

MINUTES

Temecula-Elsinore-Anza-Murrieta Resource Conservation District

Special Board Meeting

Thursday, October 20, 2022 at 4:00 p.m.

Truax Building

41923 Second Street, Fourth Floor

Temecula, CA 92590

I. PRELIMINARY FUNCTIONS

Call to Order: 4:15 p.m. (due to a malfunction for power point) meeting recorded by Rose Corona

Flag Salute

Roll Call/Establish a Quorum

Directors Present: Rose Corona (President), Newt Parkes (Secretary-Treasurer), Randy Feeney (Director), Teri Biancardi (Director), Pablo Bryant-(Director) Sebastian Valente-Associate Director

Directors Absent-None

Associate Directors Present: None

Associate Directors Absent: Rick Neugebauer

Office Manager: Darlene Gilbert-Present

Natural Resources Conservation District (NRCS)

District Counsel: Melissa Cushman-Absent

Guest Speakers: Mandy Parkes-IERCD, Brian Brady-SAWA

Guest: Paul Greive/ Rob McDaniel-Farm on Washington

Approval of Agenda

President Corona asked for a motion for the approval of the agenda that was just one action item, Discussion and potential vote on CDFA Pollinator Grant. Director Feeney made the motion, Newt Parkes seconded. Unanimously approved 5-0.

President Corona introduced Brian Brady who is presently the Executive Director of SAWA and has been deeply involved creating and writing grants and he had been asked to review the grant and give his professional opinion as to the viability of having TEAM RCD administrate this grant. She also introduced Mandy Parkes who is the Executive Director of Inland Empire Resource Conservation District who would also be weighing in.

Mr. Brady proceeded to give the Board an overview of the level (dollar wise) of grants in SAWA (Santa Ana Watershed Association) and then gave an overview of the CDFA grant. Mr. Brady noted that this grant was a 3-year program that was to start in about seven months. He first pointed out that although an applicant is able to request for the maximum amount that doesn't mean that you will get all you ask for. She also noted that the invoicing is done quarterly and therefore, as an example, if an applicant were to receive the maximum, the burn rate would be approximately \$50-60,000 a month. So, the estimate would be around \$200,000 that TEAM RCD would have to upfront just to get the program rolling and then have to wait sometimes up to 90 days before reimbursement would be forthcoming.

Director Biancardi noted that she had read that in certain circumstances, that one could request in advance up to 25% and therefore the concern would disappear. Mr. Brady acknowledged that it was written in the RFP, however, in his years of experience he has seen this kind of language before and that never guarantees that CDFA will necessarily follow through on that even if it is written in the RFP. It is at their discretion. Director Biancardi mentioned the possibility of having the applicants upfront the monies and Mr. Brady responded that the proper way to do it from TEAM would be to have contractual terms with the farmers that you are and that they are willing to do that. AD Valente wanted to know what would happen if the RCD put in their reimbursement but were turned down because of some violation or incorrect reporting.

Brady continued to explain that the biggest risk is that CDFA may do a forensic audit and they can do a claw back of monies if the paperwork or application of the process is incorrect which would be detrimental to TEAM RCD. President Corona noted that then it would be incumbent upon the Board to hire someone with the technical experience and background to oversee the project. Mr. Brady noted that it was important that TEAM RCD demonstrate either through experience and skills that they have performed this kind of work before and noted that if TEAM hadn't done work like this, they would not qualify thus the need to hire an outside consultant with the history and experience for implementing the project correctly. Rob McDaniel mentioned that he saw there was a 10% holdback for funds which meant for up to 3 years after the project was complete. And that much of this would be dependent on how CDFA's contract is written when eventually awarded.

Director Biancardi asked if NRCS could be the technical support role. Mandy Parkes asked if Farm on Washington had ever worked with NRCS. Paul Grieve indicated that they had not but they had relationships with them. Ms. Parkes indicated that because they were Veterans there are specific services and carve outs specifically for Veterans. She encouraged the applicants to sit down with NRCS and discuss all the options available to them. Also Mr. Brady offered that there were other groups, besides RCD's that the Farm on Washington would partner with such as Land trust or 501c3's.

Ms. Parkes proceeded to explain some of the requirements and complexity of doing a grant with CDFA including staff time and mileage. Director Bryant asked what the percentage of an audit or a clawback was. Ms. Parkes noted that she does not have a statistic on that and although in the past many farmers would do a handshake kind of deal, this is not that kind of grant. There are deliverables, accountability and real money with these kinds of grants. She asked if TEAM could get something from NRCS before the application was forwarded so the Board could decide if this grant fit into their scope and abilities. Director Biancardi noted that she thought they could be out in a week. Ms. Parkes would also involve a legal team to draw up an agreement and a cost for doing so that would be specific as to the farmer not getting paid until CDFA paid TEAM RCD and the potentially it could include many direct specifications

which may not see the applicant getting paid until after CDFA had completed an audit and the three year requirement was completed.

President Corona then redirected the conversation back to Mr. Brady who spoke to the fact that he agreed with Ms. Parkes that TEAM RCD needed to be very prudent in taking on a huge grant of 2 million and recommended that TEAM should not even consider something that large considering the fact that they have no staff or support at this time. As well he recommended that it might be a good idea to get a look at what the standard contract that CDFA uses because there are always unexpected costs and commitments. After comparison of a current grant that SAWA was working on Mr. Brady noted that even though they have the staff and support in his offices, it was imperative that they have an auditor on staff to make sure all the numbers add up and monies are appropriately disbursed and recorded. Director Valente asked if there was something in this grant that restricted the land as far as conservation goes? In other words, does CDFA require it to stay in conservation permanently? Years? What is the length of time if any? No one was aware of an answer to that question.

Ms. Parkes noted again that if the Board decided to go forward a very concrete legal agreement to protect the District would be an absolute necessity and would reflect as a separate MOU. Ms. Parkes then transitioned to talking about other grants that might help TEAM RCD build capacity so that they can grow their staff and the District. She mentioned how careful she is with her own District and how much she thinks about risk and wanted to make sure that she mitigates on behalf of IERCD all the potential risks that might come up. She discussed how the President and herself had discussed how they discussed the goals and needs of the organization and although there are millions of grants, it comes down to what is specific to the this Board and what will work for them.

One of the things that she looks for is upfront payment. CDGA can't do that because they are a public agency but typically 501c3 grants can upfront money because it isn't a gift of public funding. She went on to talk about the NACD (National Association of Conservation Districts). She went on to discuss the Urban Ag grant that will be announced in November of 2022 and the application will be due in early 2023 which would serve TEAM's needs to hire a staff person and work on promoting Ag related ideas and do a series of Ag Workshops where you bring in master gardeners, food preservers and extend to people the idea of better food conservation etc. After providing some other examples, she mentioned the existing MOU TEAM has with Inland Empire RCD who could also use the employee and get them trained up to be a better staff person for TEAM RCD and do a lot of the work in outreach, branding and peripheral outreach to schools and education in schools and have a flexible person who can really help the RCD.

President Corona spoke about being risk averse indicating as a pass-through on this grant, the District gets absolutely nothing yet are still taking on the risk. Ms. Parkes reminded the Board that IERCD has specific accounting firms, legal contracts and bookkeeping that are essential when administrating this kind of a grant. There were questions about potential costs but all that could be done was estimates. Director Biancardi noted that our purpose is to serve the community and that she was working on a grant worth a quarter of a million dollars and although she ran into issues and costs that changed, that she was comfortable without knowing the answers to everything since we had other resources and RCD's we could talk to. President Corona asked if the grant she was referring to was Director Biancardi's Homeowners Association. She answered yes and President Corona that things are different in a governmental agency and our responsibilities as Board Directors and these were public funds that were being dealt with not private. She stated that as President she felt an obligation to doing things correctly

and didn't feel comfortable not knowing a lot of answers as to how much just the administration of the grant would cost. President Corona did not want to have unexpected issues and costs come up that might put the District under water in administrating the grant. Director Biancardi showed concern over the timeline and that the clock was ticking and would run out if we did not take the leap. President Corona responded by say that she would not leap blind into something and if Director Biancardi chose to do that with an HOA that was private money that was different money. With this grant, the Board is dealing with governmental money in which the Board had a responsibility to make certain it was spent wisely.

AD Valente spoke and asked the question "We don't have an automatic way to generate, as a board, cash flow in case we make a mistake right? This was correct based on the amount of the grant being requested. He then went on to say "If we make a mistake.... And we front something or get involved in something, we've got the liability, then how do we pay for it?" Director Parkes added "My understanding is for the purpose of this meeting was we said last week at our Board meeting, we would hold another meeting to decide whether or not we're going to partner with these folks and go after this grant. For us to go after the grant, to set up the grant, we have to be the grantee. We have to be able to write a grant that addresses all the criteria here that they're going to mark the grants on. I think we would have some difficulties with that. We don't have the qualifications that they list here, which counts for a good 20 some percent of the scoring criteria."

After some more back and forth, President Corona put forth that although we wanted to see the farmers succeed and TEAM to succeed that we were missing a lot of pieces in terms of costs. Director Biancardi stressed that time was ticking and that we owed it to The Farm on Washington to come to a decision. Ms. Parkes suggested that what the Board could do is take no action today and continue to fact find and set an informal time limit and set up another special meeting if necessary. Director Parkes asked if there was a template for some of this and Ms Parkes said she had some boiler plate things but would see how much it would cost for an attorney to adjust it specific to this grant. She also said she would get some other costs for TEAM to get some costs roughly that might assist in making this more comfortable for members of the Board.

It was eventually decided that the Board along with assistance from IERCD and Ms. Parkes would get some more facts before the decision was made. The farmers asked Ms. Biancardi if they could get NRCS contact and see if a conservation plan could be put together and how long it would take. President Corona would work on accounting and legal costs. AD Valente made a comment that the Board shouldn't be dealing with this at the 11th hour but we would work hard to see what we could do.

After a little more conversation and distribution of duties, the President asked for a motion to adjourn. Newt Parkes made the motion, Pablo Bryant seconded the motion. Motion passed 5-0.

Meeting ended 4:32pm

