

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

BOARD OF DIRECTORS MEETING MINUTES

Monday, April 4, 2022

1. CALL TO ORDER

The Western Riverside County Regional Conservation Authority Board of Directors Meeting was called to order by Chair Natasha Johnson at 12:30 p.m., via Zoom Meeting ID 889 5724 1698, in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

2. ROLL CALL

Board of Directors/Alternates Present

Kevin Jeffries
Karen Spiegel*
Chuck Washington
Jeff Hewitt
Colleen Wallace
Julio Martinez
Jeff Cervantez
Larry Greene
Tony Daddario
Clint Lorimore
Joe Males*

Lorena Barajas Bisbee
Natasha Johnson
Bob Karwin
David Marquez
Jonathan Ingram
Kevin Bash
David Starr Rabb
Patricia Lock Dawson
Crystal Ruiz
Maryann Edwards
Ben J. Benoit*

Board of Directors Absent

V. Manuel Perez

*Arrived after the meeting was called to order.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Cervantez.

4. PUBLIC COMMENTS

At this time, Board Members Spiegel, Benoit, and Males joined the meeting.

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that written comments were received from Michele Staples and Susan Nash and were sent to the Board.

Susan Nash, President of The Friends of the Northern San Jacinto Valley, stated that there was no basis in the MSHCP for the statement that off-site fee credits are prohibited or that fee credits cannot be granted for lands that are part of the reserve system, but accepted as a donation by another agency. An RCA fee credit policy is not required for a landowner to make

and negotiate a donation for fee credits. This issue should be on the next Executive Committee agenda.

Michele Staples, a member of the public, noted that a comment letter was submitted to the Board for discussion. At the February 7th meeting, a comment letter was submitted that included comments on the fee credit policy. The letter requested that clarification on the ability to pre-pay MSHCP fees be made retroactive. Clarification on the pre-payment of fees was requested last year through the City of Beaumont, the response was received in February, after the fee had increased. It is requested that the mentioned comment letter be included in the agenda for the next Stakeholders Committee meeting. It is also requested that the Riverside County Farm Bureau have an opportunity to be represented on the Stakeholders Committee.

Edwin Sauls, a member of the Stakeholders Committee, commented that the Stakeholders Committee meeting last week was very good, and thanked the Board and RCA staff for accommodating the meeting. The agenda was very narrow, and there are broader issues relative to both mitigation fee credit and acquisitions, it was requested these issues be included in future agenda items.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CLOSED SESSION

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that correspondence was received from Susan Nash and was sent to the Board.

Susan Nash, President of The Friends of the Northern San Jacinto Valley, commented that while negotiations with a landowner may take place in Closed Session, once the negotiations are concluded and a decision is made, CEQA requires that all acquisitions of land by the RCA need a subsequent or supplement CEQA document. After these negotiations are concluded, these land acquisitions must be brought to a public hearing at the full Board with the appropriate CEQA documentation.

At this time, Steve DeBaun, legal counsel, announced the Board will be going in to Closed Session to discuss the two property items on the agenda.

6A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Agency Negotiator: Executive Director or Designee

Item	Property Description	Property Owner	Buyer(s)
1	366-310-027, 366-310-028, 366-310-032 & 366-310-033	Nathan V. Hunter	RCA

2	940-030-003	Maria B. Barth, Samuel Barragan and Teresa G. Barragan, Kathleen L. Henrich, Thomas M. Horan and Christine C. Horan, and Thomas M. Henrich and Judy R. Henrich	RCA
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6B. REPORT OUT FROM CLOSED SESSION

There were no announcements from Closed Session.

- 7. 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 (Barajas Bisbee/Greene) to approve the following Consent Calendar items.

7A. APPROVAL OF MINUTES – MARCH 7, 2022

7B. AB 361 DETERMINATION

This item is for the Board of Directors to:

- 1) Reaffirm the findings in Resolution No. 2022-003, *“A Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Authorizing Virtual Board and Committee Meetings Pursuant to AB 361”*. The findings are as follows:
 - a. The Governor proclaimed a State of Emergency on March 4, 2020, related to the COVID-19 pandemic, which continues to exist today; and
 - b. State or local officials have recommended measures to promote social distancing.

7C. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR JANUARY 2022

This item is for the Board of Directors to receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for January 2022.

7D. ACQUISITIONS STATUS REPORT

This item is for the Board of Directors to receive and file the acquisitions status report as of January 31, 2022.

7E. JOINT PROJECT REVIEW STATUS REPORT

This item is for the Board of Directors to receive and file the Joint Project Review (JPR) monthly status report as of February 28, 2022.

7F. STATE AND FEDERAL LEGISLATIVE UPDATE

This item is for the Board of Directors to receive and file an update on state and federal legislative affairs.

8. AUTHORIZATION TO ACQUIRE TAX-DEFAULTED PROPERTIES FROM THE RIVERSIDE COUNTY TREASURER-TAX COLLECTOR AND ADOPTION OF RESOLUTION NO. 2022-004 OBJECTING TO THE PUBLIC SALE

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that correspondence was received from Susan Nash and was sent to the Board.

Susan Nash, President of The Friends of the Northern San Jacinto Valley, noted that these actions did not comply with the MSHCP or the California Environmental Quality Act.

Steve DeBaun, Legal Counsel, stated that as was noted by Ms. Nash, there was a Program EIR performed at the time the MSHCP was prepared and adopted. Part of that Program EIR is the purchase of property that is within criteria cells. Properties that are anticipated to be purchased by RCA as part of the MSHCP, do not require additional CEQA findings, relying instead on the Program EIR that was adopted in the 2000s. No additional special finding is required by the Board to proceed with these properties.

Monica Tlaxcala, Senior Management Analyst, Right of Way, provided a presentation on the Acquisition of Tax-Defaulted Properties. In March of 2022, staff received a list of tax-defaulted properties from the Riverside County Tax Collector's office, consisting of over 250 properties. State law allows public agencies, like the RCA, to purchase tax-defaulted properties before they are sold at a public auction. Historically, the RCA has successfully taken this opportunity to acquire properties for MSHCP Additional Reserve Lands (ARL) and proposes to the Board that RCA does so again. Staff reviewed each of the properties on the list from the Tax Collector to determine if conservation value was applicable under the MSHCP.

After careful review and assessment by staff, including the County Parks team, it was determined that 11 properties are within criteria cells described for conservation by the MSHCP. The properties fall within the following areas of Western Riverside County: Temescal Canyon, Lake Elsinore, Moreno Valley, Tenaja Corridor, and Wilson Valley Sage area. The properties are: 1 - 6 acres for \$45,044; 2 - 14.61 acres for \$46,098; 3 - .84 acres for \$5,837; 4 - 1 acre for \$5,837; 5 - 4.4 acres for \$5,229; 6 - 40.24 acres for \$30,591; 7 - 19.49 acres for \$112,193; 8 - 4.46 acres for \$11,645; 9 - 2.64 acres for \$6,996; 10 - 13.02 acres for \$113,101; and 11 - 13.04 acres for \$115,746.

The agreement process allows a public agency to purchase tax-defaulted property, but it includes a nine-step process. RCA is currently at step one, and to complete the process, RCA is required to submit a Board adopted resolution to the Riverside County Tax Collector prior to April 12th, objecting to the public sale of the properties. At any point during the process, the Tax Collector can inform RCA that the property owner has redeemed or paid the taxes on the property, making it no longer available for purchase. It is estimated that the current owners will be given the opportunity to redeem or pay back taxes for at least one-year from now. Adopting the resolution does not mean that the property owners are precluded from redeeming their properties. The resolution simply reserves the opportunity for RCA to acquire the properties in the future if the property owners do not pay the taxes within the required timeline.

The first action is to authorize the acquisition of the tax-defaulted properties in an amount not-to-exceed \$498,318. The second action would be to adopt Resolution No. 2022-004.

Board Member Karwin wanted to know what the funding source would be for the purchase of these tax-defaulted properties. Aaron Hake, Interim Regional Conservation Deputy Executive Director, noted that these properties would be purchased with RCA funds that would be set aside in the budget, grant funding will not be pursued.

Board Member Karwin wanted to confirm with the resolution stating all 11 properties, if some of the properties were to fall off, revising the resolution would not be necessary. Mr. Hake noted that this was correct.

Chair Johnson asked that in the future, the total cost and acreage be included in the presentation.

M/S/C (Washington/Edwards) to:

- 1) **Authorize the acquisition of tax-defaulted properties from the Riverside County Treasurer-Tax Collector for open space for wildlife and plant life conservation in an amount not to exceed \$498,318; and**
- 2) **Adopt Resolution No. 2022-004, *“Resolution of the Western Riverside County Regional Conservation Authority Objecting to the Public Sale and Approving the Purchase of Tax-Defaulted Property from the Riverside County Treasurer-Tax Collector”.***

9. 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 of 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 in 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 in March 2022; 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 will not 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, which increased nearly \$36,000 from the estimate to the actual invoice. 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 expects to return to the Board in June with the FY 2022/2023 Budget.

Board Member Daddario wanted to confirm that part of the reasoning behind adjusting the budget was due to the pre-payments received last year and if the RCA anticipated any more pre-payment of fees at the end of this FY. Ms. Fuller confirmed that was what RCA staff believes is happening and noted there was a possibility that member agencies may see pre-payments again in June of this year before any potential increase in July as there will be a cost-of-living adjustment for LDMF.

M/S/C (Lock Dawson/Edwards) to:

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

10. PRESENTATION – GETTING TO KNOW THE MSHCP

Betsy Dionne, Senior Management Analyst Management and Monitoring, provided a presentation on the Criteria Refinement Process. The Criteria Refinement Process is a mechanism available for both permittees and project applicants.

Criteria refinements are a form of exchange of lands that are described by the MSHCP for conservation of lands that are not described by the MSHCP for conservation yet have the same or better conservation value. Criteria refinements allow for flexibility within the MSHCP so that development can occur if the permittee can identify suitable lands.

A key requirement of the Criteria Refinement Process is that the described conservation be transferred to lands that are not already described for conservation in Section 3.3 of the MSHCP and that the replacement lands occur within or adjacent to cells or be adjacent to existing MSHCP reserve lands. This process transfers what is described for conservation within a particular cell to lands that have no described conservation. Since inception of the MSHCP, there have been 8 criteria refinement applications submitted to the RCA with 4 completed, 2 withdrawn by either the permittee or applicant, and 2 that are currently being processed.

Once a city or the County is in support of a Criteria Refinement, a completed application is sent to the RCA, which begins step 1. However, prior to step 1 there will be discussions between the permittee, applicant, RCA, and the Wildlife Agencies to ensure all parties are aware a criteria refinement is being considered so that all parties can present the necessary guidance and input.

Step 2 of the process begins within 60 days of receiving the completed application, the RCA performs an equivalency analysis per Section 6.5 of the MSHCP and provides these findings to all parties. This triggers the beginning of a 60-day comment period whereby any of the entities can provide comments.

If the RCA receives comments during the 60-day comment period then, within 30 days of the comment period closing, the RCA will schedule a meet and confer as part of step 3 of the process for the parties to discuss the comments/issues and come to a resolution. If there are no comments, RCA's equivalency findings stand as final. If a meet and confer is held, then the RCA findings are revised and finalized with final copies sent to all parties. This completes the RCA analysis part of the criteria refinement. It is important to note that the Wildlife Agencies have approval authority over all criteria refinements that include replacement lands outside of cells. For criteria refinements that are entirely within a cell, the permittee and the RCA have approval authority.

Once the findings are finalized, the Joint Project Review (JPR) process can be completed with both the criteria refinement and JPR being included in the permittees' CEQA document. When the project receives a Notice of Determination (NOD) by the lead agency, the permittee sends the NOD to RCA so a Public Notice and Hearing on the proposed criteria refinement can be completed. The RCA Board of Directors also reviews the refinement and makes a final determination as a responsible agency under CEQA.

Criteria refinements in the last few years have become more common and RCA anticipates it will become a common process as more and more development occurs or is desired to occur within lands described for the MSHCP Reserve.

11. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT

Chair Johnson thanked staff and the Stakeholders Committee as the first meeting went well. As a reminder, the Stakeholders Committee is given an agenda by the RCA Board who can request their input and feedback on issues. The Stakeholders Committee has no authority to give policy direction. The issue of pre-payments has come up frequently, and it has been

discussed at both the Board and Executive Committee. It was requested that an item regarding pre-payment be agenzied to explain to the Board what can and cannot be done.

Anne Mayer, Executive Director, confirmed an item will be included about pre-payment and the policies on a future agenda. The first Stakeholders Committee meeting was held last week, and it was well attended with a lot of discussion and conversation for almost 2 hours. The Board had referred two items to the Stakeholders Committee for discussion: the timing of fee credits and when they could be considered, and off-site mitigation in exchange for fee credits. RCA staff received a lot of feedback and is bringing the findings back to the Board next month as well as some recommendations.

Although the Stakeholders Committee has a specific number of members, it does not mean that other stakeholders in Western Riverside County do not have the opportunity to have conversations and discussions with staff. Stakeholder comments are always welcome, whether they are part of the current Stakeholders Committee or not.

On April 22nd, the RCA will host the first field tour, additional information will be sent out soon. The tour is planned for the morning of April 22nd and will give Board Members the opportunity the tour some of the RCA owned and operated lands.

On today's Consent Calendar, there was an item on the State and Federal Legislation Update. This is a very active season in Sacramento related to legislation. RCA has been very active in advocating for funding on behalf of the Habitat Conservation Plans (HCPs) both for RCA and the statewide coalitions. At the federal level, conversations are continuing, and the refuge bill is still in process, with RCA staff being engaged with both Senator Feinstein and Representative Calvert's staff on efforts to move the bill forward.

If any member of the Board finds themselves on trips, virtual or in person in Sacramento or Washington, DC, RCA staff can provide the latest and greatest talking points.

12. ADJOURNMENT

There being no further business for consideration by the Western Riverside County Regional Conservation Authority Board of Directors, Chair Johnson adjourned the meeting at 1:33 p.m. The next meeting of the Board of Directors is scheduled to be held on **Monday, May 2, 2022.**

Respectfully submitted,



Lisa Mobley
Administrative Services Manager/
Clerk of the Board