



Board of Directors

Chairperson
Jonathan Ingram
City of Murrieta

Daniela Andrade
City of Banning

Julio Martinez
City of Beaumont

Ed Clark
City of Calimesa

Jeremy Smith
City of Canyon Lake

Jacque Casillas
City of Corona

Jocelyn Yow
City of Eastvale

Michael Perciful
City of Hemet

Lorena Barajas
City of Jurupa Valley

Natasha Johnson
Vice Chairperson
City of Lake Elsinore

Lesa Sobek
City of Menifee

David Marquez
City of Moreno Valley

Kevin Bash
City of Norco

David Starr Rabb
City of Perris

Andy Melendrez
City of Riverside

Crystal Ruiz
City of San Jacinto

James Stewart
City of Temecula

Joseph Morabito
City of Wildomar

Kevin Jeffries
County of Riverside

Karen Spiegel
County of Riverside

Chuck Washington
County of Riverside

V. Manuel Perez
County of Riverside

Jeffrey Hewitt
County of Riverside

Executive Staff

Charles Landry
Executive Director

3403 10th Street, Suite 320
Riverside, California 92501

P.O. Box 1667
Riverside, California 92502-1667

Phone: (951) 955-9700
Fax: (951) 955-8873
www.wrc-rca.org

September 17, 2019

Riverside County Grand Jury
Post Office Box 829
Riverside, CA 92502

RE: REPONSE TO 2018-2019 GRAND JURY REPORT: WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY (RCA)

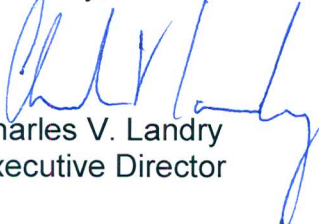
Dear Riverside County Grand Jury:

As required by California Penal Code Section 933(c), the Western Riverside County Regional Conservation Authority (RCA) hereby submits its responses to the 2018-2019 Grand Jury Report: Western Riverside County Regional Conservation Authority (RCA), dated June 26, 2019.

The RCA Board would like to thank the members of the 2018-2019 Grand Jury for their participation and effort in preparing their Report, and their participation in the Grand Jury process.

If you have any questions, I may be reached at (951) 955-9700.

Sincerely,



Charles V. Landry
Executive Director

Encl.

By Certified Mail Receipt No. 7016 0910 0001 2647 4714

**RESPONSE TO 2018-19
GRAND JURY REPORT
WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY**

The Western Riverside County Regional Conservation Authority (RCA) received a report from the Riverside County Civil Grand Jury (Grand Jury) on June 26, 2019.

RCA appreciates the Grand Jury's time and effort, and the Grand Jury's acknowledgement that the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP), as overseen by the RCA, "has provided great value to the County in terms of acceleration of transportation infrastructure, development and preservation of the habitat of endangered and threatened species."

However, many of the Grand Jury's findings and recommendations are factually inaccurate or demonstrate a lack of fundamental understanding about the MSHCP and the RCA's operations, responsibilities and structure. In some cases, the Grand Jury's findings, such as criticizing board oversight and recommending that RCA be merged with another agency, seem inconsistent.

Most distressing, the Grand Jury Report incorrectly states (and the local media subsequently reported) that Riverside County and the 18 partner cities involved in the MSHCP and RCA face financial risk for land acquisition costs. This is grossly inaccurate. Nothing in the MSHCP, permits, RCA Joint Exercise of Powers Agreement (JPA) or Implementing Agreement could be construed as to require obligation, appropriation or any expenditure of any money from the County or the cities.

Eight of the most significant examples within the Grand Jury Report of factual inaccuracy or a lack of fundamental understanding related to the RCA are listed below:

1. **Factually Inaccurate:** The Grand Jury Report misstates that the RCA is responsible for managing and patrolling 400,000 acres of existing reserve land. In fact, the agency is responsible for such activities on just 61,580 acres of those existing reserve lands.
2. **Factually Inaccurate, Lack of Fundamental Understanding:** The Grand Jury Report estimates that up to \$1.5 billion will be needed to complete the MSHCP, and erroneously states that this figure represents a significant financial risk to the County. Nothing in the MSHCP, permits, the JPA or Implementing Agreement could be construed as to require obligation, appropriation or any expenditure of any money from the County or the Cities. Further, the actual projected sum to complete the local obligation is \$770 million to complete acquisitions and an additional \$64 million for the endowment. The remainder is a federal and state obligation.
3. **Lack of Fundamental Understanding:** The Grand Jury Report questioned the RCA's \$200,000 contract with a Washington, D.C., lobbying firm but ignored that those lobbyists

have secured more than \$25 million in funding for the RCA -- a healthy return on investment for taxpayers.

4. **Factually Inaccurate, Lack of Fundamental Understanding:** The Grand Jury Report misstates that federal legislation to provide new grant funding opportunities for the RCA, “did not advance sufficiently before the end of the last Congressional session.” In fact, the momentum of those discussions resulted in new federal legislation that would provide grant funding opportunities to the RCA, namely HR2956, being introduced during the current Congressional session by Congressman Ken Calvert (CA-42) and cosponsored by Rep. Mark Takano (CA-41) and Rep. Pete Aguilar (CA-31). A companion Senate bill is expected soon.
5. **Factually Inaccurate:** The Grand Jury Report states that land for the MSHCP was expected to be acquired for \$4,000 per acre. This figure is incorrect as the MSHCP estimated reserve land would be acquired at \$13,100 per acre (MSHCP Section 8.3.1). Further, the average purchase price of land has been substantially lower at approximately \$8,500 per acre, and that has remained consistent. Staff estimates (per the latest draft Nexus Study Update) that the average per acre cost will increase to \$13,500 until the completion of the acquisition phase, due to increases in land value and development pressure.
6. **Factually Inaccurate:** The Grand Jury report states the RCA’s acquisition of the Anheuser Busch, LLC, as part of a \$46 million legal settlement escalated the land purchase costs of neighboring properties, and restricted RCA’s available land purchase funds. However, RCA has not seen an escalation in surrounding land values after the Anheuser Busch acquisition. Furthermore, when this property became available, the RCA had purchase funds available to acquire the Anheuser Busch land, which was critical to the reserve system. The Grand Jury also overlooked that the RCA continued negotiation efforts after the settlement which ultimately reduced the cost of this land by more than \$4 million.
7. **Lack of Fundamental Understanding:** The Grand Jury Report states the RCA’s Annual Report identifies how many acres have been designated for future conservation but does not state when those lands will be added to the reserve. What the Grand Jury Report overlooks is that development projects provide land to the MSHCP at the final stage of the project approval, such as when a grading permit is issued. The MSHCP cannot require land transfers or dedications for proposed projects that are still completing the environmental and entitlement review process as some projects may be abandoned or postponed. For this reason, the Annual Report cannot estimate when new land will be added to the reserve. Further, linking land transfers to grading permits provides reliability that should a Project occur, the lands will be transferred.
8. **Factually Inaccurate:** The Grand Jury Report questions why a census has never been conducted of every one of the 146 individual species protected by the MSCHP. However, the Report overlooks that the RCA, like every Habitat Conservation Agency in the nation,

cannot trespass on property to conduct species surveys on land they do not own. Surveys conducted on MSHCP reserve lands have detected 141 of the 146 species. Furthermore, the Grand Jury Report displays a fundamental lack of understanding of conservation modeling. It is an accepted and proven practice by regional HCPs/NCCPs nationwide to develop conservation strategies based on baseline species occurrence data and mapping of vegetation, soils, hydrology, topography, elevation, and other data. Using this information, modeling is performed to reliably predict species populations that will be protected when lands with the right criteria are conserved and managed in perpetuity.

FINDINGS AND RECOMMENDATIONS

1. Inadequate Board Oversight

Finding: RCA Board Members often have a limited understanding of the very complex requirements and obligations of this conservation agency. They need more measurable information on the long term trends of the RCA. Many elected Board Members do not remain on this Board for more than a few years, and so institutional memory of the Board is often limited. Only the Executive Board appears to make decisions about setting the agenda.

Recommendation: The RCA Executive Board needs to ensure that all Board Members are adequately trained in the mission and operational mechanisms of The Plan. Board Members must fully understand their essential role as primary policy makers of the RCA. The Executive Board should develop timely evaluations of the performance of The Plan, and report on the progress of RCA in meeting its goals to the Board. They need to ensure that information about the long-term trends of this agency is understood by all Board Members.

RESPONSE

Finding - Wholly Disagree: The current average tenure for Board Members is four years, and the 2018 average tenure was six years. New Board Members attend a comprehensive orientation and participate in monthly Board meetings. Many Board Members also participate in RCA committee meetings as well. Board Members also frequently interact with staff and request information. RCA Bylaws provide that any member of the Board may request an item be placed on an agenda, which is not unlike the laws and policies for creating agendas at any of the RCA's 18 member cities or the Board of Supervisors.

Recommendation Has Been Implemented: For many years, it has long been the policy and the practice for the RCA Board to receive an update from the RCA Executive Director at every monthly Board meeting as to the number of acres in the reserve, including how many acres have been acquired since the last meeting, as well as what potential lands are currently being discussed for potential acquisition. These presentations, coupled with related Board materials and reports, detail the long-term trends and performance of the MSHCP. The RCA Board is aware the agency has until 2029 to meet its acquisition

obligations and has been actively exploring various strategies for meeting this commitment.

2. Board Lack of Awareness of Financial Pitfalls

Finding: The RCA Board has not acknowledged its inability to meet the current time table for acquisition of habitat conservation lands. The current rate of land acquisition has slowed to the point where it is unlikely to expect that it will meet The Plan's goal of completion of habitat land reserve within the remaining ten years of the 25 year plan.

Recommendation: The Executive Board needs to direct the RCA staff to provide members of the Board with actionable information about the long term trends in income and land reserve. This will illuminate the concern about progress toward the land acquisition goal of The Plan.

RESPONSE

Finding - Wholly Disagree: The RCA Board receives an update from the RCA Executive Director at every monthly Board Meeting as to the number of acres in the reserve, including how many acres have been acquired since the last meeting. As such, the Board is kept informed and is fully aware that 61,514 acres – or more than 40% – of the required reserve has been acquired during 60% of the acquisition phase. Like all public agencies, the RCA is impacted by economic cycles, including the Recession that struck just four years after the RCA was formed and lingered over Riverside County. Significant progress has been made in the wake of this severe economic downturn.

Recommendation Has Been Implemented: As noted above, the RCA Board receives an update from the RCA Executive Director at every monthly Board Meeting as to progress being made on the MSHCP, as well as related reports and materials outlining the MSHCP's status and financial outlook. The RCA Board is aware the agency has until 2029 to meet its acquisition obligations and has been actively exploring various strategies for meeting this commitment. Strategies include, but not limited to, the new federal legislation that would provide funding and savings opportunities to the RCA, namely HR2956, which was introduced during the current Congressional session by Congressman Ken Calvert (CA-42) and cosponsored by Rep. Mark Takano (CA-41) and Rep. Pete Aguilar (CA-31). A companion Senate bill is expected soon.

The RCA and its lobbyists have also been involved in pursuing loan opportunities for habitat conservation as part of the pending "America's Transportation Infrastructure Act," which seeks to provide \$287 billion over five years for surface transportation programs.

3. Over \$1 Billion Will Be Needed Within the Next Ten Years

Finding: Even with the RCA's recent estimate of land acquisition costs at \$13,000 per acre, the necessary land acquisition costs to complete The Plan are expected to be a staggering

\$1.0 to \$1.5 billion dollars. This represents a significant financial risk to the County.

Recommendation: The Executive Board urgently needs to work with the RCA staff to identify all options anticipated in the 2017 Nexus report regarding the revision of the scheduled mitigation fees. In addition to other funding mechanisms, including loans and alliances with other federal agencies, the Board should explore other options to meet the overwhelming costs of future land acquisition. The Executive Board should make recommendations, provide justification for proposed mitigation rate increases and present other tax options to the entire Board for review and confirmation. Tax options are described in the 2008 Rand report. The Board should convene the Funding Coordination Committee, which is described in The Plan, Volume 1, Section 6.6.2.D, and meet with the wildlife agencies to address these common funding concerns. All agencies, including the wildlife agencies, need to improve collections to meet their land acquisition goals.

RESPONSE

Finding – Wholly Disagree: The MSCHP estimated the average price per acre would be \$13,100. However, the average purchase price of land has been substantially lower at approximately \$8,500 per acre, and that has remained constant. It is estimated that \$770 million will be needed to acquire the remaining local obligation acreage, or about half of the sum that the Grand Jury Report estimates, according to the draft Nexus Study Update.

Concerning risk to the County, the obligations of the County are limited to those set forth in the MSHCP, Permits, JPA and Implementing Agreement. Nothing in the agreements is to be construed to require the obligation, appropriation, or expenditure of any money from the County or cities. (See Section 22 of the Joint Exercise of Powers Agreement and Section 27.11 of the Implementing Agreement.)

The Grand Jury Report overlooks that the permits held by the RCA have mitigated risks to the county and to date has saved taxpayers more than \$500 million by accelerating the construction of over \$5 billion in major freeway and road improvements across Western Riverside County by two to five years. These include nearly one dozen railroad/grade separations in Riverside, Corona and other communities, as well as more than 30 critical road projects such as the SR-91/I-15 Freeway improvements, the Clinton Keith extension, the Newport Road Interchange, the I-215 widening, and the SR 60 Freeway truck lanes now being built.

Similarly, the MSHCP managed by the RCA has streamlined the construction of new businesses and neighborhoods across Western Riverside County and has helped create more than 70,000 jobs.

Recommendation Has Been Implemented: The Draft Nexus Study Update estimates that average price per acre will increase to \$13,500. The Nexus Study Update will be presented to the RCA Board in coming weeks and will outline potential changes to

scheduled mitigation fees. As noted above, the financial position of RCA is presented to the Board on a quarterly basis, and RCA staff meets regularly with wildlife agencies to address funding and a wide range of conservation and habitat issues.

In addition, other funding mechanisms, including grants and the funding opportunities through aforementioned federal legislation introduced by Congressman Ken Calvert (CA-42) and cosponsored by Rep. Mark Takano (CA-41) and Rep. Pete Aguilar (CA-31) are also being explored by the Board to meet the land acquisition commitment. RCA has and continues to explore possible revenue raising options, including those as recommended by RAND.

The RCA is in the process of convening the Funding Coordination Committee.

4. *Endowment Fund is Underfunded*

Finding: The Plan calls for an endowment fund of \$70,000,000 to support future monitoring and maintenance of habitat lands. At this time, the fund is severely underfunded currently at about \$5,800,000. The failure to build this reserve fund, the interest income of which would fund habitat maintenance activities in perpetuity, could obligate the participating cities to carry these costs after completion of the land acquisition requirement.

Recommendation: The Executive Board should require the RCA staff to propose options for building the endowment fund to the level of \$70,000,000 to support habitat monitoring and maintenance for the remaining 50 years of The Plan. The RCA management staff needs to clearly report on the level of the underfunded endowment reserves for future protection of the MSHCP lands in conjunction with the quarterly budget reports.

While it is possible to delay the accumulation of an endowment fund for future habitat monitoring and maintenance, doing so would reduce the time needed to reach the land acquisition goal. It would be a risky option since recent fee collections have been so low. The entire Board needs to be aware of the status of resources needed to complete the acquisition of the land reserve and the endowment to support the maintenance of the future expansive land reserve. They should review proposals to seek nonprofit funding to build up the endowment.

RESPONSE

Finding – Agree in Part: The MSHCP funding plan anticipated that all excess revenues over expenditures annually would transfer to the endowment fund without any consideration to restrictions of certain types of funding. When funds are available, RCA sets aside money in the endowment fund. In addition, donor endowments are sometimes received for land donations.

Concerning the potential for participating cities to have to carry monitoring and maintenance costs, the obligations of the participating cities and the County are limited to those set forth in the MSHCP, Permits, JPA and Implementing Agreement. Nothing in the agreements is to be construed to require the obligation, appropriation, or expenditure of any money from the County or cities. (See Section 22 of the Joint Exercise of Powers Agreement and Section 27.11 of the Implementing Agreement.)

Recommendation Has Been Implemented: As noted above, the Board is apprised monthly regarding the status of the MSHCP, and financial reports are presented on a quarterly basis. Additionally, the draft Nexus Study Update outlining mitigation fee changes will be presented to the Board in coming months. Other new, potential federal funding sources as noted above are also pending that may create opportunities for increasing the endowment fund. The lands required for the Wildlife Refuge will be managed by the federal government, which will reduce management costs and the amount of the required endowment.

5. *Efficiencies of Outside Contractors vs. In-House Staff*

Finding: RCA outsources many costly contracts to outside parties for legal services, plan implementation, real property services, and other professional services. These costs drain the limited general funds, used to build up the endowment and other services. RCA contracts with an outside company to act as a middle-man for projects that are negotiated between developers and RCA staff. The outside company agents explain the MSHCP process, provide interpretation and deliver a completed packet of documents for the RCA joint project reviews.

Recommendation: RCA management staff should review the use of internal staffing versus the use of many costly outside contractors. More biological assessment and land acquisition activities could be brought in-house. Trained in-house staff could handle more basic biological assessment and land acquisition duties. Many fees paid to outside contractors could be reduced by efficient use of internal staffing.

RESPONSE

Finding – Wholly Disagree: By contracting some specialized tasks to outside parties, the RCA maintains cost efficiencies that save the agency annual salaries, benefits, and pension costs, as well as office space and equipment costs. Hiring additional staff would incur substantial additional costs as it would necessitate significant increases to the RCA office space, equipment and maintenance costs, as well as the need for fleet vehicles.

Recommendation Has Been Implemented: The RCA has analyzed its outside contracts and determined that without these outside contracts, the agency would need 37 additional employees, such as in-house attorneys with specialties in environmental law, property law and the Brown Act to a real estate services team, to land management crews and monitoring crews. For example, RCA uses an outside contractor to support Joint Project Reviews.

Replacing that contractor with in-house staff would nearly double RCA's cost for those tasks alone. Outside contracting allows RCA to pay for only the services it needs at a fraction of the cost of full-time employees. This allows the RCA to avoid incurring substantial long-term pension liabilities and creates flexibility during financial downturns that impact acquisition activities.

6. *Insufficient Financial Commitment for Maintenance & Security of Habitat Reserve*

Finding: The Plan Land Management budget does not provide sufficient park rangers for increased land patrol and maintenance responsibilities of the expanding habitat reserve. The maintenance and security of the current accumulated 400,000 acres of conservation land is suffering from damages caused by fires and floods, as well as off-highway vehicles (OHV), and homeless encampments. This damage will only increase in the future.

Recommendation: Shift resources to add more contract land management park rangers. Coordinate with County Sheriff and Code Enforcement Departments to assist park rangers in controlling on-going [sic] damage to the habitat reserve from trespassers, mountain bikes and excess motor sport vehicles, as well as homeless encampments. Seek available grants from California Off-Highway Motor Vehicle Registration for management of OHV recreation and security. Use funds for posting signage and limiting vehicle access into the preserve and for repairs on the expanded acreage of protected lands.

RESPONSE

Finding – Wholly Disagree: This finding is factually incorrect as the RCA is not responsible for managing 400,000 acres. RCA currently successfully manages approximately 62,000 acres. It also makes broad assumptions regarding OHV and homeless issues that are not substantiated.

Recommendation Has Been Implemented: In recent years, the level of recreation occurring on RCA reserve lands has greatly increased, particularly mountain biking. The RCA is working with outside entities and the Riverside County Regional Park and Open-Space District to help facilitate more effective patrol options for RCA Rangers. RCA Rangers have and continue to work with Riverside County Off-Highway Vehicle Enforcement and local Code Enforcement offices to address trespassing, off-highway vehicles, and homeless encampments. They also work with the California Department of Fish and Wildlife Wardens to address poaching and 1600 violations. Efforts to empower the RCA Rangers to issue citations are currently underway to help reduce OHV and mountain biking infractions. Fires and floods cannot be predicted and may occur on conservation lands. RCA is proactive in its efforts to protect and minimize damage caused by fires and floods. RCA performs weed abatement, especially along roadways and point source ignition areas, several times a year. Further, the RCA already uses funds for posting of signs and to limit vehicle, mountain biking and hiking access into areas of the reserve, and for conservation activities on protected lands.

The Grand Jury Report erroneously recommended seeking grants through the California Off-Highway Motor Vehicle Registration Grants program; however, such grants are not available to the RCA. This program is only available to eligible agencies and organizations that develop, maintain, and operate OHV recreation areas. The RCA does not conduct these activities. The use of off-highway vehicles is prohibited on RCA conservation land. However, staff will continue to explore other grant funds that RCA may be eligible for.

7. Legislative Solutions for Funding Are Far From Certain

Finding: RCA continues to spend over \$200,000 annually, of its own limited, local general funds for two K-Street lobbyists. Their proposals repeatedly seek funding resources through legislative alternatives. These approaches have indeterminate and un-measurable [sic] outcomes.

Recommendation: Review the effectiveness and over-reliance [sic] on K-Street lobbyists as a source of needed future fundings. Consider integration of RCA habitat lobbying with other County lobbying efforts.

RESPONSE

Finding – Wholly Disagree: RCA’s lobbyists in Washington, D.C., have helped the RCA secure more than \$25 million in funding, providing a very healthy return on investment for their services. In 2011, the U.S. Fish and Wildlife Service determined that the RCA was no longer eligible to receive Section 6 Endangered Species Act grant funding to acquire reserve lands. RCA’s lobbyists worked out a solution which resulted in the RCA receiving Section 6 and Wildlife Conservation Board grant funding.

RCA’s lobbyists have also been instrumental in efforts to establish a federal Wildlife Refuge, which stands to deliver tens of millions of dollars in additional funding for the MSHCP reserve. The return on investment for RCA’s lobbyists has been substantial, and additional funding/return is anticipated.

Recommendation Has Been Implemented: As noted in the preceding paragraphs, lobbyists retained by the RCA have demonstrated a substantial return on investment, topping \$25 million for the agency. Current initiatives being pursued by our lobbyists are expected to generate tens of millions of dollars in additional grant and loan opportunities for the RCA. Integrating RCA’s lobbying efforts with general lobbying efforts by the County dilutes the focus and effectiveness of such efforts, and overlooks the specialized expertise and institutional knowledge needed to efficiently advocate for conservation and species habitat issues.

8. Lack of Public Understanding

Finding: RCA is an obscure agency. The taxpaying, voting public is not aware of its valuable contributions to the conservation of the environment or to the development of public infrastructure in the County.

Recommendation: RCA should improve outreach efforts to the general taxpaying, voting public. Provide public education about the RCA's conservation mission and build a public constituency of those who may be asked to approve future funding mechanisms to support its goals. Create public understanding of the importance of this conservation plan in reducing delays in the development of public infrastructure projects and the value of protecting the habitat for endangered species.

RESPONSE

Finding - Agree Partially: Recognizing the need to increase public awareness of the MSHCP, the RCA Board of Directors approved a public outreach program which includes e-newsletters, a redesigned website, new reserve signage, a new brochure, social media outreach, an educational component and media relations, in September 2018. These materials and activities have been completed and implemented, or are in the process of being implemented.

Recommendation Has Been Implemented: As discussed in the preceding paragraph, the RCA Board of Directors in 2018 approved a public outreach program including e-newsletters, a redesigned website, new reserve signage, a new brochure, social media outreach, an educational component and media relations. This is expected to increase visibility to a wide swath of the public, including voting taxpayers.

9. More Useful Annual Reports

Finding: The information in the Annual Reports meet the minimal requirement set out in The Plan, but do not discuss financial issues of concern or proposed remedies and actions. They do not provide comment on whether the income receipts and the rate of the land acquisition are sufficient for the RCA to meet its goal of acquiring sufficient habitat lands to assemble the reserve within 25 years.

Recommendation: The Annual Report should serve as a benchmark to be used for evaluating compliance with The Plan requirements and goals. The report should provide graphic description of the RCA's progress towards The Plan conservation goals. It should identify significant issues in The Plan implementation and proposed remedies for concerns which may delay implementation. Copies of the Annual Report should be made available to the public and presented at an open workshop where they may comment.

RESPONSE

Finding - Wholly Disagree: At nearly 450 pages, the Annual Report and its attached appendices and technical reports amply fulfill the MSHCP requirements with details about funding summaries, management objectives, habitat gains and losses, monitoring activities and related issues from the previous year. Up to date financial, acquisition and monitoring information are best available to the public and in real time through the Board meetings, which are broadcast online with live video and preserved via online video archives. Like all public agencies, minutes, reports and public information are available from the RCA as

the agency follows the same rules as those adhered to by other cities, the County and similar JPAs. It is worth noting that by its very name, the Annual Report is a summary of the RCA and MSHCP's status and activities from the prior year. As with any Annual Report, that means the information is dated. The RCA works within an extremely dynamic system and makes real time decisions.

Recommendation Has Been Implemented: The Annual Report and its attached appendices and technical reports are presented to the RCA board at public meeting. Members of the public are welcome to appear at such meetings and address the Board with their comments. Current and past Annual Reports and all related appendices and technical reports are available online for review or download by the public, or by request.

10. *Consolidation of Duplicate Bureaucracy*

Finding: RCA is a free-standing JPA. The other two habitat conservation agencies in the County, HCA and CVCC, are not free-standing and are subject to a higher level of public visibility along with managerial and financial oversight provided by the existing multi-city management structure.

Recommendation: The consolidation of RCA within an existing multi-city management structure would provide:

- *Operational improvement*
- *Reduction of duplication of bureaucracy*
- *Cost reduction*
- *Increased public visibility*
- *Increased financial oversight*

WRCOG could serve this function, as Coachella Valley Association of Governments (CVAG) does for Coachella Valley Conservation Commission (CVCC).

RESPONSE

Finding – Wholly Disagree: Consolidation would create another layer of bureaucracy which would increase costs, undermine existing operational efficiencies and, most importantly, distract from the sole and central mission of the RCA, namely to oversee the MSHCP and assemble its Reserve System, by placing that responsibility with another agency that already has distinctly different and varied responsibilities.

Recommendation will not be implemented because it is not warranted or is not reasonable: Placing the RCA under another entity could potentially prove disastrous from both a conservation and infrastructure standpoint.

Merging RCA with another agency, such as WRCOG, would likely mean that Board Members will spend less time on conservation matters. At the inception of the RCA, such an organizational structure was initially implemented with WRCOG overseeing RCA

activities, but was quickly abandoned to allow the RCA Board to focus exclusively on conservations efforts. Further, another agency would lack the specialized experience in the complexities of the MSHCP and its implementation. In fact, such a reorganization is inconsistent with the Grand Jury's (unfounded) concern regarding the experience and training of board members and would likely result in less board oversight over the RCA's conservation activities. Additionally, the RCA Implementing Agreement provides that upon expiration of the SKR HCP in 2026, coverage for the SKR will be provided by the MSHCP and the SKR reserve will be managed by the RCA. In contrast to any other agency, including WRCOG, RCA has over 15 years of experience assembling and managing tens of thousands of acres of conservation land and protecting 146 native species. Further, the RCA has completed nearly 500 acquisitions and more than 800 Joint Project Reviews.

RCA staff members are County employees, the County Auditor-Controller is the RCA's auditor, and the County Treasurer is the RCA's Treasurer. For cost-savings, RCA utilizes many County services, including real estate, purchasing, Information Technology, financial and payroll systems.

If the RCA Board wanted to merge the RCA with another organization, the County of Riverside could best provide the oversight with the greatest operational overlap with the RCA.