



# WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

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## Executive Committee

Wednesday, March 19, 2008

### 1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority Executive Committee was called to order by Chairman Eugene Montanez at 12:03 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 Present

Bob Buster  
Jim Hyatt  
Andy Melendrez  
Eugene Montanez  
Gary Thomasian  
Jeff Stone

#### Committee Member Absent

Larry Dressel

### 3. PUBLIC COMMENTS

There were no public comments.

### 4. COMMITTEE MEMBER ANNOUNCEMENTS

Jeff Stone informed the Executive Committee that the Board of Supervisors, at their meeting on March 18, 2008, passed a policy that would require the disclosure of campaign contributions of \$250 or more by applicants, contractors and vendors appearing before local agencies. He requested that the RCA also adopt a similar policy.

### 5. ADDITIONS/REVISIONS

Steve DeBaun, Legal Counsel, announced that a matter regarding Winchester 700 arose yesterday after the posting of the agenda. The item is an urgency item and requested that Winchester 700 be added to the Closed Session Calendar agenda.

***M/S/C (STONE/BUSTER) to add the Winchester 700 item to the Closed Calendar to the Closed Session Calendar.***

**6. APPROVAL OF MINUTES**

*M/S/C (STONE/THOMASIAN) to approve the January 16, 2008 Executive Committee meeting minutes, as presented.*

**7. FISCAL YEAR 2007-08 SECOND QUARTER FINANCIAL STATEMENT AND BUDGET ADJUSTMENT**

Honey Bernas, Director of Administrative Services, presented an overview of the Fiscal Year 2007-08 Second Quarter Financial Statement: 1) As of December 31, 2007, the cash balance is \$21.8 million, and it is projected that the cash balance will be \$22.4 million at the end of the fiscal year; 2) Compared to the previous year, the MSHCP fees decreased by 33.87% as of December 31, 2007 and by 41.3% as of January 31, 2008. Staff had budgeted a 15% reduction; however, fees are down an additional 26% beyond the 15%.

In Operations, a shortfall of \$214,000 is projected in fees and \$170,000 in flood control project revenues. The shortfall and fee reduction are offset by higher than expected interest revenues, savings in contracts expenses, reduction in training and travel expenses, and savings in office relocation expenses

In the Land Acquisition department, a \$4.4 million shortfall in fee revenue is projected. Interest revenue, TUMF revenue, and a savings in moving expenses will be used to help offset the Land Acquisition budget shortfall.

Honey Bernas advised that a budget adjustment is necessary to increase interest revenue and increase Appropriation 1 (Salaries and Benefits) due to staff spending more time on acquisitions than was originally anticipated in the budget.

In Management and Monitoring, a shortfall of \$356,000 is anticipated. This shortfall will be offset by savings in salaries and benefits, and savings from the Parks and SAWA contracts.

In response to Bob Buster's question as to whether or tipping fees are down, Honey Bernas stated that we are seeing an approximate 5% decrease in revenue from in-county waste; however, out-of-county revenue has been stable thus far.

Gary Thomasian asked if staff has the ability track incoming fees whether it is derived from residential or commercial. Honey Bernas stated that staff will generate a fee activity report based on the monthly reports received from the cities and the County and provide it to Board Members with future financial reports.

Chairman Montanez requested that staff provide a fee activity report to the Board Members on a quarterly basis.

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

- 1) Receive and file the Fiscal Year 2007-08 Second Quarter Financial Statement and approve the budget adjustment; and***
- 2) Authorize staff to agendize this matter for the March 31, 2008 Special Meeting of the RCA Board of Directors.***

**8. AGREEMENT NO. 08002 BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND U. S. FISH AND WILDLIFE SERVICE FOR PARTIAL ANNUAL FUNDING OF AN INTERIM MONITORING PROGRAM ADMINISTRATOR/BIOLOGICAL MONITORING PROGRAM COORDINATOR**

Ken Graff, Director of Land Acquisition and Property Management, informed the Executive Committee that RCA's Monitoring Program is overseen by a Monitoring Program Coordinator, which is a position that is funded and filled by the California Department of Fish and Game (CDFG). The position is currently vacant and is not yet filled. In the interim, the U.S. Fish and Wildlife Service (USFWS) provided a Biological Monitoring Coordinator position to perform the duties of the Program Coordinator. The USFWS has advised the RCA that they are no longer able to fund the position without reimbursement. However, since the position is funded with federal grant funds, it is not eligible for reimbursement. To maintain continuity of the Monitoring Program, staff is requesting to retain the USFWS employee until such time as the CDFG fills the position. The USFWS has agreed to continue to provide 50% funding for the position.

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

- 1) Approve the Agreement No. 08002 between the RCA and USFWS to provide partial annual funding for an Interim Monitoring Program Administrator/Monitoring Program Coordinator; and***
- 2) Authorize staff to agendize this matter for the March 31, 2008 Special Meeting of the RCA Board of Directors.***

**9. EXECUTIVE DIRECTOR'S REPORT**

**9.1 MSHCP Fee Adjustment for Fiscal Year 2008-09**

Charles Landry, Executive Director, informed the Executive Committee that on March 4, 2008, a letter showing the Cost Price Index (CPI) of 4.17% increase to the MSHCP fees for Fiscal Year 2008-09 was distributed to the cities and the County.

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Subsequently, staff received feedback from cities and the Building Industry Association (BIA). Part of the reason was that the Western Riverside County Association of Governments (WRCOG) has suspended their fee increases which will accumulate and at some point and time, will recapture the fee increases. The 4.17% MSHCP fee increase will result in between \$40 and \$78 per rooftop and the per acre fee increased \$264. The Plan calls for an annual fee increase based on the CPI.

Chairman Montanez stated that the annual CPI increase was a part of the Plan and to make a change would result in reopening the Plan.

Jim Hyatt asked if there is flexibility in the Plan to defer the CPI increase for a year and Michelle Ouellette, BBK Legal Counsel, stated that this is called for in the Plan. If the fee adjustment is postponed, the RCA Board would have to indicate how a funding shortfall would be made up and would be vulnerable to challenges.

Steven DeBaun, BBK Legal Counsel, added that the RCA Board would not be able to make up revenue shortfall from fee increase above what the RCA is allowed to charge for future use. So, another revenue source would have to be identified to make up the shortfall.

In response to Jeff Stone's question relating to implication for suspension of fee adjustment, Michelle Ouellette said that the USFWS and CDFG could state that the Plan is underfunded and that RCA has made certain commitments in order to obtain the permits.

Jeff Stone stated that condition of the economy has created this unique situation and that there is potentially more at stake because of the multi-partnership which brought the Plan to where it is today. Inasmuch as he is sensitive to the condition of the economy, he recommended that the RCA keep its commitment and the Plan going.

Andy Melendrez noted that construction, material and labor costs are lower which is beneficial to the builders.

Bob Buster asked if mitigation land is being purchased during a time when real estate prices are down. Ken Graff said that we have observed that land values have decreased somewhat, however, it takes some time for the appraisals to catch up with the market.

Andy Melendrez asked when the mitigation fees are paid and whether the fees could be delayed. Michelle Ouellette said that the transfer of the take transpires when the grading permit is awarded because that is when the impacts occur. However, some cities impose fees at the time the certificate of occupancy is issued or upon final inspection, whichever occurs first.

Chairman Montanez stated that any change would leave the Plan vulnerable to be reopened. He added that there would not be an impact from the fee adjustment if development is not occurring.

Joe Richards informed the Executive Committee that RCA staff will be meeting with the City Managers tomorrow and the fee adjustment will be discussed.

Jim Hyatt stated that he was glad to know that RCA is meeting with the City Managers and asked that timing of fee collections and remittance be clarified.

***M/S/C (STONE/HYATT) to:***

- 1) Endorse the annual fee adjustment based on the CPI, as required by the MSHCP; and***
- 2) Authorize staff to agendize this matter for the March 31, 2008 Special Meeting of the RCA Board of Directors.***

#### **10. FUTURE AGENDA ITEMS**

There were no items suggested by the Executive Committee members for the next meeting.

At this time, Chairman Montanez adjourned the meeting to Closed Session.

#### **11. CLOSED SESSION:**

##### **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

<b>Item</b>	<b>Assessor Parcel Nos.</b>	<b>Property Owners</b>
1	547-160-004, 553-220-001 553-220-015	San Jacinto River Ranchos Meadows at Lone Cone
2	900-700-001	Winchester 700/K. Erik Friess

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At 12:51 p.m., the meeting reconvened. There were no announcements from the Closed Session items.

**12. ADJOURNMENT**

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

Respectfully submitted,



Honey Bernas  
Clerk of the Board