

Napa County Resource Conservation District



Regular Meeting of the Board of Directors

AGENDA

Thursday, February 12, 2026 at 8:00 A.M.

JoAnn Busenbark Board Room, Napa Valley Transit Authority (NVTA), 625 Burnell St, Napa, CA

GENERAL INFORMATION

The Napa County Resource Conservation District (“Napa RCD” or “District”) will hold a regular meeting of its Board of Directors in-person at the location noted above. All materials relating to the agenda are available for public inspection at the District office Monday through Friday, between the hours of 8:00 A.M. and 5:00 P.M., except for District Holidays. The agenda is available online at: <http://naparcd.org/>

The public should attend Board meetings in-person to ensure the ability to observe and participate. Remote teleconference access is provided for the public’s convenience and in the event that a Director requests remote participation due to just cause pursuant to Government Code section 54953.8.3 or the Board of Directors conducts a teleconference meeting pursuant to Government Code Sections 54953.8 and 54953.8.2 during an emergency. Please be advised that if a Director is not participating in the meeting remotely for just cause or the Board of Directors is not conducting a teleconference meeting during an emergency, remote participation for members of the public is provided for convenience only, and in the event that the Zoom teleconference connection malfunctions for any reason, the Board of Directors reserves the right to conduct the meeting without remote access and take action on any agenda item. The public may participate telephonically or electronically via the methods below:

Via videoconference at:

<https://us02web.zoom.us/j/86774601951?pwd=FletJfb3ATY0qeJ1Fly5rw539hVUaX.1&from=addon>

Meeting ID: 867 7460 1951, Password: 759723

Via teleconference at: Call 669-900-9128 and enter: Meeting ID: 867 7460 1951, Password: 759723

Members of the public may comment on any subject over which the District has jurisdiction that is not on the meeting agenda during the general Public Comment item of the agenda. Under the Brown Act, Directors may not deliberate or take action on items not on the agenda, and generally may only listen to comments made during the general Public Comment. Comments related to a specific item on the agenda must be reserved until the time the agenda item is considered and the Chair invites public comment. Per District policy, each speaker is allotted 3-5 minutes for comment on each agenda item.

Members of the public may submit a public comment in writing by emailing Tatia@NapaRCD.org by 4:00 P.M. on the day prior to the meeting with “Public Comment” as the subject line (for comments related to an agenda item, please include the item number). All written comments should be 500 words or less and will be entered into the record but not read out loud.

Requests for disability related modifications or accommodations, aids, or services must be made to Tatia Wieland, District Secretary, at 707-690-3110 or Tatia@NapaRCD.org during regular business hours at least 48 hours prior to the time of the meeting.

AGENDA

1. CALL TO ORDER

- A. Call to Order and Roll Call:** The meeting is to be called to order by the Chair at 8:00 A.M.
- B. Approval of the Agenda:** The Board will consider approval of the agenda for this meeting.

2. PUBLIC COMMENT

Members of the public may comment on any subject over which the District has jurisdiction that is not on the meeting agenda at this time. Comments related to a specific item on the agenda must be reserved until the time the agenda item is considered and the Chair invites public comment. While members of the public are welcome to address the Board of Directors, under the Brown Act, Directors may not deliberate or take action on items not on the agenda, and generally may only listen.

3. SET ITEMS OR PUBLIC HEARINGS

A. Presentation, Discussion, and Authorization to Accept the FY 2024-2025 Annual Financial Audit and Federal Single Audit Reports.

Presenter: Tracy Schulze, Napa County Auditor-Controller. **Time:** 8:10 A.M. (15 Minutes)

Description: The Brown Armstrong Accountancy Corporation has completed the audit of the District's financial statements for the fiscal year ending June 30, 2025. This year's review included two distinct components, neither of which had any internal control findings or questioned costs:

- Independent Auditor's Report: An audit of the basic financial statements in accordance with State of California requirements.
- Federal Single Audit: A compliance audit required under Uniform Guidance due to the District's expenditure of federal awards.

Recommendation: Staff recommends that the Board:

1. Accept and file the FY 2024-2025 Annual Financial Audit Report; and
2. Accept and file the FY 2024-2025 Federal Single Audit Report.

4. CONSENT AGENDA

All items on the consent calendar are considered ministerial or non-substantive and are approved by a single motion. With the concurrence of the Chair, a Director may request discussion of an item on the consent calendar.

A. Minutes from the January 15, 2025 Special Meeting.

Recommendation: Approve the minutes from the January 15, 2025 Special Meeting.

B. Bills Approved by the Executive Director.

Recommendation: Ratify bills approved by the Executive Director.

C. Regular District Bills from January 2026.

Recommendation: Approve District Bills from January 2026.

D. Letter of Support for the Napa RiverLine Project.

Description: The Napa RiverLine is a transformative initiative designed to integrate vital flood control infrastructure with enhanced public access and habitat preservation. The Napa RCD intends to provide a formal letter of support to the Napa RiverLine Chair, Steve Carlin, expressing a commitment to collaborative partnership in areas such as habitat restoration, environmental monitoring, and community outreach. This project aligns with the District's Strategic Plan by promoting watershed health, climate resiliency, and equitable access to open space.

Recommendation: Authorize the Executive Director to sign and issue the Letter of Support for the Napa RiverLine project on behalf of the RCD.

E. Letter of Support for AB1699 – The Good Fire Act.

Description: The Good Fire Act (AB 1699), authored by Assemblymember Chris Rogers, removes key barriers to expanding the use of beneficial fire. This includes prescribed fire and cultural burning, practiced by tribal communities for millennia, to protect communities and restore healthy ecosystems. This bill aligns with the District's Strategic Plan by supporting efforts to increase the pace and scale of beneficial fire to improve forest health and wildfire resilience.

Recommendation: Authorize the Executive Director to sign and issue the Letter of Support for AB1699 on behalf of the RCD.

F. Authorize Execution of Agreement No. 2026003 with Blue Forest.

Description: Blue Forest seeks to enter into a professional services agreement with Napa RCD to develop a pilot prioritization platform for Napa County, funded by a Gordon and Betty Moore Foundation grant. This project builds on the Regional Priority Plan Napa RCD is developing through the Department of Conservation's Regional Forest and Fire Capacity Program (Agreement No. 3020-1005). This aligns with the Strategic Plan by identifying forest health and wildfire resilience projects with diverse financing mechanisms. Agreement No. 2026003 expires July 31, 2027, with a budget allocation not to exceed \$300,000.

Recommendation: Authorize the Executive Director to execute Agreement No. 2026003 with Blue Forest for a maximum amount not to exceed \$300,000 for development of a pilot prioritization platform for Napa County.

5. REGULAR AGENDA

A. Potential Appointment of an Associate Director

Presenter: Lucas Patzek, Executive Director. **Duration:** 5 Minutes.

Recommendation: Review qualifications and appoint María Villagómez to the Associate Director role per District Policy No. 4050.

B. Program Spotlight: Urban and Community Forestry

Presenters: Lisa Michl, Restoration Senior Project Manager & Ali Blodorn, Forest Health & Restoration Program Director. **Duration:** 25 Minutes (15 min presentation / 10 min Q&A)

Description: Staff will provide an overview of a collaborative urban forestry initiative focused on the cities of Napa, American Canyon, and St. Helena. This project leverages regional partnerships to increase urban tree canopy cover, particularly in disadvantaged communities.

The presentation will provide examples of completed or upcoming work highlighting the three core pillars of the program: (1) Canopy Expansion, (2) Community Engagement, (3) Workforce Development.

Recommendation: Receive the presentation and provide feedback to staff regarding the program's alignment with climate goals and its long-term strategic direction.

C. Presentation: School Greening Trends and Opportunities

Presenters: Gretchen Stranzl McCann, RCD Director & Eric McKee, Education Senior Project Manager. **Duration:** 25 Minutes (15 min presentation / 10 min Q&A)

Description: Staff and Director McCann will provide an overview of schoolyard greening initiatives designed to mitigate "urban heat islands" and address tree inequity on school campuses. The presentation will showcase successful project examples and explore potential opportunities to enhance climate resilience and outdoor learning environments within Napa County schools.

Recommendation: Receive the presentation and provide feedback to staff regarding the strategic value of these opportunities and the RCD's potential role in facilitating school greening partnerships.

6. REPORTS AND ANNOUNCEMENTS

A. Funding & Visibility Committee Report

Presenter: Frances Knapczyk, Program Director. **Duration:** 5 Minutes.

B. USDA NRCS Report

Presenter: Erika Valek, Soil Conservationist. **Duration:** 5 Minutes.

C. Executive Director's Report

Presenter: Lucas Patzek, Executive Director. **Duration:** 5 Minutes.

D. Directors' Reports

Presenter: Any Director. **Duration:** 5 Minutes.

7. ADJOURNMENT

**NAPA COUNTY RESOURCE
CONSERVATION DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2025

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Napa County Resource Conservation District
Napa, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and fund information of the Napa County Resource Conservation District (the District), a component unit of the County of Napa (the County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fund information of the District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control relating to the District. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

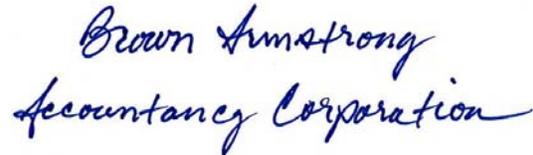
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of the District's Pension Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2026, on our consideration of the County's internal control over financial reporting relating to the District and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance relating to the District. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance relating to the District.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California
February 4, 2026

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

The Napa County Resource Conservation District (the District) was formed as an independent special district by a resolution of the Napa County (the County) Board of Supervisors on June 18, 1945. This resolution followed the Soil Conservation Special Election held on June 5, 1945, in which 97% of votes were cast in favor of the organization of the proposed District. The District's original purpose was to help farmers and ranchers in the County tackle erosion and other problems on their land. As natural resource issues change, the District's programs continue to evolve. Today, the District helps the community achieve conservation goals by providing technical assistance, educational programs, monitoring programs, and funding sources on issues ranging from fisheries to forest health, soil management, water conservation and quality, and more.

As management of the District, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District ended the year with a fund balance of \$1,856,719, an increase of \$400,089 from the prior year. Of that amount, \$375,000 is committed for budget stabilization and \$300 is restricted for imprest cash, leaving \$1,481,419 available for general District operations.
- The District received \$501,375 from County-collected property taxes, an increase of \$13,350 from the prior year. The District matched property tax revenue with other funding sources (grants, intergovernmental contracts, direct donations) at a ratio of 5 to 1.
- The District received \$839,626 in revenue from contracts with the County of Napa, Napa County Flood Control and Water Conservation District, City of Napa, City of St. Helena, and other local governments to provide a range of biological, environmental, and educational services in Napa County. The District's Joint Powers Agreement with the County of Napa was amended to expand its role in supporting the Groundwater Sustainability Agency, watershed outreach and education, as well as climate action planning and community engagement.
- The USDA Natural Resources Conservation Service (NRCS) cooperates with and furnishes assistance to the District through several agreements. The District is provided the use of NRCS vehicles for project activities, and NRCS pays for some of the District's office space, materials, and equipment. Additionally, District staff increase the NRCS capacity to meet growing client demand for post-fire recovery assistance, conservation planning, and conservation practice implementation.
- Throughout the fiscal year, the District maintained its leadership role in regional conservation initiatives, specifically through the North Coast Soil Hub and the Department of Conservation's Regional Fire and Forest Capacity (RFFC) program. In collaboration with the Soil Hub, the District supported the regional coordinator's annual workplan and provided strategic advisement for the "Regional Agricultural Partnerships for Climate Resilience" program, a key initiative designed to align regional agricultural resilience plans with state climate goals under Assembly Bill (AB) 1757. Additionally, the District is now leading the development of a State-mandated Regional Priority Plan for forest health for a six-county region. It remains an active participant in both the RFFC Northern Region and the California Wildfire and Forest Resilience Task Force, ensuring local priorities are integrated into statewide fire and forestry capacity-building efforts.

- The District is transitioning its 20-acre Huichica Creek Vineyard property in southern Napa County to native habitat. In fiscal year 2024-25, the District secured nearly \$1.95 million in funding for planning, permitting, and community engagement. This includes a \$1 million grant from the San Francisco Bay Restoration Authority (Measure AA) and \$950,000 in mitigation funding facilitated by regional regulatory agencies. To support this ecological shift, the State Coastal Conservancy amended the property's title restrictions, clearing the way for full-scale restoration and public access development.
- To support expanding initiatives in habitat restoration and forest health, the District increased its technical capacity by hiring a new Restoration Project Manager. Additionally, a Project Assistant was added to provide essential fieldwork support for the regenerative agriculture and watershed health programs. While programmatic staff grew to meet increasing demand, administrative continuity was maintained through the successful transition and replacement of an Accounting & Administration Specialist.
- In response to significant programmatic growth and an increasingly complex operating environment, the District prioritized the modernization of its organizational structure and personnel management systems during fiscal year 2024-25. Collaborating with specialized human resources (HR) consultants and Napa County HR, the District's leadership conducted a comprehensive organizational assessment to ensure staffing levels and administrative functions remain aligned with the current Strategic Plan and expanded funding portfolio. A central component of this evolution was the implementation of a structured position classification system. To ensure the District remains competitive within the Bay Area labor market, a formal compensation study was completed. Building on these structural foundations, the District will next formalize a compensation policy and merit-based promotion procedure to ensure equitable advancement. Furthermore, a new career path framework and updated annual review process will be implemented to provide staff with transparent communication regarding professional growth and performance expectations.
- To commemorate its 80th anniversary in June 2025, the District made a strategic investment in specialized consultant support to enhance donor engagement and marketing communications. This initiative aims to drive greater organizational awareness, foster positive community perceptions, and inspire increased contributions from donors and funders during this milestone year. Working alongside the Ad Hoc Funding and Visibility Committee, these consultants will develop a comprehensive 80th-anniversary marketing and public relations strategy, as well as high-impact communication materials that clearly articulate the District's mission, vision, and conservation impact. This investment is a critical component of the District's broader goal to diversify funding sources and ensure long-term financial sustainability through enhanced donor and partner engagement.
- The District benefits greatly from the generous support of the community through contributions of time, materials, and financial donations. This fiscal year, 939 dedicated volunteers contributed 3,612 hours of their time, valued at \$144,966, to assist with various conservation and education projects. Additionally, the District received \$57,209 in cash donations, further supporting its mission and projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The Statement of Net Position; Statement of Activities; Governmental Fund Balance Sheet; and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide information about the activities of the District. The basic financial statements also include various footnote disclosures, which further describe the District's activities.

Government-Wide Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*.

The *Statement of Activities* presents information showing how the District's net position 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 the timing of related cash flows*. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI)

RSI is presented concerning the District's General Fund budgetary schedule. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

FINANCIAL ANALYSIS OF THE DISTRICT

Statement of Net Position

A summary of the District's Statement of Net Position is as follows:

Condensed Statement of Net Position As of June 30

	2025	2024	Increase (Decrease) \$	Increase (Decrease) %
Assets				
Current assets	\$ 2,617,893	\$ 2,434,129	\$ 183,764	7.55%
Noncurrent assets	558,559	661,166	(102,607)	-15.52%
Total Assets	<u>3,176,452</u>	<u>3,095,295</u>	<u>81,157</u>	<u>2.62%</u>
Deferred Outflows of Resources	<u>384,716</u>	<u>495,396</u>	<u>(110,680)</u>	<u>-22.34%</u>
Liabilities				
Current liabilities	786,098	881,721	(95,623)	-10.85%
Noncurrent liabilities	1,163,126	1,196,282	(33,156)	-2.77%
Total Liabilities	<u>1,949,224</u>	<u>2,078,003</u>	<u>(128,779)</u>	<u>-6.20%</u>
Deferred Inflows of Resources	<u>105,674</u>	<u>122,633</u>	<u>(16,959)</u>	<u>-13.83%</u>
Net Position				
Net investment in capital assets	386,322	470,447	(84,125)	-17.88%
Unrestricted assets	1,119,948	919,608	200,340	21.79%
Total Net Position	<u>\$ 1,506,270</u>	<u>\$ 1,390,055</u>	<u>\$ 116,215</u>	<u>8.36%</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,506,270 as of June 30, 2025, due primarily to purchased land and cash.

Cash and investments are maintained in the County's cash and investment pool where interest earned on the District's balance is apportioned to the District.

Statement of Activities

A summary of the District's Statement of Activities, recapping the District's revenues earned during the year ended June 30, 2025, and the expenses incurred, is as follows:

Condensed Statement of Activities For the Years Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease) \$</u>	<u>Increase (Decrease) %</u>
Revenues				
Program revenues				
Charges for services	\$ 28,776	\$ 122,838	\$ (94,062)	-76.57%
Operating grants and contributions	4,847,484	3,810,047	1,037,437	27.23%
General revenues				
Property tax	501,375	488,025	13,350	2.74%
Investment income	44,100	38,571	5,529	14.33%
Miscellaneous grants and other	641,397	458,816	182,581	39.79%
Total Revenues	<u>6,063,132</u>	<u>4,918,297</u>	<u>1,144,835</u>	<u>23.28%</u>
Expenses				
Natural resource conservation	5,946,917	4,764,574	1,182,343	24.82%
Total Expenses	<u>5,946,917</u>	<u>4,764,574</u>	<u>1,182,343</u>	<u>24.82%</u>
Change in Net Position	116,215	153,723	(37,508)	-24.40%
Net Position, Beginning of the Year	<u>1,390,055</u>	<u>1,236,332</u>	<u>153,723</u>	<u>12.43%</u>
Net Position, End of the Year	<u>\$ 1,506,270</u>	<u>\$ 1,390,055</u>	<u>\$ 116,215</u>	<u>8.36%</u>

Financial Analysis of the District's Governmental Fund

As noted earlier, fund accounting is used by the District to ensure and demonstrate compliance with finance-related legal requirements.

The District ended the year with a fund balance of \$1,856,719, an increase of \$400,089 from the prior year. Of that amount, \$1,481,419 is unassigned and available for general District operations.

BUDGETARY HIGHLIGHTS

For the fiscal year ended June 30, 2025, the District's total revenues were \$6,134,576, while total expenditures were \$5,779,571. Both revenues and expenditures were under the final amended budget by 28.04% and 29.62%, respectively. Because approximately 79% of the District's revenue is derived from intergovernmental grant and fee-for-service agreements, financial activity is intrinsically linked to project timelines. Changes in project schedules are reflected on both the revenue and expense sides of the ledger.

The variance between budgeted and actual figures was primarily driven by the following factors:

- **Regional Forest and Fire Capacity (RFFC) Program:** The District utilized 43% of budgeted revenues for this program. While an advance was received based on a six-county regional projection, the actual pace of work among sub-recipients (neighboring Resource Conservation Districts and a nonprofit) was slower than anticipated. These funds are restricted and will be applied to work realized in the subsequent fiscal year.

- Programmatic Timing: Notable discrepancies were also attributed to the postponed commencement of a regional forest health grant via the Humboldt County Resource Conservation District (RCD) and shifted timelines for the Napa River Watershed Fish Passage Restoration Program (funded by the Wildlife Conservation Board and the National Oceanic and Atmospheric Administration (NOAA)).

While programmatic spending was lower than anticipated, specific administrative categories saw strategic shifts:

- Capital Assets: The District deferred the purchase of a new vehicle, opting to utilize a cost-sharing arrangement with the NRCS. However, due to increased staffing demands and insurance limitations regarding collision coverage for partner vehicles, a vehicle acquisition is anticipated in a future period. Similarly, a planned office remodel was postponed to prioritize immediate organizational functions.
- Professional Services and Personnel: Administrative costs exceeded budget in specific areas due to higher-than-anticipated recruitment and onboarding expenses following turnover in the Accounting & Administration Specialist role. Additionally, the District saw increased legal and HR expenditures as it prioritized a significant investment in modernizing its organizational structure and personnel management systems.
- Legal and Compliance: General legal expenses continue to trend upward, reflecting the increased complexity and volume of the District's portfolio, including more intensive bid processes, site access agreements, and vendor contract management.

The District successfully secured several new grant agreements during the fiscal year to support long-term ecological and community goals:

- Napa River Watershed Fish Passage Restoration: A Wildlife Conservation Board (WCB) grant supporting planning, assessment, and community activities to accelerate the remediation of migration barriers and support salmon recovery.
- Napa River Watershed Group Development: A Bureau of Reclamation Cooperative Watershed Management Program (Phase I) grant to establish a diverse stakeholder group - including agricultural users, residents, and environmental organizations - focused on sustainable water management.
- Huichica Creek Restoration: A regional Mitigation Funding Agreement to support the Huichica Creek Riparian and Salt Marsh Restoration Project.
- Weed Management: A California Department of Food and Agriculture (CDFA) grant to revitalize the Napa County Weed Management Area and fund District-led invasive species removal.

CAPITAL ASSETS AND LEASED ASSETS

For the year ending June 30, 2025, the District's capital assets included the 20-acre Huichica Creek property in the Carneros region. In preparation for its restoration to native habitat, all agricultural operations on the property have ceased. Additional District assets include two pickup trucks and one ATV, computer equipment, and specialized hydrologic and environmental monitoring tools, such as transducer stations and a rotary screw trap. The District also maintains a right-to-use building lease, accounted for in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87. Detailed information on these assets can be found in Note 3 of the Financial Statements.

DEBT ADMINISTRATION

The District's long-term obligations consist of compensated absences, lease liability, and net pension liability. Refer to Notes 4, 5, and 7, respectively, for additional details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In fiscal year 2025-26, the District anticipates an increased operating budget compared to 2024-25, driven by several high-impact initiatives. A primary driver is the \$7.6 million awarded for the Napa River Watershed Fish Passage Restoration Program through NOAA and the California Wildlife Conservation Board. The District expects to expend nearly half of these funds in the upcoming year to implement the Sulphur Creek fish passage project. This program, alongside the state-funded RFFC Program, is projected to account for 58% of total revenues. Additionally, the District will launch the Huichica Creek Riparian and Salt Marsh Restoration Project, utilizing a strategic funding mix of \$1 million from a San Francisco Bay Restoration Authority (Measure AA) grant and \$950,000 via a regional mitigation funding agreement. While federal and state funding, including new support from the U.S. Forest Service for Urban and Community Forestry, remains substantial, the District is proactively working to diversify its revenue.

Over the past seven years, the District has experienced steady growth in its operating budget, project portfolio, and staff size, necessitating a comprehensive modernization of its financial and administrative infrastructure. Having successfully onboarded new accounting and administrative personnel and implemented an updated position classification and management structure, the District is developing a two-year Administrative and HR Workplan. This roadmap prioritizes the formalization of an Operations Team structure, the implementation of a centralized organizational process tracker, and the adoption of robust internal controls and financial management systems essential for project management, grant compliance, audit readiness, and the oversight of diversified funding streams.

Guided by a recently completed classification and compensation study, the District is further investing in its human capital through the development of a "Career Path Framework," merit-based promotion policies and procedures, and a formalized safety and risk management program. These systemic improvements, supported by ongoing collaboration with Napa County and specialized consultants, are designed to strengthen supervision, administrative functions, and fund development. By professionalizing these core operations, the District ensures it is sufficiently resourced to meet the ambitious growth targets and fiscal accountability standards outlined in its Strategic Plan.

The District remains committed to long-term financial sustainability by maintaining robust reserves and focusing on high-impact conservation programs. A primary challenge remains that state and federal grants often impose overhead limitations that do not fully cover the District's increasing indirect administrative costs. To address this, the District is adjusting its funding strategies to more effectively capture these costs and diversify its revenue portfolio.

The District also anticipates a shift in the availability and predictability of federal funding under the current administration, specifically regarding programs established by the Inflation Reduction Act and Bipartisan Infrastructure Law. As competition for state-level funding (such as Proposition 4) is expected to intensify, the District is proactively pursuing these sources while utilizing modern tools like Instrument1 to identify and secure new philanthropic opportunities. Furthermore, the District is implementing a diversified resource development strategy that includes:

- **Enhanced Donor Engagement:** Partnering with specialized consultants and the Ad Hoc Funding and Visibility Committee to increase private contributions.
- **Service-Based Revenue:** Exploring fee-for-service models, particularly for agriculture and forestry programs.
- **Strategic Partnerships:** Deepening funding collaborations with local governments and leveraging regional entities, such as the North Coast Soil Hub and Inner Coast Collaborative, to secure large-scale regional funding agreements.
- **Cross-Programmatic Integration:** Leveraging comprehensive project scopes, such as the Huichica Creek restoration project, to integrate habitat restoration planning and implementation, environmental monitoring, and community engagement into unified grant proposals.

These combined efforts are designed to stabilize cash flow and ensure operational continuity despite a shifting economic and political landscape.

CONTACTING THE DISTRICT

These financial statements are designed to provide a general overview of the Napa County Resource Conservation District finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Napa County Resource Conservation District, 1303 Jefferson Street, #500B, Napa, California, 94559.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 1,440,747
Imprest cash	300
Prepaid expense	80,634
Grants and other receivables	<u>1,096,212</u>
Total Current Assets	<u>2,617,893</u>
Noncurrent Assets:	
Capital assets and right-to-use leased assets, net	<u>558,559</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pensions	<u>384,716</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 3,561,168</u></u>
LIABILITIES	
Current Liabilities:	
Accounts payable	\$ 522,421
Accrued payroll	123,016
Compensated absences	72,530
Lease liability	<u>68,131</u>
Total Current Liabilities	<u>786,098</u>
Noncurrent Liabilities:	
Net pension liability	1,047,567
Compensated absences	11,453
Lease liability	<u>104,106</u>
Total Noncurrent Liabilities	<u>1,163,126</u>
Total Liabilities	<u>1,949,224</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pensions	<u>105,674</u>
Total Deferred Inflows of Resources	<u>105,674</u>
NET POSITION	
Net Investment in Capital Assets	386,322
Unrestricted	<u>1,119,948</u>
Total Net Position	<u>1,506,270</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 3,561,168</u></u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues		Total
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Natural resource conservation	\$ 5,946,917	\$ 28,776	\$ 4,847,484	\$ (1,070,657)
Total Governmental Activities	\$ 5,946,917	\$ 28,776	\$ 4,847,484	(1,070,657)
General Revenues:				
Property tax, levied for general purposes				501,375
Investment income				44,100
Miscellaneous grants and other				641,397
Total general revenues				1,186,872
Change in net position				116,215
Net position - beginning				1,390,055
Net position - ending				\$ 1,506,270

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2025**

	<u>General Fund</u>
Assets	
Cash and investments	\$ 1,440,747
Imprest cash	300
Prepaid expenses	80,634
Grants and other receivables	1,096,212
Total Assets	\$ 2,617,893
Liabilities	
Accounts payable and accrued expenses	\$ 522,421
Accrued payroll	123,016
Total Liabilities	645,437
Deferred Inflows of Resources	
Unavailable revenue	115,737
Total Deferred Inflows of Resources	115,737
Fund Balance	
Restricted for imprest cash	300
Committed	375,000
Unassigned	1,481,419
Total Fund Balance	1,856,719
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,617,893

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total fund balance of governmental fund (page 14)	\$ 1,856,719
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	558,559
Deferred outflows of resources related to pensions are recorded as deferred outflows of resources in the government-wide financial statements and are not recorded in the governmental fund.	384,716
Long-term obligations are not due and payable in the current period and therefore are not reported in the governmental fund:	
Net pension liability	(1,047,567)
Compensated absences	(83,983)
Lease liability	(172,237)
Deferred inflows of resources related to pensions are recorded as deferred inflows of resources in the government-wide financial statements and are not recorded in the governmental fund.	(105,674)
Certain revenues received after ninety days from the end of the year are recorded as deferred revenue in the governmental fund and as revenues in the government-wide statement.	<u>115,737</u>
Net position of governmental activities (page 12)	<u><u>\$ 1,506,270</u></u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>
Revenues:	
Taxes	\$ 501,375
Intergovernmental - Federal	1,313,893
Intergovernmental - State	2,765,409
Intergovernmental - Local Agencies	839,626
Use of money and property	44,100
Charges for services	28,776
Miscellaneous grants and other	641,397
	<u>6,134,576</u>
Total Revenues	6,134,576
Expenditures:	
Salaries and benefits	2,108,642
Services and supplies	2,108,474
Contributions	991,823
Community grants	271,624
Bad debt expense	186,691
Debt service:	
Principal	63,566
Interest	3,667
Capital outlay:	
Right-to-use building	45,084
	<u>5,779,571</u>
Total Expenditures	5,779,571
Other Financing Sources:	
Lease financing	45,084
	<u>45,084</u>
Net Change in Fund Balance	400,089
Fund Balance, July 1, 2024	1,456,630
	<u>1,456,630</u>
Fund Balance, June 30, 2025	\$ 1,856,719
	<u>1,856,719</u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net change in fund balance - governmental fund (page 16) \$ 400,089

Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation or amortization expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Capital outlay	45,084
Current year depreciation and amortization expense	(81,726)
Loss on disposal of capital assets	(65,965)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Lease principal payments	63,566
Lease proceeds	(45,084)

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.

Changes in proportions from the pension	(87,389)
Changes in compensated absences	(40,916)

Certain revenues received after ninety days from the end of the year are recorded as deferred revenue in the governmental fund and as revenues in the government-wide statement.

(71,444)

Change in net position of governmental activities (page 13) \$ 116,215

The accompanying notes are an integral part of these basic financial statements.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Napa County Soil Conservation District was organized on June 5, 1945, under Article 1.5, Division IX (currently Chapter 3, Division 9) of the Public Resources Code of the State of California. On December 14, 1971, the Board of Directors (the Board) changed the district's name to the Napa County Resource Conservation District (the District). The District is organized for the purposes in open areas, agricultural areas, urban development, wildlife areas, recreational developments, watershed management, the protection of water quality and water reclamation, the development of storage and distribution of water, and the treatment of each acre of land according to its needs. The District is governed by a Board of Directors that is selected pursuant to Government Code Section 1780. The basic operations of the District are financed by federal and state grants and local grants administered through Napa County (the County).

The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

The District reports the following governmental fund:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from grants, entitlements, and donations are recognized in the year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty days after year-end.

Unearned revenue arises when resources are received before the District has a legal claim to them, such as grant monies received prior to incurring qualifying expenditures. These amounts are reported as liabilities in both the government-wide and fund financial statements. When eligibility and other revenue recognition criteria are subsequently met, the liability is reduced and revenue is recognized.

Unavailable revenue (reported as deferred inflows of resources in the governmental funds balance sheet) arises when revenues are measurable but not available under the modified accrual basis. Amounts that do not meet the District's availability period (60 days for property taxes; generally 90 days for other revenues) are reported as deferred inflows of resources. In subsequent periods, when the availability criterion is met, the deferred inflow is removed and revenue is recognized.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments, are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and long-term leases are reported as other financial sources.

D. Grant Revenue

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital assets have been acquired for general District purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost or estimated cost where no historical records are available. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are depreciated using the straight-line method over their estimated useful lives. The useful lives are as follows:

Land Improvements	20 years
Computer Equipment	3 years
Hydrologic Equipment	5 years
Field Equipment	7-20 years

F. Property Taxes

The District receives property taxes from the County, which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on July 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Property taxes on unsecured roll are due on the July 1 lien date and become delinquent if unpaid by August 31.

The District participates in the County's "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectible taxes. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following minimum schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year. Property tax is recognized when it is available and measurable. The District considers property tax as available if it is received within 60 days after fiscal year-end.

G. Fund Balance/Net Position

In the governmental fund financial statements, fund balance is classified into the following categories: nonspendable, restricted, committed, assigned, and unassigned. The unassigned fund balance within the General Fund reflects the amount available for future budgeting and appropriation. Restricted fund balance is established to either (1) satisfy legal covenants that require a portion of fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

In the government-wide financial statements, net position is reported in three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents the net position that is invested in capital assets, such as land, buildings, equipment, and infrastructure, net of any related debt. This component of net position indicates the extent to which the government has invested in capital assets that are used to provide services to the public. Restricted net position represents the net position legally identified for specific purposes. Unrestricted net position indicates the portion of net position that is not restricted by external constraints and is available for any lawful purpose of the District.

H. Compensated Absences

District employees earn vacation and sick leave in accordance with District policy. Vacation leave is earned on a per-pay-period basis, accumulates from year to year, and is paid to employees upon termination. Accordingly, vacation leave is considered a compensated absence and a liability is recorded when earned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences (Continued)

Sick leave is also earned on a per-pay-period basis and can be accumulated; however, it is not paid upon termination and is generally used only for time off due to illness or medical appointments. In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for leave that (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise paid or settled.

Based on this evaluation, vacation leave, compensatory time off (CTO), and banked holiday leave are recognized as compensated absences. Sick leave is recognized to the extent it is more likely than not to be used for time off, using historical usage trends. The compensated absences liability is measured at the employees' current pay rates, and applicable benefits such as Medicare are included.

I. Employee Benefits and Indirect Costs

The District's employee benefits and indirect costs are allocated based upon actual expenditures to all grants in accordance with the Office of Management and Budget Uniform Guidance. The District's employee benefits are allocated to grant projects as a percentage of the District's direct labor cost. Indirect costs necessary to sustain overall operations are allocated as a percentage of total allowable direct costs charged to grant projects. Contribution to indirect costs represent revenues that offset certain costs included in the Indirect Cost Pool.

J. Budgetary Reporting

The District prepares an annual operating and capital budget, which is approved and adopted by the Board. The budget serves as an approved plan to facilitate financial control and operational evaluation.

K. Use of Estimates

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

L. Pensions

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

M. Leased Assets

Right-to-use leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any direct costs that are ancillary charges necessary to place the lease assets into service in accordance with GASB Statement No. 87, *Leases*.

Right-to-use leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. New Accounting Pronouncements Implemented

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The District implemented GASB Statement No. 101 during the current fiscal year, and the resulting changes are reflected in the accompanying financial statements.

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. This statement enhances transparency by requiring governments to disclose information about risks that could significantly impact their ability to provide services and meet obligations. The District implemented GASB Statement No. 102 during the current fiscal year; however, its adoption did not have an impact on the financial statements.

O. Future Accounting Pronouncements

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. This statement improves financial reporting by enhancing the effectiveness of the financial reporting model through updated recognition and measurement requirements, as well as clarified display and disclosure requirements. The District has not fully judged the impact of implementation of this standard on the financial statements.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. This statement requires separate disclosures of certain types of capital assets including lease assets, intangible right-to-use assets, subscription-based information technology assets, and other intangible assets, as well as establishing new requirements for capital assets held for sale. The District has not fully judged the impact of implementation of this standard on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2025, consisted of the following:

Napa County investment pool	\$ 1,440,747
Imprest cash	<u>300</u>
Total cash and investments	<u><u>\$ 1,441,047</u></u>

A. Investment in Government Pool

The District maintains all of its cash and investments with the County Treasurer in an investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County Auditor-Controller's office at 1195 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies. Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. The District has no deposit or investment policy that addresses a specific type of risk.

NOTE 2 – CASH AND INVESTMENTS (Continued)A. Investment in Government Pool (Continued)

Required disclosures for the District's deposit and investment risks at June 30, 2025, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Not available

The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

NOTE 3 – CAPITAL ASSETS AND LEASED ASSETS

A summary of changes in capital assets and leased assets for the year ended June 30, 2025, is as follows:

	Balance July 1, 2024	Additions	Retirement/ Adjustments	Balance June 30, 2025
Capital assets, not depreciated				
Land and right of way	\$ 350,100	\$ -	\$ -	\$ 350,100
Capital assets, being depreciated				
Vineyard land improvements	118,572	-	(86,232)	32,340
Computer equipment	57,527	-	(17,196)	40,331
Hydrologic equipment	31,868	-	(11,447)	20,421
Vineyard equipment and improvements	66,876	-	(41,766)	25,110
Vehicles	72,236	-	(5,778)	66,458
Infrastructure	25,999	-	(25,999)	-
Total capital assets, being depreciated	373,078	-	(188,418)	184,660
Less accumulated depreciation	(250,504)	(17,467)	122,453	(145,518)
Capital assets, net	122,574	(17,467)	(65,965)	39,142
Right-to-use leased assets, being amortized				
Building	269,273	45,084	-	314,357
Less accumulated amortization	(80,781)	(64,259)	-	(145,040)
Right-to-use leased assets, net	188,492	(19,175)	-	169,317
Total capital assets and right-to-use leased assets, net	\$ 661,166	\$ (36,642)	\$ (65,965)	\$ 558,559

For the year ended June 30, 2025, depreciation expense for capital assets and amortization expense for right-to-use leased assets were \$17,467 and \$64,259, respectively.

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2025:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirement/ Adjustments</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Governmental activities					
Net pension liability	\$ 1,053,899	\$ -	\$ (6,332)	\$ 1,047,567	\$ -
Compensated absences	43,067	40,916	-	83,983	72,530
Lease liability	190,719	45,084	(63,566)	172,237	68,131
Total	<u>\$ 1,287,685</u>	<u>\$ 86,000</u>	<u>\$ (69,898)</u>	<u>\$ 1,303,787</u>	<u>\$ 140,661</u>

NOTE 5 – LEASE LIABILITY

The District has entered into one lease agreement, with a recognized inception date of January 1, 2023, as lessee for the use of 1303 Jefferson, Suites 100B and 700B. An initial lease liability of \$269,273 was recorded on January 1, 2023. Effective September 15, 2024, the District amended the lease to include Suite 120B, increasing the total leased space. The lease term for all suites ends on December 31, 2027. As of June 30, 2025, the value of the lease liability was \$172,237. The difference of \$97,036 is related to the cumulative principal portion of the lease payments made over the life of the lease. The District maintains a consistent base rent schedule under the lease agreement, with monthly payments set at \$5,901 for the entire duration of the lease term. The District is utilizing the County's incremental borrowing rate of 1.9%.

Principal and interest payments to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 68,131	\$ 2,681
2027	69,436	1,375
2028	<u>34,670</u>	<u>190</u>
Total	<u>\$ 172,237</u>	<u>\$ 4,246</u>

NOTE 6 – NET POSITION/FUND BALANCE

Net Position – Government-Wide Financial Statements

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation/amortization and the outstanding balance of debt that is attributable to capital assets reduce the balance in this category.
- *Restricted Net Position* – This category presents net position with external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District not restricted for any project or any other purpose.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

NOTE 6 – NET POSITION/FUND BALANCE (Continued)

Fund Balance – Governmental Fund

The District has adopted a policy for GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

- *Nonspendable* – The fund balance includes those amounts that are not in a spendable form or are required to be maintained intact. The District has recorded prepaid expenses as nonspendable fund balance.
- *Restricted* – The fund balance has external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources. The District has imprest cash as restricted fund balance.
- *Committed* – The fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the District’s highest level of decision-making authority. Per resolution 2017-03, the District committed \$375,000 for budget stabilization.
- *Assigned* – The fund balance includes amounts *intended* to be used by the District for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. The District has assigned fund balance for next year’s budget.
- *Unassigned* – The fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

NOTE 7 – COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees of the District are eligible to participate in the District’s Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information and can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The COLAs for each plan are applied as specified by the Public Employees’ Retirement Law.

NOTE 7 – COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS (Continued)

A. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55-60	52-67
Monthly benefits as a % of eligible compensation	1.50% to 2.00%	1.00% to 2.50%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	10.15%	7.87%

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

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the Plans were as follows:

Contributions - employer	\$ 139,844
Contributions - employee (paid by employer)	126,216

B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plans as follows:

Miscellaneous Plan	Proportionate Share of Net Pension Liability	\$ 1,047,567
--------------------	---	--------------

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

NOTE 7 – COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The District's proportionate share of the net pension liability as of June 30, 2025 and 2024, was as follows:

Proportion - June 30, 2024	0.02108%
Proportion - June 30, 2025	<u>0.02166%</u>
Change - Increase (Decrease)	<u><u>0.00058%</u></u>

For the year ended June 30, 2025, the District recognized a pension expense of \$227,233. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 26,925	\$ -
Differences between Expected and Actual Experience	90,572	3,534
Net Differences between Projected and Actual Earnings on Investment Earnings	60,307	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	102,140
Change in Proportion	67,069	-
District Contributions Subsequent to Measurement Date	<u>139,844</u>	<u>-</u>
Total	<u><u>\$ 384,717</u></u>	<u><u>\$ 105,674</u></u>

The District reported \$139,844 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ 47,590
2027	118,274
2028	(6,000)
2029	<u>(20,665)</u>
Total	<u><u>\$ 139,199</u></u>

Pension liability is anticipated to be fully funded by 2028.

NOTE 7 – COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality	Derived using CalPERS' Membership Data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until the Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

NOTE 7 – COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS (Continued)

B. Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(1,2)
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

⁽¹⁾ An expected inflation of 2.30% used for this period.

⁽²⁾ Figures are based on the 2021-22 Asset Liability Management study.

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

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous Plan	\$ 1,805,577	\$ 1,047,567	\$ 423,613

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is exposed to various risks of loss related to general liability and workers’ compensation. Insurance for the District is secured through the Special District Risk Management Authority for both general liability and workers’ compensation. Settlements have not exceeded insurance coverage in any of the last three years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grant Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time.

Commitments

At June 30, 2025, the District has open contracts related to professional service agreements with the Napa County Farm Bureau and Land Trust of Napa County.

NOTE 10 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2025, the District paid the County, a related party, \$56,779 for administrative, accounting, information technology, and legal services. The County also paid the District \$699,472 during the year for services provided.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 4, 2026, which is the date the basic financial statements were available to be issued. No material subsequent events were noted.

REQUIRED SUPPLEMENTARY INFORMATION

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 472,041	\$ 472,041	\$ 501,375	\$ 29,334
Intergovernmental - Federal	2,014,550	2,014,550	1,313,893	(700,657)
Intergovernmental - State	4,392,797	4,392,797	2,765,409	(1,627,388)
Intergovernmental - Local Agencies	937,832	937,832	839,626	(98,206)
Use of money and property	20,000	20,000	44,100	24,100
Charges for services	28,000	28,000	28,776	776
Miscellaneous grants and other	660,000	660,000	641,397	(18,603)
Total Revenues	8,525,220	8,525,220	6,134,576	(2,390,644)
Expenditures:				
Salaries and benefits	2,222,866	2,222,866	2,108,642	114,224
Services and supplies	2,875,292	2,875,292	2,108,474	766,818
Contributions	2,150,000	2,150,000	991,823	1,158,177
Community grants	781,700	781,700	271,624	510,076
Bad debt expense	-	-	186,691	(186,691)
Debt service:				
Principal	72,348	72,348	63,566	8,782
Interest	-	-	3,667	(3,667)
Capital outlay:				
Right-to-use building	50,000	50,000	45,084	4,916
Equipment	60,000	60,000	-	60,000
Total Expenditures	8,212,206	8,212,206	5,779,571	2,432,635
Excess of Revenues over Expenditures	313,014	313,014	355,005	41,991
Other Financing Sources:				
Lease financing	-	-	45,084	45,084
Net Change in Fund Balance	\$ 313,014	\$ 313,014	400,089	\$ 87,075
Fund Balance, Beginning of the Year			1,456,630	
Fund Balance, End of the Year			\$ 1,856,719	

The accompanying note to the required supplementary information is an integral part of this schedule.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2025**

Measurement date	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	0.01740%	\$ 519,872	\$ 674,440	77.08%	79.25%
6/30/2016	0.01679%	604,445	716,354	84.38%	80.92%
6/30/2017	0.01428%	661,717	716,082	92.41%	77.88%
6/30/2018	0.01491%	538,298	680,706	79.08%	82.37%
6/30/2019	0.01604%	642,500	732,056	87.77%	77.73%
6/30/2020	0.01728%	728,912	935,914	77.88%	77.71%
6/30/2021	0.01440%	273,444	1,006,363	27.17%	90.49%
6/30/2022	0.01966%	919,841	1,158,247	79.42%	78.19%
6/30/2023	0.02108%	1,053,899	1,228,109	85.81%	77.97%
6/30/2024	0.02166%	1,047,567	1,473,774	71.08%	77.97%

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2025**

Date	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered payroll	Contribution as a percentage of covered payroll
6/30/2016	\$ 117,030	\$ 117,030	\$ -	\$ 716,354	16.34%
6/30/2017	140,763	140,763	-	716,082	19.66%
6/30/2018	67,013	67,013	-	680,706	9.84%
6/30/2019	79,791	79,791	-	732,056	10.90%
6/30/2020	69,594	69,594	-	935,914	7.44%
6/30/2021	78,789	78,789	-	976,315	8.07%
6/30/2022	87,641	87,641	-	1,006,363	8.71%
6/30/2023	94,677	94,677	-	1,158,247	8.17%
6/30/2024	108,852	108,852	-	1,228,109	8.86%
6/30/2025	139,844	139,844	-	1,473,774	9.49%

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The Napa County Resource Conservation District (the District) is required to prepare a budget each year based on estimates of revenues and expected expenditures. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is exercised at the budget unit (departmental) level. All changes to the budget during the year are reflected in these financial statements and require the approval of the governing board. All unencumbered appropriations lapse at the end of each year.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.

**NAPA COUNTY RESOURCE
CONSERVATION DISTRICT**

SINGLE AUDIT REPORT

JUNE 30, 2025

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
FOR THE YEAR ENDED JUNE 30, 2025**

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REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Napa County Resource
Conservation District
Napa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and fund information of the Napa County Resource Conservation District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
February 4, 2026

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Napa County Resource
Conservation District
Napa, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Napa County Resource Conservation District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2025. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and fund information of the District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 4, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
February 4, 2026

SCHEDULE

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Direct Programs:				
Inflation Reduction Act – Urban & Community Forestry	10.727	24-DG-11052021-230	\$ 51,476	\$ -
Passed through the California Association of Resource Conservation Districts: Emergency Forest Restoration Program	10.102	23-DG-11052021-226	49,490	-
Passed through the Regents of the University of California, Davis: Sustainable Agriculture Research and Education (SARE)	10.215	A23-2850-S002	5,811	-
Passed through the California Association of Resource Conservation Districts: Soil and Water Conservation	10.902	NR243A750003C134	1,652	-
Passed through the Gold Ridge Resource Conservation District: Soil and Water Conservation	10.902	-	7,086	-
Passed through Solano Resource Conservation District: Soil and Water Conservation (Conservation Technical Assistance)	10.902	2024-AK-1	547	-
Soil and Water Conservation (Conservation Technical Assistance)	10.902	FAN NR243A750018C027	830	-
			1,377	-
Passed through Lake County Resource Conservation District: Soil and Water Conservation (Conservation Technical Assistance)	10.902	FAN NR223A750022C002	3,496	-
Soil and Water Conservation (Conservation Technical Assistance)	10.902	FAN NR223A750022C002	615	-
			4,111	-
Subtotal 10.902			14,226	-
Passed through Solano Resource Conservation District: Environmental Quality Incentives Program	10.912	2024-AK-1	1,840	-
Environmental Quality Incentives Program	10.912	FAN NR243A750018C027	996	-
			2,836	-
Passed through Lake County Resource Conservation District: Environmental Quality Incentives Program	10.912	FAN NR223A750022C002	4,620	-
Environmental Quality Incentives Program	10.912	FAN NR223A750022C002	307	-
			4,927	-
Subtotal 10.912			7,763	-
Passed through Solano Resource Conservation District: Conservation Stewardship Program	10.924	2024-AK-1	14,972	-
Conservation Stewardship Program	10.924	FAN NR243A750018C027	3,707	-
			18,679	-
Passed through Lake County Resource Conservation District: Conservation Stewardship Program	10.924	FAN NR223A750022C002	4,370	-
Conservation Stewardship Program	10.924	FAN NR223A750022C002	2,152	-
			6,522	-
Subtotal 10.924			25,201	-
Passed through the North Coast Resource Conservation and Development Council: Regional Conservation Partnership Program	10.932	RCPP PPA-2516-A-0295	5,984	-
Total U.S. Department of Agriculture			159,951	-
U.S. Department of Commerce				
Direct Programs:				
Habitat Conservation	11.463	NA24NMF463C0003-T1-01	1,059,383	-
Total U.S. Department of Commerce			1,059,383	-
U.S. Department of the Interior				
Direct Programs:				
Cooperative Watershed Management	15.554	R25AP00310-00	968	-
Total U.S. Department of Interior			968	-
Total Expenditures of Federal Awards			\$ 1,220,302	\$ -

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the Napa County Resource Conservation District (the District). The District's reporting entity is defined in Note 1 to the District's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the accrual basis of accounting, which is described in Note 1 of the notes to the District's basic financial statements.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the District's basic financial statements.

NOTE 4 – INDIRECT COSTS

The District has an approved provisional indirect cost rate of 70.73% for all programs established under an agreement with the U.S. Department of Agriculture. The District did not elect to use the de minimis indirect cost rate.

NOTE 5 – ASSISTANCE LISTING NUMBER

The assistance listing numbers, included in the accompanying SEFA, were determined based on the program name, review of the grant, or contract information. Assistance listing numbers are maintained on SAM.gov.

FINDINGS AND QUESTIONED COSTS

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION 1

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness identified? ___ Yes X No
- b. Significant deficiencies identified
not considered to be material weaknesses? ___ Yes X No
3. Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

1. Internal control over major federal programs:
- a. Material weakness identified? ___ Yes X No
- b. Significant deficiencies identified
not considered to be material weaknesses? ___ Yes X No
2. Type of auditor's report issued on compliance
for major programs: Unmodified
3. Any audit findings disclosed that are required to be
reported in accordance with Uniform Guidance, under
2 CFR §200.516(a)? ___ Yes X No

4. Identification of major programs:

Assistance Listing Numbers Name of Federal Program or Cluster

11.463 Habitat Conservation

5. Dollar threshold used to distinguish between Type A and
Type B programs: \$750,000
6. Auditee qualified as low-risk auditee under the Uniform
Guidance? ___ Yes X No

**NAPA COUNTY RESOURCE CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION 2

FINANCIAL STATEMENT FINDINGS

None noted.

SECTION 3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

Napa County Resource Conservation District



Special Meeting of the Board of Directors

MINUTES

Thursday, January 15, 2026 at 8:00 A.M.

JoAnn Busenbark Board Room, Napa Valley Transit Authority (NVTA), 625 Burnell St, Napa, CA

AGENDA

1. CALL TO ORDER

A special meeting of the Napa County Resource Conservation District was called to order at 8:00 A.M. on Thursday, January 15, 2026 by President Bruce Barge.

A. Call to Order and Roll Call

Directors present included Bruce Barge, Paul Asmuth, Jim Lincoln, Jennifer Putnam (at 8:06 am), and Karen Turjanis. Associate Directors Adrina Carlsen, Joseph Nordlinger, Chris Carpenter, and Patrick Gorman were present online. Napa RCD staff present included Lucas Patzek, Frances Knapczyk, Alison Blodorn, Martin Perales.

B. Approval of the Agenda

Approved the agenda for this meeting.

MOTION: Lincoln; SECOND: Turjanis; AYES: Barge, Asmuth, Lincoln, Turjanis. NOES: None; ABSENT: Day, Putnam, Stranzl McCann; ABSTENSIONS: None. Motion carried.

2. PUBLIC COMMENT

No comments from the public.

3. CONSENT AGENDA

Approved the consent agenda.

Director Turjanis abstained from item A.

MOTION: Asmuth; SECOND: Lincoln; AYES: Barge, Asmuth, Lincoln, , Turjanis. NOES: None; ABSENT: Day, Putnam, Stranzl McCann; ABSTENSIONS: None. Motion carried.

A. Minutes from December 11, 2025 Regular Meeting.

B. Bills Approved by the Executive Director.

C. Regular District Bills from December 2025.

4. REGULAR AGENDA

A. Program Spotlight: Napa River Watershed Fish Monitoring and Salmonid Trends

Martin Perales, Environmental Scientist & Fish Biologist, presented on the District's fish monitoring efforts, focusing on population trends for key native salmonids. Discussion was turned over to the Board. Individual members provided comments, questions, and considerations regarding the update.

B. Huichica Creek Riparian and Salt Marsh Restoration Project

Executive Director Lucas Patzek provided the report.

President Barge called for public comment; there were no requests to speak.

Discussion was turned over to the Board. Brief individual comments ensued.

Adopted Resolution No. 2026-01

MOTION: Putnam; SECOND: Turjanis; AYES: Barge, Asmuth, Lincoln, Putnam, Turjanis. NOES: None; ABSENT: Day, Stranzl McCann; ABSTENSIONS: None. Motion carried.

Appoint Director Turjanis to the Huichica Creek Advisory Committee

MOTION: Putnam; SECOND: Asmuth; AYES: Barge, Asmuth, Lincoln, Putnam, Turjanis. NOES: None; ABSENT: Day, Stranzl McCann; ABSTENSIONS: None. Motion carried.

C. CARCD 2025 Annual Business Meeting Elections and Voting

Executive Director Lucas Patzek and Director Karen Turjanis provided the report.

President Barge called for public comment; there were no requests to speak.

Discussion was turned over to the Board. Brief individual comments ensued.

Approved voting recommendations

MOTION: Turjanis; SECOND: Putnam; AYES: Barge, Asmuth, Lincoln, Putnam, Turjanis. NOES: None; ABSENT: Day, Stranzl McCann; ABSTENSIONS: None. Motion carried.

D. Potential Appointment of an Associate Director

Executive Director Lucas Patzek provided the report.

President Barge called for public comment; there were no requests to speak.

Discussion was turned over to the Board. Brief individual comments ensued.

Approved Executive Director to interview candidate and return to Board for future vote

MOTION: Karen; SECOND: Jim; AYES: Barge, Asmuth, Lincoln, Putnam, Turjanis. NOES: None; ABSENT: Day, Stranzl McCann; ABSTENSIONS: None. Motion carried.

E. Board Feedback: Meeting Engagement and Agenda Planning

Executive Director Lucas Patzek provided the report.

Discussion was turned over to the Board. Brief individual comments ensued.

5. REPORTS AND ANNOUNCEMENTS

A. Funding & Visibility Committee Report

Program Director Frances Knapczyk provided the report.

B. USDA NRCS Report

Soil Conservationist Erika Valek provided the report.

C. Executive Director's Report

Executive Director Lucas Patzek provided the report.

6. ADJOURNMENT

The meeting was adjourned at 9:36 A.M.

The next regularly scheduled meeting for the Board of Directors of the Napa County Resource Conservation District is February 12, 2026.

Summary of Expenditures for January 2026

Ratify Regular

\$673,817.14

Total Expenditures

\$673,817.14

Bills Report Feb Meeting/Jan Bills											
Check Date	Check #	Vendor #	Vendor Name	Object	PL Project	Activity	Subcategory	Amount	Invoice	Line Description	
12/19/2025	39813	101469	Gallagher Benefit Se	52100	RCD	ADMIN	RCD	\$2,000.00	INV2530500	HR Support Services Dec 2025	
12/23/2025	1128023	32576	Prunuske Chatham, In	52490	RCD2024017	1 PICKLE	Planning	\$5,062.25	2025381	Fish Passage Design Oct 2025	
12/23/2025	1128023	32576	Prunuske Chatham, In	52490	RCD2024017	2 SODA	Planning	\$3,104.00	2025381	Fish Passage Design Oct 2025	
12/31/2025	39951	34020	Hanford Applied Rest	52490	RCD2024017	3 SULPHUR	Implement	\$416,241.21	4132502.06	SulphurCrk FishPass Nov 2025	
1/20/2026	40671	40176	Endsight	52130	RCD	ADMIN	RCD	\$675.00	10051849	Setup new laptop MP	
1/20/2026	40672	40176	Endsight	52130	RCD	ADMIN	RCD	\$656.25	10052038	IT End User Support Dec 2025	
1/20/2026	1129498	101980	Anchor Engineering	52490	RCD2024017	3 SULPHUR	Implement	\$40,648.30	24-009-5153	Sulphur Creek CM Svc Nov 25	
1/20/2026	40706	101469	Gallagher Benefit Se	52100	RCD	ADMIN	RCD	\$1,000.00	INV2531568	HR Support Services Dec 2025	
1/20/2026	1129497	101980	Anchor Engineering	52490	RCD2024017	3 SULPHUR	Implement	\$33,124.75	24-009-5142	Sulphur Creek CM Svc Oct 25	
1/22/2026	40769	29405	Kaiser Permanente	21205	RCD	ADMIN	RCD	\$824.65	134133691434	Kaiser Insur Feb '26 plan 33	
1/22/2026	1129769	102645	Hana Resources, Inc	52490	RCD2025010	1PRJMGMT	ProjAdmin	\$10,116.63	H000594	DesignSvc Huichica Rest Nov'25	
1/22/2026	1129769	102645	Hana Resources, Inc	52490	RCD2025010	2OUTREACH	CmtyEngage	\$3,085.00	H000594	DesignSvc Huichica Rest Nov'25	
1/22/2026	1129769	102645	Hana Resources, Inc	52490	RCD2025010	3CONDREP	Planning	\$2,920.00	H000594	DesignSvc Huichica Rest Nov'25	
1/22/2026	1129769	102645	Hana Resources, Inc	52490	RCD2025010	4DATACOLL	Planning	\$2,788.00	H000594	DesignSvc Huichica Rest Nov'25	
1/22/2026	1129769	102645	Hana Resources, Inc	52490	RCD2025010	6FINALPSE	Planning	\$2,788.00	H000594	DesignSvc Huichica Rest Nov'25	
1/22/2026	40790	101469	Gallagher Benefit Se	52100	RCD	ADMIN	RCD	\$2,440.00	INV2532032	HR Support Services Jan 2026	
1/22/2026	1129761	100597	Dogwood Springs Fore	52490	RCD2021036	Planning	Planning	\$1,080.00	385	Gen Support Moore Crk Dec 2025	
1/22/2026	40768	29405	Kaiser Permanente	21205	RCD	ADMIN	RCD	\$16,003.87	620303624170	Kaiser Insur Feb '26 plan 57	
1/22/2026	40778	35310	Theodore L. Edwards,	52605	RCD	ADMIN	RCD	\$6,184.00	Feb 2026 TE	Office Lease 1303 Jeff Feb 26	
1/22/2026	40789	100950	Napa Valley Communit	52490	RCD2023022	CWPP	Planning	\$1,967.50	7	CWPP Support Dec 2025	
1/22/2026	1129752	40363	Wra, Inc.	52490	RCD2024017	3 SULPHUR	Implement	\$58,718.31	30144 - 59116	SulphurCrk FishPass Nov 2025	
1/22/2026	1129770	102645	Hana Resources, Inc	52490	RCD2025010	1PRJMGMT	ProjAdmin	\$660.00	H000598	DesignSvc Huichica Rest Dec'25	
1/22/2026	1129770	102645	Hana Resources, Inc	52490	RCD2025010	3CONDREP	Planning	\$330.00	H000598	DesignSvc Huichica Rest Dec'25	
1/27/2026	1130027	101550	Dixon Resource Conse	54800	RCD2023025	ADMIN	ProjAdmin	\$1,018.75	2026-0008	Dixon RCD WETA Inv 8 Sept 2025	
1/27/2026	1129970	41613	Lake County Resource	54800	RCD2023025	ADMIN	ProjAdmin	\$11,775.65	2526-013	Lake RCD WETA Inv 8 Sept 2025	
1/27/2026	40882	36628	Sonoma Resource Cons	54800	RCD2023025	ADMIN	ProjAdmin	\$33,934.02	WETA-007	SonomaRCD WETA Inv 8 Sept 2025	
1/27/2026	1129901	19903	Solano Resource Cons	54800	RCD2023025	ADMIN	ProjAdmin	\$9,333.50	2427B	Solano RCD WETA Inv 8 Sept 25	
1/27/2026	1130078	102357	Topo Collective Bene	52490	RCD	ADMIN	RCD	\$5,337.50	820	Fundraising Support	
								\$673,817.14			

Summary of Expenditures for January 2026

Regular

\$198,240.78

Total Expenditures

\$ 198,240.78

Bills Report Feb Meeting/Jan Bills

Vendor #	Vendor Name	Object	PL Project	Activity	Subcategory	Invoice Date	Invoice	Amount	Line Description
102652	Balance Hydrologics	52490	RCD2025010	1PRJMGMT	ProjAdmin	12/11/2025	225143-1125	\$2,822.50	DesignSvc Huichica Rest Nov'25
102652	Balance Hydrologics	52490	RCD2025010	3CONDREP	Planning	12/11/2025	225143-1125	\$40,539.00	DesignSvc Huichica Rest Nov'25
102652	Balance Hydrologics	52490	RCD2025010	1PRJMGMT	ProjAdmin	1/9/2026	225143-1225	\$901.25	DesignSvc Huichica Rest Dec'25
102652	Balance Hydrologics	52490	RCD2025010	3CONDREP	Planning	1/9/2026	225143-1225	\$38,370.01	DesignSvc Huichica Rest Dec'25
102652	Balance Hydrologics	52490	RCD2025010	4DATACOLL	Planning	1/9/2026	225143-1225	\$2,325.00	DesignSvc Huichica Rest Dec'25
101689	Principal Life Insurance Company	51400	RCD	ADMIN	RCD	12/18/2025	46054	\$1,303.40	Principal Dental Prem Feb '26
22871	Environmental Science Associates	52490	RCD2021036	ADMIN	ProjAdmin	1/12/2026	215312	\$22,645.19	RPP Prof Svcs December 2025
101469	Gallagher Benefit Services	52100	RCD	ADMIN	RCD	1/21/2026	INV2532380	\$1,812.50	HR Support Services Jan 2026
100880	Wildland Resource Management	52490	RCD2023022	CWPP	Planning	1/20/2026	5	\$15,202.80	CWPP Support July - Nov '25
4067	US Bank	21105	RCD	Admin	RCD	12/22/2025	01.26CALCARD	\$10,773.40	CalCard Credit Card Jan 2026
999991	Batulwin Brown	54805	RCD2021036	ADMIN	ProjAdmin	1/8/2026	BB Stipend 1	\$900.00	GBLA Tribal Training stipend
999991	Robert Geary	54805	RCD2021036	ADMIN	ProjAdmin	1/8/2026	RG Stipend 1	\$900.00	GBLA Tribal Training stipend
999991	Desirae Harp	54805	RCD2021036	ADMIN	ProjAdmin	1/8/2026	DH Stipend 1	\$900.00	GBLA Tribal Training stipend
999991	Tribal Eco Restoration Alliance	54805	RCD2021036	ADMIN	ProjAdmin	1/8/2026	TERA Stipend 1	\$900.00	GBLA Tribal Training stipend
999991	Habematolel Pomo of Upper Lake	54805	RCD2021036	ADMIN	ProjAdmin	1/8/2026	HPUL Stipend 1	\$3,600.00	GBLA Tribal Training stipend
TBD	Redbud Resource Group	52490	RCD2021036	ADMIN	ProjAdmin	1/8/2026	8	\$15,000.00	GBLA Tribal Relations Training
40363	WRA, Inc.	52490	RCD2024017	3 SULPHUR	Implement	1/12/2026	30114-59309	\$23,092.50	SulphurCrk FishPass Dec 2025
32576	Prunuske Chatham, Inc	52490	RCD2024017	1 PICKLE	Planning	1/15/2026	2025442	\$8,365.50	Fish Passage Design Dec 2025
32576	Prunuske Chatham, Inc	52490	RCD2024017	2 SODA	Planning	1/15/2026	2025442	\$3,913.75	Fish Passage Design Dec 2025
101469	Gallagher Benefit Services	52100	RCD	ADMIN	RCD	1/28/2026	INV2532380	\$1,812.50	HR Support Services Jan 2026
40176	Endsight	52130	RCD	ADMIN	RCD	1/28/2026	10051543	\$2,161.48	Network Support - Jan 2025
								\$198,240.78	



Napa County Resource Conservation District
1303 Jefferson St., Ste. 500B, Napa, California 94559
(707) 690-3110, NapaRCD.org

February 12, 2026

Steve Carlin, Chair
Napa RiverLine
1625 Trancas Street #2309
Napa, CA 94558

Subject: Letter of Support for the Napa RiverLine Project

Dear Steve Carlin,

On behalf of the Napa County Resource Conservation District (Napa RCD), we are writing to express our strong support for the Napa RiverLine project. As an organization dedicated to empowering our community to conserve, protect, and restore natural resources, we recognize the RiverLine as a transformative initiative that aligns well with our mission and Strategic Plan.

Since 1945, Napa RCD has served as a leader in watershed health and community stewardship. Our vision is for a Napa County where healthy natural environments and thriving communities enhance one another. The RiverLine project embodies this "model of sustainability" by integrating vital flood control infrastructure with enhanced public access, habitat preservation, and environmental education.

Opportunities for Collaborative Partnership

Napa RCD is not only a supporter of this vision but also a ready and capable partner in its implementation. We see several key areas where our technical expertise and community reach can strengthen the RiverLine:

- **Habitat Enhancement & Restoration:** Leveraging our long history of riparian restoration, Napa RCD can provide technical advisory services to identify and implement habitat enhancement opportunities along the RiverLine. We can help ensure that plant palettes and restoration designs maximize biodiversity and climate resilience.
- **Environmental Monitoring:** To ensure the long-term health of the river corridor, Napa RCD can support environmental and biological monitoring efforts that are essential for adaptive management and for demonstrating the project's ecological success to the public and funders.
- **Education & Community Outreach:** A central pillar of our Strategic Plan is fostering a "shared culture of conservation." We are eager to partner on RiverLine programming to create "nature and education" opportunities. This includes using the trail as an outdoor classroom for local schools and developing interpretive materials and signage that increase environmental literacy among the diverse users of the trail.

Napa County Resource Conservation District

1303 Jefferson St., Ste. 500B, Napa, California 94559

(707) 690-3110, NapaRCD.org

Alignment with Strategic Priorities

The RiverLine project further advances our core organizational goals:

- **Watershed Health & Climate Resiliency:** By supporting a "Living River" approach, the project helps manage climate-driven flood risks while enhancing the riparian corridor, a core focus of our Watershed Health program.
- **Equitable Access to Open Space:** We are committed to serving all stakeholders. The RiverLine traverses diverse census tracts, ensuring that high-quality recreation and healthy outdoor spaces are accessible to everyone in our community.

The Napa RiverLine is more than a trail, it is a vital investment in the ecological and social fabric of our county. It transforms the riverfront from a mere boundary into a dynamic community asset that protects our resources while inviting the public to value and protect them in return.

Napa RCD is proud to support the Napa RiverLine and looks forward to a deep partnership in making this vision a reality for the Napa River watershed.

Sincerely,

Board of Directors

Napa County Resource Conservation District

Allison Day, Director

Bruce Barge, President

Gretchen Stranzl McCann, Director

Jennifer Putnam, Director

Jim Lincoln, Director

Karen Turjanis, Director

Paul Asmuth, Vice President



Napa County Resource Conservation District
1303 Jefferson St., Ste. 500B, Napa, California 94559
(707) 690-3110, NapaRCD.org

February 12, 2026

Subject: Support for AB 1699 (Rogers) - The Good Fire Act

Dear Chairman Bryan and Committee Members,

Napa County Resource Conservation District (Napa RCD) writes in strong support of the Good Fire Act (AB 1699), legislation that will ease implementation barriers and expand California's use of beneficial fire—a proven tool for reducing catastrophic wildfire risk, protecting communities, and restoring healthy landscapes.

A century of fire suppression has created dangerously overgrown and vulnerable landscapes, and California is now experiencing unprecedented wildfires that threaten communities and ecosystems. Beneficial fire—which includes prescribed fire as well as cultural burning, practiced by tribal communities for thousands of years—is essential to reversing these conditions. While California has made progress in recent years, significantly more beneficial fire is needed to meet state goals, protect our communities, and restore resilience to California's forests and landscapes.

The Good Fire Act removes key barriers to expanding prescribed fire:

Making Certification Easier

The bill allows experienced federal and CAL FIRE practitioners to transfer their credentials rather than starting over, and reduces recertification from annual to every three years. It also expands the instructor pool to train more burn bosses. These changes will grow California's certified prescribed fire workforce.

Strengthening Liability Protection

The bill makes California's Prescribed Fire Liability Claims Fund permanent and clarifies that groups like resource conservation districts, volunteer fire departments, tribal governments and others are eligible for coverage. Since launching in 2023, the fund has enrolled hundreds of projects covering tens of thousands of acres. It has also made insurance more available and affordable, allowing more beneficial fire projects to move forward. Now we must remove the uncertainty that the fund will sunset in the midst of a multi-year burning project.

Reducing Red Tape

The bill allows CAL FIRE to actively assist with community burns without triggering unnecessary environmental review, makes pre-burn site inspections at CAL FIRE's discretion, and clarifies that overtime pay for prescribed burns is an acceptable use of state grant funds.

Conclusion

Expanding prescribed fire protects Californians from catastrophic wildfire while restoring our landscapes. The Good Fire Act provides practical solutions to credential bottlenecks, liability concerns, and operational restrictions that currently limit this essential work.

Napa County Resource Conservation District

1303 Jefferson St., Ste. 500B, Napa, California 94559
(707) 690-3110, NapaRCD.org

We urge your support for AB 1699.

Sincerely,

Board of Directors

Napa County Resource Conservation District

Allison Day, Director

Bruce Barge, President

Gretchen Stranzl McCann, Director

Jennifer Putnam, Director

Jim Lincoln, Director

Karen Turjanis, Director

Paul Asmuth, Vice President

**Fixed Amount Subaward Between
BLUE FOREST FINANCE INC
And
NAPA COUNTY RESOURCE CONSERVATION DISTRICT**

NAPA COUNTY PROJECT PRIORITIZATION PLATFORM DEVELOPMENT

Napa County Resource Conservation District
1303 Jefferson Street, Suite 500B
Napa, CA 94559

This letter is to notify you that Blue Forest Finance Inc, hereinafter referred to as “Blue Forest”, hereby awards the sum of **\$300,000** to **Napa County Resource Conservation District**, the Subrecipient of this award and hereinafter referred to as “the Recipient,” to provide support for a project entitled “ **Napa County Project Prioritization Platform Development**” as described in the General Terms and Conditions (Attachment 1) and as more fully described in the Project Description (Attachment 3). This letter and all its attachments shall be referenced hereinafter as “the Agreement”.

This Agreement is effective, and obligation is made as of **January 1, 2026** and shall apply to expenditures made by the Recipient in furtherance of project objectives during the period beginning with the effective date and anticipated to end on **December 31, 2026**. Blue Forest will not be liable for reimbursing the Recipient for any costs in excess of the Agreement amount.

This Agreement is made with the Recipient on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment One (General Terms and Conditions), Attachment Two (Project Description), and Attachment Three (Budget & Narrative). The Recipient shall execute the Agreement under the overall supervision of Gordon Vermeer, Blue Forest’s Chief Financial Officer, though may be delegated to a colleague and communicated in writing to the Recipient.

By signing this Agreement, the Recipient agrees that:

1. The Recipient will comply with the terms and conditions as set forth in the attachments listed following the signature below, which are incorporated as part of the Agreement.
2. The Recipient will maintain records of transactions related to the Agreement for at least three years after payment of the final milestone. Blue Forest retains the right, at its discretion, to examine all or a sample of the Recipient’s records or transactions related to the Agreement

where concerns of implementation irregularities arise, during or after the implementation of the Agreement.

3. Blue Forest is not liable for reimbursing the Recipient for any amount in excess of the obligated amount, or outside of the Grant Period, as provided in the Agreement.
4. On submission of the voucher for payment for the final milestone, the Recipient must certify that the Agreement is completed and the Recipient will make no further claim against Blue Forest after final payment.
5. The Recipient must obtain Blue Forest written approval prior to any changes to this Agreement impacting: 1) the activities; 2) the amount; 3) the milestones; 4) the execution schedule, or 5) the completion date.
6. Blue Forest will conduct continued financial and technical monitoring of the project as appropriate.
7. By receiving these funds, you acknowledge and agree: (a) that the grant must be used exclusively to further your charitable purposes described in Internal Revenue Code section 170(c)(2)(B) and section 501(c)(3), (b) that no part of the grant may be used for a lobbying purpose or to engage in political activity.
8. Notwithstanding any other term of this Agreement, the Recipient has no right to submit claims to the donor or governmental entities from which these funds are provided or made available for this agreement.
9. The Recipient affirms that all invoices for time and deliverables are exclusively billed to Blue Forest and not invoiced to other entities for duplicative effort or work or duplicative funds from other projects.

Please sign this letter to acknowledge your receipt of the Agreement and concurrence with the terms and conditions of this Agreement and return a copy to Blue Forest.

Sincerely,

Gordon Vermeer
CFO, Chief Financial Officer
Blue Forest Finance Inc.

Acknowledged:

Signature: _____ Date: _____

Lucas Patzek
Executive Director
Napa County Resource Conservation District

Attachments:

1. General Terms and Conditions
2. Project Description
3. Napa County Resource Conservation District Budget & Narrative
4. Invoice Payment Request (Separate Form)

**Attachment One
General Terms & Conditions**

1. Scope of Work

The purpose of this Agreement is to provide support for the project described in Attachment Two to this Agreement entitled “Project Description”.

2. Period of Performance

The effective date of this Agreement is the date of **January 1, 2026** and the completion date is **December 31, 2026**. Any requests for a no-cost extension should be addressed to and received by the authorized official contact as shown in Attachment 1 (clause 5) no less than (30 days) prior to the desired effective date of the requested change.

3. Amount of Agreement and Payment

3.1. The total amount of this Agreement for the period shown in clause 2 above is **\$300,000 provided by Gordon and Betty Moore Foundation funding.**

3.2. Payment will be made to the Recipient upon presentation to Blue Forest of a properly prepared Invoice Form (Attachment 5) **The Recipient may submit grant disbursement requests at its discretion during the term of this Agreement, but not more than once in any 30-day period, with a certification that the work being billed has been completed within the agreed upon scope and providing any other documentation required by Blue Forest associated with this agreement. Payment will be made within 30 days following receipt of invoice.** Blue Forest reserves the right to withhold payment if it is apparent that active work towards project scope is not being completed. The Recipient must submit the above-referenced payment documentation to **accounting@blueforest.org.**

4. Progress Reporting

The Recipient shall submit annual reports to Blue Forest based on the schedule below. All reports shall be submitted to Blue Forest’s Program Contact, Ariella Chichilnisky du Lac, providing updates on the work plan activities and deliverables listed in Attachment 2.

Due Dates	Report Type
December 31, 2026	Final report

5. Contact Persons

<u>Prime Recipient Contacts</u>	<u>Subrecipient Contacts</u>
Authorized Official Gordon Vermeer Chief Financial Officer gordon@blueforest.org	Authorized Official Lucas Patzek Executive Director lucas@naparcd.org
Program Contact Ariella Chichilnisky du Lac Senior Project Development Associate ariella@blueforest.org	Program Contact Alison Blodorn Program Director, Forest Health & Restoration alison@naparcd.org
Financial & Administrative Contact: Samantha Montalvo Grants Finance Senior Associate samantha@blueforest.org	Financial & Administrative Contact Tatia Wieland Finance & Administration Manager tatia@naparcd.org
Payment Submission Email: accounting@blueforest.org	

- a. Matters concerning the technical performance of this subaward should be directed to the program contact
- b. Matters concerning payment, invoices, or general administration should be directed to the financial & administrative contact
- c. Payment request forms should be sent directly to **accounting@blueforest.org**

6. No Assignment

The Recipient may not assign its rights, subcontract, or delegate its obligations under this Agreement without Blue Forest's prior written approval which Blue Forest may withhold at its absolute discretion.

The Recipient is responsible for including in any agreements with its subrecipients any clauses or provisions necessary to fulfill the Recipient's obligations under this Agreement.

7. Independent Recipient

The Recipient is an independent Recipient and is not engaged in a partnership, joint venture, or agency relationship of any kind with Blue Forest. Neither party has authority to create any obligations, expressed or implied, on behalf of the other.

8. Proprietary Information

The Parties shall exchange such proprietary data, information, plans, etc. ("proprietary data") as is reasonably required for each to perform its obligations hereunder. The acceptable standard of care required of either Party receiving data hereunder and to prevent disclosure thereof, will be the same standard normally used by either Party as the case may be, in protecting its own

proprietary data against disclosure. Notwithstanding the foregoing, neither Party shall be liable for disclosure of any such proprietary data if the same:

- a. Was in the public domain at the time it was disclosed, or later falls therein through no fault of the receiving party; or
- b. Was known to the receiving party at the time of such disclosure; or
- c. Is expressly disclosed by one party on a non-restricted basis to the other; or
- d. Disclosure is required by an authorized representative of the Prime Donor or funding government entity, and the disclosing party uses reasonable efforts to require the imposition of appropriate safeguards to prevent the further disclosure of such proprietary data, and to limit the amount of proprietary data to be disclosed.
- e. Furthermore, information that is expected to be proprietary should be disclosed in writing and explicitly communicated and documented that the information is to be maintained confidentially.

The Parties shall retain all rights with respect to any such proprietary data that either may have possessed prior to entering into the Agreement. Materials prepared by the Recipient pursuant to its performance hereunder or developed jointly by the Recipient and Blue Forest, including all intellectual property rights therein, shall be jointly owned by the Recipient and Blue Forest, without accounting to each other.

9. Indemnification, Subgrantee's Responsibilities and Assumption of Risks

The Recipient hereby indemnifies Blue Forest, together with its officers, directors, employees, and agents, against any third-party claims, losses, damages, and other liabilities (including reasonable attorney's fees and other expenses) made against such parties, arising out of Recipient's negligence or willful misconduct in connection with this Agreement, except to the extent the claim, loss, damage, or liability is due to the fault of Blue Forest.

- a. Recipient's Responsibilities. The Recipient acknowledges that they have carefully examined and are fully informed of the requirements of this Agreement and its Attachments, including the Statement of Work, are fully informed of the facts and circumstances associated with the existing political situation and living conditions in the country to which the Recipient will be assigned, are fully informed of the requirements of performance of the Statement of Work, and agrees to act prudently and to fulfill those requirements. Furthermore, the Recipient agrees to actively engage in any and all technical assistance provided by Blue Forest and realizes that failing to do so will negatively affect the program's evaluation.

10. Controlling Law

The validity and performance of this Agreement and the legal relations of the Parties to this Agreement shall be governed and construed in accordance with the laws of California.

11. Compliance with Laws

The Recipient agrees to comply with all applicable federal, state, and local laws, including local labor laws, rules, and regulations. All matters arising out of or relating to this Contract shall

be governed by the laws of the State of California without giving effect to any choice or conflict of law provision or rule.

12. Conflicts of Interests

- a. Conflicts of Interest. Both parties agree to disclose any potential conflict of interest, including without limitation, any relationship that may affect or that may reasonably appear to affect a Party's objectivity or ability to perform the work under this Agreement.
- b. No Gifts. The Recipient shall not accept any gifts, gratuities, free trips, personal property, or any other items or services of whatever nature from any person or organization as an inducement to perform or provide any services of whatever nature on behalf of Blue Forest, or for any personal gain as a result of the Recipient's work for Blue Forest under this Agreement.

13. Termination

- a. For Cause. This Agreement may be terminated for cause at any time, in whole or in part, by Blue Forest upon written notice to the Recipient, whenever it is determined that the Recipient has failed to comply with the conditions of the Agreement.
- b. For Convenience. This Agreement may be terminated for convenience, by either party at any time, in whole or in part, 30 calendar days after the receipt of written notification by the other party. Notwithstanding the written notification of termination, Blue Forest shall pay the Recipient for milestones achieved until the new date of termination established in the notification on a prorated basis. The Recipient must submit all claims for such a payment within 90 calendar days of such termination.
- c. Termination and Suspension Procedures. Upon receipt of and in accordance with a termination notice as specified above, the Recipient shall take immediate action to minimize all expenditures and obligations financed by this Agreement and shall cancel such unliquidated obligations whenever possible. Except as provided below, the Recipient shall not incur costs after the effective date of termination.

14. Enforcement

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this contract by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time be deemed a waiver or relinquishment of that right or power for all or any other times.

15. Partial Invalidity

If any provision of this contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

16. Force Majeure

The Recipient shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Recipient and without its fault or negligence, such as acts of

nature or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Recipient shall notify Blue Forest in writing, as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Blue Forest of the cessation of such occurrence.

17. Closeout

The Agreement will be closed out upon completion of the following: (a) final milestone and (b) final payment. **A final payment request form must be marked “FINAL” and submitted by the Recipient no later than 15 days following the subaward end date.** A certification of completion or mutual acknowledgement of completion will be issued by Blue Forest and signed or acknowledged by the Recipient.

18. Ethical Conduct

Blue Forest employees are bound to abide by Blue Forest’s Code of Ethics which prohibits Blue Forest employees from deriving any type of material and non-material benefit from the Recipient as a condition for receiving this subgrant. Blue Forest employees are also prohibited from soliciting or accepting any material or non-material benefit from the Recipient that might compromise, or even appear to compromise, the objective evaluation, award, and administration of this Agreement. Under no circumstances shall any Blue Forest employee require or coerce the Recipient to buy Blue Forest services and/or their personal services as a condition for receiving and/or retaining this Agreement. Accepting special treatment, bribes, or kickbacks from Recipients is illegal and in violation of Blue Forest’s Code of Ethics.

If the Recipient becomes aware of a violation by any Blue Forest employee in this regard, the Recipient shall be obligated to immediately report the violation or improper conduct to Blue Forest’s management team or any Board Members. All reports will be treated as strictly confidential and the identity of the reporting party shall remain anonymous.

19. Entire Agreement

This Agreement represents the entire agreement between Blue Forest and the Recipient on this subject matter. All modifications to this Agreement must be made in writing and duly executed by all parties.

20. Language

If this Agreement is translated to another language, the English version shall govern.

Attachment Two Project Description

The Napa RCD, with guidance from Blue Forest, will develop a prioritization platform focused on Napa County that will help project planners and implementers determine where forest and ecosystem restoration projects will best meet conservation priorities. The platform will build upon a regional prioritization platform being led by Napa RCD. The Napa County platform will:

- Be hosted on a Napa RCD webpage
- Include geospatial layers of landscape condition and projects, which will include data based on the [10 pillars of resilience](#)
- Include a prioritization framework based on the pillars of resilience that has the ability to evaluate conservation finance readiness based on
 - Wildfire risk
 - Water security (quantity and quality)
 - Above-ground carbon
 - Habitat & Biodiversity
- Include a function that will allow sorting and evaluation of projects based on conservation finance readiness. This function should produce an output in a table or similar format allowing for comparison between projects

As a part of the development of the Inner Coast Regional Priority Plan and the Napa County platform, Napa RCD will seek feedback from Blue Forest, the Napa County Restoration Advisors, and other partners regarding the landscape condition analysis and prioritization framework development. Additionally, Napa RCD will facilitate conversations with a group of Napa County Restoration Advisors, organized by Blue Forest, to provide input on the Napa County platform. Advisors will have access to the Beta version of the platform to test functionality and usability. Advisors will use the tool to determine which projects and areas might be of highest priority, based on their unique goals and interests. The Advisors will also provide feedback on the final version of the tool, assessing on usability and applicability of the tool's outputs of the tool. The Napa RCD will compile a report detailing the process to develop and the key features and functions resulting in the platform.

Work Plan Activity	Description	Deliverable	Due Date
Develop prioritization platform	Napa-specific prioritization platform developed, with emphasis on features that indicate potential for conservation finance investments.	Completed prioritization platform	December 31, 2026

Meeting with Napa County Restoration advisory group	At least one meeting with the Napa County Restoration Advisors discussing the potential applications of the platform, facilitated by the Napa RCD.	Completed meeting	December 31, 2026
Final report of platform applications	A brief report listing out results from the platform's usage, based on the conversation with the advisory group.	Report	December 31, 2026

**Attachment Three
Budget**

BUDGET BY YEAR				
<i>Napa County Resource Conservation District</i>	YEAR 1 (partial)	YEAR 2	YEAR 3 (partial)	TOTAL
	9/16/2025 --12/31/2025	Full year 2026	1/1/2027 -- 7/31/2027	9/16/2025 -- 7/31/2027
GBMF				
Personnel				
Salaries/Wages	\$ -	\$ 52,373	\$ -	\$ 52,373
Fringe Costs	\$ -	\$ 16,088	\$ -	\$ 16,088
<i>Subtotal</i>	\$ -	\$ 68,461	\$ -	\$ 68,461
Other Direct Expenses				
Travel	\$ -	\$ 650	\$ -	\$ 650
Contractual	\$ -	\$ 211,000	\$ -	\$ 211,000
Meeting Space, Supplies, Other	\$ -	\$ 10,000	\$ -	\$ 10,000
<i>Subtotal</i>	\$ -	\$ 221,650	\$ -	\$ 221,650
Total Direct Costs	\$ -	\$ 290,111	\$ -	\$ 290,111
<i>Direct Cost Base for Indirects</i>	\$ -	\$ 79,111	\$ -	\$ 79,111
Indirect Costs at 12.5% TDC	\$ -	\$ 9,889	\$ -	\$ 9,889
Total Costs	\$ -	\$ 300,000	\$ -	\$ 300,000
Budget Narrative <i>(Describe how funds will be used in each category of the above table):</i>				
<i><u>Personnel Expenses</u> . Napa RCD staff salaries/wages and fringe needed to support: local partner and community engagement in support of Deliverables 1-3, consultant oversight and coordination, and financial and progress reporting.</i>				
<i><u>Travel</u> . Travel to meetings with partners.</i>				
<i><u>Contractual</u> . Consultant expenses related to: platform development, prioritization framework development, meeting facilitation support, development of communications and outreach materials, memo and/or webpage development.</i>				
<i><u>Meeting Spaces, Supplies, Other</u> . Expenses related to reserving meeting spaces for partner/community meetings, printing and dissemination of outreach and communications materials, and meeting facilitation materials.</i>				

Napa County Resource Conservation District

POLICY MANUAL

POLICY TITLE: Associate Directors
POLICY NUMBER: 4050

Revised: August 12, 2021

Mission: The District's mission is to empower the community to voluntarily conserve, protect, and restore natural resources in a landscape that supports agriculture, urban areas, and wild spaces. To this end, the District provides technical assistance, educational programs, monitoring programs and funding sources to help land managers improve their conservation practices.

4050.1 To help fulfill the District's mission and round out its professional needs, Directors solicit assistance from agencies, organizations, and individuals. Individuals may assist the District by participating in District programs, volunteering with the District, serving on a standing or ad-hoc advisory committee, and/or becoming an Associate Director. An Associate Director functions as a non-voting advisory resource to the Board and may assist Directors and/or staff in a range of ways.

The Board of Directors may appoint Associate Directors under the following procedures and conditions:

4050.2 Application: Any person 16 years of age or older is eligible to serve as an Associate Director by appointment of the Board of Directors. To be appointed, the individual must have a sincere interest in resource conservation and be willing to commit the time needed to perform assigned duties or tasks (generally less than 2 hours per month is required). Appointment as an Associate Director is also encouraged for those eligible registered voters who wish to become full Directors. The Board may also seek Associate Directors to fulfill specific tasks.

4050.3 Appointment: A notification of appointment will be adopted and included in the minutes of the appropriate Board of Directors meeting after review of the applicant's qualifications. Associate Directors serve at the will and pleasure of the Board.

4050.4 Term of Office: The appointment as Associate Director is for a period of two years. Associate Directors who are not able to provide significant support to the Board or staff in a manner described in this policy are expected to reconsider their commitment and inform the Board of their intentions. The Board of Directors will annually review the assistance provided and may reconfirm appointment. An Associate Director may resign at any time.

4050.5 Duties and Expectations: Associate Directors are expected to believe in and enthusiastically support the District's Mission and Guiding Principles. The Board of Directors values the assistance of Associate Directors and understands that it may come in a variety of forms. Duties or tasks to be accomplished by Associate Directors

should complement and reinforce the Long Range Plan and Annual Work Plan, as directed and approved by the Board of Directors. The following are some recommendations for how Associate Directors can support and advise the District:

- Attend District meetings as feasible, including annual and long-range planning meetings.
- Participate in the development of strategic and annual plans.
- Serve on standing and ad hoc committees (e.g., Finance Committee, Governance Committee, Huichica Creek Sustainable Vineyard & Orchard Advisory Committee).
- Contribute to District and District-affiliated events, such as: California Association of Resource Conservation Districts (CARCD) Annual Conference, CARCD Bay-Delta Regional Meetings, annual celebration events, and project tours.
- Cultivate and use linkages within the community and region to support fund development.
- Assist the Executive Director and other staff through consultation or meeting attendance. This assistance may be related to, but is not limited to, the following subjects: public/political outreach, technical and educational programs, finances, personnel, administrative business, and vineyard management.

4050.6 Reimbursement: Reimbursement for travel, fees, etc. will be paid by the District when approved by an official quorum of the Board of Directors. Reimbursement will relate to activities and functions specifically requested of the Associate Director by the Board of Directors. This provision applies to full Directors as well as Associate Directors.

4050.7 Orientation: New Associate Directors are encouraged to attend a California Association of Resource Conservation Districts (CARCD) led orientation workshop. Local orientation will be provided by Directors, Associate Directors, Executive Director and staff.

Lend Your Expertise. Leave a Legacy.



Are you passionate about conserving land, water, soil, and wildlife and eager to make a real impact in Napa County?

Napa County Resource Conservation District (Napa RCD) is seeking dedicated community members with diverse skills and perspectives to serve as Associate Directors. Associate Directors are volunteer advisors to our Board of Directors and staff, providing expertise, leadership, and community connections that help Napa RCD fulfill its mission. Their contributions ultimately benefit the environment, local farmers and ranchers, and the broader Napa community.

HOW ASSOCIATE DIRECTORS CONTRIBUTE

- Offer expertise in areas such as financial management, marketing and communications, fundraising, human resources, community outreach and education, farming, natural resource management, or regulatory compliance.
- Participate in the development of strategic and annual plans.
- Support events such as project tours, volunteer opportunities, workshops, and conferences.
- Build community relationships to raise the organization's visibility and strengthen fundraising.
- Join committees (e.g., Finance, Funding & Visibility, Program Advisory) to strengthen governance and program impact.

WHO WE ARE

Since 1945, Napa County Resource Conservation District (Napa RCD) has been a leader in environmental stewardship across the county's forests, farms, and watersheds. We partner with communities, youth, landowners, and agricultural producers to protect and restore natural resources, promote sustainable practices, and inspire future generations through hands-on learning and engagement.

OUR STRATEGIC GOALS FOR NAPA COUNTY

We envision Napa County as a model of sustainability, where ecological health, agricultural vitality, and community well-being are in balance. Our goals for long-term resilience include:

- **Community Engagement** - Diverse communities are engaged in equitable and inclusive stewardship of natural resources.
- **Forest Health** - Forests are measurably healthier, more resilient to climate change, and actively stewarded by the community.
- **Regenerative Agriculture** - Local agricultural producers manage farmlands and rangelands sustainably, encompassing ecological, social, and economic aspects.
- **Watershed Health** - Streams and groundwater are improved in quality and health, supporting both wildlife and people.
- **Funding & Visibility** - Donors and partners engage to amplify impact and strengthen Napa RCD's leadership role in the county.

ELIGIBILITY & TERM OF OFFICE

Anyone 16 years of age or older who supports Napa RCD's mission is eligible to serve as an Associate Director, pending appointment by the Board of Directors. Appointments are made for a two-year term (though Associate Directors may resign at any time). Under state law, serving as an Associate Director for two or more years may also help an individual qualify for appointment to Napa RCD's governing Board of Directors.

LEARN MORE

For questions or to explore whether this opportunity is a good fit, please contact Executive Director Lucas Patzek (Lucas@NapaRCD.org, 707-690-3119) or Board President Bruce Barge (brucebarga@gmail.com). We're happy to schedule a call or meeting to share more about the organization and Associate Director role. You can also learn more by reviewing our Strategic Plan and Annual Reports, signing up for our e-Newsletter at NapaRCD.org, and following us on social media (@NapaRCD).

Associate Director Application

First and Last Name: Maria Villagomez

Your Occupation: Higher Education Educator and Administrator, Educational Consultant

What motivates you to serve as an Associate Director, and what would you hope to contribute?

I am moving back to my home in the Napa Valley and will have time to give back to my community in ways I have not been able to in the recent past.

Which of these areas excite you most? *(check all that apply)*

- XX** Youth environmental education and workforce development
- XX** Community education and volunteer events
- Regenerative agriculture (e.g., soil health, carbon farming, pollinator habitat, irrigation efficiency)
- On-the-ground restoration projects (e.g., fish barrier removal, stream restoration, forest management)
- Environmental monitoring (e.g., fish populations, stream flow, tree seedling survival)
- XX** Organizational development and administration
- XX** Marketing and communications
- XX** Fundraising and donor engagement
- Other:

Please share any experiences, skills, or education that demonstrate your interest in natural resource conservation.

We welcome Associate Directors with diverse perspectives, and formal training is not required.

Over the past 3.5 years, I have been leading and managing the instructional area at Santa Barbara City College (SBCC). The college is located on the CA central coast and has presented me with the opportunity to learn about and advocate for the blue and green economy. I have become very interested in the preservation of natural resources and would love the opportunity to expand my learning and opportunities to support these efforts at the county wide level.

Which of these skills or areas of experience would you like to bring to your role as an Associate Director? *(check all that apply)*

Natural Resources & Land

- Farming / Ranching
- Environmental & Natural Resource Science (e.g., Conservation Biology, Forestry, Horticulture)
- Land Use Planning / Land Management
- Outdoor Recreation & Stewardship

Community & Education

- XX** Environmental or Community Education
- XX** Diversity, Equity, Inclusion, and Justice (DEIJ)
- XX** Marketing / Communications

Organizational Leadership

- XX** Financial Management / Accounting
- Legal
- XX** Human Resources / Staff Development
- XX** Strategic Planning
- XX** Fundraising
- Other:

Which industries or sectors are you connected to that could help Napa RCD increase awareness, strengthen our brand, expand impact, or enhance fiscal sustainability?

(check all that apply)

- XX Advertising / Marketing
- Agriculture
- XX Education
- Finance / Economics
- Food & Beverage
- Philanthropy / Foundations / Donors
- Media / News
- XX Public Sector (e.g., grantmaking agencies, regulators, elected officials)
- XX Nonprofit / Community Organizations
- Technology / Innovation
- Environment / Conservation
- Other:

Current professional license(s) or certification(s), if applicable (e.g., Registered Professional Forester, Professional Engineer, CPA, Teaching Credential):

I am qualified to teach in higher education environments and hold master's and a doctorate degree in Educational Leadership, Curriculum, Teaching and Learning.

Please list any nonprofit boards, public agencies, councils, commissions, or committees on which you currently serve or have previously served:

I have previously served on the Napa County Hispanic Network Board and currently serve on the Al Amancer Boxing Club Board of Directors.

Please note: The person appointed to this position will be required by state law and District policy to file financial disclosure statements ([Form 700 - Statement of Economic Interests](#)) with the District, which will also be filed with the California Fair Political Practices Commission. *(This form will be provided to you.)*

By signing below, I acknowledge that I have read and understand Napa RCD's Associate Director policy, and I hereby apply for appointment as an Associate Director of Napa RCD.

Signature: *Maria L. Villagomez*

Print Name: **Maria L. Villagomez**

Date: **December 17, 2025**

Phone Number: **707-631-0453**



Subject:	Recommendation for Appointment of Associate Director - María Villagómez
To:	Board of Directors, Napa County Resource Conservation District
From:	Lucas Patzek, Executive Director
Date:	February 12, 2026

Executive Summary

This memorandum recommends the appointment of María Villagómez as an Associate Director for Napa RCD. María is a seasoned higher education administrator and educator with deep roots in the Napa Valley. Her professional background in educational leadership, combined with her commitment to engaging the Hispanic community in conservation, aligns with our strategic goals of Community Engagement and Funding & Visibility.

Applicant Profile

María Villagómez is a Higher Education Educator and Administrator who recently served as Vice President of Academic Affairs at Santa Barbara City College. She is currently transitioning back to Napa County, where she previously spent 22 years as a professor at Napa Valley College (NVC).

- **Educational Background:** Master’s and Doctorate degrees in Educational Leadership, Curriculum, Teaching, and Learning.
- **Core Competencies:** Marketing/communications, strategic planning, fundraising and grant writing, education, and community outreach.
- **Community Involvement:** Previous service on the Napa County Hispanic Network Board, Napa Hispanic Chamber of Commerce, Napa-Solano Girl Scouts, Napa Library.

Strategic Alignment and Contributions

Based on María’s application and interview with Executive Director Patzek on January 30, 2026, she is prepared to support the District in several critical areas:

- **Equity & Community Engagement:** Maria is passionate about increasing Hispanic community involvement in land use, climate change, and sustainability initiatives. She can serve as a liaison to farmworker-focused organizations. She is also interested in Tribal engagement.
- **Youth Education & Workforce Development:** She seeks to bridge gaps between Napa RCD and the education sector, specifically K-12 and NVC.
- **Fundraising & Visibility:** Maria has expressed a strong interest in the Funding & Visibility committee. She is experienced in grant writing and social media marketing.

Napa County Resource Conservation District

1303 Jefferson St., Ste. 500B, Napa, California 94559

(707) 690-3110, NapaRCD.org

- **Professional Networks:** She maintains strong connections with Leadership Napa Valley, the Napa County Hispanic Chamber of Commerce, NVC, and local school districts.

Compliance with Policy No. 4050

María meets all eligibility requirements as outlined in the District Policy Manual:

- **Eligibility:** She is over the age of 16 and demonstrates a sincere interest in resource conservation.
- **Term & Commitment:** She understands the two-year term of office and the expected time commitment of less than 2 hours per month.
- **Transparency:** She has been informed of and is comfortable with the requirement to file a Form 700 (Statement of Economic Interests).

Recommendation

Staff recommends that the Board of Directors appoint María Villagómez as an Associate Director for a two-year term. Beyond her administrative strengths, her communications expertise will be a significant asset to our visibility efforts. Furthermore, her specific desire to grow our relationships with and expand opportunities to serve the Hispanic community addresses a critical disconnect she identified in local land use and sustainability initiatives. Her perspective as a daughter of farmworkers and her history of teaching ESL will provide invaluable insight into equitable community stewardship.

USDA Natural Resources Conservation Service Update

February 12, 2026

The NRCS Napa office is processing program applications and creating conservation plans to ensure that plans are correctly entered for our internal ranking deadline in mid-March. We currently have 25 active applications for projects that focus on forestry fuel reduction, soil health, wildlife habitat, and prescribed grazing.

NRCS announced a new funding opportunity focused specifically on pollinators. Through the Regional Conservation Partnership Program (RCPP) Farmer-to-Farmer Collaboration, farms in Napa can apply for funding for conservation cover, hedgerows, and other pollinator-friendly practices. Applications are currently being accepted through the spring 2026.

Erika Valek

Soil Conservationist
Napa Field Office

Natural Resources Conservation Service
1303 Jefferson St. Suite 500B, Napa, CA 94558
p: (707) 690-3114 | c: (707)-732-1661