



MINUTES EXECUTIVE COMMITTEE October 21, 2009

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1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority Executive Committee was called to order by Chairman Bob Buster at 12:05 p.m. in the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California.

2. ROLL CALL

Self introductions of Executive Committee meeting attendees followed.

Committee Members Present

Bob Buster
Frank Hall
Jim Hyatt
Eugene Montanez
Jeff Stone
Gary Thomasian

Committee Member Absent

Melissa Melendez

3. PUBLIC COMMENTS

At this time, Jeff Stone introduced Elizabeth Cowder, Student Intern, to those present.

There were no other public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

There were no Committee Member announcements.

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

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6. APPROVAL OF MINUTES

M/S/C (STONE/HALL) to approve the minutes of the August 19, 2009 meeting of the Executive Committee, as submitted.

7. PUBLIC PRESENTATION – DAN MUSETTI

Dan Musetti of Homeland, California, presented his concept for his 2,835 acre property on the southern edge of Hemet. He cited that the acreage would be ideally suited as a foundation for a multi-faceted conservation program. He envisioned setting: 1) A non-profit entity with the main goal to protect the natural assets of the Hemet Ranch and all other assets through future land acquisitions and property development; 2) A college entity focusing on environmental, conservation and green building techniques; and, 3) A commercial entity developing conservation ideas and programs and environmentally friendly products and at the same time protect the properties and conservation products as they are developed. He then reviewed the various aspects of his proposal.

In response to Jeff Stone's question if the offer to RCA is fee title of the property, Dan Musetti said that he is looking at a conservation easement arrangement. Thereupon, Jeff Stone asked Legal Counsel if RCA receives credit for conservation easement transactions.

Michelle Ouellette, Legal Counsel, said that RCA is able to get credit depending on the structure of the transaction

Ken Graff, Director of Land Acquisition, added that a conservation easement would require full compliance with the MSHCP. A major issue is who will be responsible for the management cost. In addition, in order for property to count toward the reserve, approval and acceptance of land bank arrangements by U.S. Fish and Wildlife and California Department of Fish and Game is needed, which is a very complicated process.

Charlie Landry, Executive Director, said that endowments are needed in order to sustain the land.

Jeff Stone extended appreciation to Dan Musetti for the presentation and for his desire to preserve the property.

Chairman Buster suggested that Dan Musetti continue to work with RCA staff to develop specifics and an outline on alternatives for property acquisition.

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8. SEMI-ANNUAL MANAGEMENT REPORT AUGUST 2009

Ken Graff, Director of Land Acquisition, said that the RCA contracts with the Riverside County Regional Park & Open Space District to provide MSHCAP reserve maintenance. He then reviewed the enforcement and maintenance activities, budget, expenses and staffing as well as the habitat enhancement activities for the first six-month period of FY 2008-09. Currently, there are 28,096 acres of MSHCP properties being managed by the District for RCA. He showed a picture of a "step over" gate that was constructed to allow equestrians and hikers to pass freely into the reserves while inhibiting entry of motor vehicles. Habitat management and enhancement included: 1) Completion and approval of the Fire Emergency Response Plan for RCA properties; 2) Initiation of a trapping plan to monitor a new pest threat to Riverside County; 3) Burrowing Owl habitat enhancement efforts at El Sol will be expanded; 4) Continue to use grazing as a vegetation management tool; and, 5) With the discovery of Fairy Shrimp and Spade Foot Toads on the Shiang property, an ephemeral pool with temporary berm was constructed to slow run-off and stop erosion.

M/S/C (STONE/MONTANEZ) to:

- 1) Recommend that the RCA Board of Directors receive and file the Semi-Annual Report of MSHCP Management Activities; and***
- 2) Authorize staff to agendize this matter for the November 2, 2009 meeting of the RCA Board of Directors.***

9. CONSULTANT REPORT – DUDEK

Charlie Landry, Executive Director, reviewed the contract and services provided by Dudek as it related to: 1) joint project review and criteria refinement processing; 2) meetings with public agencies and special entities; and 3) trainings and presentations. They have worked with Elsinore Valley Municipal Water District, Southern California Edison and Eastern Municipal Water District on Participating Special Entity projects.

The Executive Committee received and filed the report on Dudek's activities and recommended that this item be placed on the RCA Board of Directors agenda on November 2, 2009.

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10. RAND REPORT OVERVIEW

Charlie Landry provided staff's overview of the RAND Report as it related to: 1) the effects on the permitting process on road and development projects; 2) front load land purchases and the challenge to obtain funding; 3) shortfall of \$1 billion to \$2.5 billion in local revenues which is based on 2007 dollars with no revenue fee increase; 4) potential revenue sources including local development mitigation fee; and, 5) issues with regards to obtaining acreage goals in rough step and this was based on the U.S. Fish and Wildlife Service conceptual reserve design. RCA will continue to work on staying in rough step. The full effect will not be known until the reserve formation is near completion and that the issues will continue to be addressed through the development and acquisition process.

In response to Jeff Stone's inquiry on how the current state of economy is affecting RCA operations, including land acquisition, Charlie Landry said that because of the number of uncertainties related to future revenues, it is difficult to project. However, there may be an issue as it relates to land acquisition if within four years the economy does not pick up. Jeff Stone asked if the spike in that four year window would be exaggerated in the very near future or if we are a few years out. Jeff Stone asked how the economy impacts the four year window. Charlie Landry noted that our revenue is very limited and potential litigation could obviously affect our cash flow. Michelle Ouellette clarified that we are at the beginning of the four year period on several projects in that we have not reached an agreement on a purchase price. Charlie Landry added that if we cannot acquire the property within four years of agreeing on a purchase price, then we may have to let the property be developed, which in some cases could be problematic depending upon where the property is located. In addition, some property owners do not want to wait four years to be paid.

Jeff Stone asked if RCA has done any kind of analysis or projection over the next four years as to which properties would be considered highly critical properties that should have priority instead of acquiring smaller properties in a piecemeal fashion. He suggested that we should be saving this money for these higher priority acquisitions that could impact the Plan. Charlie Landry stated that we have been looking at these 100% acquisitions over the last year. Jeff Stone asked if we have done a capital improvement plan or a numerical rating plan. Charlie Landry responded that we do rate the properties. Ken Graff added that we not only look reserve assembly, we also look at habitat within these rough step areas and if these properties contain important habitat, then the priority rises in priority. In addition, RCA also delivers the 100% acquisitions to the Board.

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11. EXECUTIVE DIRECTOR'S REPORT

11.1 SECTION 6 UPDATE

Charlie Landry said that there are \$50 million per year in Section 6 funds available nationwide. He then reviewed the Section 6 process, the match requirements and eligible areas in Riverside County for the existing Section 6 grant funds. The eligible areas include the Tenaja area and Escarpment area (west and south of the Santa Rosa Plateau Reserve) and the San Jacinto River area (south and east of Lake Perris and the San Jacinto Wildlife area). There is approximately \$11.5 million in Section 6 funds available to the eligible areas. As an example, assuming a 50% match requirement for a 20-acre property valued at \$500,000, using \$250,000 Section 6 grant funds, RCA's non-federal match would be \$250,000. Under this scenario, 10 acres would be credited to the federal ledger and 10 acres to local ledger. Charlie Landry noted that a meeting was held with U.S. Fish and Wildlife staff - Gary Frazer who oversees Section 6 grants for HCPs and the Section 6 funding person, Don Morgan, to discuss the basis of their opinion regarding the match requirement. We now have the verbiage on which they are basing their opinion, and we will analyze this information. This matter will be reviewed by legal counsel who will prepare a legal brief which will be submitted to U.S. Fish and Wildlife. He noted that Senators Dianne Feinstein and Barbara Boxer are both sending letters to the U.S. Fish and Wildlife Service, and we are trying to obtain copies. Michelle Ouellette said that based on their initial review, it appears that their determination is based on code section that is general and not applicable.

12. FUTURE AGENDA ITEMS

There were no future agenda items requested.

Michelle Ouellette, Legal Counsel, announced that Agenda Item No. 13.1 pertained to a potential liability arising from a land transaction regarding the Wilhelm Ranch Family.

At this time, Chairman Buster and Jeff Stone left the meeting due to possible conflict of interest.

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13. CLOSED SESSION ITEM

**13.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Pursuant to Subdivision (b) of Government Code Section 54956.9
Number of Potential Cases: 1**

There were no announcements from the Closed Session.

14. ADJOURNMENT

There being no other agenda items before the Executive Committee, Chairman Buster adjourned the meeting. The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, December 16, 2009, at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, RCA Conference Room, Riverside, California, 92501.

Respectfully submitted,



Honey Bernas
Clerk of the Board