

# **AGENDA ITEM NO. 7**

## **MINUTES**

**December 5, 2016**



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## MEETING MINUTES

### 1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Montanez at 12:30 p.m. on December 5, 2016, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California, 92501.

### 2. PLEDGE OF ALLEGIANCE

Board Member Tavaglione led the RCA Board Members and meeting attendees in a flag salute.

### 3. ROLL CALL – Roll Call was noted by Rose Haro, RCA Administrative Manager.

Attendee Name	Name	Status	Arrived
City of Banning	George Moyer	Present	12:32 PM
City of Beaumont	Brenda Knight	Present	12:27 PM
City of Calimesa	Jeffrey Hewitt	Present	12:33 PM
City of Canyon Lake	Tim Brown	Present	12:30 PM
City of Corona	Eugene Montanez, Chairman	Present	11:54 AM
City of Eastvale	Clint Lorimore	Present	12:31 PM
City of Hemet	Linda Krupa	Present	12:32 PM
City of Jurupa Valley	Verne Lauritzen	Present	12:31 PM
City of Lake Elsinore	Natasha Johnson	Present	12:31 PM
City of Menifee	Matt Liesemeyer	Present	12:22 PM
City of Moreno Valley	D. LaDonna Jempson	Present	12:34 PM
City of Murrieta	Jonathan Ingram	Present	12:33 PM
City of Norco	Kevin Bash	Present	12:33 PM
City of Perris	David Starr Rabb	<b>Absent</b>	
City of Riverside	Andy Melendrez	Present	12:31 PM
City of San Jacinto	Crystal Ruiz	Present	12:27 PM
City of Temecula	Maryann Edwards	Present	12:55 PM
City of Wildomar	Ben Benoit	Present	12:30 PM
District 1	Kevin Jeffries	Present	12:31 PM
District 2	John Tavaglione	Present	12:31 PM
District 3	Chuck Washington	Present	12:29 PM
District 4	John Benoit	<b>Absent</b>	
District 5	Marion Ashley, Vice Chairman	Present	12:33 PM

#### 4. PUBLIC COMMENTS

Chairman Montanez called for public comments regarding items not listed on the agenda. There were no public comments.

#### 5. BOARD MEMBER ANNOUNCEMENTS (This item provides the opportunity for the Board Members to report on attended meetings/conferences and any other items related to RCA activities.)

Board Member Jempson announced that this was her last meeting and said that it has been an honor and privilege to serve with all of her fellow Board Members on RCA.

#### 6. ADDITIONS/REVISIONS (The Board 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 Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)

There were no additions/revisions to the agenda.

#### 7. APPROVAL OF MINUTES — November 6, 2016 meeting of the RCA Board of Directors.

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of Calimesa
<b>SECONDER:</b>	City of San Jacinto
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, City of Temecula, District 4

#### 8. CONSENT CALENDAR (All matters listed under the Consent Calendar will be approved in a single motion unless a Board Member requests separate action on specific Consent Calendar item. The item will be pulled from the Consent Calendar and placed for discussion.)

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of Eastvale
<b>SECONDER:</b>	City of Moreno Valley
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, City of Temecula, District 4

**8.1 WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR OCTOBER 2016**

Overview

This item is for the RCA Board of Directors to receive and file the MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for October 2016.

**8.2 FISCAL YEAR 2017 FIRST QUARTER FINANCIAL REPORT**

Overview

This item is for the RCA Board of Directors to receive and file the Fiscal Year 2017 First Quarter Financial Report.

**8.3 PROPOSED 2017 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE**

Overview

This item is for the RCA Board of Directors to adopt the proposed 2017 meeting schedule of the RCA Board of Directors and Executive Committee.

**9. FISCAL YEAR 2016 AUDITED FINANCIAL STATEMENTS**

Honey Bernas, Director of Administrative Services, stated that Vavrinek, Trine, Day & Company has audited the RCA for the past five years. She advised that the Fiscal Year 2016 audit had been completed. The auditors spent approximately two weeks at the RCA and several weeks auditing the RCA's records. The audit went smoothly, and no problems were encountered. The auditor's opinion was "clean" or "unmodified," which means that the RCA's financial reporting is consistent with Generally Accepted Accounting Principles (GAAP).

She gave an overview of the audited financial statements reporting that revenue exceeded expenditures in all programs. The RCA's ending fund balance was \$37.1 million for all funds, which is an increase of \$3.1 million from last year. The General Fund balance increased by \$1.2 million from the prior year. The Regional Conservation Authority's General Fund Balance was \$18.5 million as of June 30, 2016. Of that amount, \$77 thousand is restricted for burrowing owl related expenditures, and the remaining \$18.4 is unassigned. The Capital Project Fund is \$14.7 million as of June 30, 2016 and is restricted for Capital acquisition related activities. The RCA's capital assets increased by \$20.9 million. The RCA acquired 23 properties and two conservation easements during the year, adding 4,210 acres to the reserve.

The RCA was required to undergo a single audit, which is a requirement for entities that expend over \$750 thousand in federal funds. The RCA expensed approximately \$4.8 million in federal funds during the year for the acquisition of six properties, and an additional \$2 million in matching State funds. Honey Bernas stated that she was pleased to report that the auditors did not identify any internal control deficiencies or findings related to federal expenditures. She commended staff for their efforts and great work throughout the year.

There were no questions regarding the audit.

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of Wildomar
<b>SECONDER:</b>	District 2
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, City of Temecula, District 4

### Overview

This item is for the RCA Board of Directors to receive and file the following reports:

- A) Basic Financial Statements and Independent Auditors' Report for the Year Ended June 30, 2016;
- B) Single Audit Report for the year ended June 30, 2016; and
- C) SAS 114 Report – The Auditors Communication with Those Charged with Governance.

## 10. MIDYEAR REVIEW – RECURRING PROFESSIONAL SERVICES CONTRACTS

Honey Bernas, Director of Administrative Services, reported that the Board of Directors requested an opportunity to review RCA's Recurring Contracts mid-year. She made reference to page two of the staff report listing each recurring contract, the type of service provided, contract amount, year retained, and contract expiration date. She advised that David Kennett's (Capitol Alliance Consulting's) contract was terminated effective October 31, 2016, as Mr. Kennett took another job. The Regional Conservation Authority retained Mark Kadesh with Kadesh and Associates to provide the services through the end of the fiscal year at the same rate as Capitol Alliance Consulting.

Honey Bernas advised that staff recommended a competitive procurement process for auditing services for FY2018 and for biological monitoring services in either FY2018 or FY2019.

Board Member Ingram asked how RCA handles expired contracts, and if they go month to month. Honey Bernas answered that if the Board elected not to approve a certain contract, the Board could approve on a month to month basis.

Board Member Brown asked if all of the pricing on contracts is fair and reasonable. Honey Bernas answered in the affirmative and explained that it's not only the price that is considered, but qualifications. Many times the services provided by the contractors are complicated and require expertise regarding the MSHCP. RCA would be paying a consultant to train them to be able to assist RCA. Board Member Brown asked if any of the contracts are sole or single source providers current pricing been compared to similar contractors. Honey Bernas answered that rate comparisons were completed. She further stated that all of the contractors have been

wonderful to work with. During the economic downturn, RCA asked most of the contractors to take a 10 percent contract reduction, which they agreed to. She advised that if RCA wishes to retain Kadesh and Associates next year, staff will need to negotiate the contract to determine if Kadesh and Associates is willing to the continue to provide services at the lower retainer rate. Chairman Montanez advised that Kadesh's standard rates are higher than RCA is paying.

Board Member Melendrez asked how RCA makes the distinction between a consultant and a contractor. There are several consultants who have been with RCA for a number of years who are very qualified. In the routine of doing business, especially for a government agency, there usually a request for proposals presented every three to five years hoping to receive comparative bids so it does not appear that the contract is given to one company or individual. He asked if there is way to clarify this rather than just say that someone is a consultant and their contract is renewed each year without going out to a competitive bid so as not to appear that others do not have the opportunity to bid for that particular contract. He stated that this may be a legal problem. Steve DeBaun, General Counsel, addressed this concern. He said in regard to professional consultants under State of California law, there is not specific requirement to bid or rebid a professional services contract. The agency does not have a legal liability for not rebidding professional consultant contracts. It is different for a contractor who might be hired to build a road which has specific requirements. With regard to professional consultant, there is not a requirement to rebid. Agencies do, on occasion, adopt specific rules with regard to rebidding consultant contracts or bidding them in the first place. This agency has not adopted specific rules with regard to rebidding.

Chairman Montanez commented that the change in administration in Washington might facilitate the change of lobbyist contractor in Washington.

Board Member Melendrez said that the point is the consultant has been with RCA for ten years and the contract has not been opened for bidding, so it would raise some concern, whether the Bylaws allow it or not.

#### Overview

This item is for the RCA Board of Directors to review and provide staff direction concerning RCA's recurring professional services contracts.

### **11. APPROVAL OF A FEE CREDIT FOR THE CITY OF TEMECULA FOR THE DONATION OF PROPERTY**

Honey Bernas, Director of Administrative Services, reported that in February and March of 2012, the City of Temecula donated two properties to RCA valued at \$289 thousand that would have qualified for a fee credit. That same fiscal year, the RCA auditors identified that the City did not pay an infrastructure contribution of \$286,995. for the construction of Butterfield Stage Road Phase 1. The City of Temecula has asked to rectify this matter by allowing a fee credit in the amount \$286,995. to offset the amount identified by the auditors.

Chairman Montanez commented that this property was donated during a time when there was no fee credit policy, and it was not realized there was a value in donating land.

Board Member Ingram asked if the fee credit is actually \$36,995 because under the new fee credit policy RCA gave the Member Agencies the discretion to approve up to \$250,000. He asked if that was correct, or if this is being done retroactively. Honey Bernas answered that it is

being done retroactively, and in order to right the books, the fee credit must be in the amount of \$286,995.

Board Member Washington asked for clarification on the motion. Honey Bernas clarified that it was staff's recommendation that the motion was made to approve the fee credit in the amount of \$286,995.

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of Banning
<b>SECONDER:</b>	City of Wildomar
<b>AYES:</b>	Banning, Beaumont, Calimesa, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Wildomar, District 1, District 2, District 3, District 5
<b>ABSTAIN:</b>	City of Canyon Lake
<b>ABSENT:</b>	City of Perris, City of Temecula, District 4

## 12. EXECUTIVE DIRECTOR'S REPORT

### 12.1 Project Updates

Charles Landry, Executive Director, gave an update regarding West of Devers, which is a Southern California Edison project. Edison is entering into a Participating Special Entity agreement with the RCA. This project is a major upgrade for transmission lines that includes new right-of-way which transverses through the northern portion of the Plan Area. It's an unusual project with no early coordination, which is normally done with SCE projects, since Edison was using a new consultant. The packet of information was received, and staff reviewed the documents and provided comments and direction in early November. Edison will resubmit to RCA for approval, and RCA will forward to the Wildlife Agencies for their approval. It was expected that this project would be approved in early 2017. However, two weeks ago SCE and the Governor's office notified RCA that this project needed all of its approvals by the end of 2016. If not, the agreement for the transmission lines across certain lands would expire, and the project would not be certain. RCA staff immediately met with SCE, along with Vice Chairman Ashley to find a way to complete this process. Edison was notified that RCA will be ready to work with them immediately on any issues. Once the documents are completed by SCE, they will be forwarded to RCA immediately. The Wildlife Agencies have been informed and have agreed to a concurrent review. To date, four of the six required sections of documents have been received, and RCA is scheduled to complete its review by mid-December, assuming that all the information has been received from SCE. This is RCA's number one priority.

Vice Chairman Ashley encouraged all agencies involved, which included the County, RCA and SCE, to work together and meet the year-end deadline. Former County Supervisor Tom Mullen was very helpful in coordinating a meeting of all the parties at RCA. Vice Chairman Ashley further commented that he would like to see everyone working hand-in-glove for a great benefit for the State of California and Morongo Band of Mission Indians.

Charles Landry advised that the project would result in RCA receiving approximately \$2 million per year for the next three years.

*Maryann Edwards, City of Temecula, arrived at 12:55 p.m. during the discussion of Agenda Item No. 12.*

### 13. LAND ACQUISITION UPDATE

Charles Landry, Executive Director, stated that at the last RCA Board of Directors' meeting, it was reported that RCA had acquired 53,997 acres. Escrow has closed on three additional properties totaling approximately 343 acres, bringing the reserve total to approximately 54,340 acres.

### 14. ITEMS FOR NEXT MEETING

Chairman Montanez asked if any Board Member had items for the next meeting. There were no requested items.

### 15. ELECTION OF 2017 RCA OFFICERS AND TWO MEMBERS OF THE RCA EXECUTIVE COMMITTEE

Steve DeBaun, General Counsel, reminded the RCA Board of Directors of the recent changes to the Bylaws regarding the election of the Chairperson, Vice Chairperson, and appointment of two members of the Executive Committee.

Chairman Montanez nominated Vice Chairman Marion Ashley, District V, for Chairperson for 2017.

**Motion To:** Elect Marion Ashley as RCA's 2017 Chairperson

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [20 TO 0]</b>
<b>MOVER:</b>	City of Lake Elsinore
<b>SECONDER:</b>	City of Murrieta
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3
<b>ABSTAIN:</b>	District 5
<b>ABSENT:</b>	City of Perris, District 4



Board Member Ruiz nominated Board Member Jonathan Ingram, City of Murrieta, for Vice Chairperson for 2017.

**Motion To:** Elect Jonathan Ingram as RCA’s 2017 Vice-Chairperson

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of San Jacinto
<b>SECONDER:</b>	City of Lake Elsinore
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, District 4

Vice Chairman Ashley nominated Board Member Maryann Edwards, City of Temecula, for Executive Committee Member for 2017.

**Motion To:** Elect Maryann Edwards as RCA’s 2017 Executive Committee Member

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	District 5
<b>SECONDER:</b>	District 1
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, District 4

Board Member Jeffries nominated Board Member Jeffrey Hewitt, City of Calimesa, for Executive Committee Member for 2017.

**Motion To:** Elect Jeffrey Hewitt as RCA’s 2017 Executive Committee Member

<b>RESULT:</b>	<b>APPROVED AS RECOMMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	City of Banning
<b>SECONDER:</b>	City of Wildomar
<b>AYES:</b>	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
<b>ABSENT:</b>	City of Perris, District 4

Board Member Jempson suggested that when RCA Board Members make a nomination, that the Member Agency’s name, city or county district, be mentioned in the nomination.

Chairman Montanez reminded the Board Members that the new 2017 Chairperson will be appointing two more Executive Committee members. He asked that anyone who would like to serve or be considered contact Marion Ashley.

Steve DeBaun, General Counsel, reminded the Board Members that the membership of the Executive Committee allows for one or two additional County Board Members to be appointed, and the remaining will be city members.

## 16. PRESENTATIONS – RECOGNITION OF SERVICE

Recognition of Service awards were presented to the following Board Members:

Brenda Knight, City of Beaumont  
Tim Brown, City of Canyon Lake  
D. LaDonna Jempson, City of Moreno Valley  
2016 Chairman Eugene Montanez, City of Corona

Board Members Knight and Brown thanked the RCA Board for the recognition and expressed their appreciation for serving on this board. Board Member Brown asked that the issues he raised over the last four years would continue to be a voice for some of the remaining Board Members.

There being no other agenda items before the Board of Directors the meeting was adjourned to Closed Session.

## 17. CLOSED SESSION ITEMS:

### 17.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to paragraph 1 of Subdivision (d) of Government Code Section 54956.9

- A. Case No. MCC1300351 JPR, Inc., dba Silverado Ranch Estates vs. California Department of Fish and Game; County of Riverside; Western Riverside County Regional Conservation Authority
- B. Case No. RIC1605515 Albert Thomas Paulek; Friends of the Northern San Jacinto Valley; Center for Biological Diversity vs. County of Riverside, et al.

There were no announcements from Closed Session.

**18. ADJOURNMENT**

There being no other items before the RCA Board, Chairman Montanez adjourned the meeting at 1:10 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, January 9, 2017, at 12:30 p.m. at the County of Riverside Administrative Center, Board Room, 4080Lemon Street, Riverside, California.

Prepared by:



Rose Haro  
RCA Administrative Manager

Respectfully submitted:



Honey Bernas  
Director of Administrative Services