



**MINUTES
EXECUTIVE COMMITTEE
NOVEMBER 18, 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 Vice Chairman Gary Thomasian at 12:04 p.m. in the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California.

2. ROLL CALL

Self introductions of Executive Committee members and attendees followed.

Committee Members Present

Jim Hyatt
Melissa Melendez
Eugene Montanez
Jeff Stone
Gary Thomasian

Committee Members Absent

Bob Buster
Frank Hall

3. PUBLIC COMMENT

There were no public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

There were no Committee Member announcements.

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

6. APPROVAL OF MINUTES

M/S/C (MONTANEZ/HYATT) to approve the minutes of the October 21, 2009 meeting of the Executive Committee as submitted.

7. FISCAL YEAR 2008-09 FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITORS' REPORTS

Honey Bernas, Director of Administrative Services, said that Ahern, Adcock, Devlin, LLP was retained to perform an independent single audit of RCA's Fiscal Year 2008-2009 financial statements. The single audit was required because the RCA was a recipient of federal funds. She reviewed the Summary of Audit Differences and advised that the \$82,000.00 difference was related to a conservation easement on a portion of property that the Authority received through a recorded map in 2005. Subsequently, in 2008 the Authority acquired the Damietta Ranch in fee title. Staff recorded the value of the purchase in the asset module without backing out the value of the conservation easement, which overstated RCA's assets. Staff found the discrepancy and informed the auditors. In that, the difference represents .0003 percent of the total land assets and staff elected not to restate the 2008 financials. However, staff did a journal entry to correct the general ledger. She noted that there was one reportable finding concerning the financial statements relating to reconciliation between the general ledger and trial balance. She advised that staff concurs with the finding and recommendation. She pointed out that RCA uses the County's financial system which operates on a modified accrual basis. RCA's full accrual financial statements are prepared manually. Since audit adjustments cannot be recorded in the General Ledger, staff will track adjustments on Excel spreadsheets and effects to fund balance will be reconciled. Staff will print hard copies of all supporting documentation to accompany the monthly account reconciliations. Staff plans to meet with the County to discuss issues relating to the Oasis Asset Module. There were no findings concerning the Federal Awards audit.

M/S/C (HYATT/STONE) that the RCA Executive Committee:

- 1) Recommend that the Board approve the Fiscal Year 2009 Financial Statements and Independent Auditors' Reports; and***
- 2) Recommend that the Board endorse the actions shown in Attachment 2; and***
- 3) Authorize staff to agendized this matter for the December 7, 2009 meeting of the RCA Board of Directors.***

8. FISCAL YEAR 2009-10 FIRST QUARTER FINANCIAL REPORT

Honey Bernas presented the First Quarter Financial Report for Fiscal Year 2009-10 and reviewed the: 1) Cash Balance Summary and Financial Statement Overview; 2) Detailed Financial Statements; and, 3) MSHCP Fee Collection Report. The RCA had a Cash Balance as of \$12,200,000 as of September 30, 2009. The MSHCP fee revenue was approximately 46% higher than budgeted. Revenue as of September 30, 2009 included \$1,897,389 in MSHCP Development Mitigation Fees, \$203,485 in TUMF, \$75,000 in Flood Control fees, and \$79,494 in MSHCP Civic Project contributions, \$455,723 in Tipping Fees, and other miscellaneous revenue.

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There were no MSHCP Infrastructure fees received during the first quarter. During this period, the RCA acquired eight (8) properties. RCA received federal and state grants in the amount of \$325,000. Staff will prepare a budget adjustment at midyear to increase revenues and appropriations.

Charlie Landry, Executive Director, informed the Executive Committee that when a property is being reviewed and discussed for acquisition, staff will report on the implications to the MSHCP if the property is not acquired. Staff will also review how far an acquisition through installments can be pushed back. Currently, there is one property that may need to be pushed back.

Jeff Stone stated that it is still a great market to acquire land for MSHCP, but the RCA will need to come up with creative financing by pushing out financing with small down payments even though interest will have to be paid. The economy and value will not remain the same for decades and will recover. It will take some time with adjustments to correct itself. When it does, revenue coming into RCA will increase. So, the payment terms of the agreement to purchase a property is more significant to look at than the price of the property.

Eugene Montanez said that overhead expenses should be reviewed for any cost savings.

Charlie Landry noted that a mid-term adjustment to the budget which will include cost-savings will be presented to the RCA Board in February/March.

In response to Jeff Stone as to the status of lobbying efforts for additional funding for acquisition, Charlie Landry said that staff, its consultants and the Coalition continues its efforts toward looking for available funding and funding sources that could be created, especially having an Administration that is interested in and supportive of conservation.

Jeff Stone said that RCA has Board Members that belong to other organizations that travel to Washington, D.C. As a cost saving to the RCA, there is a trip in March and that staff should coordinate with the Board Members travelling to Washington and set up lobbying efforts to seek funding.

Jim Hyatt asked staff about the status of the tipping fees as the report does not indicate receipt of any fees, and Honey Bernas responded that the County makes the transfers twice a year. Fees received from the tipping fees are allocated to the Management and Monitoring Department. Charlie Landry added that El Sobrante is the source of the tipping fees. RCA receives 50% of the revenues for out-of-county tipping fees and RCA also receives a share of in-county tipping fees.

Gary Thomasian asked if there is traction in looking at density bonuses. Charlie Landry said that the MSHCP Plan envisions use of density bonuses so it will depend on each of the land use authorities to set this up. The County of Riverside started to develop one.

Eugene Montanez suggested that next year RCA develop a model and perhaps a subcommittee with one Supervisor and two City representatives be formed for this purpose.

M/S/C (HYATT/MONTANEZ) that the RCA Board Executive Committee:

- 1) ***Recommend that the Board receive and file the Fiscal Year 2008-09 First Quarter Financial Report; and***
- 2) ***Authorize staff to agendize this matter for the February 1, 2010 meeting of the RCA Board of Directors.***

9. PROPOSED 2010 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

M/S/C (MONTANEZ/THOMASIAN) that the RCA Executive Committee:

- 1) ***Recommend that the Board of Directors adopt the 2010 meeting schedule of the RCA Board of Directors and Executive Committee; and***
- 2) ***Authorize staff to agendize this matter for the February 1, 2010 meeting of the RCA Board of Directors.***

10. ELECTION OF 2010 RCA OFFICERS

M/S/C (MELENDEZ/MONTANEZ) that the RCA Executive Committee:

- 1) ***Recommend that the Board of Directors hold an election for the 2010 Chairman and Vice Chairman; and***
- 2) ***Authorize staff to agendize this matter for the February 1, 2010 meeting of the RCA Board of Directors.***

11. EXECUTIVE DIRECTOR'S REPORT

11.1 RCA Goals and Objectives

Charlie Landry reported that Goals and Objectives will be integrated with the budget process and will be presented in April/May.

11.2 Section 6

Staff received the background information that the U.S. Fish and Wildlife used to base the change in their interpretation regarding Section 6 match funds. Upon review, staff found that they adopted regulations that already

