

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.54
(ID # 30744)

MEETING DATE:
Tuesday, June 23, 2026

FROM : (RUHS) RIVERSIDE UNIVERSITY HEALTH SYSTEM

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM: Approval of Agreement for the Purchase of Credits from Southwest Resource Management Association's In-Lieu Fee Program for Mitigation Efforts for the Moreno Valley Drainage Plan, Line J Facility in support of the RUHS Wellness Center Project, CEQA Exempt per State CEQA Guidelines Sections 15301 and 15061(b)(3), District 5. [\$3,043,052 Total Cost - 100% General Fund Reimbursed by Flood Control District Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Project is exempt under the California Environmental Quality Act (CEQA) for approval of the Agreement for the Sale of Credits ("Agreement") pursuant to Welfare and Institutions Code Section 5960.31 and pursuant to State CEQA Guidelines Section 15301, Class 1 - Existing Facilities Exemption and Section 15061 (b)(3), "Common Sense" Exemption;

Continued on page 2

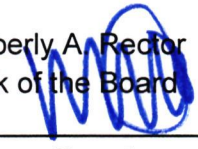
ACTION:Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 6/15/2026

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: June 23, 2026
xc: RUHS-MC

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached form of the Credit Sale and Transfer Agreement (“Agreement”) between County, on behalf of its Riverside University Health System (“RUHS”) and Southwest Resource Management Association, a public benefit non-profit organization (“SRMA”);
3. Authorize the Chief Executive Officer of RUHS, or designee, to execute the Agreement, confirming substantially in form and substance to the attached, subject to approval as to form by County Counsel in an amount not to exceed three million dollars (\$3,000,000);
4. Authorize the CEO to administer all action necessary and related to the Agreement based on the availability of funding and as approved as to form by County Counsel to (a) sign amendments that exercise the option of the agreement and (b) sign amendments to the compensation provisions that do not exceed the sum total of twenty percent (20%) of the total Agreement amount;
5. Direct the Clerk of the Board to return two copies of the executed Agreement to RUHS;
6. Direct the Purchasing Agent to issue Purchase Orders for goods and / or services that do not exceed the approved aggregate amount of the Agreement; and
7. Authorize RUHS to issue payment as directed by the Agreement.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 3,043,052	\$ 0	\$ 3,043,052	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% RUHS General Fund Reimbursed by Flood Control District			Budget Adjustment: No	
			For Fiscal Year: 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Construction of the Riverside University Health System (RUHS) Wellness Center Project will include construction of the Riverside County Flood Control and Water Conservation District's Moreno Master Drainage Plan (MDP), Line J storm drain facility. Construction of the Moreno MDP "Line J Facility" will result in impacts to state jurisdictional waters. Prior to such impacts, RUHS is required to purchase a total of 4.25 acres of depressional wetland establishment credits from SRMA to compensate for the project's unavoidable and permanent impacts to 3.11 acres (3,646 linear feet) of fish and wildlife resources subject to Fish and Game Code section 1600 et seq as stipulated by the Streambed Alteration Agreement that was issued by the California Department of Fish and Wildlife (CDFW) No. EPIMS-RIV-66605 and the Waste

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Discharge Requirements that was issued by the Santa Ana Regional Water Quality Control Board (RQWCB) No. R8-2026-0035. Upon approval, this agreement would allow RUHS to execute the purchase of the required mitigation credits from SRMA to satisfy regulatory permitting obligations for the Wellness Center Project.

County Counsel has approved the Agreement as to legal form.

CEQA Compliance

The Board of Supervisors previously found that the RUHS Medical Center Wellness Center Project is a use by right, meets the criteria for streamlined, ministerial processing and is exempt from the California Environmental Quality Act (CEQA) pursuant to California Welfare & Institutions ("W&I") Code section 5960.31 and include the Line J improvements. No further CEQA action is required.

Impact on Residents and Businesses

None.

Additional Fiscal Information

The total of the mitigation efforts are not to exceed \$3 million. A subsequent item will be brought before the Board for approval in early Fiscal Year 2026/27 to include a Cooperative Agreement between RUHS, Flood Control District and the City of Moreno Valley. The agreement includes a reimbursement component in which Flood will reimburse RUSH for the mitigation fee as the cost is already planned for in the Riverside County Flood Control and Water Conservation District budget.

Attachments:

Attachment A. Credit Sale and Transfer Agreement


Jacqueline Ruiz, Principal Analyst

6/16/2026


Kristine Bell-Valdez, Supervising Deputy County Counsel

6/15/2026


Aaron Gettis, Chief Deputy County Counsel

6/16/2026

CREDIT SALE AND TRANSFER AGREEMENT

This Credit Sale and Transfer Agreement (“**Agreement**”) is entered into this [Enter Day] day of [Enter Month], 20XX, by and between Southwest Resource Management Association, a public benefit non-profit organization (“**SRMA**”), and the Riverside University Health System (“**Purchaser**”), jointly referred to as the “**Parties**,” as follows:

RECITALS

- A. SRMA and the Riverside-Corona Resource Conservation District (“**RCRCD**”) have developed the Santa Ana River Watershed In-Lieu Fee Program (the “**Program**”) and serve as, individually and collectively, the Program Sponsor; and
- B. The Program established under the In-Lieu Fee Enabling Instrument was approved on July 26, 2012, and the Sixth Amendment to the Program was approved on October 6, 2022, by the U.S. Army Corps of Engineers (“**USACE**”). The location of the Program’s service area is outlined within Exhibit “B” of the In-Lieu Fee Enabling Instrument. The Los Angeles District of the USACE, Region IX of the U.S. Environmental Protection Agency (“**USEPA**”), and the California Regional Water Quality Control Board, Region 8 (“**RWQCB**”) were parties to the In-Lieu Fee Enabling Instrument and are referred to jointly therein as the “**Interagency Review Team**” (“**IRT**”); and
- C. SRMA has received approval from the USACE to sell credits (“**ILF Credits**”) from the Program to offset impacts associated with resource-impacting projects pursuant to the October 27, 2025, Credit Release Approval attached hereto in Exhibit “A”; and
- D. SRMA also provides credit-based mitigation to assist project proponents in meeting mitigation requirements set forth in streambed alteration agreements and other permits issued by the California Department of Fish and Wildlife (“**CDFW**”); and
- E. The In-Lieu Fee Enabling Instrument defines a “Transfer” as the use, sale, or conveyance of Credits by the Program Sponsor; and
- F. Pursuant to the terms of the In-Lieu Fee Enabling Instrument a Transfer may occur only if the Program Sponsor has received:
 - I. a USACE Credit Release Approval; and
 - II. a transfer of the required Purchase Price outlined below from the Purchaser to the Program Sponsor.
- G. Purchaser is seeking to implement storm drain improvements (referred to as “Line J” under the Riverside County Flood Control and Water Conservation District Master Drainage Plan) and other development and associated infrastructure intended to support a wellness center and accommodate the future

buildout of the RUHS Medical Center in the City of Moreno Valley, Riverside County, California, as described in Exhibit “B” attached hereto (“**Project**”); and

- H. RWQCB issued Order No. R8-2026-0035, dated _____, 2026, for the Project, attached as Exhibit “C,” which authorized Purchaser, as “Permittee,” to proceed with the Project as described in Exhibit B, provided that Purchaser submit to RWQCB a receipt of the purchase of 4.25 acres of depressional wetland establishment credits from the Program to compensate for the Project’s unavoidable and permanent impacts to 3.11 acres (3,646 linear feet) of waters of the State (“**Compensatory Mitigation**”); and
- I. CDFW issued a Streambed Alteration Agreement, dated _____, No. 1600-EPIMS-RIV-66605 for the Project, attached as Exhibit C, which authorized Purchaser, as “Permittee,” to proceed with the Project as described in Exhibit B, provided that: (a) Purchaser submits to CDFW a receipt of the purchase of 4.25 acres of depressional wetland establishment credits from the Program to compensate for the Project’s unavoidable and permanent impacts to 3.11 acres (3,646 linear feet) of fish and wildlife resources subject to Fish and Game Code section 1600 et seq (“**Compensatory Mitigation**”); and (b) mitigate permanent impacts to streambed and associated riparian habitat by paying SRMA \$_____ for SRMA to use for the restoration, monitoring, reporting, and long-term management of riparian habitat within the Santa Ana River Watershed in Riverside (“**Additional Mitigation**”); and
- J. Purchaser seeks to purchase 4.25 acres of depressional wetland establishment ILF Credits from the Program (“**Specified Credits**”) as Compensatory Mitigation for the Project’s impacts as described in Order No. R8-2026-0035 and Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605; and
- K. Purchaser and SRMA wish to complete a sale of the Specified Credits; and
- L. Purchaser, as Permittee, wishes to Transfer the Specified Credits and, to effect the Transfer, has provided to SRMA copies of the Order No. R8-2026-0035 and Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605 by the agency approving the use of the Specified Credits to compensate for impacts resulting from the Project, copies of which are attached as Exhibit C and incorporated herein by reference; and
- M. Purchaser and SRMA further wish to enter into this Agreement to document the funding by the Purchaser for the Additional Mitigation required pursuant to the Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605 of the Project to be paid to SRMA; and
- N. Requests for Credit Transfers associated with the CDFW, US Fish and Wildlife Service (“**USFWS**”), and/or a National Marine Fisheries Service (“**NFMS**”) permit or authorization must first be approved by CDFW, USFWS, and/or NMFS prior to full execution of this Agreement.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation of Recitals:** The Recitals set forth above are incorporated herein and made an operative part of this Agreement.
2. **Credit Purchase Price:** The purchase price for the Specified Credits shall be \$2,793,051.72 (the “**Purchase Price**”). The Purchase Price shall be paid by means acceptable to SRMA on the Closing Date (defined below).
3. **Acknowledgement of Sale and Transfer:** On the Closing Date, SRMA shall deliver to Purchaser a fully executed Bill of Sale (Exhibit “D”) and Payment Receipt (Exhibit “E”) for the purchase of the Specified Credits .
4. **Closing; Closing Date:** The closing will occur on or before July 1, 2026, or such other date to which the Purchaser and SRMA mutually agree in writing (the “**Closing Date**”). On the Closing Date, the Purchaser shall pay the Purchase Price to SRMA and, upon receipt of the Purchase Price, the Transfer of the Specified Credits to mitigate for the Project shall occur and SRMA shall deliver the fully executed Bill of Sale and Payment Receipt to Purchaser.
5. **Submission to Signatory Agencies:** Upon the Sale and Transfer of the Specified Credits, SRMA shall submit to the Signatory Agencies and upload into the cyber repository in the Regulatory In-Lieu Fee and Bank Information Tracking System (“**RIBITS**”) copies of this Agreement and its exhibits as required by the terms of the In-Lieu Fee Enabling Instrument. SRMA shall enter this Sale and Transfer into the ledger in RIBITS and provide an electronic copy to each member of the IRT.
6. **Transfer:** The Transfer of the Specified Credits shall be only for compensatory mitigation of the Project, and the Specified Credits may not be used as compensatory mitigation for any other project or purpose, except as set forth herein.
7. **Responsibility for Compensatory Mitigation:** Upon Transfer, SRMA accepts the legal responsibility for providing the Compensatory Mitigation for the Project’s impacts specified in Order No. R8-2026-0035 and the Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605 as identified in Exhibit “B.”
8. **Additional Mitigation:**
 - a. **Payment.** Purchaser shall pay [DOLLAR AMOUNT] (\$_____) to SRMA within ten (10) days of execution of this Agreement (“Payment”).
 - b. **Additional Mitigation.** In consideration of the Payment, SRMA agrees to expend the Payment for Additional Mitigation, in partial fulfillment of Sections [insert permit sections applicable to this contract] of the Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605, as

described in Recital I, above. SRMA shall provide evidence of receipt of the Payment to the CDFW within five (5) days of such receipt.

- c. **Mitigation Responsibility.** The Parties explicitly agree that any mitigation for activities of Purchaser not covered by this Agreement, including but not limited to, any requirements set forth in the Streambed Alteration Agreement that are not specifically agreed to be conducted by SRMA under this Agreement, or any other regulatory permit for the Project issued to Purchaser other than the Streambed Alteration Agreement, or changes in mitigation related to the Project, remain solely and entirely the responsibility of the Purchaser. The Purchaser agrees that SRMA shall not be responsible to conduct services except for those outlined in this Agreement, even if the CDFW and/or any other regulatory agency later modify its respective mitigation requirements. The Parties further agree that the Additional Mitigation does not include any other avoidance and minimization measures described by the Streambed Alteration Agreement, with which Purchaser must separately comply.
9. **Integration:** The Parties agree that all negotiations, discussions, understandings, and agreements heretofore made between them, or their respective agents or representatives, are merged into this Agreement and the Exhibits attached hereto. This written Agreement alone fully and completely expresses the Parties' agreement with respect to the subject matter hereof and supersedes all prior agreements and understandings between the Parties relating to the subject matter of this Agreement.
10. **Termination:** In the event the Purchaser has not delivered the Purchase Price to SRMA on or before the Closing Date, this Agreement shall automatically terminate without the need for any further action by SRMA, and SRMA shall have no further obligations to the Purchaser under this Agreement. In addition, the Parties agree that if this Agreement terminates as set forth in this section, no sale or Transfer of the Specified Credits shall have occurred.
11. **Amendments and Modifications:** This Agreement may not be amended or modified except by an agreement in writing signed by the Parties. Promptly after execution of this Agreement, SRMA shall provide the Signatory Agencies a copy of each amendment or modification and upload the amendment or modification into the cyber repository in RIBITS. All amendments and modifications shall be appended to this Agreement.
12. **Authority to Enter Agreement:** Each Party to this Agreement warrants to the other that it is duly organized and existing and that its respective signatories have full right and authority to enter into and consummate this Agreement and all related documents and to bind the Parties thereto.

13. **Counterparts:** This Agreement may be executed and delivered in any number of identical counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.
14. **Controlling Law:** The interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.
15. **Attorneys' Fees:** The Parties shall bear their own attorney's fees and costs.
16. **Successors and Assigns:** This Agreement shall be binding on the successors and assigns of the Parties, and shall not be assigned nor transferred by either Party without the prior mutual written consent of the Parties.
17. **No Waiver:** Failure of SRMA to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.
18. **No Third Party Beneficiaries:** There are no intended third party beneficiaries of any right or obligation assumed by the Parties.
19. **Indemnification:** The Purchaser shall have no obligation whatsoever by reason of the Payment to support, pay, fix, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success of continued expense or maintenance in perpetuity of the Mitigation contemplated within this Agreement. SRMA shall indemnify and hold harmless the Purchaser and its respective directors, officers, and members of its Board of Supervisors, elected and appointed officials, employees, agents, and representatives from any liability whatsoever based upon or asserted in the Payment to SRMA or the Mitigation contemplated as part of the Agreement. This includes, but is not limited to, property damage, bodily injury, or death, or any other element of any kind or nature whatsoever arising from the performance under this Agreement of SRMA, its officers, employees, subcontractor, agents, or representatives.
20. **Effective Date:** This Agreement will become effective when signed by the last Party.
21. **Miscellaneous:**
 - A. The Sale and Transfer herein is not intended as a sale or transfer to the Purchaser of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.
 - B. The Specified Credits shall be non-transferable and non-assignable and shall not be used as compensatory mitigation except as set forth in this Agreement.

- C. By reason of the Sale and Transfer of the Specified Credits, Purchaser shall not assume the obligations of SRMA under the In-Lieu Fee Program.
- D. Any notice or other written communication given pursuant to this Agreement shall be delivered to the other Party by first class U.S. mail, certified or registered U.S. mail, facsimile mail, electronically to mnoone@ruhealth.org, or and with mailed copy as follows:

Sponsor:

Southwest Resource Management Association
Shelli Lamb, Chief Executive Officer
4500 Glenwood Drive
Riverside, CA 92501-3042
Telephone: (951) 300-2844
Facsimile: (951) 683-3814

Shaye Diveley
Meyers Nave
1999 Harrison St., 9th Floor
Oakland, CA 94612
Telephone: (510) 808-2000

Purchaser:

Jennifer Cruikshank – Chief Executive Officer
Riverside University Health System
Attn: Melissa Noone
4095 County Circle Drive
Riverside, CA 92503
Telephone: (951) 358-4554

- E. By signing below, each Party warrants and represents that the person signing this Agreement on its behalf has authority to bind that Party and that the Party's execution of this Agreement is not in violation of any bylaw, covenants, and/or other restrictions placed upon them by their respective entities.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date as indicated beside each Party's signature.

Sponsor:

SRMA:

Southwest Resource Management Association
Shelli Lamb, Chief Executive Officer
4500 Glenwood Drive
Riverside, CA 92501-3042
Telephone: (951) 300-2844
Facsimile: (951) 683-3814

Purchaser:

Jennifer Cruikshank – Chief Executive Officer
Riverside University Health System
Attn: Melissa Noone
4095 County Circle Drive
Riverside, CA 92503
Telephone: (951) 358-4554

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE APPROVAL

The CDFW verifies that the In-Lieu Fee Program is in good standing as of the date of the signature below.

This Agreement fulfills a portion of the Project Applicant's proposed [enter names of listed species] habitat conservation measures, as described in CDFW'S Permit; Permit Number [enter CDFW Permit Number/authorization], dated _____.

By: _____ Date: _____

Printed Name: _____

Title: _____

California Department of Fish and Wildlife

Region: _____

FORM APPROVED COUNTY COUNSEL
BY Kristine Bell-Valdez DATE _____

Exhibit "A"
Credit Release Approval

Exhibit “B”

Description of Project to be Mitigated

A. Project information:

Project Name: _____

Project Address and County: _____

Project Type/Description: _____

Amount and Type of Specified Credits being used: _____

B. Permit(s)/Approval(s)/Authorization(s) File Information:

Agency Name	Permit/Approval Number	Date of Permit/Approval	Compensatory Mitigation Obligations
<input type="checkbox"/> USACE			
<input type="checkbox"/> USEPA			
<input type="checkbox"/> NMFS			
<input type="checkbox"/> USFWS			
<input checked="" type="checkbox"/> CDFW	Streambed Alteration Agreement No. 1600-EPIMS-RIV-66605	Pending	4.25 acres of depressional wetland establishment credits
<input type="checkbox"/> State Water Board			
<input checked="" type="checkbox"/> Regional Water Board	ORDER R8-2026-0035	June 12, 2026	4.25 acres of depressional wetland establishment credits
<input type="checkbox"/> Other:			

Exhibit "C"

Copy(ies) of Permit(s)/Approval(s)/Authorization(s)

Exhibit “D”

Santa Ana River Watershed In-Lieu Fee Program

BILL OF SALE

In consideration of \$2,793,051.72, receipt of which is hereby acknowledged, Southwest Resource Management Association (“**SRMA**”) does hereby recognize that Riverside University Health System (“**Purchaser**”) has acquired 4.25 acres of depressional wetland establishment credits from the Santa Ana River Watershed In-Lieu Fee Program (“**Specified Credits**”) in the city of Eastvale, Riverside County, California.

SRMA represents and warrants that it has good title to the Specified Credits, has the good right to sell the same, and that the Specified Credits are free and clear of all claims, liens, or encumbrances.

SRMA has received: (i) a copy of the permit(s)/approval(s)/authorization(s) by the agency approving the use of the Specified Credits identified in Exhibit “B” and attached as Exhibit “C” to the Sale and Transfer Agreement entered into by and between the Parties on [enter date] (the “**Agreement**”); (ii) written notice from the Purchaser, as permittee, that it is electing to use the Specified Credits toward the permit(s)/approval(s)/authorization(s) obligation; and (iii) SRMA has accepted the legal responsibility for providing the required compensatory mitigation of such permit(s)/approval(s)/authorization(s), if required.

SRMA covenants and agrees to warrant and defend the Sale and Transfer (as defined in this Agreement) of the Specified Credits hereinbefore described against all and every person and persons whomsoever are lawfully claiming the same.

SRMA hereby Transfers the Specified Credits to compensate for impacts resulting from the project described in Exhibit C to satisfy the permit(s)/approval(s)/authorization(s) obligation identified in Exhibit “B” and attached as Exhibit C to the Agreement.

DATED : _____

SPONSOR

Southwest Resource Management Association

By: _____
Shelli Lamb, Chief Executive Officer

Exhibit "E"

Santa Ana River Watershed In-Lieu Fee Program

PAYMENT RECEIPT

PURCHASER INFORMATION

Name: Riverside University Health System

Address: 4095 County Circle Drive

Riverside, CA 92503

Telephone: (951) 358-4554

Contact: Melissa Noone

PAYMENT INFORMATION

Payee: Southwest Resource Management Association

Payer: Riverside University Health System

Amount: \$2,793,051.72

Method of payment: Cash Check No. _____ Money Order No. _____
Other: _____

Received by: _____ Date: _____
(Sponsor Signature)

Print Name: _____

Title: _____

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