

AGENDA ITEM NO. 7

MINUTES

September 14, 2015



MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Tavaglione at 12:30 p.m. on Monday, September 14, 2015 in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California, 92501.

2. PLEDGE OF ALLEGIANCE

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

3. ROLL CALL

Board Members Present

Board Members Absent

<p>George Moyer, <i>City of Banning</i> Mark Orozco, <i>City of Beaumont*</i> Jeffrey Hewitt, <i>City of Calimesa</i> Tim Brown, <i>City of Canyon Lake</i> Eugene Montanez, <i>City of Corona</i> Clint Lorimore, <i>City of Eastvale</i> Linda Krupa, <i>City of Hemet</i> Verne Lauritzen, <i>City of Jurupa Valley</i> Natasha Johnson, <i>City of Lake Elsinore</i> Matt Liesemeyer, <i>City of Menifee</i> D. LaDonna Jempson, <i>City of Moreno Valley</i> Harry Ramos, <i>City of Murrieta</i> Kevin Bash, <i>City of Norco</i> David Starr Rabb, <i>City of Perris</i> Andy Melendrez, <i>City of Riverside</i> Maryann Edwards, <i>City of Temecula</i> Ben Benoit, <i>City of Wildomar</i> Kevin Jeffries, <i>Riverside County District I</i> John Tavaglione, <i>Riverside County District II</i> Chuck Washington, <i>Riverside County District III</i> Ella Zanowic, <i>Riverside County District V Alt.</i></p>	<p>Scott Miller, <i>City of San Jacinto</i> John Benoit, <i>Riverside County District IV</i></p>
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*Arrived after start of meeting

4. PUBLIC COMMENTS

There were no public comments.

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5. BOARD MEMBER ANNOUNCEMENTS

There were no Board Member announcements.

6. ADDITIONS/REVISIONS

There were no additions/revisions.

7. APPROVAL OF MINUTES

M/S/C (MOYER/ZANOWIC) to approve the minutes of the June 1, 2015 meeting of the RCA Board of Directors.

Ayes 19, Nays 0, Abstain 1 (RABB)

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.)*

M/S/C (BENOIT/KRUPA) to approve the following Consent Calendar items:

Ayes 20, Nays 0, Abstain 0

8.1 WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR MAY, JUNE AND JULY 2015

Overview

This item is for the RCA Board of Directors to receive and file the Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Reports for May, June and July 2015.

8.2 FISCAL YEAR 2015 FOURTH QUARTER CONSULTANT REPORTS

Overview

This item is for the RCA Board of Directors to receive and file the Fiscal Year 2015 Fourth Quarter Consultant Reports.

9. FISCAL YEAR 2015 PRELIMINARY FOURTH QUARTER FINANCIAL REPORT (UNAUDITED)

Honey Bernas, Director of Administrative Services, presented the preliminary, unaudited Fiscal Year 2015 Fourth Quarter Financial Report. She advised that auditors will be at

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the RCA on Monday, September 21, 2015, to begin the audit. Staff anticipates presenting the final report to the Executive Committee at the November 18, 2015 meeting and to the RCA Board at the December 7, 2015 meeting.

Honey presented the Executive Summary (cash balance and financial statement overview), detailed financial statements and an MSHCP Fee Collections Report. She reported that as of June 30, 2015, the cash balance was \$30.5 million, which represents a \$2.1 million increase from the prior year's ending cash balance. She presented an overview of the cash receipts of \$20.9 million and cash disbursements of \$18.8 million. It was reported that an overall, combined excess of revenues over expenditures of approximately \$3.6 million. She also reported that revenues exceeded expenditures in Operations Program, Management and Monitoring Program and Land Acquisition Program. She further reported that the cash balance to date is \$34.6 million, with an additional \$3.8 million set aside for the restricted endowment.

She then gave an overview of revenue and expenditures for RCA's three programs. In Operations revenues of \$2.6 million exceeded expenditures of \$369 thousand by \$2.2 million. The excess revenue was attributable to two Participating Special Entity Certificates of Inclusion for Southern California Edison projects.

In Management and Monitoring, revenues of \$3.5 million exceeded expenditures of \$2.3 million by \$1.2 million. Out-of-County tipping tonnage was significantly higher than last year. During the year, RCA received \$2.9 million in tipping fees, compared to \$2.4 million in the prior year.

In Land Acquisitions, revenues of \$16.7 million exceeded expenditures of \$16.4 million by about \$241 thousand. RCA acquired 20 properties and two conservation easements, adding \$1,109 acres to the reserve.

Overall as of June 30, 2015, RCA's three programs generated revenues of \$22.7 million, with incurred expenditures of \$19.1 million, which generated a net \$3.6 million increase to the beginning fund balance of \$26.5 million. RCA's ending fund balance as of June 30, 2015 is approximately \$30.1 million. Of this amount, \$17.4 million is unrestricted general funds, and \$12.7 million is restricted for capital acquisitions.

Honey reported that no major adjustments are anticipated after the audit.

Board Member Brown asked about the breakdowns for operating costs versus acquisition costs in the detailed report. He asked for an explanation of the categories and how calculated. Honey answered that RCA has three different programs: Operations; Management and Monitoring; and Land Acquisitions.

Board Member Brown wanted to know how cost allocations/assignments are figured to each of the three categories. Honey answered to say that RCA's mission for the first 25 years is acquisitions. Costs that are not specifically charged to a project are allocated 80

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percent to the Acquisition Program, and 10 percent each to Operations and Management and Monitoring.

Board Member Brown asked if there has been a study conducted to verify allocations to these expenses. Honey answered that the funding plan is laid out in the MSHCP and allocations and expenditures are reviewed annually.

Board Member Brown said he is looking for validations that those allocations are accurate. Charlie Landry, Executive Director answered and said that this is part of the audit process.

Board Member Krupa asked about the tipping fees, is this the amount RCA receives from the landfills. Honey Bernas answered that RCA receives \$1.50 per ton for out-of-county waste and a maximum of \$400 thousand annually for in-county.

Board Member Krupa further asked if the new legislation in 2016 and the anaerobic digester that CR&R is placing would have a negative impact on tipping fees RCA would receive next year. Charlie Landry answered that he research and report back. Board Member Krupa said she would like an answer at another meeting.

Board Member Brown asked if at a future meeting could he receive a clarification on what is the process for developers not having to pay the fees. He is not clear and is requesting a detailed explanation on how that works. Honey asked for clarification and if he was referring to fee credits. Board Member Brown said yes. Honey answered that staff developed a draft policy that was sent to all the member agencies for review and comment. This draft policy, along with comments from member agencies, will be brought to the Executive Committee in October and back to the Board of Directors in November.

M/S/C (EDWARDS/JOHNSON) to receive and file the Fiscal Year 2015 Preliminary Fourth Quarter Financial Report (Unaudited).

Ayes 20, Nays 0, Abstain 0

Board Member Orozco arrived at the time of voting (12:43p.m.)

10. EXECUTIVE DIRECTOR'S REPORT

10.1 Loan Program

Charlie Landry stated that before reporting on the Loan Program, he wanted to inform the Board that RCA was awarded \$2 million in grant funds from the U.S. Fish and Wildlife for the coming year. These are Section 6 grant funds for Habitat Conservation Plan Land Acquisitions. The maximum available per entity this year was \$2 million. Nationwide there was only \$20 million available, so RCA will take their ten percent. There is a big federal component in the MSHCP. The federal and state governments are supposed to acquire one-third of the land, but the \$2 million dollars does help. It is a matching

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program. Typically the state will provide the match, which is typically a one-third and two-thirds so RCA may receive an additional \$1 million from the state. This will equate to \$3 million for additional acquisitions for next year.

With regard to the loan program, Charlie Landry reported that the senate has passed the TIFA language which did include HCP language. The house is not moving on the transportation bill because they have stop gap legislation, and there is no pressing push right now on the house side. Congressman Calvert is carrying the ball for RCA and is well positioned to do so when the house starts moving on this issue.

Charlie further reported that Tom Mullen, has terminated his contract with RCA citing workload and the success that has been achieved on the loan program. Tom was on a reimbursable contract for reimbursement for expenses only. He has been donating his time to the RCA. Regional Conservation Authority has experienced significant successes due to Tom's valuable consultation. He has volunteered an incredible amount of time to RCA and has been very supportive and helpful both locally and in Washington, D.C. His coaching, advice and help will be missed.

10.2 Discussion of RCA Bylaws

Charlie Landry reported that staff brought forward to the Executive Committee a possible resolution to have the Chairman and Vice Chairman serve for two-year periods instead of one-year. Staff proposed this because of the complexity of the MSHCP. Our current Chairman and Vice Chairman did not propose the change, yet previous Chairpersons have suggested it. Charlie further stated that in the discussion with Executive Committee two key points arose: 1. It would require a four-year commitment from either a city or county representative. It would require two years as Vice Chairman and two years as Chairman, which did not seem practical; 2. It would delay changes for key positions, and possibly not allow fresh ideas to be received as frequently. Charlie further reported that there was no action proposed by the Executive Committee, other than to brief the Board on the issue. Staff will not be bringing this item back in the future.

Chairman Tavaglione commented that there was no intent by him or the Vice Chairman Montanez to extend the term. Chairman Tavaglione further commented that he returned to RCA as an officer after a long stint with the California State Association of Counties (CSAC) in Sacramento. He stated that he spent a considerable amount of time in Sacramento and was disengaged for some time, but was very engaged with the habitat plan early on. A former director suggested that individuals who have a long history and detailed knowledge of the program dedicate more time to RCA and serve as officers, citing this would prove helpful, especially with the loan program in Washington. He felt was crucial that this history and experience be taken to the representatives in Washington. Chairman Tavaglione stated that while the reasons for extending the term of Chairman and Vice Chairman are valid, it was a good recommendation to not amend the bylaws. Chairman Tavaglione stated that if RCA requires his experience or historical knowledge, he will pay his own way to travel to Washington, D.C., and speak on behalf of RCA.

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11. LAND ACQUISITION UPDATE

Charlie Landry reported that since the last meeting, RCA acquired two additional properties totaling 33 acres, bringing the reserve total to 49,201 acres.

12. ITEMS FOR NEXT MEETING

Board Member Brown would like to have follow-up discussion on the National Wildlife Refuge.

Board Member Jempson suggested that in the interest of new Board Members, acronyms should be spelled in staff reports and an updated list of acronyms should be provided.

Board Member Rabb mentioned that there is a portion of RCA owned land in the City of Perris that is located behind the Monument Ranch Community. When it rains, the water collects on that particular section of land. His city engineer advised that RCA would need to grade the land so that the water can flow into the San Jacinto River. He further stated that RCA staff mentioned that collaboration with the Army Corp of Engineers would be needed. He hopes to resolve this at the city staff level, but wanted to make the Board aware of the issue. Board Member Rabb's concern is that the water that collects on this land and attracts mosquitos. Several residents have been adamant about their concerns and planned to be at this RCA meeting. Board Member Rabb wanted to bring this to RCA's staff attention should there be a need for a future agenda item.

Board Member Ramos commented that he would like an update on the 14 burrowing owls which were placed on RCHCA land. He wants to know if they are mating and are there numbers increasing. Charlie asked if he was referring to RCHCA or RCA land. Board Member Ramos said they were placed onto RCHCA land. Charlie Landry stated that RCA will contact RCHCA and report back.

13. CLOSED SESSION ITEMS:

13.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to paragraph 1 of Subdivision (d) of Government Code Section 54956.9

- **Case Number RIC1203353 Albert Thomas Paulek vs. RCA**
- **Case Number MCC1300351 JPR, Inc., dba Silverado Ranch Estates vs. California Department of Fish and Game; County of Riverside; Western Riverside County Regional Conservation Authority**
- **Case Number RIC10004733 Calvary Chapel of Murrieta vs. Western Riverside County Regional Conservation Authority; City of Murrieta**

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- 13.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Section 54956.9

One potential case.

- 13.3 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph 4 of subdivision (d) of Section 54956.9

One potential case.

After closed session, the meeting was reconvened. There were no announcements.

14. ADJOURNMENT

There being no other items before the RCA Board, Chairman Tavaglione adjourned the meeting at 1:15 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, October 5, 2015, at 12:30 p.m. at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Prepared by:



Rose Esparza
Administrative Manager

Respectfully submitted:



Honey Bernas
Clerk of the Board