

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

BOARD OF DIRECTORS MEETING MINUTES

Monday, May 6, 2024

1. CALL TO ORDER

The Western Riverside County Regional Conservation Authority Board of Directors Meeting was called to order by Chair Kevin Bash at 12:28 p.m., in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501.

2. ROLL CALL

Board of Directors/Alternates Present

Kevin Jeffries
Karen Spiegel*
Chuck Washington*
Yxstian Gutierrez*
Colleen Wallace
Julio Martinez
Jeff Cervantez
Wes Speake
Carole Kendrick
Leslie Altamirano*

Natasha Johnson
Lesa Sobek
Ron Holliday
Kevin Bash
David Starr Rabb
Patricia Lock Dawson
Crystal Ruiz
James Stewart
Joseph Morabito

Board of Directors Absent

V. Manuel Perez
Mark Terry
Jocelyn Yow
Ulises Cabrera

*Arrived after the meeting was called to order.

At this time, Board Member Spiegel arrived.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Speake.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

At this time, Board Members Altamirano and Washington arrived.

- 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/Wallace) to approve the following Consent Calendar items.

6A. APPROVAL OF MINUTES – APRIL 1, 2024

6B. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR FEBRUARY 2024

This item is for the Board of Directors to receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection report for February 2024.

6C. JOINT PROJECT REVIEW STATUS REPORT

This item is for the Board of Directors to receive and file the Joint Project Review (JPR) monthly status report as of March 31, 2024.

6D. ACQUISITIONS STATUS REPORT

This item is for the Board of Directors to receive and file the acquisition status report as of February 29, 2024.

6E. MONTHLY INVESTMENT REPORT FOR FEBRUARY 2024

This item is for the Board of Directors to receive and file the Monthly Investment Report for the month ended February 29, 2024.

6F. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JANUARY - MARCH 2024

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

6G. SINGLE SIGNATURE AUTHORITY REPORT

This item is for the Board of Directors to receive and file the Single Signature Authority report for the third quarter ended March 31, 2024.

6H. RECURRING CONTRACT FOR FISCAL YEAR 2024/25

- 1) Approve the single-year recurring contract with the Santa Ana Watershed Association (SAWA) for biological monitoring services in an amount not to exceed \$2,114,900, for FY 2024/25; and

- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to execute the agreement on behalf of RCA.

6I. STATE AND FEDERAL LEGISLATIVE UPDATE

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

7. ADOPTION OF FISCAL YEAR 2024/25 BUDGET

Jennifer Fuller, Financial Administration Manager, provided a presentation on the Proposed Budget for Fiscal Year 2024/25. RCA's budget preparation began in January with finance staff working with program staff to compile budget data and revenue estimates. Staff prepared an Executive Summary with all budget-related information in one document. The document includes the budget policies, goals and objectives, an overview with a discussion on the sources of funding, program initiatives, fund balance, and a budget summary including the related schedules. The Executive Summary also includes two appendices, the first a glossary of terms and acronyms, and the second the FY 25 Workplan that describes the monitoring activities planned, and the schedule of field work including cost estimates for personnel and operation. The MSHCP requires a biological monitoring program to collect data on the 146 covered species and their associated habitats to assess the effectiveness at meeting conservation objectives. The Monitoring Program Administrator submits an annual workplan and cost estimate for the program to be approved by the RCA Board of Directors.

Staff projects fund balances, by fund, at the end of FY 25 General Fund \$20.9 million, Capital Projects Fund \$39.5 million, and the Endowments Fund at \$26.3 million. Staff anticipates beginning FY 25 with \$86.7 million in total fund balances, over 75% of this amount or \$63.7 million is restricted in how it can be used or is for non-spendable endowments. Another nearly 12%, or \$10.2 million, must be maintained according to the Fund Balance Policy set by the Board. Currently, there is more demand for RCA to purchase properties than supply of funds in the current year. The FY 25 estimated sources are budgeted at \$63.5 million and estimated uses are also budgeted at \$63.5 million. The budget is balanced, meaning sources are estimated to match uses overall, however, it is estimated that RCA's General Fund uses will exceed sources by \$4 million, and in the Endowments Fund sources will exceed uses by \$4 million.

At this time, Board Member Guterrez arrived.

On April 1, 2024, RCA staff presented the Proposed Budget to the Executive Committee. Since that time, staff have adjusted the Local Development Mitigation Fee (LDMF) revenues, Joint Project Review (JPR) revenues, Transfers-In and Out, and contract expenditures with some offsets to fund balance. The increase in LDMF is due to the continued strong collections in the current year, that staff expect will continue into FY 2025. The increase in revenue will offset increasing expenditures for contract costs within both the General and Capital Projects Fund. The FY 2023/24 projections were also updated to reflect current expectations for costs, as of

fiscal year end. Projected ending fund balance as of June 30, 2024, is now projected to be \$86.7 million, a decrease of \$390,000.

Revenues for the upcoming fiscal year are anticipated to be approximately \$63.5 million, which is decrease of \$12.7 million from FY 24 projected actuals. The decrease is primarily contributed to a decrease in projected LDMF, contributions and donations, and interest. RCA's major funding sources include LDMF, State and Federal Grants, Land Donations, Tipping Fees from Riverside County, and Transportation Uniform Mitigation Fee (TUMF).

LDMF revenues are projected to decrease from the FY 24 projected actuals. State and Federal grant revenues will increase slightly, including the possible purchase of multiple properties using the Jurupa Mountain Grant, two properties using the 2022 Non-Traditional Section 6 Grant, and two properties using the 2023 Non-Traditional Section 6 Grant, plus a local assistance grant for evaluating Quino-Checker Spot Butterfly habitat. Staff are actively pursuing other grant opportunities, when grants are secured, staff will return to the Board with a budget adjustment to appropriate funding. Staff anticipated the acquisition of 5 land donations with an estimated value of \$3.9 million and over 200 acres during FY 25. Out of County tonnage is expected to remain close to current year levels next year, at \$3.5 million for 2.1 million tons. TUMF revenues approximate Western Riverside Council of Governments' (WRCOG) projections for FY 24, staff projects \$1 million in TUMF revenues for FY 25. Other revenue sources include reimbursement for services, civic and infrastructure contributions, interest, and other revenues. Operating Transfers-In relate to funding for reserve management and monitoring and program administration that will be covered by LDMF revenues. An identical amount is included in the habitat acquisition budget as an Operating Transfers-Out.

LDMF in FY 2021 through 2024 include recognized pre-payments from member agencies, the majority of which were recognized in FY 21. Staff anticipates that FY 25 revenues will decrease to \$24.1 million. The LDMF fluctuates with the economy and as such, is an unreliable revenue source. This is likely a prudent projection and staff will monitor LDMF revenue throughout the fiscal year and bring forward a budget adjustment if the collections are markedly different from the projections.

Expenses are projected to decrease approximately \$37 million for the upcoming fiscal year, when compared with FY 24 projected actuals. This is largely due to a decrease in land purchases, offset by an increase in contracts, debt service, and other expenditures. The spending for RCA's four programs is consistent with RCA's core responsibilities under the MSHCP and the 2020 Nexus Study. Program Administration and Reserve Monitoring and Management make up RCA's General Fund, Habitat Acquisitions is the Capital Projects Funds, and the Endowments are accounted for in Endowment Funds. Habitat Acquisition is projected to decrease significantly from fiscal year projected actuals. The FY 25 Budget includes the purchase of nearly 20 properties and the donation of 5 properties. Approximately 76% of the costs of the properties will be covered by state and federal grants or are donations. This is the first year of the debt service related to the Toscana property, funding for this years' payment will total \$6.4 million. Reserve Monitoring and Management and Program Administration are increasing

mainly related to rising contract costs from vendors. Overall, proposed expenditures for the FY 25 Budget are \$63.5 million.

General Administration expenditures are nearly flat when compared to the FY 24 Amended Budget. RCA pays most of its' contracts through the RCTC Management Services Agreement. Only payments for County services are paid directly by RCA. Services paid for through the RCTC Management Services Agreement will increase from the FY 24 Amended Budget by about \$2.4 million and will increase \$4.4 million from the FY 24 projected actuals. The increase from the amended budget is due to additional contracted services and administrative allocation offset by decreases in proposed spending on land acquisition support and legal services.

The increase from the FY 24 projected actuals includes salaries and benefits, administrative allocation, and contracted services. Land Management Services with Riverside County Parks is budgeted at over \$2.2 million, an increase from the FY 24 Amended Budget. Parks will provide day-to-day land management activities plus additional reimbursable activities related to deposit agreements, fire abatement, and endowment related work. Assessments and Fees expenditures of \$80,000 represents special assessments including Homeowner's Association Fees for RCA owned lands subject to such fees. Debt Services expenditures relate to the note payable on the Toscana purchase, this is the first payment of the 4-year note. Habitat Acquisition and Maintenance budget expenditures of \$39.1 million reflect the largest decrease from the FY 24 Amended Budget and includes the value of land acquired and the cost to acquire it. The 2020 Nexus Study permits the use of LDMF revenues for all functions of the RCA. Operating Transfers-Out relates to the transfer of LDMF revenues from the Capital Projects Fund to the General Fund to assist with budget needs for reserve monitoring and management and program administration.

Habitat Acquisition and Maintenance budgeted expenditures of \$39.1 million reflect three different types of acquisitions. State and federal grants provide more than half the projected budget for acquisitions in FY 25. Funding is derived from the 2022 Non-Traditional Section 6 Grant for 2 properties for nearly 60 acres, the 2023 Non-Traditional Section 6 Grant for 2 properties for over 400 acres, as well as the State Jurupa Mountains Grant for 7 properties for over 300 acres. The remaining acquisitions will be funded by LDMF and some TUMF funds to purchase willing seller and Non-Development HANS properties.

RCA will also provide funding for state and federal grant properties were updated appraisals have valued the properties at greater than the grant amount and provide additional funding for the Lake Elsinore Back Basin Project. Staff anticipates acquiring 9 properties for approximately 450 acres. LDMF funds also support other costs of acquisition including appraisals, title reports, legal services, environmental reviews, surveying, and other costs associated with the acquisition of habitat. RCA staff also expect to receive 5 donations during FY 25 for a projected value of \$3.9 million and 200 acres.

When RCTC became the managing agency of RCA in January 2021, staff began quickly looking for processes that could be streamlined and efficiencies gained. Many contracts were combined, and RCA now pays all contracts through RCTC except for County provided services.

Overall, the management services contract includes RCTC staff salaries and benefits of \$4 million; general administration costs of \$5.3 million related to an estimated administrative cost allocation, Board stipends, facilities management, legal, audit, public outreach, legislative advocacy services, and miscellaneous costs; other habitat acquisition costs of \$1.3 million related to appraisals and environmental services; \$3.5 million for management and monitoring contracts; and finally \$70,000 for the Legacy Home Rebate Program.

Board Member Holliday wanted to know more about the increases in the habitat acquisition from FY 2023 which was \$18 million to FY 24 projected cost of \$88 million, and the FY 25 Budget is less than half that amount. Jennifer Fuller stated that there were 2 rather expensive properties that were purchased in FY 24, and it is not anticipated that properties costing that same amount will be purchased in FY 25. While there are several that are in process, but they will not be purchased in FY 25, they will be purchased in outer years.

M/S/C (Johnson/Speake) to:

- 1) **Adopt the Fiscal Year 2024/25 Budget and related Resolution No. 2024-005 “Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting the Fiscal Year 2024/25 Operating and Capital Budget Including Budget Policies”;** and
- 2) **Approve the Biological Monitoring Program Work Plan and Cost Estimate included as Appendix B in the Fiscal Year 2024/25 Budget.**

8. SOBOBA LUISEÑO VILLAGE PROJECT CEQA RESPONSIBLE AGENCY FINDINGS, CRITERIA REFINEMENT FINDINGS, APPROVAL OF MEMORANDUM OF UNDERSTANDING FOR REPLACEMENT LAND, AND INDEMNITY AGREEMENT

Aaron Gabbe, Regional Conservation Director, provided a presentation on the Luiseño Village Retail Center Criteria Refinement. The MSHCP provides the option for a criteria refinement when a proposed project occurs in the criteria area where MSHCP conservation is described and where there is no opportunity to shift the conservation elsewhere in the Criteria Cells to enable the project to proceed on the proposed site.

The proposed project site is in the City of San Jacinto. The project site is located just south of Main Street, west of the San Jacinto River and Ramona Expressway. The project is the construction of a commercial development and associated infrastructure.

The project site is 9.5 acres and lies in MSHCP Proposed Core 5. Proposed Core 5 includes the San Jacinto River and adjacent lands that serve as dry refugia during high flows. This core is to support several species that have specialized habitat needs including mountain yellow-legged frog, arroyo toad, least Bell's vireo, southwestern willow flycatcher, San Bernardino kangaroo rat, and Los Angeles pocket mouse.

The site of the project is just south of Main Street and the replacement lands are roughly a mile and a quarter from the project site to the north. The replacement lands are directly adjacent

to the San Jacinto River, and due to its' proximity, the river provides better conservation value than the project site itself. The project site is separated from the river by the Ramona Expressway and the Eastern Municipal Water District basins. The Soboba Band of Luiseño Indians are both the project applicant and under control of the replacement conservation lands. The replacement conservation lands will come into the MSHCP reserve lands through a Memorandum of Understanding between Soboba and the RCA.

When a Criteria Refinement is proposed, the replacement conservation lands are required to be equal or superior to the originally described lands and the replacement conservation lands must be in a location that will functionally contribute to the MSHCP reserve system. In total, the replacement conservation land provides more habitat and higher quality habitat than what is on the project site. The replacement conservation land support grassland and Los Angeles pocket mouse like the project site but also supports a very rare vegetation community, the Riversidean alluvial fan sage scrub, and San Bernardino kangaroo rat, one of the planning species for Proposed Core 5. The location of the replacement conservation land is better situated, immediately adjacent to the San Jacinto River is also an improvement above the project site location.

In summary, the equivalency analysis done for the proposed Criteria Refinement was found consistent with the MSHCP, because the replacement lands are superior to the project lands.

There is no fiscal impact for this Board item.

Board Member Martinez wanted to confirm that the replacement conservation land supported all the species that were listed at the project site. Aaron Gabbe stated that it was correct, the replacement conservation land does support all species from the project site.

Board Member Ruiz stated the City of San Jacinto was standing proud with the Soboba Band of Luiseño Indians. This project is an important project for the city as well as them. They have worked hard on completing this exchange, making it not only fair but a benefit to RCA.

Board Member Jeffries noted that this effort began 5 to 6 years ago and wanted to know if it was customary to take this long to process. Aaron Gabbe stated that there are several reasons that effect the time it takes for a Criteria Refinement to be completed. There is not a timeline for how long the average Criteria Refinement takes, but they do take time. RCA staff does everything possible to get them completed in a timely manner and be responsive.

Board Member Speake thought that this was a great exchange, even though it took a little longer than expected. This will be very beneficial for both parties and nice that those species will be in the right places.

Aaron Hake, Executive Director, heard the comments from the Board Members loud and clear. This is an example of the MSHCP working because it was constructed to allow the landowner an opportunity to develop land that was otherwise described for conservation. Instead of RCA purchasing the land, the land is able to be developed and in exchange, RCA is getting land that

comes out equal to or to the benefit of the conservation purposes intended by the MSHCP. As it was mentioned, Criteria Refinement projects all vary in their complexity and the duration of time. RCA keeps very close track of the timeline of when items are on our desks, and the RCA is adhering to the deadlines and reporting back when necessary. There are often back and forth exchanges that require multiple rounds of review, but RCA keeps meticulous track of how long items are sitting with us so the applicants can move forward.

M/S/C (Ruiz/Johnson) to:

- 1) Conduct a public hearing on the proposed Luiseño Village Project Criteria Refinement;**
- 2) Adopt Resolution No. 2024-007, *“Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Considering a Mitigated Negative Declaration for the Luiseño Village Retail Center Project, Making Responsible Agency Findings Pursuant to the California Environmental Quality Act, Accepting Findings and Making a Final Determination Regarding the Soboba Criteria Refinement, Approving the Memorandum of Understanding Regarding Habitat Management, and Approving the Reimbursement and Indemnity Agreement for Criteria Refinement (CR #19-02-14-01; JPR #19-09-04-02)”*;**
- 3) Approval and authorization of Memorandum of Understanding (MOU), *“Memorandum of Understanding by and Between the Western Riverside County Regional Conservation Authority and the Soboba Band of Luiseño Indians Regarding Habitat Management Pursuant to the Western Riverside County Habitat Conservation Plan”*;**
- 4) Approval of the Western Riverside County Regional Conservation Authority Reimbursement and Indemnity Agreement for Criteria Refinement (CR #19-02-14-01; JPR #19-09-04-02); and**
- 5) Authorize the RCA Executive Director, pursuant to legal counsel review and approval, to execute said agreements on behalf of the RCA.**

9. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT

Aaron Hake, Executive Director, shared that as the budget showed, RCA is expecting to receive state and federal grants this year, which the RCA is always actively pursuing. A couple weeks ago, RCA received notice from the California Department of Finance that effectively freezes 3 fiscal years’ worth of discretionary funding from the state that have not yet been spent, until the conclusion of the state budget negotiations in Sacramento. There are properties that RCA has in the queue for this months’ Wildlife Conservation Board (WCB) meeting and staff was hoping to receive some news on other grants soon, so that all could possibly now be in limbo. This is a fluid situation that staff is monitoring and will keep the Board Members apprised of any developments. RCA is advocating as best as they can to get the funds unfrozen and hope that they are spared any potential cuts to the budget.

Board Member Spiegel wanted to know if RCA’s grant was processing under the timely submission and if it was accepted, just not allocated. Aaron Hake stated that RCA has at least one property that is going to the WCB that has already been cleared for approval by staff.

It would now depend on whether the WCB would have the ability to approve the item with the budget freeze.

Board Member Spiegel added that there have been some grants that they have been trying to pull back after they were allocated.

Chair Bash shared some photos from the City of Norco Kiwanis Club Run Around the Lake to raise money for scholarships. RCA's Executive Director Aaron Hake not only joined the race, but also won. In talking to the second-place finisher who was ahead most the race, Aaron pushed ahead and ended up winning at the end.

12. ADJOURNMENT

There being no further business for consideration by the Western Riverside County Regional Conservation Authority Board of Directors, Chair Bash adjourned the meeting at 1:02 p.m. The next meeting of the Board of Directors is scheduled to be held on **Monday, June 3, 2024.**

Respectfully submitted,



Lisa Mobley
Administrative Services Director/
Clerk of the Board