



**WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY**

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MINUTES

Monday, January 7, 2008

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority Board of Directors was called to order by Chairman Jeff Stone at 1:03 p.m. in the Board Room of the County Administrative Center, 4080 Lemon Street, First Floor, Riverside, California, 92501.

2. ROLL CALL

Board Members/Alternates Present

Bob Buster
John Field
Maryann Edwards
Frank Hall
Jim Hyatt
Darcy Kuenzi
Robin Lowe
John Machisic
Andy Melendrez
Eugene Montanez
Robert Schiffner
Jeff Stone
Gary Thomasian
Charles White
Mark Yarbrough
John Zaitz

Board Members Absent

Bill Batey
Larry Dressel
Roy Wilson

3. PUBLIC COMMENTS

There were no public comments.

4. BOARD MEMBER ANNOUNCEMENTS

Frank Hall announced and introduced his alternate from the City of Norco, Marcolm Miller, who was present in the audience.

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5. ADDITIONS/REVISIONS

Corrections to the agenda items were announced as follows: 1) Correct a typographical error on Page 3 Agenda Item 7.1, A, Line 6, should be **\$169,000** rather than **\$169,00**; 2) Agenda Item 7.4, Attachment 1, Section 8, Termination Clause was amended from **30 days** rather than **6 months**; and, 3) Pull Agenda Items 12A3, 12A4, and 12A5 from Closed Session.

6. APPROVAL OF MINUTES

M/S/C (HYATT/KUENZI) to approve the December 3, 2007 minutes of the RCA Board meeting as corrected.

Abstained: Melendrez

7. CONSENT CALENDAR

Charles White requested to pull Agenda Items 7.2, 7.3 and 7.4 from the Consent Calendar.

M/S/C (LOWE/ZAITZ) to approve the Consent Calendar Item Nos. 7.1 and 7.5, as follows:

7.1 APPROVAL OF RESOLUTION NO. 07-11, "RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AMENDING THE AUTHORITY'S BYLAWS"

Approve Resolution No. 07-11, which includes the appointment procedure for Board of Supervisors' alternates.

7.5 RATIFICATION OF THE CHAIRMAN'S APPOINTMENT OF THE 2008 WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY EXECUTIVE COMMITTEE

Ratify Chairman Eugene Montanez' appointment of the Executive Committee for 2008.

The following items were pulled from the Consent Calendar:

7.2 FISCAL YEAR 2006-07 FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

Charles White asked if a timeline has been established to accomplish the corrective measures on the reported deficiencies.

Honey Bernas, Director of Administrative Services, stated that staff is in the process of negotiating RCA's capital threshold and the policy will be presented to the RCA Board next month.

M/S/C (WHITE/FIELD) to ratify the Executive Committee's action on the Fiscal Year 2006-07 Financial Statements and Independent Auditors' Reports.

7.3 VEGETATION MANAGEMENT PROGRAM AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION TO DEVELOP A PRESCRIBED BURN PLAN FOR RCA PROPERTIES

In response to Charles White's questions as to CDF's position relating to property damage provisions and if it creates a problem if the agreement, as currently negotiated, is signed, Steve DeBaun, Legal Counsel, said that the CDF's Legal Counsel is in agreement with the RCA and they are in the process of memorializing it. Because the changes to the CDF agreement have to go through the Department of General Services for approval, it may take several months before it is finalized. He stated that there would not be any burden on RCA properties until the Plan is approved. However, if the CDF Legal Counsel determines to change the agreed upon provisions, RCA would simply not approve the Plan. The prescribed burn plan will not be initiated until such time as the Department of General Services approved the changes to the agreement.

M/S/C (WHITE/FIELD) to:

- 1) Adopt the Vegetation Management Program Agreement as currently negotiated by Legal Counsel;***
- 2) Allow Legal Counsel to continue to negotiate toward improved property damage provisions.***

7.4 AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND THE U.S. FISH AND WILDLIFE SERVICE FOR A POSITION DEDICATED TO THE IMPLEMENTATION OF THE MSHCP

Charles White inquired if the position possesses a level of approving authority to make determinations and whether the staff has been hired by the U.S. Fish and Wildlife Service.

Joe Richards said that the GS-14 level is a policy level position with decision making-authority and reports to the Regional Manager of U.S. Fish and Wildlife Service Office in Carlsbad. Recruitment for the position is still open and RCA has requested to participate in the interviews.

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Jim Hyatt stated that while the staff will primarily be assigned to RCA, he asked if he/she will be available to work with the member agencies of RCA as well.

Joe Richards said that the position is exclusively designated to work on the MSHCP and will work primarily with the RCA. However, he/she will have interaction with the permittees, and other agencies such as the cities, County, Flood Control District, and Caltrans.

M/S/C (WHITE/FIELD) to:

- 1) Approve the Agreement between the RCA and USFWS for a GS-14 Policy Level Position;***
- 2) Authorize the Chairman to execute said agreement on behalf of the Authority; and***
- 3) Approve the Budget Adjustment contained in the Financial Information section of the staff report.***

8. DISCUSSION ITEMS

8.1 AUTHORIZATION TO PURCHASE AN APPROXIMATELY 70-ACRE PROPERTY FROM THE COUNTY OF RIVERSIDE

Brian Beck, Land Acquisition Analyst, reported that the RCA has received a Notice of Intent from the County of Riverside to sell excess property. The subject property is approximately 70 acres in the Highgrove area, north of Box Springs Road. Based on staff review, there are no issues of environmental concern and that the property will contribute to the reserve assembly goals of the MSHCP. The appraised value of the property is \$455,000 or \$6,500 per acre. Staff is recommended that the RCA purchase the property for \$455,000 with funds donated by SMR Ventures, developer for the Spring Mountain project, which includes \$10,000 for escrow, title, and legal costs. In accordance with the County of Riverside's conditions of approval, SMR is required to conserve approximately 251 acres of open space.

M/S/C (FIELD/LOWE) to authorize:

- 1) The acquisition of approximately 70 acres from the County of Riverside, as shown on the attached exhibit, and subject to receiving the necessary funds from SMR Ventures;***
- 2) The use of donation funds to be provided by SMR Ventures to pay for the purchase;***

- 3) ***Staff to finalize the purchase and sale agreement, subject to Legal Counsel's review and approval;***
- 4) ***The Chairman of the Board of Directors to execute the purchase and sale agreement; and***
- 5) ***The Executive Director or his designee to execute escrow documents, including the certificate of acceptance.***

8.2 REPORT REGARDING ISSUES ASSOCIATED WITH RCA / RCHCA MERGER

Bob Buster said that he is pleased that there were no obstacles with great difficulty for the merger not to be accomplished because the pros outweigh the cons for merging the two agencies. He then asked if a timeline has been set, and whether the RCA and RCHCA can proceed with the merger without the County of Riverside.

Chairman Montanez proposed that discussions on the proposed merger commence when the RCA Executive Director is on board.

Michelle Ouellette, Legal Counsel, stated that at this point, the decision would be between the RCHCA and RCA, in negotiations with the wildlife agencies, as compared to the County. Once the Executive Director is on board, meeting(s) between the two agencies' staff and legal counsels would be set to discuss the issues.

In response to Bob Buster's question as to which agency would be appropriate to initiate the meeting, Michelle Ouellette said that this would be a joint decision. At this point, she was not certain if RCHCA Board has discussed the matter.

Robin Lowe commented that she also believes that government needs to be streamlined. The RCHCA has not discussed this matter. She noted that the proposed merger poses ramifications for both agencies on such matters as permits, endowments, etc., and, therefore, the RCA and RCHCA will need some time to look into these ramifications.

Maryann Edwards proposed that subcommittees, consisting of Board Members from each agency, be established to discuss the merger.

9. EXECUTIVE DIRECTOR'S REPORT

9.1 ROUGH STEP STATUS

Joe Richards informed the RCA Board that in order to proceed with the MSHCP minor amendment, minor language on some policy issues needs to be worked out with the wildlife agencies.

Stephanie Standefer of Dudek, RCA Consultant, reported on the two components of the proposed minor amendment: 1) Rough step formula; and, 2) Accounting of additional reserve lands (ARL). The rough step formula is important because it measures the Plan's success. She noted that RCA staff has discovered that the formula in the adopted Plan was changed in 2004. It was found that the changed formula and the original formula were flawed. The wildlife agencies and RCA staff, assisted by RAND agreed on a revised formula. In summary, it was found that the flawed corrected formula used in the annual report shows that RCA is out of rough step in 21 of the 37 vegetation categories. With the revised agreed upon formula, it shows that RCA is out of rough step in 8 of the 37 vegetation categories. Language clarifying the policy regarding what happens if particular rough step areas are "out of rough step." Another component of the minor amendment is to update the public quasi-public (PQP) baseline related to classification of properties as PQP or ARL and RCA staff and the wildlife agencies are working on classifying individual properties of interest as PQP or ARL. She then reviewed the technical corrections to memorialize the rough step and accounting changes. The changes are classified as a minor amendment since they will not require amendments to the Implementing Agreement or Permits. The RCA will notice the permittees and the public on the minor amendment after receiving notification that the wildlife agencies are in concurrence with the proposed policy language changes.

In response to Bob Buster's question if the agreed-upon formula has affected acreage within the vegetation types to get into rough step, Stephanie Standerfer said that the formula, as well as the PQP accounting, did not affect acreage. The acreage goal to be acquired still remains the same. There were minor adjustments in one to two rough step areas based on the PQP baseline accounting.

Joe Richards explained that rough step involves a measurement of how much development has occurred that affects habitat versus the amount of habitat that is being acquired. The acreage goal remains the same.

Gary Thomasian asked if the type of properties being acquired has an impact and Stephanie Standerfer said that the type of properties that are purchased has no bearing on the rough step formula calculations. It does not take into consideration the type of properties being acquired. It depends on acquiring in the right areas

with the right habitat and keeping pace with both conservation and occurring development.

Chairman Montanez noted the minor amendment process is complex and that the workshop being proposed in the next two months would be beneficial for Board Members.

9.2 RAND UPDATE

Joe Richards introduced Lloyd Dixon and Marty Wachs of the RAND Corporation.

Lloyd Dixon presented an update of their evaluation of the Western Riverside County's Multiple Species Habitat Conservation Plan and reviewed: 1) Costs and benefits of the Plan; 2) How much it will cost to acquire the reserve; 3) Development of an extensive database to project land values; 4) Complexity of identifying parcels that might be acquired; 5) Methodology to estimate cost of acquiring reserve lands over different time periods; 6) Forecasting management and monitoring costs; 7) Analyzing and estimating revenue stream over the 75 year life of the MSHCP; 8) Benefits of the MSHCP – time needed for approval of transportation projects and changes in the regulatory and approval responsibilities of the wildlife agencies once species objects have been met; 9) Methods used to evaluate effects of MSHCP on permitting process; 10) The impacts in expediting completion of major transportation corridors; and, 11) The non-use benefits of MSHCP. With regard to the overall timeline of the study, it is expected that the various phases will be completed by mid-year. The approach to release the study will be discussed with staff.

Joe Richards stated that two scenarios are being discussed for releasing the study. The first scenario would be to release the study in phases with the plan acquisition in May, and perhaps the remainder of the study after that, or to release the entire study in June.

Robin Lowe stated that since the study will benefit RCTC and WRCOG in presentations in Sacramento and Washington, D.C., that they should be asked to share in the cost of the study. She questioned the relevance of comparing Riverside County with a conservation area in Australia based on the difference of foreign regulations and markets. However, if they can be made relevant to our MSHCP, she would be very interested in the results.

Chairman Montanez agreed with Robin Lowe that the benefits of the study overflows to other agencies as it would give them the ability to identify properties that are less in cost and will provide equal or higher value to the Plan. He then asked if there were discussions during the early stages for the study for RCTC and WRCOG to share in the cost.

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Tom Mullen, Consultant and former Executive Director, said that sharing the study cost with other agencies was not discussed because at that time, it was not known whether the result would in fact accelerate infrastructure. RCA could request RCTC and WRCOG to share in the cost of the study. However, if the study does not show that it would accelerate the placement of infrastructure, then they would have to go back and take a project-by-project mitigation approach and look at the affect on the individual projects. He said that in the end, the RAND study will definitely have a strategic and technical value to a number of agencies in the County.

10. LAND ACQUISITION UPDATE

Ken Graff, Director of Land Acquisition, reported that the total acreage acquired by RCA remains at 39,762 acres. For 2007, a total of 37 properties closed escrow.

11. ITEMS FOR NEXT MEETING

At this time, Frank Hall introduced his alternate representative for the City of Norco, Malcolm Miller.

12. CLOSED SESSION:

12A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8

Negotiating Parties: RCA – Director of Land Acquisition and Property Management or Designee

Under Negotiation: Price/Terms

RCA Board Member Lowe recused herself and left the room during discussion and action on Agenda Item Nos. 12A1, *Winchester 700*; 12A2, *Ray/Beth Ann McLaughlin*; and 12A6, *Benton 36, Won Yoo*.

RCA Board Members Edwards and Stone recused themselves and left the room during discussion and action on Agenda Item No. 12A6, *Benton 36, Won Yoo*, due to possible conflict of interest.

Item	Assessor Parcel Nos.	Property Owners
1	900-070-001	Winchester 700
2	900-060-022	Ray/Beth Ann McLaughlin
6	963-060-010 963-060-011 963-060-012	Benton 36, Won Yoo

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12B. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION
Pursuant to Subdivision (b) of Government Code Section 54956.9
Exposure to Litigation
Number of Potential Cases: One

12C. CONFERENCE WITH LEGAL COUNSEL: PUBLIC EMPLOYMENT
Pursuant to Government Code Section 54957
Title: Executive Director
Public Employee Appointment

At 1:21 p.m., Chairman Montanez reconvened the meeting.

Steve DeBaun, Legal Counsel, announced that the RCA Board appointed Charles Landry as RCA's Executive Director. There were no other announcements.

13. ADJOURNMENT

With no other actions before the RCA Board, Chairman Montanez adjourned the meeting at 2:22 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled to be held on Monday, February 4, 2008, at 1:00 p.m. in the Board Room of the County Administrative Center, First Floor, 4080 Lemon Street, Riverside, California.

Respectfully submitted,



Honey Bernas
Clerk of the Board