



**Western Riverside County  
Regional Conservation Authority**  
*www.wrc-rca.org*

**EXECUTIVE COMMITTEE**

*The Executive Committee, consisting of the RCA Board Chairman, Vice Chairman, Past Chairman, and four members of the RCA Board, makes recommendations regarding personnel, administrative and financial matters, as well as provide guidance on a broad range of issues including target areas or types of habitats needed to remain in rough step. In addition, the Executive Committee may schedule Funding Coordination Committee workshops to discuss funding and acquisition strategy.*

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**MEETING**

12:00 p.m.  
Wednesday, December 19, 2007  
Riverside County Administrative Center  
Fifth Floor, Conference Room C  
4080 Lemon Street, Riverside

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**EXECUTIVE COMMITTEE MEMBERS**

**Jeff Stone, Chairman**  
*County of Riverside District III*  
**Eugene Montanez, Vice Chairman**  
*City of Corona*  
**Robin Lowe, Past Chairman**  
*City of Hemet*  
**Gary Thomasian**  
*City of Murrieta*  
**Dale Stubblefield**  
*City of San Jacinto*  
**John Tavaglione**  
*County of Riverside District II*  
**Marion Ashley**  
*County of Riverside District V*

**Joe Richards, Executive Director**  
**Honey Bernas, Director of Administrative Services**  
**Ken Graff, Director of Land Acquisition**



# WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

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## Executive Committee

### MEETING AGENDA\*

*\*Action(s) may be taken on any item listed on the agenda.*

Wednesday, December 19, 2007  
12:00 P.M.

Riverside County Administrative Center  
Fifth Floor, Conference Room C  
4080 Lemon Street  
Riverside, CA 92501

*In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in an Executive Committee meeting, please contact the Clerk of the Board at (951) 955-9700. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.*

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT** *(At this time members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the RCA that are not separately listed on this agenda. Members of the public will have the opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Each individual speaker is limited to speak three (3) continuous minutes or less. Any person wishing to address the Executive Committee on any matter, whether or not it appears on this agenda, is requested to complete a Request to Speak form available at the door. The completed form is to be submitted to the Clerk of the Board prior to an individual being heard. Whenever possible, lengthy testimony should be presented to the Executive Committee in writing and only pertinent points presented orally. Any written documents to be distributed or presented to the Executive Committee shall be submitted to the Clerk of the Board.)*
4. **COMMITTEE MEMBER ANNOUNCEMENTS**
5. **ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee Members present, adding an item requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*

**6. APPROVAL OF MINUTES**

**7. APPROVAL OF THE FISCAL YEAR 2007 FINANCIAL STATEMENTS AND AUDITORS' REPORTS**

Overview

That the RCA Executive Committee:

- 1) Approve the Fiscal Year 2007 Financial Statements and Auditor's Reports;
- 2) Endorse the actions in Attachment 2; and
- 2) Authorize staff to agendize this matter for ratification at the January 7, 2008 meeting of the RCA Board of Directors.

**8. VEGETATION MANAGEMENT PROGRAM AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION TO DEVELOP A PRESCRIBED BURN PLAN FOR RCA PROPERTIES**

Overview

That the RCA Executive Committee:

- 1) Adopt the Vegetation Management Program Agreement as currently negotiated by Legal Counsel;
- 2) Allow Legal Counsel to continue to negotiate toward improved property damage provisions; and,
- 3) Authorize staff to agendize this matter for the January 7, 2008 meeting of the RCA Board of Directors.

**9. AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND THE U.S. FISH AND WILDLIFE SERVICE FOR A POSITION DEDICATED TO THE IMPLEMENTATION OF THE MSHCP**

Overview

That the RCA Executive Committee:

- 1) Authorize the Executive Director to prepare an agreement for a GS-14 Policy Level Position with the USFWS;

**RCA EXECUTIVE COMMITTEE AGENDA**

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December 19, 2007

- 2) Approve the Budget Adjustment contained in the Financial Information section below; and
- 3) Authorize staff to agendaize this matter for the January 7, 2008 meeting of the RCA Board of Directors.

**10. EXECUTIVE DIRECTOR'S REPORT**

**11. FUTURE AGENDA ITEMS:** *(Committee members are invited to suggest additional items to be brought forward for discussion.)*

**12. CLOSED SESSION ITEMS**

**12A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

**Pursuant to Government Code Section 54956.8**

**Negotiating Parties:** RCA – Director of Land Acquisition and Property Management or Designee

**Under Negotiation:** Price/Terms

Item	Assessor Parcel No.	Property Owner(s)
1	900-070-001	Winchester 700/K. Eric Friess

**12B. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION**

**Pursuant to Subdivision (b) of Government Code Section 54956.9**

**Exposure to Litigation**

**Number of Potential Case:** One

**12C. CONFERENCE WITH LEGAL COUNSEL: PUBLIC EMPLOYMENT**

**Pursuant to Government Code Section 54957**

**Title:** Executive Director

Public Employee Recruitment

**13. ADJOURNMENT**

The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be Wednesday, January 16, 2008, at 12:00 p.m., in the Fifth Floor Conference Room C, 4080 Lemon Street, Riverside, California, 92501.

# **AGENDA ITEM NO. 6**

## **MINUTES**



# **WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY**

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## **Executive Committee**

### **MEETING MINUTES**

**Wednesday, November 21, 2007**

#### **1. CALL TO ORDER**

The meeting of the Western Riverside County Regional Conservation Authority Executive Committee was called to order by Chairman Jeff Stone at 12:09 p.m., in Conference Room A in the County Administrative Center, 4080 Lemon Street, Fifth Floor, in Riverside, California 92501.

#### **2. ROLL CALL**

##### **Committee Members/Alternates Present**

Marion Ashley  
Eugene Montanez  
John Tavaglione  
Jeff Stone  
Robin Lowe  
Gary Thomasian

##### **Committee Member Absent**

Dale Stubblefield

#### **3. PUBLIC COMMENT**

There were no public comments.

#### **4. COMMITTEE MEMBER ANNOUNCEMENTS**

There were no Committee Member announcements.

#### **5. ADDITIONS/REVISIONS**

Staff handed out a revised agenda changing Agenda Item 11.3 to reflect Subdivision (b) rather than Subdivision (c) of Government Code Section 54956.9.

#### **6. APPROVAL OF MINUTES**

***M/S/C (MONTANEZ/THOMASIAN) to approve the September 19, 2007 Executive Committee meeting minutes, as presented.***

**7. MOU BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS FOR THE TRANSFER OF TUMF FUNDS FOR USE UNDER THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN**

Honey Bernas, Director of Administrative Services, reported that RCA and WRCOG staff, and Legal Counsel have been working on an agreement to transfer TUMF funds to RCA to fund property acquisitions and other related costs. In accordance with the MOU, transfer of funds must be approved by the WRCOG Executive Director for contributions up to \$250,000, by the WRCOG Administration & Finance Committee for contributions up to \$1,000,000, and by the WRCOG Executive Committee for contributions over \$1,000,000. This item will be on the WRCOG Executive Committee's December 3, 2007 meeting.

***M/S/C (ASHLEY/MONTANEZ) to:***

- 1) Approve the MOU between RCA and WRCOG regarding the Transfer of TUMF Funds; and***
- 2) Authorize staff to agendize this matter for the December 3, 2007 meeting of the RCA Board of Directors.***

**8. PROFESSIONAL SERVICES AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND THOMAS B. MULLEN FOR ACQUISITION OF FUNDING AND OTHER SPECIAL PROJECTS**

Joe Richards, Executive Director, stated that this item is to contract with Tom Mullen to assist the RCA to secure funds to implement the MSHCP. The agreement is for twelve months, until December 30, 2008, at a monthly retainer of \$15,000, plus reimbursable expenses.

Robin Lowe asked if there is a job description for the Executive Director recruitment as the consultant agreement, under Section 3.1.1, General Scope of Services, may be the same as Executive Director's job description. She noted that the agreement did not indicate that the consultant is under the direction of the Executive Director. She asked staff to provide her with a copy of the Executive Director's job description.

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Joe Richards said that the agreement states that engagement of the Consultant and its services is as directed by the Executive Director, and this is under the Recitals section of the agreement. He reiterated that the Consultant's primary responsibility is to secure funding for the MSHCP. For continuity, Mid-County Parkway was included as one of the projects that Tom Mullen will be working on.

Robin Lowe mentioned that she wanted to make sure that there is consistent identification of the agency and it moves forward with the same momentum that it has now since the current Executive Director will also be retiring next year.

John Tavaglione stated that he supports the contract and added that if there is a person who can achieve this, it would be Tom Mullen. He suggested that periodic updates be made to the RCA Board.

Chairman Stone said that the quarterly reports with timelines should identify not only the dollars achieved but also the efforts made during that period. He requested scope and estimated dates of Sacramento and Washington, D.C., congressional visits for the next year so that trips can be calendared in advance.

Tom Mullen suggested working with an Ad Hoc Committee composed of the Chairman, Vice Chairman, Past Chairman and Robin Lowe because of her involvement in past years with the agency.

Gary Thomasian questioned how the contract will be measured for effectiveness, and John Tavaglione said that in order for the process to be successful, RCA must be in front of the federal agencies and the legislators constantly which would be performed by the consultant.

In response to the question if there is a difference in the roles of RCA lobbyist David Kennett and Tom Mullen, Chairman Stone stated that a lobbyist is not going to be effective in securing the kind of funding that RCA will need to make its plan successful. It will take someone like Tom Mullen who personally knows the legislators in Washington, D.C., who is knowledgeable and can stress that the Riverside County's Multi Species Habitat Conservation Plan is the most advanced plan in the country that satisfies the Endangered Species Act. For this reason, the federal government should step up to the plate by providing funding, especially in these economic times of uncertainty with contributions from developers. The contract with Tom Mullen has a worthy shot of achieving funding for the Plan.

At this time, the Executive Committee members discussed at length the contrast in the objectives and focus regarding land acquisition between the RCA, RCTC and WRCOG and that mitigation of RCA's acquired land could be used by RCTC and WRCOG to build the infrastructure. RCA's focus is toward the preservation and contiguous use of property.

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Marion Ashley said that RCTC lobbyists focus on highways and transportation, not habitat conservation.

Robin Lowe stated that there is no one with a deeper passion for succeeding and carrying on the message than Tom Mullen. He is looking for success of the MSHCP and to use it as an example as the premier plan in the country and that Riverside County is the example to follow for other states. As this unfolds and there is access given, it will then show just valuable it fits together. She noted that WRCOG does not employ lobbyists.

Chairman Stone iterated that the motivation of forming the MSHCP was to get master permits in order for Riverside County to expedite infrastructure. As an example, he stated that it would not have been possible to proceed to build the Newport Road extension without the master permit.

***M/S/C (MONTANEZ/THOMASIAN ) to:***

- 1) Approve the Professional Services Agreement between the RCA and Thomas B. Mullen; and***
- 2) Authorize staff to agendize this matter for the December 3, 2007 meeting of the RCA Board of Directors.***

**9. EXECUTIVE DIRECTOR'S REPORT**

**9.1 Board Member Orientation/Refresher Course**

Joe Richards proposed scheduling a Board Member orientation/refresher course in February. He also stated that a status report on rough step will be presented to the RCA Board in December.

The Executive Committee agreed that it would be beneficial to have the orientation for incoming Board Members and to provide a review on RCA's MSHCP and its goals/objectives.

**9.2 Lease Agreement**

Honey Bernas stated that RCA staff has been working with the County Facilities Department toward moving to the Security Bank building. The office space that being considered was increased from approximately 7,800 square feet to approximately 9,000 square feet with a monthly lease cost of \$22,279. RCA's current office is 2200 square feet at \$1379/month. She said that the County has informed RCA that its lease will be increased to \$2.50/sq. ft., which is the same cost per sq. ft. for the Security Bank office space. She noted that RCA does not own any furniture and they have inquired whether the current occupants of the Security Bank offices

will consider selling their furniture. In addition to furniture, there is a need to purchase IT equipment.

As suggested by Chairman Stone, it was determined that a subcommittee comprised of Eugene Montanez, Robin Lowe and himself be designated to discuss the logistics of RCA's office needs, find the most cost-effective alternative and bring it back to the Executive Committee.

**10. FUTURE AGENDA ITEMS**

There were no requests for future agenda items.

At this time, Chairman Stone adjourned to Closed Session at 12:34 p.m.

**11. CLOSED SESSION:**

**A. With respect to every item of business to be discussed in Closed Session, pursuant to Government Code Section 54956.8:**

**Conference with Real Property Negotiator  
Pursuant to Government Code Section 54956.8**

**11.1 Property:** Assessor's Parcel No. 362-170-004  
**Negotiating Parties**  
**Agency Negotiator:** Director of Land Acquisition and Property Mgt. or Designee  
**Property Agent:** Canyon Breeze/Dorian Henderson  
**Under Negotiation:** Price/Terms

**11.2 Property:** Assessor's Parcel No. 900-070-001  
**Negotiating Parties**  
**Agency Negotiator:** Director of Land Acquisition and Property Mgt. or Designee  
**Property Agent:** Winchester 700/K. Erik Friess  
**Under Negotiation:** Price/Terms

**B. With respect to every item of business to be discussed in Closed Session, pursuant to Government Code Section 54956.9**

**11.3 Conference with Legal Counsel - Anticipated Litigation  
Exposure to Litigation, Pursuant to Subdivision (b) of Government  
Code Section 54956.9: One Case**

**C. With respect to every item of business to be discussed in Closed Session, pursuant to government Code Section 54957**

**11.4 Public Employee Recruitment**  
**Title: Executive Director**  
**Public Employment**

There were no announcements from the Closed Session items.

**14. ADJOURNMENT**

With no other items to be discussed, Chairman Stone adjourned the meeting at 1:49 p.m. The next Western Riverside County Regional Conservation Authority Executive Committee meeting is scheduled to be held at 1:00 p.m., on Wednesday, December 19, 2007, County Administrative Center, Fifth Floor Conference Room C, 4080 Lemon Street, Riverside.

Respectfully submitted,



Honey Bernas  
Clerk of the Board

**AGENDA ITEM NO. 7**

**FISCAL YEAR 2007  
FINANCIAL STATEMENTS AND  
AUDITOR'S REPORTS**

*Regional Conservation Authority*

**FISCAL YEAR 2006-07  
(JULY 1, 2006 – JUNE 30, 2007)  
INDEPENDENT AUDITORS' REPORT OF THE WESTERN  
RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY**

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**Staff Contact:**

**Honey Bernas, Director of  
Administrative Services  
(951) 955-2842**

**Background:**

The Joint Powers Agreement creating the Western Riverside County Regional Conservation Authority requires that an independent certified public accountant or firm perform an annual audit of the accounts and records of the RCA, and that a complete written report of such audit be filed with the Auditor Controller's Office annually pursuant to Government Code Section 6505.

The RCA retained Ahern, Adcock, Devlin LLP to perform an independent financial audit of the Authority for Fiscal Year 2006-07 (July 1, 2006, through June 30, 2007). Because federal funds were received, the Authority was required to undergo its first Single Audit.

The final audit report was received on December 13, 2007. In the opinion of the auditors, "the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2007, and the results of its operations for the year then ended, in conformity with the United States generally accepted accounting principles." In other words, they determined that our financial position was sound. There were reportable findings concerning the financial statements, which are summarized in Attachment 2. Staff is pleased to report that there were no findings concerning Federal Awards.

Staff believes that Ahern, Adcock, Devlin LLP performed a comprehensive audit. Staff concurs with the findings and recommendations and has outlined actions which will be taken to correct all reported deficiencies. The finding, causes, recommendations, staff responses and actions are outlined in Attachment 2.

On December 3, 2007, (Agenda Item 7.5), the RCA Board of Directors delegated the authority to approve the Fiscal Year 2007 Financial Statements and Independent Auditor's Report to the RCA Executive Committee.

## **AGENDA ITEM 7 STAFF REPORT**

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**December 19, 2007**

### **Staff Recommendation:**

That the Executive Committee:

1. Approve the Fiscal Year 2007 Financial Statements and Independent Auditor's Report;
2. Endorse the actions in Attachment 2.
3. Direct staff to agendize this matter for ratification at the January 7, 2008 meeting of the RCA Board of Directors.

### **Attachments:**

1. Fiscal Year 2006-07 Financial Statements and Independent Auditors' Report
2. Audit Finding, Causes, Recommendations, Staff Responses and Action

# **AGENDA ITEM NO. 7**

## **Attachment 1 Fiscal Year 2006-07 Financial Statements and Independent Auditor's Report**

# **AGENDA ITEM NO. 7**

## **Attachment 2 Audit Finding, Causes, Recommendations, Staff Responses and Action**

**FISCAL YEAR 2006-07 (July 1, 2006 through June 30, 2007)  
INDEPENDENT FINANCIAL AUDIT FINDING, CAUSES, RECOMMENDATIONS, STAFF RESPONSES AND ACTION**

**AGENDA ITEM 7  
ATTACHMENT 2**

**Financial Statement Finding:** The recorded accounting transactions were not sufficient to produce accurate financial reporting.

**Federal Awards Finding:** There were no findings to report.

CAUSE	AUDIT RECOMMENDATION	STAFF RESPONSE	ACTION
<p><b>INADEQUATE/UNTIMELY COMMUNICATION (i.e., donated land and notes payable):</b>  <b>Donated land:</b> Staff apprised the Auditors that there was one land donation and two conservation easement donations that occurred in November of 2005 which were not recorded in the proper period.  <b>Notes payable:</b> Accounting staff was not provided with copies of the agreements containing the notes payable in a timely manner.</p>	<p>That the Authority provide accounting staff with all copies of agreements entered into with a financial impact on a timely basis.</p>	<p>Concur with recommendation.</p>	<p>The Authority has created an Acquisition Funding Team consisting of Management, Financial, and Land Acquisition staff. The team has begun meeting on a bi-weekly basis. Regular agenda topics include, but are not limited to, the following: Acquisition strategies, pending offers, funding, terms, donated properties, cash flow, identification of active/inactive projects, and all other items related to financial recording. Accounting staff are provided with copies of all agreements containing financial impacts.</p>
<p><b>LACK OF TIMELY GENERAL LEDGER ACCOUNT RECONCILIATIONS WITH SUFFICIENT CONSIDERATION OF APPROPRIATENESS OF ACCOUNT DETAIL (i.e., land acquisitions in process, notes payable and fund balance net assets):</b>  <b>Land Acquisitions in Process:</b> Staff had not closed out project numbers for land acquisitions in process that were no longer active.  <b>Notes Payable and Fund Balance Net Assets:</b> Regarding notes payable, the Authority operates on a modified accrual basis. However, the audited financial statements are prepared under GASB full accrual. The notes payable were at a zero percent interest rate, and GASB does not recognize zero percent notes. Therefore, the Authority should have reduced the face value of the notes to allow for market rate interest of 5.05 for full accrual.</p>	<p>That the Authority perform regular general ledger account reconciliations with consideration of existence, completeness, valuation, rights/obligations, proper period, and financial reporting and disclosure.</p>	<p>Concur with recommendation.</p>	<p><b>Land Acquisitions in Process:</b> The Acquisition Funding Team will review land acquisitions in process and close out inactive projects on a quarterly basis.  <b>Notes Payable and Fund Balance Net Assets:</b> Staff will perform regular general ledger account reconciliations and calculate the appropriate discount rate and related amortization in the proper period for full accrual. The Acquisition Funding Team meetings will help to ensure the existence and completeness of the notes payable records.</p>
<p><b>INADEQUATE ACCOUNTING POLICIES (i.e., management's determination of "current resources" for modified accrual – i.e., 60 or 90 days):</b>  <b>Modified accrual policy:</b> Last fiscal year, the Auditors recommended that the Authority operate on a 60-day accrual period. The Authority operated on a 60-day accrual period, however, did not have a written policy regarding such.  <b>Capitalization policy:</b> The Authority currently operates under the County's capitalization policy.</p>	<p>That the Authority establish accounting policies for capital acquisitions for full accrual accounting and determination of current resources for modified accrual.</p>	<p>Concur with recommendation.</p>	<p><b>Modified accrual policy:</b> Staff will present a policy to the Board for consideration and adoption. Since we will be adopting a formal policy, staff will be recommending that change from a 60-day to a 90-day accrual period in order to provide consistency with the Authority's Fee Collection and Remittance policy. Staff has enacted an internal policy which addresses full accrual procedures.  <b>Capitalization policy:</b> Staff will present a policy establishing capitalization thresholds and timeframes to the Board for consideration and approval.</p>
<p><b>LIMITED STAFF RESOURCES</b></p>	<p>That the Authority evaluate staffing needs to ensure adequate resources, including time and training, to accurately and timely account for the Authority's growth and complexity.</p>	<p>Concur with recommendation.</p>	<p>The Authority has ordered updated accounting resource materials and will provide training opportunities deemed necessary for handling increasingly complex transactions. In addition, the Authority is in the process of recruiting for an additional accounting staff person and will continue to monitor staffing needs as the Authority continues to grow.</p>