

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

EXECUTIVE COMMITTEE MINUTES

Wednesday, March 16, 2022

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Chair Natasha Johnson at 12:01 p.m., via Zoom Meeting ID: 824 2064 2871, in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

2. ROLL CALL

Members/Alternates Present

Jeff Hewitt
Natasha Johnson
Lesa Sobek
Kevin Bash
Crystal Ruiz

Members Absent

Kevin Jeffries
Jonathan Ingram

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Johnson.

4. PUBLIC COMMENTS

Susan Nash, President of The Friends of the Northern San Jacinto Valley, spoke about a letter that was submitted asking that the issues regarding fee credits be included in the investigation of amending fee credits, but it was not. The agenda presented today only discusses the few comments that were made at the February 7th meeting. It was requested that the concerns about the fee credit policy listed in her letter be included for staff to review, as well as others.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).*

M/S/C (Sobek/Hewitt) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – FEBRUARY 16, 2022

6B. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR JANUARY 2022

- 1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for January 2022; and
- 2) Forward to the Board of Directors for final action.

6C. ACQUISITIONS STATUS REPORT

- 1) Receive and file the acquisitions status report as of January 31, 2022; and
- 2) Forward to the Board of Directors for final action.

6D. JOINT PROJECT REVIEW STATUS REPORT

- 1) Receive and file the Joint Project Review (JPR) monthly status report as of February 28, 2022; and
- 2) Forward to the Board of Directors for final action.

7. QUARTERLY FINANCIAL STATEMENTS

Jennifer Fuller, Financial Administration Manager, provided a presentation on the 2nd Quarter Financial Statements and related Budget Adjustments. In December 2020, the Board adopted the 2020 Nexus Study, allowing a new Local Development Mitigation Fee (LDMF) structure. The new fees were phased in, with the first increase in July 2021, and the next in January 2022. The Board also allowed member agencies to accept pre-payments of the LDMF.

Last years' collection of LDMF looked more like pre-recession years, than more recent years. Most of the collections occurred in the last quarter of the fiscal year, with nearly \$17 million related to June alone. Of the amount collected for June, over \$10 million was related to pre-payments. The pre-payments appear to have a direct effect on lowering the collections of the current fiscal year. In the current year, the LDMF budget is \$20 million, but a budget adjustment reducing that amount to \$16 million, is proposed in this agenda item.

Staff developed the Fiscal Year (FY) 2021/22 Budget estimates in the spring of 2021. At that time, FY 2020/21 collections were in line with the previous year. The FY 2021/22 permits were projected to be like the prior two fiscal years. Staff adjusted the FY 2021/22 budget projections slightly due to the increase of LDMF. Staff believes due to the large number of pre-payments collected during June 2021, and the current economic conditions, LDMF has not been as robust this year as originally projected. Therefore, staff is recommending a budget adjustment to lower the estimated revenues and related expenditures to more align with the current projection of \$16 million. LDMF revenues in the Capital Project Funds will be reduced by \$3.4 million, and \$600,000 in the Endowment Fund.

Right of Way staff closed on five properties using the 2017 Section 6 grant funds, closing the grant, and expending nearly all grant funds. The amount of grant funds received is larger than

the amount budgeted, therefore, federal and state grant estimated revenues need to be increased along with related expenditures. The federal grant estimated revenue will be increased by \$125,500, and state revenue will be increased by \$67,500, to ensure adequate expenditure budget for the Section 6 properties.

The State Jurupa Mountains grant was set to expire this month; therefore, the budget was set to expend the entirety of the grant this FY. However, there are few properties available at the grant location for purchase. As staff has communicated previously, this is a tough grant given the low number and value of the properties RCA has appraised; Right of Staff has negotiated a one-year extension of the grant terms. Therefore, staff is recommending a budget adjustment to decrease estimated revenues and related expenditures to only the amount already received and potentially to be received this FY. Estimated revenues will be decreased by \$12.54 million. This decrease will be offset by the increase of the Section 6 grant, for a net decrease of \$12.47 million.

The Operations Budget is progressing well at mid-year. All revenues are at 50% or more of budgeted amount, except for tipping fees which won't be allocated until the end of the FY. Operating transfers in will be done in the 3rd quarter and at year end, which will eliminate the negative change in the net operating position. Professional and support costs are low compared to the budget, as most contracts have only billed for 5 months of services through mid-year. Staff expects the Operations Budget to be within budget at year-end.

The Management and Monitoring Budget is also progressing well at mid-year. All revenues are at 50% or more of budgeted amount, except for tipping fees for which only one quarter has been received to date. Staff expects tipping fees will exceed budget at year-end. Operating transfers in will be done at year-end, if needed. Just like with the Operations Budget, professional and support costs are low, as most contracts have only billed for 4 or 5 months of services through mid-year. Other charges relate to owner associations on reserve lands, most of the charges are paid in the spring, and therefore, the actual year-to-date is low at mid-year. Staff expects that the Management and Monitoring Budget will be within budget at year-end.

The Land Acquisition Budget is not seeing the revenues at mid-year as discussed previously. While federal grant revenues are projected to exceed budgeted amounts, state grant revenue is low, and LDMF revenues are projected to miss budget targets. Only one quarter of Transportation Uniform Mitigation Fees (TUMF) has been received through mid-year. However, staff expects TUMF will exceed budget at year-end. Professional and support costs are low compared to the budget, as most contracts have only billed for 4 to 5 months of services through mid-year. This is offset by a higher-than-expected amount of insurance premiums. The debt service amount relates to the final payment on the loan from the County of Riverside to purchase the Anheuser-Busch property. The related interest on that loan was paid in the 3rd quarter. Seven properties were purchased during the first 6 months, adding over 400 acres of Additional Reserve Lands (ARL). Staff expects that many more properties will close before year-end, as well as several donations. Operating transfers out will be done in 3rd quarter and at year-end, and staff expects that the Land Acquisitions Budget will be within budget at year-end.

Staff will be returning to the Executive Committee in May with the FY 2022/23 Budget.

Board Member Hewitt wanted to know the details on the increased insurance premiums. Ms. Fuller noted that RCA is a member of the SDRMA, and they send out projections early in the budget process, typically February or March, with the fees being updated in May. The first numbers that were received were much lower than the numbers received in May, and those numbers were lower than the bill that came in July. The estimates were off by about \$30,000. For the next FY budget, more of cushion is built in case there is another large change.

M/S/C (Hewitt/Bash) to:

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 31, 2021;**
- 2) Approve the Fiscal Year (FY) 2021/22 budget adjustments in Attachment 2; and**
- 3) Forward to the Board of Directors for final action.**

8. STATE AND FEDERAL LEGISLATIVE UPDATE

Tyler Madary, Senior Management Analyst, Legislative Affairs, provided an update on the efforts to establish a wildlife refuge in Western Riverside County. Last year, Representative Calvert re-introduced bill HR 972 to establish a Western Riverside County wildlife refuge, which the Board voted to support in April. RCA staff and legislative advocates coordinated with Senator Padilla to have him highlight the benefits of a wildlife refuge in Western Riverside County during his remarks in a hearing on biodiversity laws, hosted by the Senate Committee on Environment and Public Works. This was done with the understanding that Senator Feinstein was interested in introducing a companion bill in the Senate, in addition to Representative Calvert's bill.

Additional, staff worked with Representative Calvert's office to advocate for inclusion of the refuge bill in the Houses' initial infrastructure legislation, the INVEST Act. As part of that advocacy, staff coordinated an op-ed highlighting the streamlining benefits of Habitat Conservation Plans (HCPs) in the Press Enterprise, co-authored by Representative Calvert, Chair Johnson and RCTC's then Chair Jan Harnik. While successfully inserted into the INVEST Act, the bill was ultimately abandoned in favor of the Senate bi-partisan infrastructure bill. Over the following months, work continued with Senator Feinstein and Representative Calvert's offices to ensure bi-caramel support in establishing a refuge in Western Riverside County.

A key component of the work, in partnership with Representative Calvert's office, was to engage the U.S. Fish and Wildlife Service and other stakeholders, as Senator Feinstein's office continued to develop a framework for language. This work has accelerated in the last few weeks as Representative Calvert and Senator Feinstein's office identified an opportunity to insert the refuge provisions into the Fiscal Year 2022 Appropriations Omnibus Bill. Discussions were earnest and fast paced, but unfortunately, fell short of the tight deadline for final inclusion in the Omnibus Bill, which passed the House and Senate without a refuge provision late last week.

However, this development has activated a coalition of support from environmental community advocates. In a positive discussion with Senator Feinstein's office this morning, they are sensing growing momentum. Staff is taking advantage of this momentum and will work to broaden the coalition to ensure that support for unified bill language is ready for the next legislative vehicle. As a part of this work, staff may seek support letters from RCA partners and member agencies. Staff is thankful for Board support and look forward to a continued partnership with Representative Calvert and Senator Feinstein to make the Western Riverside County wildlife refuge a reality.

- 1) **Receive and file an update on state and federal legislative affairs; and**
- 2) **Forward to the Board of Directors for final action.**

9. **BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORTS**

Board Member Hewitt shared that a rather large endowment was given to the Pass Memorial Hospital by the Morongo Band of Mission Indians. They gave a \$5.6 million check to the foundation for the hospital to make themselves a stroke center. People in the pass will no longer have to drive more than 30 minutes, as during a stroke time is of the essence.

Chair Johnson thanked Board Member Hewitt for stepping up to chair in her absence. RCA staff has also sent an email noting that Lake Elsinore is not expected to get a super bloom this year, for which the city is grateful.

Anne Mayer, Executive Director, reminded the Board Members of the direction given to staff at the February Board Meeting to evaluate the Board policies related to fee credits. A discussion of those policies will be going to the March 31st, Stakeholders Committee meeting. This will be a starting point for the conversation about changing the policies. No recommendations are being taken; the goal is to listen to the committee. This is a Brown Act meeting, so the public is invited to attend as well. Since the Stakeholders Committee is a Brown Act meeting, there are requirements for the committee members, and the first session of ethics training has already been conducted. An offer was also made to the Stakeholders Committee members to have individual meetings with RCA staff to hear their concerns in advance, of which seven members have taken the opportunity.

RCA staff is excited that spring is almost here, even though there won't be a super bloom. Spring is a great time to be able to tour RCA properties. Many Board Members have suggested that tours were a key priority for them. The first tour date for Board Members would be April 22nd. Staff is looking at having both a morning and afternoon tour to comply with the Brown Act, to make sure there is not a quorum present on the tour.

The first location will include a property near Wilson Valley, the Odegaard and Terra Investors properties out near Highway 371, east of Vail Lake. This 325-acre parcel is a gently sloping river valley surrounded by rugged and rocky hills. The location was identified for its proximity, ease of access, terrain, habitat, and species diversity. The habitat in this area includes desert

transition with a mix of Riversidean sage scrub, Chaparral, Sonoran Desert species, riparian, Cottonwood-willow riparian wash, and Riversidean alluvial fan sage scrub. Over the next couple of weeks, Board Members will be receiving additional information on this first tour. There will be other tours planned, for additional locations later. Areas that have been chosen will be easily accessible for all.

Board Member Sobek thanked the RCA staff for all that they do. While the State and Federal Legislative Update presentation only touched on one item, the agenda item has a great report on the recent virtual advocacy meetings.

10. ADJOURNMENT

There being no further business for consideration by the Executive Committee, Chair Johnson adjourned the meeting at 12:25 p.m. The next meeting of the Executive Committee is scheduled to be held on **Wednesday, April 20, 2022.**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lisa Mobley".

Lisa Mobley
Administrative Services Manager/
Clerk of the Board