

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

BOARD OF DIRECTORS MEETING MINUTES

Monday, June 6, 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 12:32 p.m., via Zoom Meeting ID 828 5477 4771, 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

Jeff Cervantez

Larry Greene*

Tony Daddario

Clint Lorimore

Joe Males

Lorena Barajas Bisbee

Natasha Johnson

Lesa Sobek

David Marquez

Jonathan Ingram

Kevin Bash

David Starr Rabb

Crystal Ruiz

Maryann Edwards

Ben J. Benoit

Board of Directors Absent

V. Manuel Perez

Julio Martinez

Patricia Lock Dawson

*Arrived after the meeting was called to order.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Johnson.

4. PUBLIC COMMENTS

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that written comments were received for items not on the agenda from Dr. Chandra Richards and Gurumantra Khalsa.

Jannlee Watson, Communications Director, Temescal Valley, asked that in reference to Agenda Item 7A RCA do whatever is necessary to protect the native habitat in Lake Elsinore and Temescal Valley areas.

Gurumantra Khalsa, Board Chair of World Be Well Organization, noted the focus of the organization is on food systems, eco services, and cooperative workforce development. The RCA needs an additional 65,393 acres in order to reach the preservation goal of 500,000, which could cost up to \$1.5 billion to acquire. RCA should consider using sustainable agricultural

land conservation grant funds to acquire some of the outstanding additional reserve lands. Land management efforts that compliment regenerative agriculture practices would help preserve the natural carbon syncs along with wildlife habitat and biodiversity. If two eligible organizations apply jointly for the Sustainable Agricultural Lands Conservation program, the Strategic Growth Council will increase funding limits. RCA is encouraged to consider a joint planning application with LAFCO.

Chandra Richards, Agricultural Land Acquisitions Academic Coordinator for the University of California, Division of Agriculture and Natural Resources, supports the Sustainable Agricultural Lands Conservation (SALC) program specifically for Riverside, San Bernardino, and San Diego Counties. The SALC Program aims to fight climate change by protecting our prime farmlands and encouraging compact transit-oriented communities. The program is funded by the Strategic Growth Council and administered by the California Department of Conservation. The maximum grant award is \$500,000 if 2 or more eligible applicants apply jointly. This award must include a 10% match. If more information is needed and/or to apply, agencies can reach out by email or phone: cmrichards@ucanr.edu or 619-786-2620.

Jerry Sincich, a member of the public, noted that in regard to Agenda Item 7A, the RCA is encouraged to continue their position as an intervener in the LEAP's project.

At this time, Board Members Greene and Washington arrived.

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 (Ruiz/Sobek) to approve the following Consent Calendar items.

6A. 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.

6B. APPROVAL OF MINUTES – MAY 2, 2022

6C. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR MARCH 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 March 2022.

6D. ACQUISITIONS STATUS REPORT

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

6E. 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 April 30, 2022.

6F. QUARTERLY INVESTMENT REPORT

This item is for the Board of Directors to receive and file the Quarterly Investment Report for the quarter ended March 31, 2022.

6G. QUARTERLY FINANCIAL STATEMENTS

This item is for the Board of Directors to receive and file the Quarterly Financial Statements for the nine months ended March 31, 2022.

6H. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JANUARY - MARCH 2022

This item is for the Board of Directors to receive and file report summarizing the Quarterly Public Engagement Metrics.

6I. 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.

6J. RECURRING CONTRACTS FOR FISCAL YEAR 2022/23

This item is for the Board of Directors to:

- 1) Approve the single-year recurring contracts in an amount not to exceed \$3,392,466, for FY 2022/23;

- 2) Approve the recurring contract for specialized services in an amount not to exceed \$6,500 in FY 2022/23 and \$26,000 in FYs 2023/24 – 2026/27; and
- 3) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreements on behalf of RCA.

6K. CONSULTANT REPORTS - FISCAL YEAR 2022 THIRD QUARTER

This item is for the Board of Directors to receive and file the consultant reports for Fiscal Year 2022 Third Quarter.

7. CLOSED SESSION

At this time, Steve DeBaun, general counsel, announced the Board would be going in to Closed Session to discuss the item on the agenda.

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that three written comments regarding closed session were received from Jannlee Watson, Jerry Sincich, and Tracy Davis.

7A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Name of Case: FERC Project P-15261-000

Pursuant to Government Code Section 54956.8

7B. REPORT OUT FROM CLOSED SESSION

Mr. DeBaun reported that in closed session the Board voted to authorize legal counsel to file an intervention related to the FERC matter.

8. SURPLUS DECLARATION OF REAL PROPERTY

Monica Tlaxcala, Senior Management Analyst, Right of Way, provided a presentation on the surplus declaration of real property. The subject property is 5.16 acres, located near Jojoba Hills Circle and Soaring Hawk Road in the unincorporated community of Sage. Prior to RCTC taking over as managing agency of RCA, in May 2019, the Board agreed to acquire this property through the County Tax Sale process, as the owners had defaulted. At the time, RCA saw this parcel as an opportunity due to it being adjacent to existing RCA reserve land and its potential contribution to the MSHCP.

The property was formally acquired by RCA from the County of Riverside on June 25, 2021. In the brief period RCA has owned the property, staff has concluded that it is not an ideal property for RCA to hold and thus recommends the property be declared surplus due to maintenance costs. In compliance with the Board adopted Right of Way Policies and Procedures Manual, staff completed a review of the property, including the habitat assessment. According to the habitat assessment, the property is within an existing rural development with an established homeowner's association with associated dues. Although the property is described for conservation, the land within the homeowner's association is sized to support

single family rural homes and would not trigger reserve assembly. There are also weed abatement requirements of approximately 100 feet at the property boundary. Due to the property's homeowner's association dues and weed abatement needs, the property is undesirable to maintain in the RCA inventory.

According to state law and RCA's approved manual, step one to surplus land is to deliver a notice of availability to public agencies and affordable housing developers. Interested parties shall have 60 days after the receiving the notice of availability to notify the RCA in writing of their interest. If RCA receives a response expressing interest, step 2 requires RCA to negotiate in good faith for at least 90 days. If RCA does not receive a response expressing interest or an agreement isn't reached after 90 days of negotiation, step 3 would be for RCA to submit a package of documents to the State Department of Housing and Community Development (HCD) showing that RCA has complied with the surplus land act guidelines.

Within 30 days, HCD must submit in writing their findings or issue a notice of violation with any steps within the surplus land act guidelines. In this fourth step if any violations are found with the guidelines, RCA would have the opportunity to correct it within the 30 days. Upon HCD approval, the parcel may then be offered to sell to the public as step 5. Following the completion of the surplus land act process, staff will procure an appraisal to determine the fair market value of the property for step 6. In step 7, the surplus property is then advertised for sale utilizing various marketing methods. An invitation for bids will be added to the RCA's website as part of step 8, with a submittal date included.

Offers received will be reviewed for step 9, on following criteria: price, terms, and conditions of sale. All applicants will be required to complete the RCA conflict of interest form. Finally, step 10 is for the selection of an applicant and staff will return to the RCA Board before entering into a purchase and sale agreement, if necessary. The current manual allows the RCA's Executive Director to approve a sale if the offer is within 90% of the appraised value and under \$100,000.

Board Member Ingram wanted to know the name of the homeowner's association over this property. Ms. Tlaxcala noted it was Palo Mar View Estates.

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

- 1) **Adopt Resolution No. 2022-006, "Resolution of the Western Riverside County Regional Conservation Authority Declaring Pursuant to Government Code Section 54221 that Certain Real Property Owned by the RCA is Non-Exempt Surplus Land, Approving the Form of Notice of Availability Therefor, Authorizing the Executive Director to Comply with the Surplus Land Act, and Finding the Foregoing Categorically Exempt from CEQA Review"; and**
- 2) **If no response is received from public agencies, developers, and/or contiguous landowners, authorize the Executive Director to offer the surplus property for sale to the public.**

9. ADOPTION OF FISCAL YEAR 2022/23 BUDGET AND APPROVAL OF THE BIOLOGICAL MONITORING PROGRAM WORKPLAN

Jennifer Fuller, Financial Administration Manager, provided a presentation on the Fiscal Year 2022/23 Proposed Budget. RCA's budget preparation began in January, with finance staff working with program staff to compile budget data and revenue estimates. Staff prepared an Executive Summary with all budget related information in one document. The document includes budget policies, goals and objectives, a budget overview with a discussion on the sources and uses of funding, program initiatives, fund balances, and a budget summary including the budget schedule. The Executive Summary also include three appendices, the first is a glossary of terms and acronyms. The other two appendices are the FY 2023 work plans that describe the monitoring activities planned and a schedule for field work with a cost estimate for personnel and operations.

The MSHCP requires a Biological Monitoring Program to collect data on the MSHCP's 146 covered species and their associated habitats, as well as to assess the MSHCP's effectiveness at meeting conservation objectives. The Monitoring Program administrator submits an annual work plan and cost estimate to be approved by the RCA Board of Directors. The other work plan is related to the Clinton Keith Road Over Crossing Mitigation Monitoring reimbursable program. In this program the Riverside County Transportation Department reimburses RCA using bank fee credits.

The Executive Summary codifies budget policies related to endowment, habitat acquisition, program administration, and the Legacy Home Rebate Program. In accordance with past practice, 10% of participating special entity revenue will be allocated to the endowment for future preservation and the 2020 Nexus Study recommends that 15% of Local Development Mitigation Fees (LDMF) revenue be allocated to the endowment for future preservation.

The MSHCP allows property owners who do not intend to file a development application to submit their properties for evaluation and possible acquisition under the Habitat Evaluation and Acquisition Negotiation Strategy (HANS) process. The plan requires separate accounting, and a priority list must be established for properties in this category. Yearly, the Board of Directors must set the non-development HANS funding level. Consistent with the FY 2022 Budget, staff recommends allocating 5% of LDMF collections for the acquisition of non-development HANS properties in FY 2023.

The economic stability policy requires a minimum cash-level of \$9 million be maintained to continue operations for at least 18 months. The LDMF revenues will be allocated to program needs related to habitat acquisition, reserve monitoring and management, program administration, and endowment funding in accordance with the 2020 Nexus Study. Costs will be charged to the appropriate program and the LDMF revenues will be used to the extent that other funding sources are not sufficient to cover the programs. The fund balance policy requires RCA to maintain at least one-year of general fund balance expenditures in reserve.

RCTC incurs costs on behalf of RCA, for which RCA reimburses RCTC. RCA will deposit an amount equal to an estimated 2 months of invoices with RCTC to allow for payment before reimbursement occurs.

The Legacy Home Rebate Program funding will begin this fiscal year, with a set aside of over \$70,000 for rebates.

Staff anticipates beginning the fiscal year with \$78 million in remaining fund balance. Nearly two-thirds of this amount, \$51.9 million, is restricted in how it can be spent or is for non-spendable endowments. Another nearly 11%, \$8.2 million, must be maintained according to the fund balance policy. Currently, there is more demand for RCA to purchase properties than the supply of funds. History has shown that the main revenue source fluctuates with the economy, maintaining healthy reserves helps RCA continue the mission of the MSHCP, even in down years. FY 2023 estimated sources are budgeted at \$34.6 million, with estimated uses budgeted at \$32.1 million. Sources will exceed uses by \$2.5 million, related to endowment funding.

Major funding sources for the RCA include: LDMF, state and federal grants, land donations, tipping fees from Riverside County, and Transportation Uniform Mitigation Fees (TUMF). The LDMF revenues represent 49% of sources. State and federal grants represent less than 1% of sources and include the possible purchase of two properties using the Jurupa Mountains Grant and the Local Assistance Grant for evaluating the Quino-checkerspot butterfly habitat. Staff has submitted a grant application for the 2022 non-traditional Section 6 grant, when the grant is secured, staff will return to the Board with a budget adjustment to spend the funds. Land donations account for about 25% of revenues, staff anticipates the acquisition of three land donations with an estimated value of \$8.6 million and nearly 170 acres in FY 2023. Out of county tonnage is expected to remain close to current year levels and is budgeted for \$3.7 million for approximately 2.4 million tons, representing about 11% of sources. Based on current year collections and WRCOG's projections for FY 2023 TUMF revenues, staff projects \$750,000 in revenues, representing about 2% of sources. Other revenue sources make up 3%, and include reimbursements for services, civic and infrastructure contributions, interest, and other revenue.

The operating transfers in relate to funding for reserve management and monitoring and program administration that are covered by LDMF revenue, about 10% of sources. An identical amount is included in the habitat acquisition budget as operating transfers out.

LDMF collections peaked last year, staff anticipates that FY 2023 revenues will grow slightly to \$16.8 million, the increase being due to the Consumer Price Index (CPI) increase. The LDMF fluctuates with the economy, and the budgeted amount is likely a conservative projection. Staff will monitor LDMF revenue throughout the fiscal year, bringing forward a budget adjustment if the collections are markedly different from the projections.

Revenues are projected to be stable and in-line with the FY 2022 Amended Budget, except for state and federal grants. As stated previously, staff has applied for funding with the 2022

non-traditional Section 6 grants, but the package will not be awarded until next fiscal year. LDMF fees are projected to increase by 5% from the FY 2022 Amended Budget revenues.

RCA's spending for its' four programs is consistent with RCA's core responsibilities under the MSHCP and the 2020 Nexus Study. Habitat acquisition decreased 13% from the FY 2022 Amended Budget mostly due to the decrease in federal and state grants. Reserve monitoring and management increased slightly by 10%. This increase relates to the rising contract costs from vendors and budget for a new contract related to enforcement on RCA owned lands. Program administration increased 18%, this increase is related to increased contract labor cost and administrative costs related to the management services agreement with RCTC. RCA will process most account payables through RCTC's financial system, increasing contract management and transparency.

Habitat acquisition represents 74% of total uses with reserve management being about 13% and program administration only 12%. The endowment with only a little over \$48,000 in projected uses, represents less than 1% of the budget.

General administration expenditures reflect an 8% increase from the FY 2022 Amended Budget. Many of the administrative costs previously budgeted are now incurred by RCTC and reimbursed by RCA. These costs are now accounted for in contract costs. Contract expenditures reflect a 16% increase over the FY 2022 Amended Budget. Major contracts include the following: land management services agreement with RCTC; land management services with Riverside County Parks budgeted at nearly \$1.6 million, a 9% increase related to staff pay increases and the addition of a new position; and biological monitoring services with the Santa Ana Watershed Association (SAWA) estimated at just over \$1.6 million, a 10% increase related to staff pay increases approved by SAWA. FY 2022 saw the final payment on debt service related to a loan agreement with the County of Riverside to acquire 226 acres of reserve land. Assessments and fee expenditures of \$80,000, represent special assessments including homeowners' association fees for RCA owned lands subject to such fees. Habitat acquisition and maintenance budgeted expenditures of \$17.1 million, reflecting a 17% decrease.

The FY 2023 Proposed Capital Outlay Budget anticipates costs related to the acquisition and improvement of habitat acquired including \$8.4 million for approximately 1,017 of possible additional reserve lands, \$8.6 million related to donated lands, and \$45,000 in potential acquisitions related to state grant funds. Habitat acquisition costs include the purchase price of the property acquired, appraisal and title reports, real estate services, legal services, environmental reviews, surveying, and other costs associated with the acquisition of habitat. The 2020 Nexus Study permits the use of LDMF revenues for all functions of the RCA. Operating transfers out relate to the transfer of LDMF revenues from the capital projects fund to the general fund to meet budget needs for reserve management monitoring and program administration.

Beginning in July, staff will begin to process most invoices through RCTC's financial system, increasing contract oversight and transparency. All other financial transactions will continue to be completed through the County of Riverside's financial system. This change is the most

significant driver of the increase in management services reimbursements to RCTC, accounting for 81% of the increase. This will be an administrative shift in how RCA does business and which financial system the bills are paid with. This is not a true increase in cost for the management services contract, as whether the bills are paid through the County or RCTC's financial system, the bills would still be paid. Overall, management services include RCTC's staff salaries and benefits of \$3.7 million and general administration costs of \$3.7 million related to an estimated administrative cost allocation, Board stipends, facilities maintenance and capital outlay, legal and audit services, public outreach, legislative advocacy services, and other miscellaneous costs. Real property services of \$769,500 relate to habitat acquisition, \$2.2 million for management and monitoring contracts, and \$70,000 for the Legacy Home Rebate program.

Board Member Males wanted clarification on what the tipping fees were. Ms. Fuller noted that tipping fees are charged at waste disposal sites within Riverside County, the RCA receives \$1.50 per ton of out of county tonnage that is taken to the landfill.

Chair Johnson thanked staff for the detailed presentation and overview of the budget.

M/S/C (Benoit/Barajas Bisbee) to:

- 1) **Adopt the FY 2022/23 Budget and related Resolution No. 2022-005, "Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting the Fiscal Year 2022/23 Operating and Capital Budget Including Budget Policies";**
- 2) **Approve the Biological Monitoring Program Work Plan and Cost Estimate included as Appendix B in the FY 2022/23 Budget; and**
- 3) **Approve the Clinton Keith Road Overcrossing Mitigation Monitoring Reimbursable Program Work Plan and Cost Estimate included as Appendix C in the FY 2022/23 Budget.**

10. PRESENTATION – GETTING TO KNOW THE MSHCP

Tricia Campbell, Reserve Management and Monitoring Manager, provided a presentation on MSHCP linkages. MSHCP Linkages are species roads to the large expansive areas called cores. Although linkages do not represent the bulk of the acreage in the MSHCP reserve system, without them the reserve does not function.

The genetic flow is an important mechanism for transferring genetic diversity among populations. Linkages provide that necessary genetic flow between areas that would otherwise be isolated from one another and making the populations vulnerable to inbreeding. While it makes sense mammals like the mountain lion or bobcat need to have ways to safely move between the large, protected lands, there are also birds to consider. While migrating birds can fly to and from the RCA lands and other conserved lands, there are also birds that are non-migratory and are not strong fliers. These birds fly low and with short flights within their habitat, without linkages, these types of birds would not have a genetic flow occurring between isolated cores/reserve lands, no matter how large the cores are.

At the time the MSHCP was being established, it was already known that some linkages would be “constrained,” meaning there was already a constricted connection linking the two large core areas. For constrained linkages, it may only take successful movement of a few individuals of each planning species, in the span of a year, to provide the necessary genetic flow between core areas.

Linkages in the MSHCP area often crossroads and highways. Wildlife crossings can include undercrossing, or overcrossings. These designated crossing areas result in fewer traffic collisions and allows the animals to move safely. These crossings can also include directive fencing which further keep wildlife off the highways funneling them to the crossing.

Human disturbance in under crossings is a major concern. The RCA has partnered with other organizations to help clean up undercrossing locations, limiting human access to these areas, making them safer for wildlife to move through.

Linkages in the MSHCP area are monitored by the RCA. Remote camera traps are used to detect species that use linkages and wildlife crossings. These cameras have captured such animals as various bird species, butterflies, kangaroo rats, coyote, bobcat, and mountain lion.

11. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT

Board Member Bash noted that he had a great time touring the Anheuser-Busch property, it was amazing. All Board Members should get an opportunity to take a tour. It helps to put what is voted on into prospective.

Board Member Sobek stated that while the Board would not be able to talk about the grant that was mentioned by the two public speakers, with the deadline being soon, it should be decided if this is something that needs to be looked at.

Anne Mayer, Executive Director, noted that RCA staff would look at the information that was provided earlier relating to the grants. There are some consistencies in terms of agricultural preservation as well as habitat conservation, so the grant will be reviewed to see if it is something RCA should explore. Agricultural lands and habitat conservation are not necessarily always consistent with each other, but there are opportunities for overlap.

Effective July 1st, in accordance with the MSHCP, the MSHCP fee will adjust as approved by the Board according to the Consumer Price Index (CPI). This year, the increase is 8.592%, based on the CPI of the Riverside, San Bernardino, and Ontario Metropolitan Area. The notice of CPI increase went out to all member agencies in the beginning of May, additionally all fee forms have been updated and provided electronically to member agencies. Notices of the fee adjustment have also been posted on the RCA website.

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 1:35 p.m. The next meeting of the Board of Directors is scheduled to be held on **Monday, July 11, 2022.**

Respectfully submitted,

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

Lisa Mobley
Administrative Services Manager/
Clerk of the Board