

Humboldt
County



RESOURCE
CONSERVATION DISTRICT

Board of Directors Meeting

The mission of the Humboldt County Resource Conservation District is to assist private and public landowners in the planning, design, and implementation of soil, water, and forest resource conservation practices to improve and enhance natural and working lands in Humboldt County

REGULAR MEETING: AGENDA

Thursday, September 12, 2024

8:00 A.M.

(Items marked with * are attached to director packets. Packets may be requested by contacting the HCRCD at 707-442-6058 x 5 or emailing jill@hcrd.org.)

LOCATION: HUMBOLDT AGRICULTURAL CENTER

5630 South Broadway

Eureka, CA 95503

OR

TELECONFERENCE via ZOOM & TELEPHONE

The public may observe the meeting from a desktop computer, mobile device, or telephone.

Join Zoom Meeting

<https://us02web.zoom.us/j/81402508783?pwd=fgVgLiTUeMiVciuHIYNpHKd9d7YFw3.1>

Meeting ID: 814 0250 8783

Passcode: 568785

If accessing from a **telephone**, you can listen to the meeting live by calling:

1 669 900 6833

Enter Meeting ID: 814 0250 8783 when prompted

Enter Passcode: 568785 when prompted

To mute or unmute yourself on a telephone, press *6

To raise your hand on a telephone, press *9

HOW TO SUBMIT PUBLIC COMMENTS:

Before the Meeting: Please email your comments to jill@hcrd.org before 8am on the day of the meeting, write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed three minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email.

Contemporaneous Comments: During the meeting, the Board Chair or designee will announce the opportunity to make public comments and identify the cut off time for each attendee. Attendees may also "raise" their hand in Zoom or via telephone by pressing *9 to make comments. The chat feature within Zoom will also be monitored for comments submitted during the meeting.

1. **CALL TO ORDER** – Christine Manhart, Chair
2. **ROLL CALL**
3. **ADDITIONS OR CHANGES TO AGENDA** (Gov. Code 54954.2(B))
4. **PUBLIC COMMENT PERIOD**
Any person may address the Board regarding any matter within the Board’s jurisdiction that is not on the agenda. Speakers are asked to limit comments to three minutes. Members of the public may also comment on agenda items when they are discussed. (Gov. Code 54954.3(a))
5. **CONSENT CALENDAR - ACTION**
 - 5.1 Approve Minutes for Regular Meeting of August 8, 2024*
 - 5.2 Approve Revised FY 24-25 Indirect Cost Allocation Rate Study*
6. **ITEMS PULLED FROM CONSENT CALENDAR - ACTION**
7. **INFORMATIONAL ITEMS**
 - 7.1 District Director Updates and Announcements – Directors may provide updates on their activities related to the HCRCD such as other meetings attended and other relevant announcements.
 - 7.2 District Correspondence
 - 7.3 NRCS Update – Jenna Ganoung, Assistant State Conservationist for Field Operations (Area 1) and Todd Golder, NRCS Eureka Field Office District Conservationist
 - 7.4 HCRCD Staff Reports* – Jill Demers, HCRCD Executive Director
8. **NEW BUSINESS – ACTION**
 - 8.1 Resolution 24-12 approving the application of funds from Caltrans for Fortuna Median Mitigation Area Project and conditionally accepting funding, if offered.*
 - 8.2 Resolution 24-13 approving the application for grant funds from California Department of Fish and Wildlife Cannabis Restoration Grant Program for the Restoration Planning in Wilson Creek Project, and conditionally accepting grant, if offered.*
 - 8.3 Resolution 24-14 for CDFW approving the application for funds from California Department of Fish and Wildlife’s Office of Spill Response’s 2024 Environmental Fund Grant Program for the Lower Eel River and South Fork Eel River Salmon Habitat and Restoration Priority Planning Process, and conditionally accepting grant, if offered.*
 - 8.4 Discuss the feasibility of HCRCD developing water storage and irrigation efficiency projects with cannabis producers and possible action to direct to staff to prepare a grant application. *
 - 8.5 Review and approve August 2024 Financial Report and Staff Recommendations to approve reserve for payroll and tax liabilities and approve and issue payments for operating expenses and contractor payments as outlined in financial report.
9. **OLD BUSINESS – ACTION**
 - 9.1 Review Board Roster & Reappointment of Directors*
Board members are appointed by the Humboldt County Board of Supervisors to serve a four-year term. The term of four current HCRCD Board members will expire on the last Friday of November of this year. HCRCD is required to notify the Board of Supervisors of any expected vacancy. Those Directors with expiring terms include Christine Manhart, Lane Russ, Mark Moore, and Jim Cotton. Board may take action to write a letter to the Humboldt County Board of Supervisors in support of re-appointment of the Directors and/or support appointment of another applicant.
 - 9.2 Discuss contract terms and take action to establish Contracts Ad Hoc Committee.*
10. **FUTURE AGENDA ITEMS**
11. **NEXT MEETING: September 25, 2024 at 6pm, Ferndale Council Chambers**
A Special Meeting of the Salt River Meeting with Ferndale City Council scheduled for Wednesday, September 25, 2024, at 6pm at Ferndale Council Chambers
12. **NEXT REGULAR MEETING: October 10, 2024**
Meeting location: Humboldt Agricultural Center
13. **ADJOURNMENT**

Public Notice: In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the RCD at 707-442-6058 x 5 or email admin@hcrcd.org. Notification at least 48 hours prior to meeting time will assist staff in assuring that reasonable accommodations can be made to provide accessibility at the meeting.

Agenda Item #5.1 (CONSENT)
For Regular Board Meeting of: September 12, 2024

HUMBOLDT COUNTY RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS

TO: Board of Directors
FROM: Jill Demers, Executive Director
SUBJECT: 5.1 Approve Minutes for Regular Meeting of August 8, 2024*
AGENDA SECTION: CONSENT

RECOMMENDATION

Approve Minutes for Regular Meeting of August 8, 2024.

SUMMARY

n/a

FISCAL IMPACT

n/a

ATTACHMENTS

Minutes for Regular Meeting of August 8, 2024.

Humboldt County Resource Conservation District
Board of Director's Monthly Board Meeting Minutes
Humboldt Agricultural Center, 5630 South Broadway, Eureka, CA 95503
or Teleconference via ZOOM and Telephone
August 8, 2024

1. Call to Order: Chair Christine Manhart 7:59am
2. Roll Call
 - HCRC Board: Christine Manhart (Chair), Mark Moore (Secretary/Treasurer), Dan Cohoon, Jim Cotton, Reid Cody
 - HCRC Directors Excused: Lane Russ (Vice Chair), Zach Cahill (Director)
 - HCRC Staff: Jill Demers (Executive Director), Curtis Ihle (Assistant Executive Director), Doreen Hansen, Jake Taulbee, Anita Hipp, Charlotte Favre, Katherine Rynearson, Travis Massey
 - HCRC Staff Excused: Katrina Henderson, Kristin Cooper-Filipowich
 - Guests In-Person: Katelyn Suderman (NRCS Forester)
 - Guests Virtual: Todd Golder (NRCS District Conservationist)
3. Additions or Changes to Agenda – None
4. Public Comment – None
5. Consent Calendar
 - 5.1. Approve Minutes for Regular Board Meeting of July 11, 2024
Motion to accept the Consent Calendar (item 5.1) by Director Cotton, Seconded by Director Moore. Ayes: Directors Manhart, Cohoon, Cody. Noes: None. Absent: Director Russ, Cahill. Passed Unanimously.
6. Items Pulled from the Consent Calendar – None
7. New Business
 - 7.1. Approve Resolution 24-11 to conditionally accept funding, if offered by Caltrans, for Humboldt Bay Area Mitigation Project, Samoa Parcels (HBAM).
Motion to accept the New Business (item 7.1) by Director Cotton, Seconded by Director Cody. Ayes: Directors Manhart, Moore, Cohoon. Noes: None. Absent: Director Russ, Cahill. Passed Unanimously.
 - 7.2 Approve FY24-25 Indirect Cost Allocation Rate Study.
Motion to accept the New Business (item 7.2) by Director Moore, Seconded by Director Cohoon. Ayes: Directors Manhart, Cotton, Cody. Noes: None. Absent: Director Russ, Cahill. Passed Unanimously.
 - 7.3 Approve FY 24-25 Fee-for Service Rate.
Motion to accept the New Business (item 7.3) by Director Moore, Seconded by Director Cotton. Ayes: Directors Manhart, Cohoon, Cody. Noes: None. Absent: Director Russ, Cahill. Passed Unanimously.
 - 7.4 Review Board Roster & Reappointment of Directors. Board of Directors with expiring appointments that are seeking reappointment are Directors: Manhart, Russ, Cotton. Director Moore will not be seeking reappointment which leaves one vacancy.
 - 7.5 Approve August 2024 Financial Report and Staff Recommendations
Motion to accept the New Business (item 7.5) by Director Moore, Seconded by Director Cody. Ayes: Directors Manhart, Cohoon, Cotton. Noes: None. Absent: Director Russ, Cahill. Passed Unanimously.

Humboldt County Resource Conservation District
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August 8, 2024

8. Old Business: None
9. Informational Items:
 - 9.1 District Director Updates and Announcements – None
 - 9.2 District Correspondence: None
 - 9.3 Executive Director Demers reviewed general information. Programs Managers gave project updates.
 - 9.4 NRCS update presented by Todd Golder (NRCS District Conservationist) Presented brief staffing update and introduced new employee, Katelyn Suderman (NRCS Forester). New office update with the delivery of furniture and possible generator use until the electrical issues are figured out.
10. Future Agenda Items:
 - 10.1 Special Salt River Meeting with Ferndale City Council may need to be rescheduled.
11. Next regular meeting: September 12, 2024, Meeting location: Humboldt Agricultural Center
12. Adjourned at 9:50am

Agenda Item #5.2 (CONSENT CALENDAR)
For Regular Board Meeting of: September 12, 2024

HUMBOLDT COUNTY RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS

TO: Board of Directors
FROM: Jill Demers, Executive Director
SUBJECT: Agenda Item: 5.2 Approve Revised FY 24-25 Indirect Cost Allocation Rate Study
AGENDA SECTION: CONSENT CALENDAR

RECOMMENDATION

Approve the Revised FY 2024-2025 Indirect Cost Rate Study.

SUMMARY

The HCRCD Board of Directors approved the FY24-25 Indirect Cost Allocation Rate Study on August 8, 2024.

HCRCD staff began to utilize the FY24-25 Indirect Cost Rate in August 2024 for invoicing related to July 2024 activity. An error was found in the fringe rate calculation; retirement and payroll tax was not incorporated into the rate. Matrix reviewed and revised the FY24-25 Indirect Cost Allocation Rate Study to correct the fringe rate calculation.

FISCAL IMPACT

Positive impact to General Fund to efficiently recover fringe benefits provided to staff.

ATTACHMENTS

- Revised Indirect Cost Rate Analysis Update, Matrix Consulting Group (August 13, 2024)

Indirect Cost Rate Analysis Update

The Humboldt County Resource Conservation District (HCRCO or District) contracted with Matrix Consulting Group in 2024 to conduct a review of their existing indirect rate allocation process and develop a streamlined and improved process for capturing indirect costs. The original analysis was developed based on FY24 information.

The District recently approved its FY25 budget and would like to update the indirect rate calculation based on FY25 information.

The District primarily provides services through grant and project funding. These grants and projects, depending upon their contracts, can allow the District to recover for indirect costs incurred in administering the grant. These indirect costs are for staff support (executive, administrative, financial), as well as operating costs such as rent, accounting software, etc. that are district-wide expenses rather than grant or project-specific. Any costs that are grant or project-specific are billed directly back to the grant.

The following memo provides a brief overview of the update to the indirect rate.

Updated Indirect Rate

In FY24, the District approved an updated indirect rate methodology. The direct costs can continue to be allocated based upon the total staff hours billed per grant, and any direct expenses incurred by the grant (i.e., contractor expenses, mileage, etc.). However, for indirect costs, a more standardized approach would be more beneficial and reduce monthly administrative staff time. The most accepted approach for distributing indirect costs is to utilize an indirect cost rate. The indirect cost rate is comprised of two components:

- **Total Indirect Costs:** These costs represent the total administrative overhead allocated to an agency, department, or program. The supporting documentation for this overhead is typically a Cost Allocation spreadsheet. The administrative overhead is generally representative of services such as accounting, rent, general District staff support (Executive Director, Office Assistance, Finance Manager, etc.), mailings, rents, etc. which benefit the District as a whole.

- Indirect Cost Rate Base:** These costs represent the basis upon which the indirect cost rate will be applied and are typically salaries only, salaries and benefits, or total direct expenses. For purposes of Humboldt County Resource Conservation District, the Indirect cost rate basis is total direct salaries and benefits.

The indirect cost rate is calculated by dividing total indirect costs by an indirect cost rate base. There are two different types of indirect cost rates:

- Full Cost Indirect Rate:** This rate can take all indirect expenses within an organization and assign them as overhead to all grants and projects. This can include the costs of the board, community outreach, etc. It can also be based on budgeted / proposed expenditures.
- OMB Compliant Indirect Rate:** This rate must be based on an OMB 2 CFR Part 200 Compliant methodology. This means that certain expenses are considered unallowable such as litigation, elections, outreach, board-related expenses, etc. It also must be based on audited actual expenditures. This rate is required for any federally funded projects.

Due to the nature of projects / grants, a **full cost indirect rate** is appropriate for the District. It allows the District to capture its overhead expenses on its grants as well as fee-for-service projects. For any federally funded projects at the District, the District would still continue to utilize the de-minimis (10%) rate.

Indirect Cost Rate Calculation

The project team took the District’s total FY25 budget and assigned the costs as indirect, unallowable, or direct costs. Indirect costs are those costs that benefit multiple grants and projects – Executive Director Support, Bank Fees, office expenses, rent, etc. Unallowable costs are those costs that while general in nature, are not really considered for overhead or indirect purposes. Direct costs are those that are assigned directly to grants / projects. The following table shows the FY25 expenses by category broken out into indirect, unallowable, total allowable indirect, and direct columns:

Expenses	FY25 Total Budget	Indirect Costs	Unallowable Costs	Total Allowable Indirect Costs ¹	Direct Costs
505 · Support Staff	\$817,575	\$110,787	(\$14,922)	\$95,865	\$721,710
532 · Workers Compensation	\$35,588	\$4,822	(\$652)	\$4,170	\$31,418
533 · Health Insurance	\$84,407	\$11,438	(\$1,496)	\$9,941	\$74,465
534 · Retirement/IRA	\$8,176	\$1,108	(\$149)	\$959	\$7,217
535 · Payroll Tax Expense	\$65,184	\$8,833	(\$1,190)	\$7,643	\$57,541
600 · Bank Fees	\$240	\$240		\$240	\$0
602 · Office Expense	\$6,450	\$6,450	(\$960)	\$5,490	\$960

¹ The total allowable indirect costs are the indirect costs subtracting out the unallowable costs.

Expenses	FY25 Total Budget	Indirect Costs	Unallowable Costs	Total Allowable Indirect Costs ¹	Direct Costs
605 · Postage	\$500	\$500		\$500	\$0
608 · Printing and Copying	\$250	\$250		\$250	\$0
621 · Consultants and Contractors	\$10,508,977	\$11,700		\$11,700	\$10,497,277
622 · Vendors and Providers	\$22,666	\$22,666		\$22,666	\$0
625 · Permit Fees	\$0	\$0		\$0	\$0
631 · Travel	\$6,860	\$960		\$960	\$5,900
632 · Conferences and Workshops	\$5,550	\$5,550		\$5,550	\$0
633 · Advertising	\$5,000	\$5,000		\$5,000	\$0
634 · Dues and Subscriptions	\$16,433	\$16,433		\$16,433	\$0
635 · Insurance	\$6,496	\$6,496		\$6,496	\$0
636 · Utilities and Rent	\$75,347	\$75,347		\$75,347	\$0
638 · Audit	\$20,000	\$20,000		\$20,000	\$0
639 · Bookkeeping	\$16,000	\$16,000		\$16,000	\$0
659 · Field Supplies	\$0	\$0		\$0	\$0
660 · Miscellaneous	\$700	\$700	(\$700)	(\$700)	\$1,400
700 · Direct Project Cost	\$0	\$0			\$0
800 · Indirect Cost Expense	\$253,234	\$0			\$253,234
Total	\$11,673,345	\$325,154	(\$20,070)	\$304,510	\$11,651,123

As the table indicates, approximately \$325,000 of the \$11.67 million of District expenses are considered indirect. Approximately \$20,000 of those costs were deemed unallowable, leaving the total indirect allowable costs at \$305,000. The \$95,000 in staffing costs represent indirect support that is based on 20% of the Executive Director, 15% of the Project Coordinator, 80% of the Office Manager, as well as other minor portions of support from other District staff. These positions primarily serve to provide support to all District-related activities.

To calculate the indirect cost rate the project team took the total indirect costs of \$305,084 and divided it by the total direct labor costs of \$892,351. The following graphic shows this calculation:

$$\frac{\text{Total Indirect Costs } \$304,510}{\text{Total Direct Salaries \& Benefits } \$892,351} = \mathbf{34.12\%}$$

The total indirect cost rate calculated for the District for FY25 is 34.12%. The development of this rate allows the District to apply the 34.12% against the total billable staff costs for a grant to recover indirect costs. Direct costs would still be directly coded and billed to each grant.

The proposed indirect rate methodology is defensible, replicated, and can be audited. The expenditures included tie back directly to the budget, and the indirect costs are either direct expenses such as rent, utilities, etc. or based on the proportion of indirect time spent by staff. All components can be reviewed annually to ensure that it is still appropriate that the level of support is still accurate, as well as if the expenses in a category should be truly overhead or direct expenses.

Fully Burdened Hourly Rates

Along with development of an Indirect Cost Rate, the project team also calculated fully burdened hourly rates by classification for the District. These rates account for the direct salaries and benefits of a position, their net available working hours, and indirect costs. The following table shows by classification the fully burdened hourly rates calculated for the District for FY25 by classification:

Position Title	Salary / Hr	Benefits / Hr ²	Indirect Cost / Hr	Total Cost / Hr
Executive Director	\$62.69	\$14.82	\$26.45	\$103.96
Assistant Executive Director	\$55.52	\$13.13	\$23.42	\$92.07
Program Manager	\$41.85	\$9.90	\$17.66	\$69.41
Office Manager	\$36.70	\$8.68	\$15.48	\$60.86
Project Coordinator	\$31.42	\$7.43	\$13.26	\$52.11
Project Assistant	\$28.58	\$6.76	\$12.06	\$47.40

The total cost per hour represents the fully burdened cost for District staff. Salary per hour is inclusive of positional salaries of District staff, as well as productive hours. Productive hours are determined by taking the total possible working hours in a year, exclusive of any time off, sick, holiday, or training leave. The benefits per hour are representative of workers' compensation, insurance, retirement, and payroll tax. The indirect cost per hour is derived by applying the 34.12% indirect cost rate to salary and benefit hourly rates.

Fully burdened hourly rates can be utilized to bill against any project or grant that allows for the inclusion or recovery of indirect costs. Should a project or grant not allow for recovery of indirect rates, the Salary and or Benefits per hour rates could be utilized.

Use of Indirect Cost Rates

The culmination of this analysis was the development of an Excel-based workbook that would allow the District to update indirect rates and fully burdened billable rates annually. The District can utilize the indirect cost rate calculated for FY25 immediately.

OMB Compliant 2 CFR Part 200 Indirect Cost Rates

The indirect rate calculated for the District complies with the Full Cost Allocation methodology and does not meet the OMB 2 CFR Part 200 Compliant rate requirements.

² Benefits per hour is reflective of a consolidated fringe benefits rate of 23.65% based upon budgeted benefits as a portion of budgeted salaries.

In order for the rate to be OMB 2 CFR Part 200 compliant, the following criteria needs to be met:

- Rate must be based on most recent audited financial statements.
- Staff indirect percentage support must be based on actual staff time billed to RCD General.
- Costs associated with elections, lobbying, legislative activities, fundraising, board, litigation, and major one-time costs should be excluded.

An OMB 2 CFR Part 200 Compliant Cost Plan rate is only required if an agency receives more than \$35 million in federal funding or if a federally funded project requires that the District have an OMB Compliant rate on file. In lieu of a calculated rate, the District can utilize the de-minimis rate of 10%³. Due to the nature of the district's current federal grants, the de-minimis rate would be sufficient. However, if the District continues to expand, it may consider developing an indirect OMB-compliant rate for future grant submissions.

Summary

The updated indirect rate calculated for FY25 can be put into use immediately by District staff to allow for indirect cost recovery. The excel model has been provided under separate cover to District staff.

³ This will increase to 15% on October 1, 2024.