noting the involvement of new and younger directors, RCD's recognition, and ongoing efforts to serve as a community ambassador.
- Shula Shoup – No update.
- Merry Jo Velasquez
 - Merry Jo announced that Board Director Harry Lyons had successfully obtained a crucial letter of support from the Blue Ribbon Committee, the RCD's Scotts Valley planning project grant application, despite a narrow timeline.
- Steve Campbell - absent.
- Joseph Sullivan - absent.

3.5 UPDATE from Strategic Planning Committee

- The committee recently met with Amy Stork (Strategic Planning Consultant) to review the latest draft of the strategic plan, which will be shared with the Board after the meeting.
- The draft strategic plan is nearing completion and is expected to be ready for final Board review and possible adoption at the January 2026 Board meeting.

4. ACTION – Includes discussion.

4.1 VOTE on approval of November 2025 meeting minutes

Discussion: None.

Motion to Approve: Merry Jo Velasquez

Seconded: Kate Schmidt-Hopper

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

4.2 VOTE on acceptance of October 2025 financial report

Discussion:

- Finance Manager Megan McCluer presented the October financial summary, explaining that accounts receivable were high, and available cash was low at the time the report was prepared.
- The Board and staff discussed the possibility of a mid-year budget adjustment, with Randy reiterating that such an adjustment should be used only when absolutely necessary.
- Merry Jo praised the explanations provided for late (90+ day) accounts receivable.
- Randy and Kate sought clarification on how retention receivables (amounts withheld by grantors on each invoice) impact cash flow and budgeting, and Megan and Jing provided detailed explanations. (It can have an impact in negotiating removal or decrease in retention requirements in the RCD's standard approach.)
- Megan thanked the Board for always reviewing and providing feedback for the monthly financial reports.

Motion to Approve: Merry Jo Velasquez

Seconded: Kate Schmidt-Hopper

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

4.3 VOTE on Resolution 2025-08 - Authorizing access to RESTRICTED RESERVES to alleviate cash flow issues

Discussion:

- The Board discussed the resolution, which authorizes the RCD Executive Director to temporarily allocate up to \$50,000 from restricted reserves to cover short-term cash flow issues (such as payroll). The \$50,000 cap applies to the active borrowed balance, not to cumulative draws. Any borrowed amount must be fully repaid within four months.
- The Board requested that a discussion item be added to the January agenda to revisit the selection of the Board finance committee for 2026.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Merry Jo Velasquez

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

4.4 VOTE on Resolution 2025-09 - Authorizing ED to enter into a loan for vehicle purchase

Discussion:

- The loan is approximately \$27,825 at 2.9% interest for two years. The Board approved and finalized required documentation.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Merry Jo Velasquez

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

4.5 VOTE on approval of proposed LCRCDD-RRA partnership model moving forward

Discussion:

- Julia (Executive Director) presented the framework for the LCRCDD-RRA partnership, clarifying it was not a binding contract but a template for future engagement. She described two key services: ongoing administrative support for RRA meetings/logistics and time-limited, fee-for-service grant writing/capacity-building.
- Kate raised concerns about LCRCDD being indefinitely tied to RRA, particularly if RRA develops regulatory authority. Julia clarified that while the RRA is not exactly regulatory, they are an authoritative decision making entity.
- Merry Jo suggested that, if a grant application is pending near the end of a contract term, the partnership should allow RRA to extend LCRCDD's support briefly.
- Julia emphasized that admin/facilitation and grant-writing services could be separate contracts to clarify costs and obligations.
- Randy agreed on the need for boundaries and transparency, supporting a clear, time-limited arrangement.
- Megan affirmed Julia's structure as a good compromise between supporting RRA and protecting LCRCDD resources.
- Julia reaffirmed that the intent was to provide transitional support without overcommitting LCRCDD resources, and that any further commitment would depend on future Board assessment.

Motion to Approve: Kate Schmidt-Hopper

Seconded: Merry Jo Velasquez

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

4.6 VOTE on Resolution 2025-10 - Approving the submission of an application to the Wildlife Conservation Board (WCB) for the Kuhlanapo Wetland and Hitch Habitat Reconnection Project

Discussion:

- Julia explained the necessity of the resolution, noting that it was required for the WCB application rather than by RCD policy. She added that the project budget is unlikely to exceed \$350,000. The Board discussed timing considerations related to surveys and permitting for the project.

Motion to Approve: Merry Jo Velasquez

Seconded: Kate Schmidt-Hopper

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez

Nays: none

Absent: Harry Lyons, Steve Campbell, Joseph Sullivan

Abstained: none

Result: Passed

5. DISCUSSION – Does not include action.

5.1 LCRCDD draft strategic direction document (Amy Stork)

- Amy Stork presented the nearly complete draft of the LCRCDD strategic direction document, outlining the strategic planning process and major document components: vision, mission, goals, actions, guiding principles, and measurable objectives.
- Amy proposed two revising opportunities before adoption:
 - Revisiting the organization's purpose statement so current staff and Board can offer input.
 - Developing a clear set of organizational values/guiding principles.
- Kate voiced support but emphasized her opinion that there should be a clear distinction between Board and Staff, and that the Board will retain final decision authority.
- The Strategic planning timeline calls for final comments on the draft of the LCRCDD strategic direction document by January 7, 2026, and a planned Board adoption vote on January 15, 2026.

5.2 Required trainings

- Julia reported that both Board and staff are currently out of compliance with required trainings, including ethics (Public Records Act, Brown Act), and harassment prevention. Plans are in place to provide access to these trainings in January, either online independently or via a group webinar scheduled for January 8, 2026.

6. AGENDA ITEM REQUESTS

- Discussion of the 2026 Finance Committee selection.
- Monitoring upcoming elections affecting small districts (e.g., CSDA, CARCD) to ensure timely Board action.
- Monitoring the transition to a new insurance carrier, with status updates when available.

- Keeping an eye on the potential need for a mid-year budget adjustment, so it can be addressed proactively in February if necessary.

7. ADJOURNMENT

Motion to Adjourn: Merry Jo Velasquez

Seconded: Shula Shoup

Ayes: Randy Krag, Kate Schmidt-Hopper, Shula Shoup, Merry Jo Velasquez, Harry Lyons

Nays: none.

Absent: Steve Campbell, Joseph Sullivan

Abstained: none.

Result: Adjourned

The meeting was adjourned at 4:09 p.m.