



MEETING MINUTES

December 7, 2009

1. CALL TO ORDER

The meeting of the Board of Directors of the Western Riverside County Regional Conservation Authority was called to order by Chairman Bob Buster at 1:00 p.m. in the Board Room of the County Administrative Center at 4080 Lemon Street, First Floor, Riverside, California, 92501.

2. ROLL CALL

Board Members/Alternates Present

Marion Ashley
Bob Buster
Bob Cashman
Maryann Edwards
Jordan Ehrenkranz
Mike Gardner
Jim Hyatt
Darcy Kuenzi
Robin Lowe
John Machisic
Melissa Melendez
Malcolm Miller
Eugene Montanez
James Potts
Jeff Stone
John Tavaglione
Gary Thomasian

Board Members Absent

Bill Batey
John Benoit
Larry Dressel
Mark Yarborough

3. PUBLIC COMMENTS

There were no public comments.

4. BOARD MEMBER ANNOUNCEMENTS

There were no Board Member announcements.

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5. ADDITIONS/REVISIONS

It was noted that there was a revision under Agenda Item 7.1, *Fiscal Year 2009-10 First Quarter Financial Report*, Attachment 2, page 3 of Land Acquisition Detail, Footnote f9g. Copies of the revised page were distributed.

6. APPROVAL OF MINUTES

M/S/C (MONTANEZ/THOMASIAN) to approve the minutes of the October 5, 2009 meeting of the RCA Board of Directors.

7. CONSENT CALENDAR

M/S/C (STONE/ASHLEY) to approve the following Consent Calendar items:

7.1 FISCAL YEAR 2009-10 FIRST QUARTER FINANCIAL REPORT

Receive and file.

7.2 PROPOSED 2010 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

Adopt the proposed 2010 meeting schedule of the RCA Board of Directors and Executive Committee.

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

Honey Bernas, Director of Administrative Services, reported on the result of the FY 2008-09 Financial Statement Audit performed by Ahern, Adcock, Devlin, LLP. It is the auditors' opinion that RCA's financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2009 and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States. There was one audit difference of \$82,000, which related to a conservation easement on a portion of property which was by the Authority through a recorded map in 2005. Subsequently, in 2008 the Authority acquired the Damietta Ranch in fee title. The value of the purchase was posted in the asset module without backing up the value of the conservation easement, thus overstating the Authority's assets. Since the difference only represented .0003% of RCA's total land assets, it was decided not to restate the 2008 financial statements. However, staff corrected the General Ledger. There was one financial statement finding relating to monthly account reconciliations, including approvals, during the fiscal year ending June 30, 2009. The auditors found that the Authority implemented monthly account

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reconciliations, including approvals, however reconciliation between the General Ledger and Trial balance was not performed. The auditors recommended that a full reconciliation be prepared between the general ledgers for financial reporting purposes and paper copies be kept for all accounts reconciled. They also recommended that RCA staff work with the County to ensure that the issues regarding the asset module are corrected. Honey Bernas continued and said that staff concurs with the finding and recommendations and noted that audit adjustments which cannot be recorded in the General Ledger will be tracked on Excel spreadsheets and the effects to fund balance will be reconciled. In addition, hard copies of all supporting documentation will be printed to accompany monthly account reconciliations. A meeting will be held with the County to discuss issues relating to the Oasis Asset Module. There were no reportable findings regarding Federal Awards.

Marion Ashley commented on the progress being made by staff which was in contrast with audit results a few years back and believes that it will even be better next year.

M/S/C (MONTANEZ/STONE) to approve the Fiscal Year 2009 Financial Statements and Independent Auditors' Report and endorse the actions shown in Attachment 2 of the staff report.

9. LAND ACQUISITION UPDATE

Ken Graff, Director of Land Acquisition, reported that since the last RCA Board of Directors' meeting, the total reserve acreage increased from 44,957 to 45,045 acres. With the adoption of the minor amendment, staff will be presenting a report to the Executive Committee on the impacts of the adjustment of the minor amendment to the gross reserve figures.

10. EXECUTIVE DIRECTOR'S REPORTS

Charlie Landry, Executive Director, presented reports on the following items:

10.1 CONSULTANT REPORT – DUDEK

Dudek was one of the consultants hired by the County of Riverside when the MSHCP was implemented. RCA continues to retain Dudek to provide technical support. During the reported period, Dudek has worked on the following items: 1) consulted with various Permittees on Joint Project Reviews, worked with U.S. Fish and Wildlife Service consultant on the potential designation of critical habitat for the spreading navarretia, answered questions and worked on cost analysis of preparing surveys for spreading navarretia; 2) worked with various agencies on Participating Special Entity projects; and, 3) attended regular Wildlife Agency meetings, weekly RCA/EPD coordination meetings, acquisition team meetings

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and other permittee-related meetings on property acquisitions. In addition, they continue to update the training handbooks. Dudek's contract for FY 2009-10 is \$680,000 and has only expended \$87,000 during the first quarter.

Melissa Melendez requested that RCA and Dudek staff meet with Permittees and make Permittee Implementation Manuals, supplements and updates available to them.

Charlie Landry said that Permittees are invited to training sessions and training sessions are held once or twice a year. Staff will make certain that Lake Elsinore receives a Permittee Implementation Manual.

10.2 SECTION 6 FUNDING PROCESS AND UPDATE

Section 6 funds are grants offered through the Endangered Species Act administered by the U.S. Department of Interior through the U.S. Fish and Wildlife Services (USFWS) to provide funding for species and habitat conservation on non-federal lands. The federal/state component of the 153,000 acres that RCA will need to acquire for the MSHCP is 56,000 acres. The Section 6 grant funding is one source of revenue for land acquisition. To date, the RCA and County of Riverside have expended \$25 million in Section 6 grant funding for MSHCP acquisitions, and there is a remaining \$11.5 million available to the RCA. The minimum local match requirement for Section 6 funds is 25%. The current 2006 Section 6 award requires a match of 55%. Current eligible areas for Section 6 grant funds include the Tenaja and Escarpment areas - west and south of the Santa Rosa Plateau, and San Jacinto River area, south and east of Lake Perris and the San Jacinto Wildlife area. The eligible areas could be amended which has been done in the past. Because of the revised policy interpretation on local match requirements, RCA is not able to expend the available Section 6 funds.

RCA staff and the California Coalition on Habitat Conservation Plans have been working with the offices of Senators Dianne Feinstein and Barbara Boxer on this issue. A letter has been sent by Senators Feinstein and Boxer to the U.S. Department of Interior calling for a reverse of the policy on local match requirement. In addition to this effort, a legal brief was submitted regarding USFWS' interpretation of the regulation. It is believed that the regulation allows USFWS to allow RCA to use mitigation funds as match. This is currently being reviewed by USFWS legal staff. Charlie Landry said that there may be a need for RCA Board Members to travel and meet with California delegation in Washington, D.C., if the local match requirement is not reversed or if a response is not received by March.

Jim Hyatt asked if there is time limitation for RCA to use the funds and Charlie Landry said that there is constant time limitation to use the funds but RCA has received an extension and additional extension of time may be requested until resolution of the local match requirement.

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In response to Robin Lowe's question if amending the identified areas for Section 6 grant funds would call for an amendment to the MSHCP, Charlie Landry stated that staff works with the USFWS for any change of the identified areas but this would not call for an amendment to the MSHCP.

Robin Lowe said that perhaps project areas be identified during this period in order to be prepared if this matter will need to be resolved through legislation. Charlie Landry said that project areas have been identified and staff has been working with the RCA lobbyist.

10.3 CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) COMMITTEE APPOINTMENT

Jim Hyatt was appointed to the Elections & Bylaws, and Planning Committees of the CSDA.

11. ELECTION OF 2010 OFFICERS

M/S/C (STONE/MONTANEZ) to nominate Gary Thomasian as Chairman and Marion Ashley as Vice Chairman of the RCA Board of Directors for 2010. There were no other nominations.

Gary Thomasian and Marion Ashley were unanimously elected as RCA's 2010 Chairman and Vice Chairman, respectively.

12. SERVICE AWARD PRESENTATION

12A. SERVICE AWARD

Chairman Buster recognized Frank Hall's long time and dedicated service as Norco's representative to the RCA since 2004, and as the representative to other agencies. He then presented Frank Hall's plaque to Malcolm Miller, City of Norco's alternate representative.

12B. CHAIRMAN SERVICE AWARD

On behalf of the RCA, Gary Thomasian presented a memento to Bob Buster in recognition of his leadership and guidance in securing conservation of species and associated habitats during his Chairmanship. His leadership has been a dominating force in protecting and acquiring over 41,000 acres of open space, including 2,300 acres during his term as Chairman of the RCA.

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13. ITEM FOR NEXT MEETING

Jim Hyatt said that given the state of the economy and news surrounding CalPERS, he requested a report on its impacts to RCA employees at a future meeting.

At this time, Steve DeBaun, Legal Counsel, announced that Item 14A related to property acquisition of the listed parcels and Item 14B related to the Calvary Chapel Murrieta acquisition and the letter received from them.

14. CLOSED SESSION ITEMS:

- 14A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
Pursuant to Subdivision (a) of Government Code Section 54956.8
Negotiating Parties: RCA – Executive Director or Designee
Under Negotiation: Price/Terms

Item	Assessor Parcel Nos.	Property Owners
1	940-080-002 and 940-090-001	N & A Development and Leasing Co., Nassef Francis and Julie Francis
2	310-250-012 and 310-250-015	Carlsbad Development, Abraham Greenboim

- 14B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Pursuant to Subdivision (b) of Government Code Section 54956.9
Exposure to Litigation
Number of Potential Cases: One (1)

After the Closed Session, Bob Buster reconvened the meeting. There were no announcements.

13. ADJOURNMENT

With no other items before the RCA Board of Directors, Chairman Buster adjourned the meeting. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, January 4, 2010, at 1:00 p.m., at the County Administrative Center, Board Room, First Floor, 4080 Lemon Street, Riverside, California.

Respectfully submitted,



Honey Bernas
Clerk of the Board