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**MINUTES
EXECUTIVE COMMITTEE
AUGUST 17, 2011**

1. CALL TO ORDER

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

2. ROLL CALL

Committee Members Present

Bob Buster
Maryann Edwards
Jim Hyatt
John Machisic
Eugene Montanez

Committee Members Absent

Jeff Stone
Mark Yarbrough

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 (BUSTER/EDWARDS) to approve the minutes of the April 25, 2011 meeting of the Executive Committee.

Abstain: Machisic

7. LAND ACQUISITION POLICY 1.03

Brian Beck, Land Acquisition Analyst, briefed the Executive Committee on the current Land Acquisition Policy 1.03 wherein the RCA will order an independent appraisal of the property under consideration for purchase. The appraised value will be used to develop an offer to the seller to purchase the property under consideration. The seller may provide a separate appraisal; however, it will not be used as a basis to the initial offer. He recommended that the RCA continue to follow the policy to order independent appraisals for properties being considered for acquisition, even when grant funds are being used. It has been staff's experience that, regardless of the source of funding, ordering an independent appraisal will save taxpayer dollars.

It was determined by the Executive Committee to maintain the policy for RCA to obtain independent appraisals for properties being considered for acquisition, regardless of the type of funding proposed to be used.

8. WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY MULTIPLE SPECIES HABITAT CONSERVATION PLAN ANNUAL REPORT 2010

Pat Egetter, RCA Chief of Technical Information, presented the 2010 Annual Report of the Multiple Species Habitat Conservation Plan. In 2010, the habitat losses and gains are as follows: 1) 1,710 acres of new development were approved by Permittees within the MSHCP Plan Area; 2) 1,426 acres of Additional Reserve Lands were acquired or donated; and, 3) As of December 31, 2010, a total 43,034 acres of conservation lands have been acquired within the MSHCP Plan Area. There were a total of 8 rough step units with 37 vegetation categories and that only 4 out 37 vegetation communities are out of rough step. Activities in Management and Monitoring consisted of: 1) Addition of 1,431 acres to the Reserve Management; 2) Continued focus on protection and security of the properties; 3) Completion of 9 Initial Management Evaluation Reports; 4) Monitoring continue the first phase mapping of vegetation communities, gather existing species information and conduct field surveys; 5) Monitoring detected 102 of the 146 species; and 6) Monitoring conducted surveys only within the existing conservation area of the public/public-quasi (PQP) and additional reserve lands (ARL). The Annual Report was distributed to agencies and is also posted on RCA's website.

M/S/C (MACHISIC/MONTANEZ) to recommend that the RCA Board of Directors receive and file the Western Riverside County Regional Conservation Authority Multiple Species Habitat Conservation Plan 2010 Annual Report.

9. FISCAL YEAR 2010-11 APPROPRIATION TRANSFERS REPORT

Honey Bernas, Director of Administrative Services, said that in accordance with Resolution No. 06-014, the Executive Director was delegated the authority to make appropriation transfers and revisions within the budget unit and shall report such to the RCA Board. In this instance, the transfers and revisions were to accommodate the Monitoring Program's

request to purchase a needed computer and to replace some of the small mammal traps which were previous provided by the U.S. Fish and Wildlife Service.

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

- 1) Recommend that the RCA Board of Directors receive and file the Fiscal Year 2010-11 Appropriation Transfers Report; and,***
- 2) Authorize staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

10. FISCAL YEAR 2010-11 THIRD QUARTER FINANCIAL REPORT

Honey Bernas presented the FY 2010-11 Third Quarter Financial Report ending March 31, 2011. At the end of the third quarter, RCA's cash balance was \$11,041,000. Total appropriations were as follows: 1) Operations \$259,775; 2) Land Acquisition \$11,287,632; and, 3) Management and Monitoring \$1,301,422. She said that the financial audit is expected to start next month and that the Final Financial Statements will be presented by the end of the year.

M/S/C (EDWARDS/MACHISIC) to:

- 1) Recommend that the RCA Board of Directors receive and file the Fiscal Year 2010-11 Third Quarter Financial Report; and***
- 2) Authorize staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

11. FISCAL YEAR 2010-11 PRELIMINARY FOURTH QUARTER (UNAUDITED) FINANCIAL REPORT AND BUDGET ADJUSTMENTS

Honey Bernas presented the preliminary fourth quarter financial report and budget adjustments. Adjustments included: 1) Increase revenue under Operations due to additional funds received from Civic Projects for \$370,000; and, 2) Reduction in Flood Control revenues for \$240,000. Currently, mitigation fees are deposited in Departments 935201 and 935100. A budget transfer of \$163,800 in Developer Mitigation Fees from Administration to Land Acquisition is proposed to retain all fees in Land Acquisition. She reviewed the proposed adjustments to the budget: 1) the net decrease in budgeted revenues of \$33.8 thousand is offset by savings in Legal expenditures; 2) under Land Acquisition, decrease federal Capital grant by \$2.30 million; 3) decrease contributions and donations by \$520,000 as a result of Fieldstone donation; and, 4) higher than budgeted were mitigation fee proceeds at \$810,000 and tipping fees at \$644,000. Staff recommends requesting that the Board commit \$600,000 in FY2011 Tipping Fee proceeds for future Land Acquisition cost. The proposed adjustments are detailed in Exhibit "A".

In response to Vice Chairman Hyatt's question about the reduced legal fees, Michelle Ouellette, RCA Legal Counsel, said that this is savings from land acquisition fees.

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

- 1) ***Recommend that the RCA Board of Directors receive and file the Fiscal Year 2010-11 Preliminary Fourth Quarter (Unaudited) Financial Report;***
- 2) ***Recommend that the RCA Board of Directors approve the budget adjustments contained in Exhibit A attached hereto;***
- 3) ***Recommend that the RCA Board of Directors authorize the Chairman to direct the Auditor-Controller to make the budget adjustments contained in Exhibit A;***
- 4) ***Recommend that the RCA Board of Directors commit \$600,000 in FY2011 Tipping proceeds for future Land Acquisition costs; and***
- 5) ***Authorize staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

12. RESOLUTION NO. 11-006, "RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY"

Michelle Ouellette said that in accordance with State regulations, every public agency shall adopt and update their investment policy periodically. The proposed RCA Investment Policy has been reviewed with the Riverside County Treasurer, RCA 's Treasurer.

Eugene Montanez inquired on the status of investments and staff noted that they will request the County Treasurer to provide report and an update at the RCA Board meeting.

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

- 1) ***Recommend that the RCA Board of Directors adopt Resolution No. 11-006, "Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy," and***
- 2) ***Direct staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

13. RESOLUTION NO. 11-007, "RESOLUTION FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS"

After review of the qualifications of the candidates for the SDRMA Board of Directors, the Executive Committee recommended the selection of Mike Schaefer of Costa Mesa Sanitary District, Ed Gray of Chino Valley Independent Fire District, and Terry Burkhart of Bighorn-Desert View Water District.

M/S/C (MACHISIC/BUSTER) to:

- 1) Recommend that the RCA Board of Directors select Mike Schaefer, Ed Gray and Terry Burkhart to fill the vacancies on the SDRRMA Board of Directors;***
- 2) Adopt Resolution No. 11-007 in support of the candidates; and***
- 3) Direct staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

14. EXECUTIVE DIRECTOR'S REPORT

Charlie Landry, Executive Director, reported on the following items:

14.1 LOAN PROGRAM UPDATE

RCA has been working to gain the support for the loan program and has approached regional and national agencies such as AASHTO (American Association of State Highways and Transportation Officials), Mobility 21, BIA (Building Industry Association), and the State and Federal Building Trades and Unions, as well as other HCP (Habitat Conservation Plan) agencies. Senator Dianne Feinstein and Congressman Ken Calvert are actively working on the bill.

14.2 CRITICAL HABITAT DESIGNATION UPDATE

At issue, is the USFWS (U.S. Fish and Wildlife Service) adding critical habitat designations, i.e., the Santa Ana Sucker as the latest designation. The Implementing Agreement between the USFWS and RCA included a provision wherein there would be no additional designation of critical habitat within the Plan Area. The USFWS has designated a total twelve (12) critical habitat areas for certain species. Staff is working toward an agreement to eliminate new critical designations by the USFWS within the Plan Area and to remove the current designations.

14.3 NEXUS STUDY UPDATE

Proposals for the Nexus Study have been received and staff will be scheduling interviews. This matter is scheduled to be presented to the RCA Board at the December meeting.

14.4 UPDATE REGARDING COUNTY EMPLOYEES

The County of Riverside recently advised that all members of Commissions and Advisory Groups receiving payment for their services from the County are subject to income tax withholding as employees. Therefore, the RCA Board members will be hired into the County's Temporary Assignment Program and are required to undergo a hiring process and complete paperwork to establish their employee records. This was effective January 1, 2011.

14.5 CONSULTANT REPORT – DOUG WHEELER THIRD AND FOURTH QUARTER REPORTS

The third and fourth quarter reports were included in the agenda packet.

M/S/C (EDWARDS/MACHISIC) to:

- 1) ***Recommend that the RCA Board of Directors receive and file the third and fourth quarter reports for Doug Wheeler; and***
- 2) ***Authorize staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

14.6 CONSULTANT REPORT – DAVE KENNETT THIRD AND FOURTH QUARTER REPORTS

The third and fourth quarter reports were included in the agenda packet.

M/S/C (EDWARDS/MACHISIC) to:

- 1) ***Recommend that the RCA Board of Directors receive and file the third and fourth quarter reports for Dave Kennett; and***
- 2) ***Authorize staff to agendize this matter for the September 12, 2011 meeting of the RCA Board of Directors.***

15. FUTURE AGENDA ITEMS

There were no future agenda items requested by the Executive Committee.

At this time, the Executive Committee adjourned to Closed Session.

16. CLOSED SESSION ITEMS

- 16A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Subdivision (a) of Government Code Section 54956.9
- RIC 530137

- 16B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
Pursuant to Government Code Section 54956.8
- Property:** 927-680-004 and 927-680-005
Negotiating Parties: Rancho California Water District
Agency Negotiator: RCA – Executive Director or Designee
Under Negotiation: Price and Terms

After the Closed Session, Vice Chairman Hyatt reconvened the meeting. There were no announcements from the closed session items.

17. ADJOURNMENT

With no other items to be considered, Vice Chairman Hyatt adjourned the meeting. The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, September 21, 2011, at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, Third Floor, RCA Conference Room, Riverside, California, 92501.

Respectfully submitted,



Honey Bernas
Clerk of the Board