



**EXECUTIVE COMMITTEE
MEETING AGENDA**

TIME: 12:00 p.m.

DATE: Wednesday, December 21, 2022

This meeting is being conducted in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

🌀 COMMITTEE MEMBERS 🌀

Natasha Johnson, City of Lake Elsinore – Chair
Jeff Hewitt, County of Riverside, District 5 – Vice Chair
Jonathan Ingram, City of Murrieta
Kevin Bash, City of Norco
Patricia Lock Dawson, City of Riverside
Crystal Ruiz, City of San Jacinto
Kevin Jeffries, County of Riverside, District 1



WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

www.wrc-rca.org

EXECUTIVE COMMITTEE MEETING AGENDA

12:00 p.m.

Wednesday, December 21, 2022

This meeting is being conducted in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting

<https://rctc.zoom.us/j/85694263955>

Call in: +1 669 900 6833

Meeting ID: 856 9426 3955

One tap mobile: +16699006833,,85694263955#

For members of the public wishing to submit comment in connection with the Executive Committee Meeting please email written comments to the Clerk of the Board at lmobley@rctc.org and your comments will be made part of the official record of the proceedings as long as the comment is received before the end of the meeting's public comment period. Members of the public may also make public comments through their telephone or Zoom connection when recognized by the Chair.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the RCA's website, www.wrc-rca.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, Executive Order N-29-20, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Committee meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENTS** – *Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. The Board Members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.*
5. **ADDITIONS / REVISIONS** – *The Board may add an item to the agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of 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).*

6A. APPROVAL OF MINUTES – NOVEMBER 16, 2022

Page 1

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

Page 8

Overview

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for October 2022.

6C. JOINT PROJECT REVIEW STATUS REPORT

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Overview

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the Joint Project Review (JPR) monthly status report as of November 30, 2022.

6D. ACQUISITIONS STATUS REPORT

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Overview

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the acquisition status report as of October 31, 2022.

6E. ADOPTION OF RESOLUTION NO. 2023-001 RELATED TO REVISED INVESTMENT POLICY

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Overview

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Approve the revised investment policy for the Western Riverside County Regional Conservation Authority; and
- 2) Adopt Resolution No. 2023-001, *“Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy”*.

7. 2023 STATE AND FEDERAL LEGISLATIVE PLATFORM AND LEGISLATIVE UPDATE

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Overview

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Adopt RCA’s 2023 State and Federal Legislative Platform; and
- 2) Receive and file a state and federal legislative update.

8. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT

Overview

This item provides the opportunity for the Board of Directors and the Executive Director to report on attended meetings/conferences and any other items related to Board activities.

9. ADJOURNMENT

The next Executive Committee is scheduled to be held on **Wednesday, January 18, 2023.**

AGENDA ITEM 6A

MINUTES

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

EXECUTIVE COMMITTEE MINUTES

Wednesday, November 16, 2022

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Chair Natasha Johnson at 12:00 p.m., via Zoom Meeting ID: 880 4524 2000, in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

2. ROLL CALL

Members/Alternates Present

Natasha Johnson
Kevin Bash
Patricia Lock Dawson
Crystal Ruiz

Members Absent

Kevin Jeffries
Jeff Hewitt
Jonathan Ingram

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Bash.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

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/Lock Dawson) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – OCTOBER 19, 2022

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

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

6C. JOINT PROJECT REVIEW STATUS REPORT

- 1) Receive and file the Joint Project Review (JPR) monthly status report as of October 31, 2022; and
- 2) Forward to the Board of Directors for final action.

6D. PROPOSED 2023 BOARD OF DIRECTORS/EXECUTIVE COMMITTEE MEETING SCHEDULE

- 1) Adopt its 2023 Board of Directors/Executive Committee Meeting Schedule; and
- 2) Forward to the Board of Directors for final action.

6E. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY-SEPTEMBER 2022

- 1) Receive and file report summarizing the Quarterly Public Engagement Metrics; and
- 2) Forward to the Board of Directors for final action.

6F. QUARTERLY INVESTMENT REPORT

- 1) Receive and file the Quarterly Investment Report for the quarter ended September 30, 2022; and
- 2) Forward to the Board of Directors for final action.

6G. DEVELOPMENT IMPACT FEE ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- 1) Receive and file the Development Impact Fee Annual Report for the Fiscal Year Ended June 30, 2022; and
- 2) Forward to the Board of Directors for final action.

6H. QUARTERLY FINANCIAL STATEMENTS

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 30, 2022;
- 2) Approve the Fiscal Year 2022/23 budget adjustment in Attachment 2; and
- 3) Forward to the Board of Directors for final action.

7. FISCAL YEAR 2022 AUDITED BASIC FINANCIAL STATEMENTS

Sergio Vidal, Chief Financial Officer, presented the Fiscal Year 2022 RCA Financial and Single Audits. The Financial Audit relates to RCA's basic financial statements that report on RCA's financial activity for FY 2022. The Financial Section of the Annual Report includes the Auditor's Report, Management's Discussion and Analysis (MD&A), the Financial Statements, and related

note disclosures. The Single Audit presents RCA's federal grant expenditures for the previous fiscal year. The final item is the auditors annual required communication with those charged with Governance. There were no audit findings noted during the FY 2022 audit for the basic financial statements or the federal grant program.

The net position as of June 30, 2022, totals approximately \$580 million the majority of which consists of land. Detailed information is available within the financial statements in the agenda packet. RCA collected approximately \$37 million in revenue for the fiscal year ended June 30, 2022, which primarily include LDMF fees, tipping fees and federal and state grants. Expenses totaled approximately \$8 million which comprises general operations including salaries and administrative costs. During FY 2022, RCA purchased 1,469 acres of additional reserve land and paid off its loan from the County of Riverside.

Eric Xin, Partner, Brown Armstrong, introduced Melissa Cabezzas, Manager, also from Brown Armstrong to present the audit findings.

Ms. Cabezzas provided a presentation on the FY 2022 Audit Results. Each year, RCA prepares a set of financial statement reports representing that the information contained therein is accurate, complete, and fairly presented in accordance with Generally Accepted Accounting Principles (GAAP). It is the responsibility of the auditors to perform an audit of the RCA's financial statement in accordance with auditing standards generally accepted in the United States, and standards applicable to financial audits contained in the Government Auditing Standards.

An SAS 114 letter is required to be issued at the conclusion of the audit in accordance with professional standards, this communication is addressed to the RCA Board and discusses accounting pronouncements implemented during the year, sensitive estimates that affect RCA's financial statements, difficulties, or disagreements with management if any, and significant corrected or uncorrected financial statements. A report is also issued on internal controls over financial reporting and on compliance and other matters. The report addresses any deficiencies or material weaknesses noted, if any. Lastly, the auditor issues a report on compliance for each major program and on internal control over compliance as required by the Uniform Guidance.

During the planning of the audit, RCA was provided with a critical dates list to be held accountable on deadlines and to ensure important deadlines were met. The interim fieldwork was held remotely the week of May 9th. During the interim, the auditors updated their understanding and evaluated RCA internal controls such as segregation of duties to understand the process for capturing and accurately reporting transactions. Testing of compliance was performed for major programs and the major federal program for the year.

Final field work began on September 6th and was performed remotely. During the final field work, the auditors performed standard procedures such as confirmation, ratio, and variance analysis, and reviewed supporting documentation for key accounting areas.

The week of October 24th, the auditor reviewed RCA's draft financial statements providing comments and any necessary changes.

On November 2nd, the audit report and financial statements were finalized.

Mr. Xin stated that RCA had adopted the Governmental Accounting Standards Board Statement No. 87, Leases during the fiscal year. The most sensitive accounting estimates for the financial statements are capital assets and depreciation expense, value of donated land, and lease liability, revenue, receivables, and deferred inflows of resources. The key factors were evaluated, and assumptions were used to develop estimates and they were determined to be reasonable in relation to the overall financial statements.

The RCA's financial statements disclosure is neutral, consistent, and clear. The auditors did not identify any misstatements and did not propose any adjustments. There were also no disagreements with management or difficulties encountered during the audit. No fraud or abuse issues relating to RCA's employees or management were noted.

As a result of the audit, the auditors issued three different audit reports of which the Independent Auditors Report over financial statements was granted an unmodified or clean opinion. The Report on Internal Controls over Financial Reporting and Compliance and other matters was also granted an unmodified opinion. No non-compliance or any findings on internal controls that qualified as material weaknesses or significant deficiencies were identified. Lastly, the Single Audit Report over Federal Grant Compliance was issued an unmodified opinion with no findings of non-compliance. The schedule of expenditures of federal awards was fairly stated in all material respects relating to the basic financial statements as a whole.

Mr. Xin thanked the RCA Management Team for their assistance, help, and flexibility for the FY 2022 Audit.

Mr. Vidal thanked the RCA Financial Team for their efforts and dedication to preparing accurate financial statements.

Chair Johnson thanked the audit team, financial team, and partners for an incredibly thorough presentation and all their efforts.

- 1) **Receive and file the following reports:**
 - a. **Basic Financial Statements with Independent Auditors' Report for the year ended June 30, 2022;**
 - b. **Single Audit Report for the year ended June 30, 2022; and**
 - c. **SAS 114 Report – *The Auditors' Communication with Those Charged with Governance*; and**
- 2) **Forward to the Board of Directors for final action.**

8. ACQUISITIONS STATUS REPORT

Angela Ferreira, Senior Management Analyst, Right of Way, provided an update on the monthly reoccurring acquisition status report. The acquisition status report summarizes the number of property acquisitions currently being managed including properties that have been acquired and the total number of acreages added to the reserve assembly. Staff has worked diligently to complete key willing seller acquisitions and donations for the RCA.

For the month of September 2022, staff has successfully added approximately 751 acres to the reserve assembly which includes the acquisitions of the Olsen Canyon development HANS and willing seller properties totaling approximately 605 acres of land, located in Temescal Canyon, Corona, and the Lake Elsinore area. These properties are all located within Rough Step Unit 7.

Staff is currently managing 41 active parcels, depicted in Attachment 1 of the agenda item. Thus far for the 2022 calendar year, a total of 19 parcels have been acquired, including 16 acquisitions and 3 processed donations, adding a combined total of 2,042 acres to the reserve assembly. Last year, a total of 1,331 acres were added and in 2020 693 acres were added. In addition to the 41 active parcels being managed, staff is working with the County of Riverside Tax Collectors Office to acquire 29 tax-defaulted parcels that would result in adding an additional 303 acres of land to the reserve for a cost of \$1.2 million.

- 1) Receive and file the acquisition status report as of September 30, 2022; and**
- 2) Forward to the Board of Directors for final action.**

9. STATE AND FEDERAL LEGISLATIVE UPDATE

David Knudsen, External Affairs Director, provided an update on state and federal legislative actions. The legislature concluded its' 2022 session by sending 1,166 bills to the Governor for signature or veto. By the October 1, 2022, deadline, the Governor had signed 997 bills and vetoed 169, a veto rate of 14.5%. The legislature remains in recess until December 5, 2022, when the 2023/2024 regular session will begin. All eyes will be on the Governor's budget proposal which is required to be submitted in early January 2023.

At the federal level, RCA is thrilled to have received from the U.S. Fish and Wildlife Service (USFWS) an award for \$4.4 million for potential property purchases across the MSHCP, leading to over 700 acres of newly conserved land. The funds will be matched by \$2.3 million in funds from the Wildlife Conservation Board for a grand total of \$6.7 million in land acquisition funding.

RCA staff traveled to Washington, D.C. to meet with administration officials and congressional staff in support of efforts to establish a wildlife refuge in Western Riverside County and seek reforms to the USFWS Section 6 grant process. In the meeting with Assistant Secretary of the Interior, Shannon Estenoz and USFWS Director Martha Williams, as well as other officials from the service, RCA staff were pleased to receive strong interest in the establishment of a wildlife refuge in Western Riverside County. Similar interest was expressed by White House representatives of the Office of Management and Budget and the Council on Environmental

Quality, which understood that RCA's land acquisition efforts were in alignment with the President's America the Beautiful initiative. RCA also had a productive meeting with the Office of Senator Feinstein, which remains committed to advancing S. 4669 in partnership with regional stakeholders.

Board Member Lock Dawson congratulated staff on the grant that was received.

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

10. SUMMARY OF THE 2022 STAKEHOLDERS COMMITTEE SURVEY

David Knudsen, External Affairs Director, provided a presentation on the 2022 Stakeholders Committee survey. As part of the ongoing commitment to working with stakeholders, Chair Johnson asked for input from the Stakeholders Committee on possible items for RCA to consider in 2023. Before the October 2022 meeting, a survey was sent to the Stakeholders Committee members and was nearly identical to the one taken by Board Members earlier this year.

Question 1: My top desire for RCA in the coming year. The top selection was to acquire more land to fulfill RCA's obligations under the MSHCP.

Question 2: If budgetary resources are available, what enhancements to current RCA activities do you recommend that the RCA Board of Directors prioritize (Choose up to 3). The top selection was increased advocacy (lobbying) for state and federal funding legislation in support of the MSHCP. The second top response was to acquire more habitat to protect MSHCP-covered species.

Question 3: My top concern about the MSHCP is. The top response was RCA has acquired less than half of the habitat acreage necessary to fulfill the local obligation under the MSHCP.

Question 4: What are the best ways for you to learn more about the MSHCP. The top response was "Species of the Month" and "Getting to Know the MSHCP" presentation at Committee meetings. The second most chosen response was one-on-one briefings with RCA staff.

Question 5: Would your organization be willing to support the RCA through state and federal legislative advocacy efforts. Of the 8 that responded, all stated they would.

Question 6: One word I would use to describe RCA and the MSHCP. The responses included conservation, focused, overpowering, hope, habitat, uncertain, busy, needs to consolidate effort too much government, unsound, and antiquated.

Chair Johnson shared that feedback is a gift. The Stakeholders Committee was reenergized to get their opinions and perspectives. A takeaway is that the stakeholders are predominately focused on the same thing as Board Members, and while there are some differences in opinion

in how to get there, they are in alignment. Some of the selections were things the RCA is already working on giving staff affirmation they are headed in the right direction.

Board Member Lock Dawson agreed that this was a gift and asked to see the slide that showed how they would describe the MSHCP in on word. She was curious about the antiquated comment and wanted to know if anyone had followed up or if the response was expanded.

Chair Johnson stated there was not an expansion on the term, but at the Stakeholders Committee where this survey was presented, there a common thread of streamlining of efforts which could be related to the MSHCP being seen as antiquated. Mr. Knudsen concurred with Chair Johnson.

Anne Mayer, Executive Director, noted that as RCA looks to develop strategies going forward there are opportunities to discuss issues or request clarification with stakeholders not only at the meetings but also on a one-on-one basis.

Chair Johnson added that it was apparent from the survey comments that there is still a lack of knowledge about the MSHCP. While the Stakeholders Committee is familiar with the MSHCP, a complete understanding of it is another feat.

- 1) **Receive and file a verbal summary of the 2022 Stakeholders Committee Survey; and**
- 2) **Forward to the Board of Directors for final action.**

11. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORTS

Anne Mayer, Executive Director wished the Board Members a Happy Thanksgiving and looks forward to seeing everyone in December.

Chair Johnson shared her gratitude for the Board Members and RCA staff for everything they do and all the hats they wear.

12. ADJOURNMENT

There being no further business for consideration by the Executive Committee, Chair Johnson adjourned the meeting at 12:41 p.m. The next meeting of the Executive Committee is scheduled to be held on **Wednesday, December 21, 2021.**

Respectfully submitted,



Lisa Mobley
Administrative Services Manager/
Clerk of the Board

AGENDA ITEM 6B

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

DATE:	December 21, 2022
TO:	Executive Committee
FROM:	Jennifer Fuller, Financial Administration Manager
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Western Riverside County Multiple Species Habitat Conservation Plan Fee Collection Report for October 2022

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for October 2022.

BACKGROUND INFORMATION:

The Western Riverside County MSHCP Local Development Mitigation Fee (LDMF) collections provide funding for the acquisition of additional reserve lands and related costs. Below is a summary of the current year budget and collections for the month of October 2022 and year-to-date:

Revenue	FY 2022-23 Adopted Budget	Collections for the month of October 2022	FY 2022-23 Year-to-Date
Local Development Mitigation Fees	\$ 16,800,000	\$ 3,105,773	\$ 6,812,362
Civic and Infrastructure Contributions	610,000	143,443	182,524
Collections for October 2022		\$ 3,249,216	
Collections Year-to-Date thru October 2022			\$ 6,994,886

Attached, is a report detailing by Member Agency LDMF Collection and Civic/Infrastructure Contribution for October 2022.

FISCAL IMPACT:

There is no fiscal impact to the receipt and file of this fee collection report.

Attachment: Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for October 2022

**WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT
FOR OCTOBER 2022**

Amounts subject to rounding

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS									
City/County	Month	REMITTED				EXEMPTIONS & FEE CREDITS			
		Residential Permits	ADUs/ Additions	Commercial Industrial Acres	Amount Remitted	Total FY 23 Year-to-Date	Residential Permits	Commercial Industrial Acres	Amount
City of Banning	September	4			\$ 15,788	\$ 19,735			
City of Beaumont	September	18		97.669	1,806,038	2,109,957			
City of Calimesa	August September-No Activity			0.15	2,665 -	2,665			
City of Canyon Lake	July-No Activity August September				- 3,635 7,270	10,905			
City of Corona	July-Pending August September-Pending		4		- 26,667 -	26,667			
City of Eastvale	August-No Activity September-No Activity				- -	-			
City of Hemet	September			1.09	19,363	90,409			
City of Jurupa Valley	September		3		6,079	26,863			
City of Lake Elsinore	September	13	1		55,521	94,592			
City of Menifee	September	25			96,179	290,472			
City of Moreno Valley	August-Pending September-Pending				- -	152,958			
City of Murrieta	September-Pending				-	7,894			
City of Norco	August September-Pending		1		1,664 -	1,664			
City of Perris	July-Correction August September				(152) 252,614 423,514	688,529			
City of Perris	September-Pending	19		10.30					
City of Perris	September-Pending	12		21.21					
City of Riverside	September-Pending				-	185,223			
City of San Jacinto	September-Pending				-	213,138			
City of Temecula	July-No Activity Roripaugh DA 1 August-Pending September-Pending				- - - -	-	10		\$ 39,470
City of Wildomar	August September	14 3	1		59,008 12,608	71,615			
County of Riverside	October	83		0.44	317,313	2,819,077			
Total LDMF Collections		203	10	130.90	\$ 3,105,773	\$ 6,812,362	10	0.00	\$ 39,470

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS				Total FY 23 Year-to-Date
City of Perris	Goetz Park Phase II		\$ 35,605	\$ 35,605
City of Perris	Enchanter Hills Park		107,838	107,838
Prior Civic and Infrastructure contributions from Member Agencies				39,081
Total Civic/Infrastructure Contributions			\$ 143,443	\$ 182,524

TOTAL OCTOBER 2022 \$ 3,249,216 \$ 6,994,886

¹ Roripaugh Development Agreement dated 12/17/02. Project is exempt under Assessment District 161.

AGENDA ITEM 6C

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

DATE:	December 21, 2022
TO:	Executive Committee
FROM:	Tricia Campbell, Regional Conservation Deputy Director
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Joint Project Review Status Report

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the Joint Project Review (JPR) monthly status report as of November 30, 2022.

BACKGROUND INFORMATION:

Consistent with the Board’s priority on transparency and communication, staff is providing a monthly report of the status of JPRs and other Multiple Species Habitat Conservation Plan (MSHCP) compliance processes. This staff report provides a summary of activities in 2022 through November 30, 2022.

The RCA processes Habitat Acquisition Negotiation Strategy (HANS) analyses in the form of JPRs as well as Participating Special Entity (PSE) applications and Criteria Refinements. The included attachment summarizes each type of MSHCP compliance review the RCA has performed in 2022.

In 2022, staff has completed 19 JPRs (Development HANS), one Criteria Refinement, and one PSE. We are in the process of reviewing 20 JPRs (Development HANS) and three PSEs.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachment: RCA MSHCP Compliance Project Processing from January 1, 2022, thru November 30, 2022

**RCA MSHCP Compliance Project Processing from
January 1, 2022 thru November 30, 2022**

Actively in Process	Completed in 2022
DEVELOPMENT HANS¹	
PUBLIC PROJECTS (Total 4) <ul style="list-style-type: none"> ➤ Lake Elsinore Lake Street ➤ County Waste Pedley Landfill ➤ Riverside Transmission Reliability Amendment ➤ Ethanac Road Bridge 	PUBLIC PROJECTS (Total 3) <ul style="list-style-type: none"> ✓ De Luz Rd Culvert Replacement ✓ Murrieta Creek Bridge Amendment ✓ Skyview Pedestrian Bridge
PRIVATE PROJECTS (Total 16) <ul style="list-style-type: none"> ➤ Perris – 1 ➤ Lake Elsinore – 1 ➤ County – 8 ➤ Temecula – 2 ➤ Riverside - 1 ➤ Corona - 2 ➤ Murrieta – 1 	PRIVATE PROJECTS (Total 16) <ul style="list-style-type: none"> ✓ Temecula – 3 ✓ Lake Elsinore – 4 ✓ County – 5 ✓ Perris – 1 ✓ Hemet – 2 ✓ Murrieta - 1
NON-DEVELOPMENT HANS²	
None to date in 2022	None to date in 2022
PARTICIPATING SPECIAL ENTITY	
PUBLIC PROJECTS (3) <ul style="list-style-type: none"> ➤ SoCal-Gas Badlands Hydrostatic Testing Project ➤ EMWD Wickerd Road Sewer Project ➤ EMWD Quail Tank Project 	PUBLIC PROJECTS (Total 0) None to date in 2022
PRIVATE PROJECTS (Total 0) None in process	PRIVATE PROJECTS (Total 1) <ul style="list-style-type: none"> ➤ Lockheed Martin Site 1 – Potrero Remedial Action Amendment

¹ A project is proposed on the property

² No project is proposed on the property and these HANS involve only private entities

Actively in Process	Completed in 2022
CRITERIA REFINEMENTS³	
PUBLIC PROJECTS (Total 1) ➤ County Waste Lamb Canyon Landfill Expansion	PUBLIC PROJECTS (0) None to date in 2022
PRIVATE PROJECTS (Total 0) None in process	PRIVATE PROJECTS (1) ✓ Beaumont Point Specific Plan

³ Triggered when a proposed project wants to develop on lands that are described to go into the MSHCP reserve

AGENDA ITEM 6D

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	December 21, 2022
TO:	Executive Committee
FROM:	Angela Ferreira, Senior Management Analyst Hector Casillas, Right of Way Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Acquisitions Status Report

EXECUTIVE COMMITTEE AND STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Receive and file the acquisition status report as of October 31, 2022.

BACKGROUND INFORMATION:

The Board of Directors requested the Right of Way Department provide a monthly report of the status of various acquisitions.

For the 2022 calendar year, 22 parcels have been acquired, which include 18 acquisitions and 4 processed donations. The 18 acquisitions added approximately 1,977 acres, and the 4 processed donations added approximately 204 acres, for a combined total of an additional 2,181 acres to the reserve. As of October 31, 2022, staff is managing 50 active parcels.

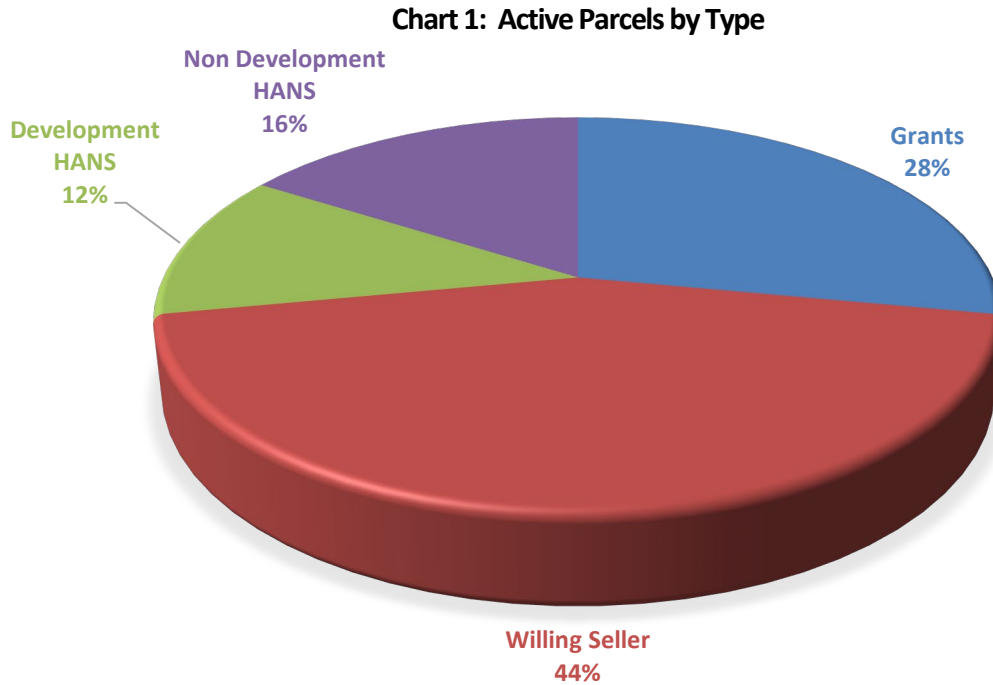
For comparison purposes, in the 2020 calendar year, 16 parcels closed escrow adding approximately 646 acres, and 4 donations were processed adding approximately 47 acres. In the 2021 calendar year, 18 parcels closed escrow adding approximately 891 acres, 12 parcels were acquired through the tax sale process adding approximately 402 acres, and 2 donations were processed adding approximately 38 acres. In summary, a total of 693 acres were added to the reserve in 2020 and 1,331 acres were added in 2021.

In addition to the active parcels, staff has submitted applications to acquire 35 tax defaulted parcels from the County of Riverside Tax Collector’s Office. To date, 9 parcels have been removed due to the properties being redeemed by the property owner and/or removed by staff after additional due diligence, leaving 26 parcels in the process.

The first attachment provides individual property details by type including location, owner representative, and acreage for active parcels as of October 31, 2022. The parcels are listed by the proposed close escrow date, if applicable.

The second attachment provides a summary of the closed escrows for the month of October 2022.

Chart 1 illustrates the active parcels by type of acquisition: grant-funded, development HANS, non-development HANS, and willing seller.



FISCAL IMPACT:

This item is for informational purposes only. There is no fiscal impact.

Attachments:

- 1) Status of Right of Way Acquisitions as of October 31, 2022
- 2) Closed Escrows for October 2022

**Western Riverside County Regional Conservation Authority
Status of Acquisitions
As of October 31, 2022**

Project Number	Location	Supervisorial District	Owner Representative	Acreage
Grants				
R22492	Hemet	District 3	N/A	9.74 acres
R22505	Temecula	District 1	Dave Asmus	19.92 acres
R22485	Moreno Valley	District 5	Steve Hobbs	640.05 acres
R22528	Tenaja	District 1	Phil Percival	20.13 acres
R22527	Tenaja	District 1	Dana Story	47.70 acres
R22486	Jurupa Valley	District 2	N/A	78.74 acres
R22534	Corona	District 2	N/A	701.04 acres
R22540	Lake Elsinore	District 1	Steve Semingson	14.99 acres
R22541	Lake Elsinore	District 1	Val Wong	2.17 acres
R22542	Lake Elsinore	District 1	Carmela Rincon Loelkes	21.34 acres
R22543	Lake Elsinore	District 1	James Simpson	4.35 acres
R22544	Lake Elsinore	District 1	James Simpson	9.42 acres
R22545	Lake Elsinore	District 1	John Lewis	12.02 acres
R22548	Lake Elsinore	District 1	N/A	3.16 acres

Development HANS				
R22502	Hemet	District 3	N/A	40.52 acres
R14490	Temescal Valley	District 1	Julian Nan/John Tavaglione	450.25 acres
R22532	Temescal Valley	District 1	John Tavaglione	61.14 acres
R22335	Murrieta	District 3	Bill Tyler	13.06 acres
R22171	Hemet	District 3	Ed Sauls	65.18 acres
R22539	Winchester	District 3	N/A	20.00 acres

Non-Development HANS				
R22442	Sage	District 3	John Baker	20.03 acres
R22419	Aguanga	District 3	Garret Sauls	80.00 acres
R22449	Lake Elsinore	District 1	Ed Sauls	197.55 acres
R22409	French Valley	District 3	Ed Sauls	40.00 acres
R22404	San Jacinto	District 3	Garret Sauls	161.66 acres
R22405	San Jacinto	District 3	Garret Sauls	240.49 acres
R22428	Hemet	District 3	Garret Sauls	240 acres
R22149	Temecula	District 3	N/A	118.63 acres

Willing Seller				
R22520	Sage	District 3	Garret Sauls	21.08 acres
R22524	Murrieta	District 1	N/A	9.36 acres
R22318	Temecula	District 1	Colin Koch	8.97 acres
R22523	Sage	District 3	Mike Novak	14.87 acres
R22433	Lake Elsinore	District 1	Ecosystem Investment Partner	239.87 acres
R22512	Lake Elsinore	District 1	Garret Sauls	30.00 acres
R22511	Lake Elsinore	District 1	Ecosystem Investment Partner	44.70 acres
R22446	Beaumont	District 5	Ryan Ross/Craig Olsen	150 acres
R22525	Murrieta	District 1	Rolf E. Rawson	20.95 acres
R22526	Lake Elsinore	District 1	Garret Sauls	124.19 acres
R22529	Murrieta	District 3	Peter McCrohan	9.73 acres
R22530	Aguanga	District 3	Garret Sauls	80.00 acres
R22531	Cherry Valley	District 5	N/A	31.40 acres
R22535	San Jacinto	District 3	N/A	6.48 acres
R22420	Calimesa	District 5	N/A	20.00 acres
R22536	Rancho California	District 3	Katherine Jankowski	28.77 acres
R22537	Murietta	District 3	Garret Sauls	2.5 acres
R22538	Lake Elsinore	District 1	N/A	44.6 acres
R22546	Menifee	District 3	N/A	17.98 acres
R22281	San Jacinto	District 3	N/A	97.91 acres
R22457	San Jacinto	District 3	James Salvador	46.01 acres
R22530	Murietta Valley	District 1	Garret Sauls	5.53 acres

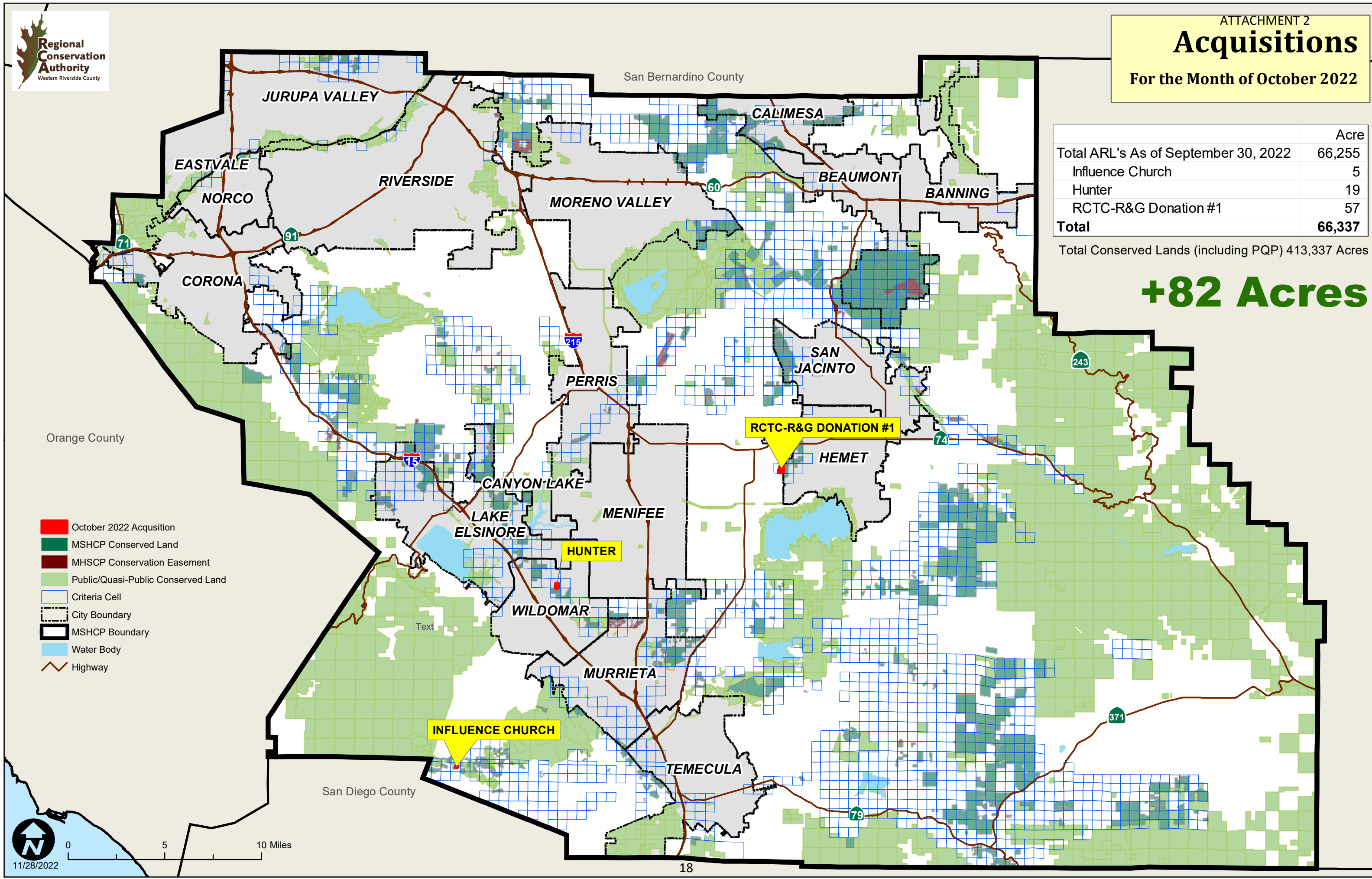


ATTACHMENT 2
Acquisitions
 For the Month of October 2022

	Acre
Total ARL's As of September 30, 2022	66,255
Influence Church	5
Hunter	19
RCTC-R&G Donation #1	57
Total	66,337

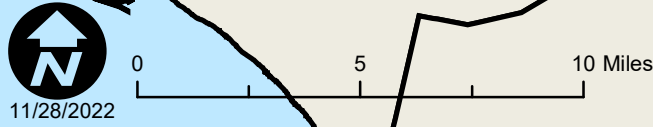
Total Conserved Lands (including PQP) 413,337 Acres

+82 Acres



Orange County

- October 2022 Acquisition
- MSHCP Conserved Land
- MSHCP Conservation Easement
- Public/Quasi-Public Conserved Land
- Criteria Cell
- City Boundary
- MSHCP Boundary
- Water Body
- Highway



11/28/2022

AGENDA ITEM 6E

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	December 21, 2022
TO:	Executive Committee
FROM:	Jennifer Fuller, Financial Administration Manager Matthew Wallace, Deputy Director of Financial Administration
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Adoption of Resolution 2023-001 Related to Revised Investment Policy

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Approve the revised investment policy for the Western Riverside County Regional Conservation Authority; and
- 2) Adopt Resolution No. 2023-001, *“Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy”*.

BACKGROUND INFORMATION:

Under California law, every public agency is required to adopt an investment policy which shall be updated periodically. Per the RCA Investment Policy, the policy shall be reviewed annually by the Board of Directors. Pursuant to the RCA Joint Exercise of Powers Agreement (JPA) and Resolution 04-02, the Riverside County Treasurer Tax Collector acts as the Treasurer for the RCA, and the County’s investment policy was incorporated into the RCA policy to help assure consistency between the agencies.

The County’s Investment Oversight Committee reviewed a revised Treasurer’s Statement of Investment Policy, and the County Board of Supervisors subsequently adopted the revised policy on November 29, 2022. All changes comply with California Government Code Sections 53601 and 53635, which govern the County Treasurer’s investments and surplus monies. The County Treasurer files the Treasurer’s Monthly Disclosure Report on Investments with the County Board of Supervisors on a monthly basis in accordance with California Government Code Section 53607.

The County made the following changes to its Statement of Investment Policy:

1. Cover page and table of contents were added.
2. Page 1-7 and 9-13, formatting and other minor changes were made.

3. Page 3, staff authorized to make investments changed from employee names to only positions and updated daily accountability and control to reflect changes to investment accounting process.
4. Page 8, County made changes to the Authorized Investments Schedule.
5. Page 14, added a Glossary.

Staff recommends the changes listed above be incorporated in the revised RCA Investment Policy attached to this staff report. Staff also recommends changing the frequency of reporting to the Board of Directors in the resolution from quarterly to monthly.

FISCAL IMPACT:

There is no direct fiscal impact to updating the Investment Policy for the changes made by the County of Riverside.

Attachments:

- 1) Resolution No. 2023-001
- 2) Exhibit A Western Riverside County Regional Conservation Authority Investment Policy – Redline Copy
- 3) Exhibit A Western Riverside County Regional Conservation Authority Investment Policy – Clean Copy
- 4) Riverside County Treasurer Tax Collector Investment Policy Statement – Redline Copy
- 5) Riverside County Treasurer Tax Collector Investment Policy Statement – Clean Copy

RESOLUTION NO. 2023-001**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
ADOPTING A STATEMENT OF INVESTMENT POLICY**

WHEREAS, the California Legislature has provided standards for governing bodies authorized to make investment decisions for local agencies, which are set forth in Government Code sections 16429.1, 53600-53609 and 53630-53686 (the "Investment Act"); and

WHEREAS, Section 53684 of the Government Code permits the governing bodies of the local agencies to authorize the deposit of excess funds in the county treasury for the purposes of investment by the county treasurer pursuant to Section 53601 and 53635; and

WHEREAS, Section 53646 of the Government Code allows local agencies to annually approve a Statement of Investment Policy which has been prepared by the chief fiscal officer of such local agency; and

WHEREAS, the Board of Directors of the Western Riverside County Regional Conservation Authority (the "Board of Directors") has been presented with a Statement of Investment Policy, attached hereto as Exhibit A and incorporated by reference, which is designed to conform with the requirements of the Investment Act; and

WHEREAS, the Board of Directors, with the aid of its staff, has reviewed the Statement of Investment Policy and wishes to approve the same; and

WHEREAS, this Resolution updates the Western Riverside County Regional Conservation Authority's Investment Policy (the "Policy"), attached hereto as Exhibit A and incorporated by reference, to conform with California statutes governing cities, which will rescind, supersede and replace Resolution No. 2022-002.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Western Riverside County Regional Conservation Authority (the "Authority") as follows:

1. The above recitals are true and correct, and the Board of Directors so finds and determines.
2. The Policy, a copy of which is on file at the offices of the Authority and is available for inspection by the public, and as provided in Exhibit A hereto, is hereby adopted.
3. The Board of Directors hereby renews its delegation authority to invest or reinvest funds of the Authority, or to sell or exchange securities so purchased, to the Treasurer of the Authority (Riverside County Treasurer Tax Collector) for a one-year period.

4. This Resolution shall take effect immediately after its adoption on the date hereof.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Western Riverside County Regional Conservation Authority this 9th day of January 2023.

By: _____
Natasha Johnson, Chair
Western Riverside County Regional
Conservation Authority

ATTEST:

By: _____
Lisa Mobley, Clerk of the Board
Western Riverside County Regional
Conservation Authority

Exhibit A

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY INVESTMENT POLICY

INTRODUCTION

The Western Riverside County Regional Conservation Authority (“RCA”), is a Joint Powers Authority (“RCA”) comprised of the County of Riverside and the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, and Wildomar. The RCA is responsible for the implementation and management of the Western Riverside County Multiple Species Habitat Conservation Plan (“MSHCP”). The RCA is governed by a Board of Directors (the “Board”), comprised of the five members of the Riverside County Board of Supervisors and an elected official from each member city.

The Board has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the RCA. All RCA funds will be invested in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the Board of Directors of the Western Riverside County Regional Conservation Authority on January ~~9~~¹⁰, 2023~~2~~.

RIVERSIDE COUNTY TREASURER

Pursuant to California Government Code Section 53684, the Board authorizes the deposit of excess funds of the RCA in the Riverside County treasury for the purpose of investment by the County Treasurer as outlined in this Policy.

SCOPE & OBJECTIVES

The RCA's primary investment objectives, in priority order, shall be:

1. Safety. Safety of principal is the foremost objective of the investment program. Investments of the RCA shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity. The investment portfolio of the RCA will remain sufficiently liquid to enable the RCA to meet its cash flow requirements.
3. Return on Investment. The investment portfolio of the RCA shall be designed with the objective of maximizing return on its investments, but only after ensuring safety and liquidity.

DELEGATION OF AUTHORITY

The management responsibility for the RCA's investment program is delegated annually by the Board to the Treasurer [of the Authority \(the "Treasurer"\)](#) pursuant to California Government Code Section 53607. As designated by the Board of Directors, the Riverside County Treasurer [Tax Collector](#) serves as the Treasurer. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. Authority may be delegated to other staff members provided the Treasurer exercises prudence in a selection of these staff members and imposes suitable safeguards to prevent abuse in the exercise of discretion. The Treasurer shall remain responsible for any investment decisions made by these staff members. The Treasurer shall maintain a list of every staff member who was delegated such authority, and his or her responsibilities with respect to investment decisions. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The Treasurer, on behalf of the RCA, may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the RCA's financial resources.

PRUDENCE

The standard of prudence to be used for managing the RCA's investments shall be California Government Code Section 53600.3, the prudent investor standard which states:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The RCA's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The RCA recognizes that no investment is totally riskless and that the investment activities of the RCA are a matter of public record. Accordingly, the RCA recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the RCA.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the RCA and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Treasurer any financial interests they have in financial institutions that conduct business with the RCA and they shall subordinate their personal investment transactions to those of the RCA. In addition, the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203.

Any firm proposing to provide any type of investment service to RCA shall acknowledge their familiarity with the provisions of the Political Reform Act, (Government Code Section 81000 *et seq.*, and 2 Cal. Code of Regs. 18110 *et seq.*, hereinafter “PRA”) and the provisions limiting contractual conflicts of interest under Government Code Section 1090 *et seq.* Any firm proposing to provide any type of investment service to RCA shall also acknowledge their familiarity with and agree to abide by any Federal or State law, regulation, rule or policy pertaining to or limiting campaign contributions by such firms, their employees, spouses and agents.

All persons, firms, dealers, brokers and advisors providing investment service or bond issue assistance shall disclose to the RCA all fee sharing, fee-splitting and commission arrangements with other entities or persons prior to RCA agreeing to buy an investment, or issuing bonds.

AUTHORIZED INVESTMENTS

1. **Riverside County Treasurer’s Pooled Investment Fund (“RCTPIF”).** The RCA may invest in the Riverside County Pooled Investment Fund.
2. **State of California Local Agency Investment Fund (“LAIF”).** The RCA may invest in LAIF.
3. **Eligible Investments for Bond Proceeds.**

Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

With respect to maximum maturities, the Policy authorizes investing bond reserve fund proceeds beyond the five years if prudent in the opinion of the Treasurer.

4. **Specific Investments Outside RCTPIF and LAIF.**

Specific investments shall be governed by the Treasurer’s Pooled Investment Fund Statement of Investment Policy, as may be amended from time to time. A copy of the current policy is attached as Exhibit “1.”

REPORTING

The Treasurer shall provide to the Board and the Executive Director a portfolio report, on a ~~monthly~~[quarterly](#) basis in accordance with the requirement of the Government Code.

At least annually, if any investments outside the RCTPIF exist, the Treasurer shall present to the Board a review of the investment portfolio's adherence to appropriate risk levels and a comparison between the total portfolio return and the established investment goals, objectives and benchmarks.

POLICY REVIEW

This Investment Policy shall be presented annually to the Board for review pursuant to Section 53646(a)(2) of the Government Code. This Policy may be amended by the Board at a public meeting as conditions warrant.

EXHIBIT 1

**TREASURER'S POOLED INVESTMENT
FUND STATEMENT OF INVESTMENT POLICY
[ATTACHED]**

Exhibit A

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY INVESTMENT POLICY

INTRODUCTION

The Western Riverside County Regional Conservation Authority (“RCA”), is a Joint Powers Authority comprised of the County of Riverside and the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, and Wildomar. The RCA is responsible for the implementation and management of the Western Riverside County Multiple Species Habitat Conservation Plan (“MSHCP”). The RCA is governed by a Board of Directors (the “Board”), comprised of the five members of the Riverside County Board of Supervisors and an elected official from each member city.

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The standard of prudence to be used for managing the RCA's investments shall be California Government Code Section 53600.3, the prudent investor standard which states:

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The RCA's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The RCA recognizes that no investment is totally riskless and that the investment activities of the RCA are a matter of public record. Accordingly, the RCA recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the RCA.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the RCA and appropriate action is taken to control adverse developments.

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Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Treasurer any financial interests they have in financial institutions that conduct business with the RCA and they shall subordinate their personal investment transactions to those of the RCA. In addition, the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203.

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All persons, firms, dealers, brokers and advisors providing investment service or bond issue assistance shall disclose to the RCA all fee sharing, fee-splitting and commission arrangements with other entities or persons prior to RCA agreeing to buy an investment, or issuing bonds.

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Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

With respect to maximum maturities, the Policy authorizes investing bond reserve fund proceeds beyond the five years if prudent in the opinion of the Treasurer.

4. **Specific Investments Outside RCTPIF and LAIF.**

Specific investments shall be governed by the Treasurer's Pooled Investment Fund Statement of Investment Policy, as may be amended from time to time. A copy of the current policy is attached as Exhibit "1."

REPORTING

The Treasurer shall provide to the Board and the Executive Director a portfolio report, on a monthly basis in accordance with the requirement of the Government Code.

At least annually, if any investments outside the RCTPIF exist, the Treasurer shall present to the Board a review of the investment portfolio's adherence to appropriate risk levels and a comparison between the total portfolio return and the established investment goals, objectives and benchmarks.

POLICY REVIEW

This Investment Policy shall be presented annually to the Board for review pursuant to Section 53646(a)(2) of the Government Code. This Policy may be amended by the Board at a public meeting as conditions warrant.

EXHIBIT 1

**TREASURER'S POOLED INVESTMENT
FUND STATEMENT OF INVESTMENT POLICY
[ATTACHED]**

~~COUNTY OF~~
~~RIVERSIDE~~ COUNTY OF
RIVERSIDE

TREASURER-TAX COLLECTOR



INVESTMENT POLICY STATEMENT

NOVEMBER 29, 2022

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

1. INTRODUCTION

The Treasurer Tax-Collectors (TTC) Statement of Investment Policy is presented annually to the County Investment Oversight Committee (IOC) for review and to the Board of Supervisors (BOS) for approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code (Code Section GOV §). This policy will become effective immediately upon approval by the BOS.

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2. SCOPE

The TTC Statement of Investment Policy is limited in scope to only those county, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond proceeds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

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3. FIDUCIARY RESPONSIBILITY

GOV §Code Section 27000.3 declares each Treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in GOV §Code Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county Treasurer or the BOS, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors."

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4. PORTFOLIO OBJECTIVES

The first and primary objective of the TTC's investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

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5. AUTHORITY

Statutory authority for the TTC's investment and safekeeping functions are found in GOV § Code Sections 53601 and 53635 et. seq. The TTC's authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the BOS on October 20 November, 2022 by County Ordinance No.767.276. GOV §Code Section 53607 effectively requires the legislative body to delegate investment authority of the County on an annual basis.

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6. AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Code Sections GOV § 53601 and 53635 as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

7. STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the TTC, Matthew Jennings, ~~Chief Investment Manager~~Assistant Treasurer, ~~Giovane Pizano, Chief Investment Officer, John Byerly,~~ Deputy Investment Officer Manager, Steve Faeth, and Assistant Investment Officer Manager, ~~Isela Liecea,~~ are authorized to make investments and to order the receipt and delivery of investment securities among custodial security clearance accounts.

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8. AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule III of this policy.

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9. DAILY ACCOUNTABILITY AND CONTROL

All investment transactions are to be conducted at the TTC's office, or approved remote location subjected to Board Policy A-50 and Department Telecommute policy., All investment transactions will be entered daily into the TTC's internal financial accounting system. Transactions are reviewed by the Fiscal Compliance Unit daily. In addition, a bi-weekly and monthly compliance review of investment holdings are conducted. All reviews are signed off by the Treasurer-Tax Collector and Fiscal Compliance. staff. Transactions must be documented, and reviewed by the Fiscal unit on behalf of the TTC. All investment transactions will be entered daily into the TTC's internal financial accounting system with copies to be filed on a timely basis. Portfolio income shall be reconciled daily, monthly and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

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10. SECURITY CUSTODY & DELIVERIES

All securities, except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County TTC with custodial security clearance services. These ~~third party~~third-party trust department arrangements provide the County with a perfected interest in, and ownership and control over, the securities held by the custodian on the County's behalf and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are NOT to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the TTC's vault. The security holdings shall be reconciled with the custodian holding records daily. The TTC's Fiscal Compliance unit will audit purchases daily for compliance, and audit holding records monthly.

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11. COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

12. MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the BOS pursuant to ~~GOV §Code Section 53601~~53601. The settlement date will be used as the date of purchase for measuring maturity limitations.

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13. LIQUIDITY

The portfolio shall maintain a ~~weighted average days~~weighted average day to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

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14. SECURITIES LENDING

The TTC may engage in securities lending activity limited to 20% of the portfolio’s book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to ~~GOV §Code Section 53601~~ and by the TTC’s Statement of Investment Policy.

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15. REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the TTC to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to ~~GOV §Code Section 53601~~ and by the TTC’s Statement of Investment Policy.

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16. MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County’s exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in ~~Schedule I~~, (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

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17. TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in ~~credit-worthiness~~creditworthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the ~~short and long term~~short- and long-term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the TTC.

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18. PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the TTC’s portfolio on the settlement date.

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

19. PORTFOLIO REPORTS/AUDITING

Portfolio reports required by ~~Code Sections~~ GOV § 53607 and 27133(e) shall be filed monthly with the BOS, IOC, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties. Consistent with Board Policy B-21 (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the BOS, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer’s website:
<http://www.countyTreasurer.org/Treasurer/TreasurersPooledInvestmentFund/MonthlyReports.aspx>

20. SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the TTC’s Statement of Investment Policy, upon written request and approval of the responsible agency’s governing board, ~~and~~ approval of the TTC. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the TTC. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The TTC reserves the right to allocate a pro-rata charge for administrative costs to such funds.

21. PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer’s Institutional Money Market Index (TIMMI), or ~~other~~ another suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio’s performance, in keeping with this policy, ~~and~~ current market conditions.

22. INVESTMENT OVERSIGHT COMMITTEE

In accordance with ~~GOV § Code Section 27130 et seq. of the Code~~, the BOS has established an IOC. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

23. QUARTERLY ~~DISTRIBUTION-APPORTIONMENT~~ OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with ~~GOV § Sections 53684 and 53844 of the Code~~ which give the TTC broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant’s average daily cash balance for the fiscal quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the TTC to assure compliance with ~~Code Sections~~ GOV § 53684 and 53844. The TTC employs the modifiedes-Cash/ Accrual apportionment method.

24. QUARTERLY ~~APPORTIONMENT-OF~~ ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County TTC is permitted, pursuant to ~~GOV § Code Section 27013~~, to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with ~~Code Sections~~ GOV § 27013, 27133(f), and 27135, the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: banking services, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

benefits for the personnel in the TTC’s office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the TTC shall annually prepare a proposed budget revenue estimate per GOV §Code Section-27013.

25. TREASURY OPERATIONS

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Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The TTC will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County TTC may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

26. POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

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Should any agency solicit entry, the agency shall comply with the requirements of GOV §Section 53684 of the Code and adopt a resolution by the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County TTC. The resolution shall specify the amount of monies to be invested, the personnel person authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency’s willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the TTC’s ability to deduct pro-rata administrative charges permitted by GOV §Code Section-27013. Any solicitation for entry into the TPIF must have the County TTC’s consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the TTC.

27. POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

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With the TTC being required to ~~maintain a 40% liquidity position at all times~~ always maintain a 40% liquidity position during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County TTC.

The TTC’s approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and, an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

28. POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

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Neither the TTC nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County TTC which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of GOV §Code Section-27133. IOC members shall be subject to the limits included in the BOS Policy B-21.

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

29. ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. In addition, the County TTC, Assistant TTC, Chief Investment ~~Manager-Officer~~, Deputy Investment ~~Manager-Officer and Assistant Investment Manager-Officer and Assistant Investment Officer~~ are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.

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30. INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office Of The TTC Policy Governing Competitively Bid Investments, dated March 3, 2011).


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No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County TTC, shall be invested for ~~a period of time~~ a period exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

31. POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the BOS, ~~and, and~~ will remain in force until subsequently amended in writing by the TTC and approved by the BOS.

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Matthew Jennings
County of Riverside
Treasurer-Tax Collector

11/29/2022

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

32. AUTHORIZED INVESTMENTS SCHEDULE I

AUTHORIZED INVESTMENTS	CA GOV §	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MATURITY REMAINING MAXIMUM MATURITY	CREDIT MINIMUM QUALITY (S&P/MOODS/FITCH)	<p>Formatted: Font: Times New Roman, Font color: Black</p> <p>Formatted: Line spacing: single</p> <p>Formatted: Line spacing: single</p> <p>Formatted: Line spacing: single</p> <p>Formatted: Line spacing: single</p> <p>Formatted: Line spacing: single</p> <p>Formatted Table</p>
U.S. Treasury notes, bills, bonds or other certificates of indebtedness U.S. Treasury Obligations	53601 (b)	100%	N/A	Maximum 5 years	N/A	<p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Normal</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p>
Notes, participations, or obligations issued by the agencies of the federal government U.S. Government Agency Obligations	53601(f)	100%	N/A	Maximum 5 years	N/A	<p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Line spacing: single</p>
Bonds, notes, warrants or certificates of indebtedness issued by the state of CA, or local agencies, or the County of Riverside. Registered treasury notes or bonds of any of the other 49 United States per Government Code Section 53601 (4) State Obligations and CA Local Agency Obligation	53601(c) 53601(d) 53601(e)	15% maximum	See Schedule VIII	Maximum 4 years	Long term Aa3, AA or better	<p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Normal</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p>
Notes, participations or Supranational obligations issued or fully guaranteed as to principal and interest by the International Bank	53601(q)	20% maximum	Max 10% per issuer	Maximum 4 years	Long term Aa, AA or better	<p>Formatted: Font: Times New Roman, Font color: Black</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p> <p>Formatted: Line spacing: single</p> <p>Formatted: Font: Times New Roman, Not Bold, Font color: Black</p>

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

for Reconstruction and Development, and the International Finance Corporation					
Local Agency Investment Fund (LAIF)	16429.1	\$50 million maximum	Maximum \$50 million per LAIF	Daily Liquidity	N/A
Commercial Paper (CP)	53635(a)(1)	40% maximum	See Schedule VII	Maximum 270 days	Short term 1, P-1, F-1 or better
Local Agency Obligations (LAO)	53601(e)	2.5% maximum	BOS approval required. Issued by pool depositors only	Maximum 3 years	Non-rated, if the opinion of Treasurer, considered to be of investment grade or better
Joint Powers Authority Pool CalTRUST Short Term Fund (CLTR)	53601(p)	1% maximum	Board of Supervisors approval required	Daily liquidity	NR / Portfolio managed pursuant to California Government Code § 536053635
Negotiable CD's (NCD's) issued by national or state chartered banks or a licensed branch of a foreign bank	53601(i)	25% maximum	See Schedule VI-II	Maximum 1 year	Short term 1, P-1, F-1 or better
Collateralized Time Deposits (CTD)	53630 et seq 53601(n)	2% maximum	See Schedule IV	Maximum 1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency	53601(j)	40% max, 25% in term repo over 7 days. No more than	Repurchase agreements to be on file	Maximum 45 days	Short Term P-1, F-1 or better If A-2, P-2 then overnight only

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TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

mortgages, CP, BA's		20% w/one dealer in term repo				
Reverse Repurchase Agreements on U.S. Treasury & federal agency securities in portfolio	53601(j)	10% maximum	For temporary cash flow needs only.	Max 60 days with prior approval of BOS	N/A	Formatted: Font: Times New Roman, Not Bold, Font color: Black
Medium Term Notes (MTN) or Corporate Notes	53601(k)	20% maximum	See Schedule VIII	Maximum 3 years	"AA, A-2, A-1 minimum if under 1 year. See Schedule VIII	Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Line spacing: single Formatted: Line spacing: single Formatted: Line spacing: single
Interest bearing Checking Account		20% maximum	N/A	Daily Liquidity	Fully collateralize with US Treasuries or Federal agency notes	Formatted: Line spacing: single Formatted: Font: Times New Roman, Font color: Black Formatted: Normal Formatted: Normal Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Font: Times New Roman, Font color: Black
Money Market Mutual Funds (MMF) that invest in eligible securities meeting requirements of California Government Code	53601(i) and 53601.6(b)	20% maximum	See Schedule V	Daily liquidity	Long Term "AAA" (2 of nationally recognized services)	Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Line spacing: single Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Font: Times New Roman, Not Bold, Font color: Black Formatted: Line spacing: single Formatted: Line spacing: single Formatted: Line spacing: single Formatted: Line spacing: single Formatted: Line spacing: single Formatted: Font: Times New Roman, Not Bold, Font color: Black, Not Strikethrough Formatted: Left

~~2. SCHEDULE I~~

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33. SCHEDULE II POLICY CRITERIA CORPORATE AND MUNICIPAL SECURITIES

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Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers acceptances, and commercial paper. Medium term securities will be restricted by the long term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F1+ (SP-1+/MIG1/F-1+)	AAA/Aaa/AAA	<p>Corp. Maximum of 5% per issuer with no more than 2% greater than 1 year final maturity and no more than 1% greater than 2 year final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.</p>
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	<p>Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity. For the State of California debt only maximum of 2% greater than 13 month final maturity.</p>
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	<p>Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity.</p> <p>Muni. Maximum of 5% per issuer. No more than 13 month final maturity</p>
4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	<p>Corp. No Asset Backed programs. Maximum of 3% per issuer with no more than 2% greater than 30 days. No more than 90 days maximum maturity.</p>

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Rating Agency Comparison Table

Short-Term Scale

Long-Term Scale

S&P	A-1+, A-1
Moody's	P-1
Fitch	F-1+, F-1

S&P	AAA, AA+, AA, AA-, A+, A
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2
Fitch	AAA, AA+, AA, AA-, A+, A

~~AUTHORIZED BROKER/DEALERS~~

34. SCHEDULE III AUTHORIZED BROKER/DEALERS

The TTC is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

- Academy Securities, Inc.
- Bank of New York
- Insperex LLC
- Piper Sandler & Co.
- Ramirez & Co, Inc.
- Raymond James & Associates, Inc.
- Siebert Williams Shank & Co.
- Stifel Nicolas & CoStoneX Financial Inc
- Truist Bank
- Union Bank

- 2. Direct purchases from major commercial paper issuers, money market mutual funds, banker's acceptance issuers, negotiable CD issuers, or savings and loan are authorized.
- 3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the TTC, such transactions are deemed advantageous.

To ensure compliance with the County TTC's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the BOS.

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POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

35. SCHEDULE IV~~++~~ POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

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1. The County TTC has elected to limit security transactions as mentioned in Schedule III. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The TTC is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local Treasurer, any member of the governing board of the local agency, or any candidate for those offices.
2. The County TTC's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The firm must specify the types of securities it specializes in and will be made available for our account.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
5. The firm must be willing to provide us monthly financial statements, and transactional confirms.
6. The County TTC is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

~~POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS~~

~~SCHEDULE V-IV POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS~~
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Before the TTC can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
3. Investments less than the FDIC insurance limit will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided ~~on a monthly basis~~ monthly. A collateral waiver for the portion insured by the FDIC will be granted.
5. The County TTC must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
6. The County TTC will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
7. The County TTC must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
9. The County TTC must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a ~~conflict of interest~~ conflict-of-interest situation exists between any County official and an officer or employee of the bank.
10. Time deposits will only be made with banks and savings and loans having branch office

locations within Riverside County.

~~POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND~~

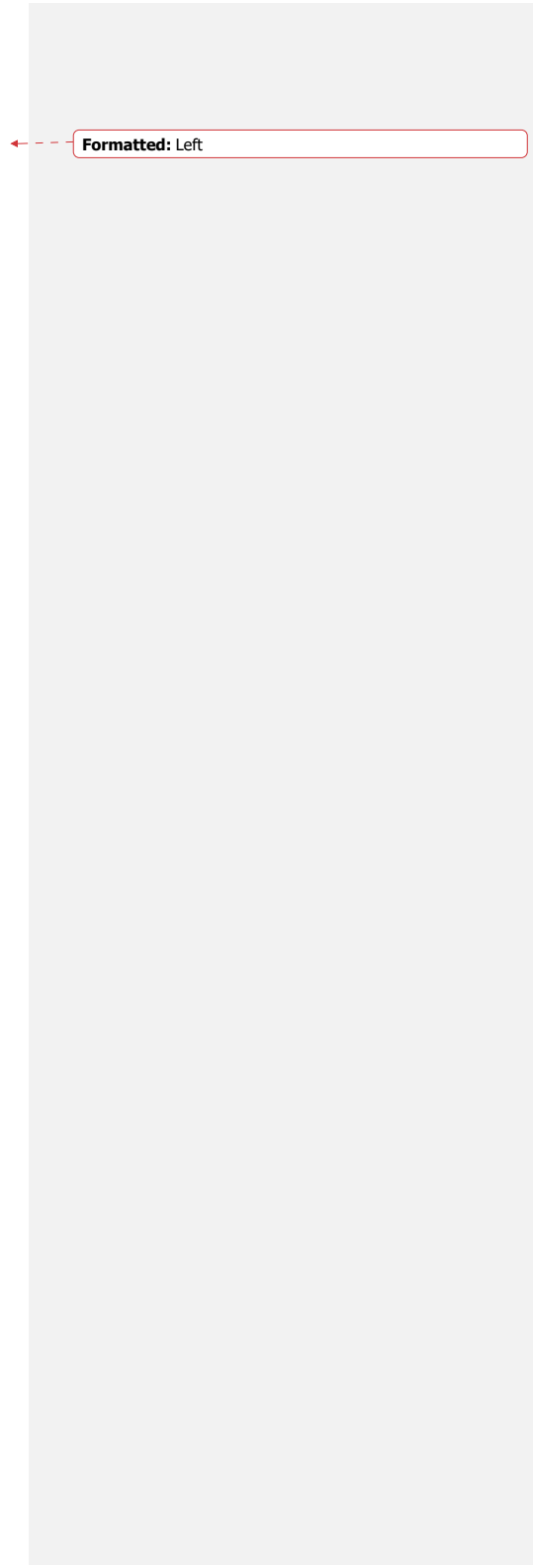
36. SCHEDULE VI POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND

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Shares of beneficial interest issued by diversified management companies, also known as money market mutual funds, invest in the securities and obligations authorized by ~~Code Sections~~ GOV § 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

1. The fund must have a "AAA" rating from two of the nationally recognized rating services: Moody's, Fitch, Standard & Poor's.
2. The fund's prospectus cannot allow hedging strategies, options or futures.
3. The fund must provide a current prospectus before participation in the fund and provide access to copies of their portfolio reports ~~and shall provide at least at month end, a complete listing of securities within the fund's portfolio.~~



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GLOSSARY

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AGENCY ISSUES - Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

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ASSET-BACKED SECURITY (ABS) - A financial security backed by a loan, lease, or receivables against assets other than real estate and mortgage-backed securities.

COLLATERALIZATION - Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT - An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER - Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

COUPON - The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY - An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

CREDIT RATING - A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

CREDIT RISK - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DIVERSIFICATION - The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent

increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - Is the quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

GOVERNMENT OBLIGATIONS - Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE'S) - Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include: Federal National Mortgage Association (FNMA) Federal Home Loan Bank (FHLB) Federal Farm Credit Bank (FFCB) Federal Home Loan Mortgage Corporation (FHLMC)

LIQUID - A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY OBLIGATION - An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM - The term used to describe a security when the maturity is greater than one year.

MARKET VALUE - An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES - These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND - A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT - A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

PAR - The stated maturity value, or face value, of a security.

POOL - In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

PORTFOLIO VALUE - The total book value amount of all the securities held in the Treasurer's Pooled Money Fund.

PRIMARY DEALER - A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

REPURCHASE AGREEMENT - A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT - The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SECURITIES LENDING - A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY

PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization with the investor receiving the certificate/security only after the final approval is granted.

YIELD - The gain, expressed as a percentage that an investor

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derives from a financial asset.

YIELD TO MATURITY - The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

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COUNTY OF RIVERSIDE

TREASURER-TAX COLLECTOR



INVESTMENT POLICY STATEMENT

NOVEMBER 29, 2022

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1. INTRODUCTION

The Treasurer Tax-Collectors (TTC) Statement of Investment Policy is presented annually to the County Investment Oversight Committee (IOC) for review and to the Board of Supervisors (BOS) for approval, pursuant to the requirements of Sections [53646\(a\)](#) and [27133](#) of the California Government Code (GOV §). This policy will become effective immediately upon approval by the BOS.

2. SCOPE

The TTC Statement of Investment Policy is limited in scope to only those county, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond proceeds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

3. FIDUCIARY RESPONSIBILITY

GOV §[27000.3](#) declares each Treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in GOV §[27000.3](#) requires that “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county Treasurer or the BOS, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors.”

4. PORTFOLIO OBJECTIVES

The first and primary objective of the TTC’s investment of public funds is to **safeguard investment principal**; second, to maintain sufficient **liquidity** within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or **yield** on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

5. AUTHORITY

Statutory authority for the TTC’s investment and safekeeping functions are found in GOV §[53601](#) and [53635](#) et. seq. The TTC’s authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the BOS on November, 2022 by County Ordinance No.767.27. GOV §[53607](#) effectively requires the legislative body to delegate investment authority of the County on an annual basis.

6. AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in GOV § [53601](#) and [53635](#) as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

7. STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the TTC, Matthew Jennings, Assistant Treasurer, Chief Investment Officer, Deputy Investment Officer , and Investment Officer are authorized to make investments and to order the

receipt and delivery of investment securities among custodial security clearance accounts.

8. AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule III of this policy.

9. DAILY ACCOUNTABILITY AND CONTROL

All investment transactions are to be conducted at the TTC's office, or approved remote location subjected to Board Policy [A-50](#) and Department Telecommute policy., All investment transactions will be entered daily into the TTC's internal financial accounting system. Transactions are reviewed by the Fiscal Compliance Unit daily. In addition, a bi-weekly and monthly compliance review of investment holdings are conducted. All reviews are signed off by the Treasurer-Tax Collector and Fiscal Compliance. staff. Portfolio income shall be reconciled daily, monthly and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

10. SECURITY CUSTODY & DELIVERIES

All securities, except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County TTC with custodial security clearance services. These third-party trust department arrangements provide the County with a perfected interest in, and ownership and control over, the securities held by the custodian on the County's behalf and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the TTC's vault. The security holdings shall be reconciled with the custodian holding records daily. The TTC's Fiscal Compliance unit will audit purchases daily for compliance, and audit holding records monthly.

11. COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

12. MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the BOS pursuant to GOV §[53601](#). The settlement date will be used as the date of purchase for measuring maturity limitations.

13. LIQUIDITY

The portfolio shall maintain a weighted average day to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

14. SECURITIES LENDING

The TTC may engage in securities lending activity limited to 20% of the portfolio's book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to GOV §[53601](#) and by the TTC's Statement of Investment Policy.

15. REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the TTC to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to GOV §[53601](#) and by the TTC’s Statement of Investment Policy.

16. MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County’s exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in [Schedule I](#), (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

17. TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in creditworthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the short- and long-term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the TTC.

18. PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the TTC’s portfolio on the settlement date.

19. PORTFOLIO REPORTS/AUDITING

Portfolio reports required by GOV § [53607](#) and [27133](#)(e) shall be filed monthly with the BOS, IOC, Superintendent of Schools, Executive

Officer, County Auditor Controller and interested parties. Consistent with Board Policy [B-21](#) (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the BOS, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer’s website:

<http://www.countyTreasurer.org/Treasurer/TreasurersPooledInvestmentFund/MonthlyReports.aspx>

20. SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the TTC’s Statement of Investment Policy, upon written request and approval of the responsible agency’s governing board, and approval of the TTC. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the TTC. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The TTC reserves the right to allocate a pro-rata charge for administrative costs to such funds.

21. PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer’s Institutional Money Market Index (TIMMI), or another suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio’s performance, in keeping with this policy, and current market conditions.

22. INVESTMENT OVERSIGHT COMMITTEE

In accordance with GOV §[27130](#), the BOS has established an IOC. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

23. QUARTERLY APPORTIONMENT OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with GOV § [53684](#) and [53844](#) which give the TTC broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant’s average daily cash balance for the fiscal quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the TTC to assure compliance with GOV § [53684](#) and [53844](#). The TTC employs the modifiedCash/ Accrual apportionment method.

24. QUARTERLY ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County TTC is permitted, pursuant to GOV §[27013](#), to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with GOV § [27013](#), [27133](#)(f), and [27135](#), the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: banking services, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the TTC’s office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the TTC shall annually prepare a proposed budget revenue estimate per GOV §[27013](#).

25. TREASURY OPERATIONS

Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The TTC will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County TTC may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

26. POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

Should any agency solicit entry, the agency shall comply with the requirements of GOV § [53684](#) and adopt a resolution by the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County TTC. The resolution shall specify the amount of monies to be invested, the personnel authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency’s

willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the TTC's ability to deduct pro-rata administrative charges permitted by GOV §27013. Any solicitation for entry into the TPIF must have the County TTC's consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the TTC.

27. POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

With the TTC being required to always maintain a 40% liquidity position during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County TTC.

The TTC's approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and, an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

28. POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Neither the TTC nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County TTC which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of GOV §27133. IOC members shall be subject to the limits included in the BOS Policy [B-21](#).

29. ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. In addition, the County TTC, Assistant TTC, Chief Investment Officer, Deputy Investment Officer, Investment Officer and Assistant Investment Officer are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.

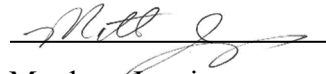
30. INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office Of The TTC Policy Governing Competitively Bid Investments, dated March 3, 2011).

No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County TTC, shall be invested for a period exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

31. POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the BOS and will remain in force until subsequently amended in writing by the TTC and approved by the BOS.



Matthew Jennings
County of Riverside
Treasurer-Tax Collector

11/29/2022

32. AUTHORIZED INVESTMENTS SCHEDULE I

AUTHORIZED INVESTMENTS	CA GOV §	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	MINIMUM QUALITY (S&P/MOODY'S/FITCH)
U.S. Treasury Obligations	53601 (b)	100%	N/A	5 years	N/A
U.S. Government Agency Obligations	53601(f)	100%	N/A	5 years	N/A
State Obligations and CA Local Agency Obligation	53601(c) 53601(d) 53601(e)	15% maximum	See Schedule II	4 years	AA-, Aa3, AA-
Supranational obligations issued or fully guaranteed as to principal and interest by the International Bank for Reconstruction and Development, and the International Finance Corporation	53601(q)	20% maximum	Max 10% per issuer	4 years	AA, Aa, AA
Local Agency Investment Fund (LAIF)	16429.1	\$50 million maximum	Maximum \$50 million per LAIF	Daily	N/A
Commercial Paper	53635(a)(1)	40% maximum	See Schedule II	270 days	A-1,P-1,F1
Local Agency Obligations	53601(e)	2.5% maximum	BOS approval required. Issued by pool depositors only	3 years	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
Joint Powers Authority Pool CalTRUST Short Term Fund (CLTR)	53601(p)	1% maximum	Board of Supervisors approval required	Daily	NR / Portfolio managed pursuant to California Government Code § 53601 & 53635
Negotiable Certificates of Deposit	53601(i)	25% maximum	See Schedule II	1 year	A-1,P-1,F1” or better

TREASURER-TAX COLLECTOR STATEMENT OF INVESTMENT POLICY

Collateralized Time Deposits	53630 et seq 53601(n)	2% maximum	See Schedule IV	1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency mortgages, CP, BA's	53601(j)	40% max, 25% in term repo over 7 days. No more than 20% w/one dealer in term repo	Repurchase agreements to be on file	45 days	Short Term A-1, P-1, F1 or better If A-2, P-2, F2 then overnight only
Reverse Repurchase Agreements on U. S. Treasury & federal agency securities in portfolio	53601(j)	10% maximum	For temporary cash flow needs only.	Max 60 days with prior approval of BOS	N/A
Medium Term Notes	53601k)	20% maximum	See Schedule II	Maximum 3 years	"A, A, A See Schedule II
Interest bearing Checking Account		20% maximum	N/A	Daily	Fully collateralized with US Treasuries or US Federal agency notes
Money Market Mutual Funds (MMF)	53601(i) and 53601.6(b)	20% maximum	See Schedule V	Daily	AAA (2 of 3 nationally recognized rating services)

33. SCHEDULE II POLICY CRITERIA CORPORATE AND MUNICIPAL SECURITIES

Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long-term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers’ acceptances, and commercial paper. Medium term securities will be restricted by the long-term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short-term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F1+ (SP-1+/MIG1/F1+)	AAA/Aaa/AAA	Corp. Maximum of 5% per issuer with no more than 2% greater than 1 year final maturity and no more than 1% greater than 2 year final maturity. Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.
2	A-1+/P-1/F1+ (SP-1+/MIG1/F1)	AA+/Aa1/AA+, AA/Aa2/AA	Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity. Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity. For the State of California debt only maximum of 2% greater than 13 month final maturity.
3	A-1+/P-1/F1+ (SP-1+/MIG1/F1)	AA-/Aa3/AA-	Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity. Muni. Maximum of 5% per issuer. No more than 13 month final maturity
4	A-1/P-1/F-1 (SP-1/MIG1/F1)	A/A2/A or better.	Corp. No Asset Backed programs. Maximum of 3% per issuer with no more than 2% greater than 30 days. No more than 90 days maximum maturity.

Rating Agency Comparison Table

Short-Term Scale

S&P	A-1+, A-1
Moody's	P-1
Fitch	F1+, F1

Long-Term Scale

S&P	AAA, AA+, AA, AA-, A+, A
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2
Fitch	AAA, AA+, AA, AA-, A+, A

34. SCHEDULE III AUTHORIZED BROKER/DEALERS

The TTC is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

Academy Securities, Inc.
Bank of New York
Inspere LLC
Piper Sandler & Co.
Ramirez & Co, Inc.
Raymond James & Associates, Inc.
Siebert Williams Shank & Co.
Stifel Nicolas & CoStoneX Financial Inc
Truist BankUnion Bank

2. Direct purchases from major commercial paper issuers, money market mutual funds, banker's acceptance issuers, negotiable CD issuers, or savings and loan are authorized.
3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the TTC, such transactions are deemed advantageous.

To ensure compliance with the County TTC's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the BOS.

35. SCHEDULE IV POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

1. The County TTC has elected to limit security transactions as mentioned in Schedule III. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The TTC is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local Treasurer, any member of the governing board of the local agency, or any candidate for those offices.
2. The County TTC's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The firm must specify the types of securities it specializes in and will be made available for our account.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
5. The firm must be willing to provide us monthly financial statements, and transactional confirms.
6. The County TTC is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

36. SCHEDULE V POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS

Before the TTC can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
3. Investments less than the FDIC insurance limit will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided monthly. A collateral waiver for the portion insured by the FDIC will be granted.
5. The County TTC must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
6. The County TTC will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
7. The County TTC must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
9. The County TTC must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict-of-interest situation exists between any County official and an officer or employee of the bank.
10. Time deposits will only be made with banks and savings and loans having branch office locations within Riverside County.

37. SCHEDULE VI POLICY CRITERIA FOR ENTERING INTO A MONEY
MARKETFUND

Shares of beneficial interest issued by diversified management companies, also known as money market mutual funds, invest in the securities and obligations authorized by GOV §GOV § 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

1. The fund must have a AAA rating from two of the nationally recognized rating services: Moody's, Fitch, Standard & Poor's.
2. The fund's prospectus cannot allow hedging strategies, options or futures.
3. The fund must provide a current prospectus before participation in the fund and provide access to copies of their portfolio reports

GLOSSARY

AGENCY ISSUES - Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

ASSET-BACKED SECURITY (ABS) - A financial security backed by a loan, lease, or receivables against assets other than real estate and mortgage-backed securities.

COLLATERALIZATION - Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT - An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER - Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

COUPON - The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY - An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

CREDIT RATING - A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

CREDIT RISK - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DIVERSIFICATION - The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY - The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION - Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent

increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

EARNINGS APPORTIONMENT - Is the quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

GOVERNMENT OBLIGATIONS - Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE'S) - Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include: Federal National Mortgage Association (FNMA) Federal Home Loan Bank (FHLB) Federal Farm Credit Bank (FFCB) Federal Home Loan Mortgage Corporation (FHLMC) LIQUID - A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY OBLIGATION - An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM - The term used to describe a security when the maturity is greater than one year.

MARKET VALUE - An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES - These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND - A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT - A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

PAR - The stated maturity value, or face value, of a security.

POOL - In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

PORTFOLIO VALUE - The total book value amount of all the securities held in the Treasurer's Pooled Money Fund.

PRIMARY DEALER - A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

REPURCHASE AGREEMENT - A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT - The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

SAFEKEEPING - A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SECURITIES LENDING - A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SHORT-TERM - The term used to describe a security when the maturity is one year or less.

VOLUNTARY PARTICIPANTS - Local agencies that are not required to deposit their funds with the County Treasurer.

WHEN-ISSUED SECURITIES - A security traded before it receives final trading authorization with the investor receiving the certificate/security only after the final approval is granted.
YIELD - The gain, expressed as a percentage that an investor derives from a financial asset.

YIELD TO MATURITY - The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

AGENDA ITEM 7

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

DATE:	December 21, 2022
TO:	Western Riverside County Regional Conservation Authority
FROM:	Tyler Madary, Legislative Affairs Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	2023 State and Federal Legislative Platform and Legislative Update

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Board of Directors take the following action(s):

- 1) Adopt RCA’s 2023 State and Federal Legislative Platform; and
- 2) Receive and file a state and federal legislative update.

BACKGROUND INFORMATION:

Draft 2023 State and Federal Legislative Platform

The RCA annually adopts a legislative platform that serves as the framework for policy positions the Board of Directors will take on various pieces of legislation, administrative policies, and regulations. The platform addresses broad themes that are critical in both Sacramento and Washington, D.C. These platform points allow staff, Board Directors, and the RCA’s lobbyists to communicate in a timely, effective manner with state and federal agencies and elected representatives as issues arise.

The proposed 2023 State and Federal Legislative Platform builds on previously adopted Board platforms. Recommended adjustments to the 2022 Board-adopted platform are based on lessons learned in the past year. Adjustments include:

- Supporting policies, programs, and increased funding that protect, expand, or streamline RCA’s ability to acquire and manage reserve lands, monitor habitat loss, and review applications for infrastructure or development projects; and
- Technical and clarifying revisions.

The proposed 2023 State and Federal Legislative Platform is attached, with track changes, to highlight additions and deletions from the adopted 2022 version.

State Update

The California State Legislature convened the 2023-24 Regular Session on December 5, 2022. During the recess, the Assembly Democratic Caucus reached a tentative agreement for Speaker Anthony Rendon (Lakewood) to continue serving as Assembly Speaker through the budget cycle in June, at which point Assemblymember Robert Rivas (Hollister) is expected to assume the leadership role. All eyes will be on the Governor's budget proposal which is required to be submitted in early January 2023. As previously reported, California is facing a budget deficit due to underperforming revenue projections. A budget deficit of \$25 billion is currently projected.

RCA Meeting with the Wildlife Conservation Board

On December 1, 2022, RCA staff met with Wildlife Conservation Board (WCB) Executive Director John Donnelly to highlight regional acquisition opportunities and advocate for a more programmatic approach to funding land acquisitions for HCPs and NCCPs. RCA values WCB as a partner. Indeed, RCA has acquired 146 acres since January 2021 thanks to \$10,760,000 in awards from WCB.

Federal Update

FY 2023 Appropriations

As of the writing of this report, negotiations continue regarding federal appropriations. Agreement had not yet been reached for the FY 2023 Appropriations bill ahead of the December 16th deadline, at which point the previous Continuing Resolution was set to expire. There are discussions in Washington, D.C. regarding the prospect of a year-long Continuing Resolution that would maintain spending at FY 2022 levels, as opposed to negotiating a bill in the newly divided Congress.

Wildlife Refuge Bill

As the 117th Congressional Session winds down, staff continue to closely monitor efforts to establish a wildlife refuge in western Riverside County and engage stakeholders, including tribal partners, and the offices of Senator Feinstein and Congress Member Calvert. Staff understand that tribal partners, utilities, and other stakeholders are working with author offices to explore amendments to the language. Staff will keep the Board apprised of opportunities to advocate and engage.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachments:

- 1) Draft 2023 Legislative Platform – Redline Version
- 2) Draft 2023 Legislative Platform – Clean Version
- 3) State and Federal Update Legislative Matrix

RCA 2023~~2~~ State and Federal Legislative Platform

Purpose

The 2023~~2~~ Western Riverside County Regional Conservation Authority (RCA) State and Federal Legislative Platform is the framework that guides the advocacy efforts of the RCA for state and federal policies and funding that will advance implementation of the western Riverside County Multiple Species Habitat Conservation Plan (MSHCP).

The 2023~~2~~ RCA State and Federal Legislative Platform declares the Board's policy priorities while providing staff and contract lobbyists with the agility to weigh in on critical legislative matters in a time-effective manner on behalf of the Board, as well as providing local, tribal, state, and federal elected officials, and their staff, and community stakeholders with foreknowledge of RCA's priorities and goals.

Regional Control

- Land acquisition and planning authority for projects and programs that utilize state and federal funds should be as local as possible, ~~preferably in the hands of~~ with oversight from the Board, ~~with~~ enable maximum flexibility, and be consistent with the goals and Board's responsibilities under the MSHCP.
- State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration with Habitat Conservation Plans (HCP)s and Natural Community Conservation Plans (NCCP)s, individually and through the National Habitat Conservation Plan Coalition (NHCP) and California Habitat Conservation Planning Coalition (CHCPC) and should be ~~both~~ timely and predictable.
- Policies should recognize and promote the positive and enabling benefits that HCPs and NCCPs bring to species, habitats, ecosystems, climate, air quality, infrastructure and housing development, economic growth, and the health and wellness of surrounding communities.
- Support efforts to preserve, stabilize, leverage, and increase state and federal funding for implementation of the MSHCP.

Protect Authority and Revenue

- Preserve and protect eExisting statutory authorities for the RCA, in its exercise of oversight responsibility of the MSHCP, ~~should be preserved and protected.~~
- Oppose efforts to infringe on the RCA's discretion in collecting and administering its revenue sources including, but not limited to: Local Development Mitigation Fees (LDMF), tipping fees, public projects, and participating special entity fees.

Alignment of Responsibilities

- Support strong collaborative partnerships with local governments, tribes, and state and federal agencies.
- Support ~~efforts by the~~ state and federal policies and increased funding that enable them ~~governments~~ to meet their commitment to conserve 56,000 acres, or one-third of the Additional

~~Reserve Lands (ARL), land conservation requirements,~~ as initially intended by the MSHCP ~~(one-sixth of the Additional Reserve Lands, respectively).~~

- Support establishment of the Western Riverside County National Wildlife Refuge to expand partnership with the U.S. Fish and Wildlife Service (USFWS) to facilitate the fulfillment of the federal government’s commitment under the MSHCP by providing additional resources for federal land acquisition, and thereby provide for public recreational access and foster landscape-scale conservation.
- Support provision of sufficient resources for state and federal agency field offices to process grant applications and facilitate land acquisition, species monitoring, and land management ~~in order to~~ advance the implementation of the MSHCP.
- Pursue opportunities for collaboration with state and federal agencies that allow for RCA to claim full or partial credit for individual ARL acquisitions.
- Support the increased frequency of meetings, including special meetings, as appropriate, to be held by the Wildlife Conservation Board to facilitate more timely grant approvals.

Habitat Conservation ~~Planning~~

Land Acquisition, Management, and Species Monitoring

- Support policies, programs, and increased funding that protect, expand, or streamline RCA’s ability to ~~compete for and expend state and federal grant funds in a timely and efficient manner~~ to acquire and manage reserve lands, monitor habitat loss, and review applications for infrastructure or development projects.
- Pursue regulatory and program improvements to enhance timeliness, certainty, and successful transactions in the grant-financed land acquisition process and procedures at the state and federal levels, Recommended improvements would be akin to recent efforts to work with the USFWS on Section 6 grant eligibility and criteria scoring to prioritize land acquisition, such as area-based planning, increased flexibility in real estate transactions, and recognition of single species protection and multi-benefit projects that protect habitat values such as connectivity or biodiversity including, but not limited to, eliminating requirements or preferential application scoring for “willing seller” letters, unnecessary federal appraisal review practices, and advance approval of small parcel lists.
- Support, when feasible, a block grant approach for state and federal funding for land acquisition of parcels already included within an approved HCP/NCCP boundary.
- Engage in policy discussions regarding the expanded federal Land and Water Conservation Fund (LWCF) trust, which now includes Section 6 and Refuge funding, as authorized by the Great Americans Outdoors Act. Oppose efforts to reduce, redirect, or delay expenditure of this funding.
- Support Congressional action to continue and expand dedicated funding, such as the LWCF, for the Cooperative Endangered Species Conservation Fund, particularly ~~(CESCF – Non-Traditional Section 6 grants)~~ within the USFWS of the U.S. Department of Interior ~~(USDOI).~~
- Increase annually appropriated discretionary funding for the Endangered Species Act (ESA) Section 6 Cooperative Endangered Species Conservation Fund land acquisition grant programs to help fund local land acquisition and easements critical to the MSHCP.
- Support policies that incentivize or fund land conservation by HCPs and NCCPs in disadvantaged communities ~~in order~~ to protect habitats under threat of development while expanding equitable access to open space and recreation.

State and Federal Climate Action and Conservation Goals

- Support state and federal policies that promote HCPs and NCCPs as existing, shelf-ready tools that advance nature-based solutions to bolster the long-term climate resilience of protected habitats and carbon-~~sinking~~ storing landscapes, including shrubland and chapparral, through strategic land acquisition, carbon sequestration, and adaptive management actions that mitigate climate impacts.
- Ensure that the MSHCP is recognized and provided commensurate resources as state and federal agencies implement strategies to use nature-based solutions to fight climate change through land conservation, preserving and growing-increasing biodiversity, and boosting climate resilience via initiatives such as “America the Beautiful,” “30 by 30,” and Executive Order N-82-20.
- Advocate that California Cap-and-Trade revenues be expended in a manner that enables the RCA to complete the 500,000-acre reserve of the MSHCP, as well as restore and uplift habitats.

Infrastructure ~~Planning and Delivery~~

Planning and Delivery

- Support policies that identify the MSHCP as a tool for streamlining as mitigation for delivery of infrastructure ~~development~~projects. Oppose efforts that would impose barriers to the MSHCP as a mitigation tool.
- Support the development and implementation of HCPs and NCCPs, which serve to streamline the ESA ~~take~~-permitting process, facilitate public infrastructure and private development, protect endangered and threatened species, and the ecosystems they depend on.
- Support efforts or initiatives that expedite the approval of HCPs, NCCPs, or Special Area Management Plans (SAMP) statewide or nationwide for the benefit of transportation and infrastructure projects, and reduce redundancy in state and federal permitting requirements.
- Support, on a pilot basis, ~~that the inclusion in~~ infrastructure funding programs of the requirement that projects utilizing specified funding must use existing USFWS-permitted HCPs to meet a predetermined share of their ESA-related mitigation requirements, provided that the pilot program allows those projects ~~be allowed~~ to pursue biologically equivalent mitigation in any HCP within that state or region.
- Support state and federal policies and funding that incentivize the development of wildlife crossings in HCPs and NCCPs.

Innovative Financing

- Pursue enactment of a Transportation Infrastructure Finance and Innovation Act (TIFIA) amendment, to authorize loans for habitat acquisition in conjunction with otherwise eligible infrastructure projects.

Regional and National Partnerships

- Collaborate and continue to play a leadership role with regional, state, and national habitat conservation planning coalitions to impact funding and regulatory policies to support habitat conservation via the expedited and expanded use of HCPs.

RCA 2023 State and Federal Legislative Platform

Purpose

The 2023 Western Riverside County Regional Conservation Authority (RCA) State and Federal Legislative Platform is the framework that guides the advocacy efforts of the RCA for state and federal policies and funding that will advance implementation of the western Riverside County Multiple Species Habitat Conservation Plan (MSHCP).

The 2023 RCA State and Federal Legislative Platform declares the Board's policy priorities while providing staff and contract lobbyists with the agility to weigh in on critical legislative matters in a time-effective manner on behalf of the Board, as well as providing local, tribal, state, and federal elected officials, their staff, and community stakeholders with foreknowledge of RCA's priorities and goals.

Regional Control

- Land acquisition and planning authority for projects and programs that utilize state and federal funds should be as local as possible, with oversight from the Board, enable maximum flexibility, and be consistent with the goals and Board responsibilities under the MSHCP.
- State and federal rulemakings, administrative processes, program guidelines, and policy development activities should include meaningful collaboration with Habitat Conservation Plans (HCP) and Natural Community Conservation Plans (NCCP), individually and through the National Habitat Conservation Plan Coalition (NHCP) and California Habitat Conservation Planning Coalition (CHCPC) and should be timely and predictable.
- Policies should recognize and promote the positive and enabling benefits that HCPs and NCCPs bring to species, habitats, ecosystems, climate, air quality, infrastructure and housing development, economic growth, and the health and wellness of surrounding communities.
- Support efforts to preserve, stabilize, leverage, and increase state and federal funding for implementation of the MSHCP.

Protect Authority and Revenue

- Preserve and protect existing statutory authorities for the RCA, in its exercise of oversight responsibility of the MSHCP.
- Oppose efforts to infringe on the RCA's discretion in collecting and administering its revenue sources including, but not limited to: Local Development Mitigation Fees (LDMF), tipping fees, public projects, and participating special entity fees.

Alignment of Responsibilities

- Support strong collaborative partnerships with local governments, tribes, and state and federal agencies.
- Support state and federal policies and increased funding that enable them to meet their commitment to conserve 56,000 acres, or one-third of the Additional Reserve Lands (ARL), as initially intended by the MSHCP.

- Support establishment of the Western Riverside County National Wildlife Refuge to expand partnership with the U.S. Fish and Wildlife Service (USFWS) to facilitate the fulfillment of the federal government’s commitment under the MSHCP by providing additional resources for federal land acquisition, and thereby provide for public recreational access and foster landscape-scale conservation.
- Support provision of sufficient resources for state and federal agency field offices to process grant applications and facilitate land acquisition, species monitoring, and land management to advance the implementation of the MSHCP.
- Pursue opportunities for collaboration with state and federal agencies that allow for RCA to claim full or partial credit for individual ARL acquisitions.
- Support the increased frequency of meetings, including special meetings, as appropriate, to be held by the Wildlife Conservation Board to facilitate more timely grant approvals.

Habitat Conservation

Land Acquisition, Management, and Species Monitoring

- Support policies, programs, and increased funding that protect, expand, or streamline RCA’s ability to acquire and manage reserve lands, monitor habitat loss, and review applications for infrastructure or development projects.
- Pursue regulatory and program improvements to enhance timeliness, certainty, and successful transactions in the grant-financed land acquisition process and procedures at the state and federal levels. Recommended improvements would be akin to recent efforts to work with the USFWS on Section 6 grant eligibility and criteria scoring to prioritize land acquisition, such as area-based planning, increased flexibility in real estate transactions, and recognition of single species protection and multi-benefit projects that protect habitat values such as connectivity or biodiversity.
- Support, when feasible, a block grant approach for state and federal funding for land acquisition of parcels already included within an approved HCP/NCCP boundary.
- Engage in policy discussions regarding the expanded federal Land and Water Conservation Fund (LWCF) trust, which now includes Section 6 and Refuge funding, as authorized by the Great Americans Outdoors Act. Oppose efforts to reduce, redirect, or delay expenditure of this funding.
- Support Congressional action to continue and expand dedicated funding, such as the LWCF, for the Cooperative Endangered Species Conservation Fund, particularly Non-Traditional Section 6 grants within the USFWS of the U.S. Department of Interior.
- Increase annually appropriated discretionary funding for the Endangered Species Act (ESA) Section 6 Cooperative Endangered Species Conservation Fund land acquisition grant programs to help fund local land acquisition and easements critical to the MSHCP.
- Support policies that incentivize or fund land conservation by HCPs and NCCPs in disadvantaged communities to protect habitats under threat of development while expanding equitable access to open space and recreation.

State and Federal Climate Action and Conservation Goals

- Support state and federal policies that promote HCPs and NCCPs as existing, shelf-ready tools that advance nature-based solutions to bolster the long-term climate resilience of protected habitats and carbon storing landscapes, including shrubland and chaparral, through strategic land acquisition, carbon sequestration, and adaptive management actions that mitigate climate impacts.

- Ensure that the MSHCP is recognized and provided commensurate resources as state and federal agencies implement strategies to use nature-based solutions to fight climate change through land conservation, preserving and increasing biodiversity, and boosting climate resilience via initiatives such as “America the Beautiful,” “30 by 30,” and Executive Order N-82-20.
- Advocate that California Cap-and-Trade revenues be expended in a manner that enables the RCA to complete the 500,000-acre reserve of the MSHCP, as well as restore and uplift habitats.

Infrastructure

Planning and Delivery

- Support policies that identify the MSHCP as a tool for streamlining delivery of infrastructure projects. Oppose efforts that would impose barriers to the MSHCP as a mitigation tool.
- Support the development and implementation of HCPs and NCCPs, which serve to streamline the ESA permitting process, facilitate public infrastructure and private development, protect endangered and threatened species, and the ecosystems they depend on.
- Support efforts or initiatives that expedite the approval of HCPs, NCCPs, or Special Area Management Plans (SAMP) statewide or nationwide for the benefit of transportation and infrastructure projects, and reduce redundancy in state and federal permitting requirements.
- Support, on a pilot basis, the inclusion in infrastructure funding programs of the requirement that projects utilizing specified funding must use existing USFWS-permitted HCPs to meet a predetermined share of their ESA-related mitigation requirements, provided that the pilot program allows those projects to pursue biologically equivalent mitigation in any HCP within that state or region.
- Support state and federal policies and funding that incentivize the development of wildlife crossings in HCPs and NCCPs.

Innovative Financing

- Pursue enactment of a Transportation Infrastructure Finance and Innovation Act (TIFIA) amendment, to authorize loans for habitat acquisition in conjunction with otherwise eligible infrastructure projects.

Regional and National Partnerships

- Collaborate and continue to play a leadership role with regional, state, and national habitat conservation planning coalitions to impact funding and regulatory policies to support habitat conservation via the expedited and expanded use of HCPs.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY POSITIONS ON STATE AND FEDERAL LEGISLATION – NOVEMBER 2022

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
S. 4669 (Feinstein)	A bill to establish the Western Riverside County Wildlife Refuge. This legislation establishes a refuge boundary and the federal government's framework to meet its obligations under the Multiple Species Habitat Conservation Plan (MSHCP) Implementing agreement.	Read twice and referred to the Committee on Environment and Public Works. July 28, 2022	<i>Support</i>	September 12, 2022
H.R. 972 (Calvert)	A bill to establish the Western Riverside County Wildlife Refuge. This legislation creates the federal government's framework to meet its obligations under the Multiple Species Habitat Conservation Plan (MSHCP) Implementing agreement.	Reported to House. Placed on the Union Calendar, Calendar No. 216. April 25, 2022	<i>Support</i>	April 5, 2021