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MEETING MINUTES

Monday, September 14, 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 1:01 p.m. in the Board Room of the County Administrative Center, First Floor, at 4080 Lemon Street, Riverside, California 92501. He then welcomed the representatives from the cities of Menifee and Wildomar to the Western Riverside County Regional Conservation Authority.

At this time, Chairman Buster called for a moment of silence in honor and remembrance of Supervisor Roy Wilson, who passed away last month.

2. ROLL CALL

Board Members/Alternates Present

Marion Ashley
Bob Buster
Bob Cashman
Larry Dressel
Maryann Edwards
Jordan Ehrenkranz
Bonnie Flickinger
Mike Garner
Frank Hall*
Jim Hyatt
Darcy Kuenzi
Robin Lowe*
John Machisic
John Mansperger
Melissa Melendez
Eugene Montanez
Jeff Stone
John Tavaglione
Gary Thomasian

Board Members Absent

Mark Yarbrough

*Arrived after start of meeting.

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3. PUBLIC COMMENTS

Dan Masetti of Homeland, California, who owns approximately 3,200 acres in Bautista Canyon, expressed interest in discussing opportunities and prospects regarding his property with the RCA Board of Directors. He noted that previous meetings were held with staff. He submitted a compact disk containing information regarding his property.

4. BOARD MEMBER ANNOUNCEMENTS

There were no Board Member announcements.

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

6. APPROVAL OF MINUTES

M/S/C (MONTANEZ/HYATT) to approve the minutes of the June 8, 2009 meeting of the RCA Board of Directors.

Abstained: Potts, Flickinger, Kuenzi, Cashman

7. CONSENT CALENDAR

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

7.1 FIRST AMENDMENT TO REVENUE LEASE BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND THE COUNTY OF RIVERSIDE

Approve the First Amendment to the Revenue Lease between the Western Riverside County Regional Conservation Authority and the County of Riverside.

7.2 WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY MULTIPLE SPECIES HABITAT CONSERVATION PLAN ANNUAL REPORT 2008

Receive and file the Multiple Species Habitat Conservation Plan Annual Report for 2008.

8. FEDERAL LEGISLATIVE REPORT

David Kennett, RCA's Washington, D.C., Lobbyist, informed the RCA Board that health care is the major issue in Washington, D.C., and that this is taking most of the time and effort of staffers of the White House and Congress. A bi-partisan group of the Finance Committee is expected to introduce legislation this week to try to bring the health care debate back to the middle. Until such time as this issue is dealt with, it will be difficult to seriously take care of any other major issues from here on out. However, a budget will still have to be approved. The Department of Interior Appropriations bill has increased the budget for conservation acquisition from \$75 million to \$100 million, and the budget for water conservation fund has been increased by 33%, which shows the emphasis of the Administration for the environment and habitat conservation plans. Although the Department of Interior is not dealing with the health care issue, their focus on endangered species act issues have been hamstrung for most of the year because of items relating to: 1) placement and production of renewable energy facilities; and, 2) having the appropriate appointments filled and in place. He maintains a good working relationship with the Department of Interior staff which is important especially given the recent change in Section 6 funding match wherein developer fees can no longer be used as a match for Section 6 grants. He has led and organized efforts by the California Habitat Conservation Planning Coalition consisting of Habitat Conservation Planning (HCP) and Natural Community Conservation Planning (NCCP) organizations representing government interests and non-profit organizations. The Coalition was formed last year to increase Section 6 funding levels for the preparation and implementation of habitat conservation plans, improve coordination, facilitate, and strengthen support of HCPs throughout California, as well as seek out other funding. In working with the Coalition to resolve the Section 6 grant match issue, the information requested by the decision makers of the Department of Interior and Senate offices will be released in the following weeks. (It was sent to DOI and Congress the week after this presentation). Because of the work put forward by RCA through the Coalition, there is a willing audience in Washington, D.C., to discuss the Section 6 grant fund issue. He commended the efforts of Mark Kramer of The Nature Conservancy, the Coalition and the leadership of RCA Executive Director. He will continue to work on the Section 6 issue by using his expertise and experience on how staff of the Department of Interior, Congress and Senate delegation prefers to handle matters such that working relationships will endure. Lastly, he will continue to seek new funds for the HCPs and conservation acquisition.

9. DISCUSSION ITEMS

**9.1 WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
FY 2009-10 GOALS AND OBJECTIVES**

Charlie Landry, Executive Director, presented the Objectives for RCA's Goals for FY 2009-10: 1) Protect the Permit; 2) Expedite Infrastructure; 3) Increase Funding; 4) Clarify Development Process for New Development;

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5) Acquire an average of 3,700 acres per year; and, 6) Continue to build management and monitoring.

In response to Darcy Kuenzi's request for additional details on costs associated with conducting a Nexus Study, training permittees and endowment, Charlie Landry said that the endowment per requirement of the MSHCP is \$75 million but the emphasis at this time is on acquisition, management and monitoring. Building the endowment will take some time because RCA must first acquire land to be able to form and manage it. A Nexus Study is not anticipated this fiscal year and is not included in the budget. If it is determined that a Nexus Study will be done next fiscal year, it will be included in the budget to be approved by the Board. Permittee training is essential and RCA will continue to schedule one to two training sessions per year. The training sessions are conducted by Dudek and Associates and this element is included in the services that they provide RCA as part of their contract.

Gary Thomasian asked how the change in the Section 6 grant match occurred, and Charlie Landry said that the last Section 6 grant that RCA received was approximately \$12 million. RCA started using the grant funds when the U.S. Fish and Wildlife Service announced a new policy which prohibits the use of developer mitigation dollars as match. Staff has contended that Riverside's MSHCP is one of the largest, most comprehensive plan's, but given the current policy, the Section 6 funds allocated to RCA cannot be used at this time.

In response to Chairman Buster's question as to how the change in the policy came about and whether or not there were warnings that the policy was going to change, Charlie Landry said that a U.S. Fish and Wildlife staffer handling Section 6 grants in Washington, D.C., changed the interpretation of the Section 6 funds match policy.

Michelle Ouellette, RCA Legal Counsel, said that there were no warnings and that the change in policy interpretation was a complete surprise. This was how the State and Federal contribution requirement in the Plan was being met. This is a policy that a Washington, D.C., staff person decided to change without communication to the grantees. Legal documentation has been submitted detailing why the policy is wrong, but heretofore has been ignored. Working with RCA's lobbyist and the elected officials in Washington, D.C., it is hoped that the policy will be reversed.

Charlie Landry added that the State of California, who shares RCA's viewpoint on the policy, found out about the policy change at the same time.

At this time, Chairman Buster brought up the matter of consolidating monitoring responsibilities of RCA and MSHCP to hopefully bring forth economies of scale. He said that he welcomes suggestions from Board Members of cost saving measures, even short-term, to be explored.

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Marion Ashley suggested assembling information and arguments regarding the Section 6 grant policy and a group of RCA Members press its case to Washington, D.C.

Robin Lowe agreed with Marion Ashley and noted the value of elected officials pressing its case in Washington, D.C. If there is a change in legislation, the partnership can come with the State of California since it has three of the largest MSHCPs in the country. Combining the acreage and the set asides in California is a major impact on the environment, whether it is clean air, water or climate control. This is the opportunity to try to get the infrastructure in place for when the economy rebounds. Regaining Section 6 funds should be the top priority of RCA's goals. She iterated Chairman Buster's comment to start looking at economy of scale with the RCA and RCHCA having almost the same Board Members with two sets of staff. Combining the institutional memory of the two agencies forms a dominant agency to move legislation forward.

John Machisic spoke about the goals and objectives presented. He stated that they are broad in nature and not measurable for effectiveness. He requested more comprehensive goals and objectives so that the RCA Board can view its accomplishments and, possibly more important, goals which were not met.

Jim Hyatt asked how to achieve the \$75 million endowment if and when the economy changes. He asked if part of Tom Mullen's contract was to explore donations for the endowment.

Charlie Landry responded that Tom Mullen's contract included looking at any available funding and, in fact, he has been part of the discussions in the matters of Section 6 grants and other funding possibilities. As far as the endowment, RCA has started to build it through donations. This is a cash endowment for monitoring and management over the life of the Plan.

In response to Maryann Edwards' question if RCA has considered partnering with local universities for purposes of monitoring and Charlie Landry said that RCA works closely with UCR on scientific issues. The monitoring program is run by the California Department of Fish and Game (CDFG) which is staffed by approximately 30 biologists. The biologists are university graduate students. This is contracted out to SAWA at very reasonable rates, compared to having individual contracts with biologists. The Monitoring Program is funded 30% CDFG and 70% RCA.

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Darcy Kuenzi suggested that perhaps an Ad Hoc Committee be formed to review RCA's funding strategy, including opportunities at the State and local level. Also, to direct staff to come back with revised goals and objectives that include timelines on the objectives and associated costs.

Chairman Buster said that the Executive Committee could again review and discuss the goals and objectives. He stated that some RCA Board Members and staff will be attending the Symposium which will have discussion on long-term and new sources of funding. This will be part of the Executive Committee agenda.

Gary Thomasian stated that perhaps staff could provide a presentation of the Annual Report at the next meeting. The Annual Report contains information regarding goals and objectives that were accomplished in the past year and may provide answers to Board Members' questions and explain some of the strategy of the goals and objectives.

M/S/C (ASHLEY/THOMASIAN) to:

- 1) Continue the FY 2009-10 Goals and Objectives item;***
- 2) Agendize this matter for the Executive Committee's next meeting; and***
- 3) Bring back to the RCA Board of Directors for discussion and/or possible action.***

10. EXECUTIVE DIRECTOR'S REPORT

10.1 Mandatory Furloughs

Charlie Landry informed the RCA Board that since August, with the approval of the RCA Chairman, RCA has reduced its staff hours with the reduction reflected in staff salaries, in light of the state of the economy. With this change, the RCA Office will be closed every Friday.

11. LAND ACQUISITION UPDATE

Brian Beck, Land Acquisition Analyst, reported that since the last RCA Board of Directors' meeting, seven (7) properties totaling 769 acres closed escrow. In addition, the State of California conserved five (5) additional properties totaling another 335 acres. With the additional 1,104 acres added to the reserve, the total reserve acreage is 44,900.

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12. ITEMS FOR NEXT MEETING

There were no other items requested by the RCA Board of Directors for the next meeting.

13. CLOSED SESSION ITEMS

At this time, Steve DeBaun, Legal Counsel, announced that Agenda Item No. 13A pertained to: 1) Impact and possible response related to RIC 532973, filed by Empire Homes against the City of Beaumont; and, 2) The potential liability arising from a land transaction regarding the Wilhelm Ranch Family.

Pursuant to Conflict of Interest regulations, Chairman Buster and Jeff Stone left the meeting room when the item regarding the Wilhelm Ranch Family property was up for discussion.

13A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Pursuant to Subdivision (b) of Government Code Section 54956.9
Number of Potential Cases: Two (2)

13B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Pursuant to Government Code Section 54956.8
Negotiating Parties: RCA Executive Director or Designee
Under Negotiation: Price/Terms

Item	Assessor Parcel No.	Property Owners
1	362-170-002	Saul Delgado Velazquez, Maria Delgado, and Carlos Velazquez Enterprises, LLC
2	465-020-010 and 465-020-011	Wilhelm Ranch Family LTD Partnership, Tami Wilhelm, and Ed Sauls

After the Closed Session, the meeting reconvened and Vice Chairman Gary Thomasian called the meeting to order.

Steve DeBaun announced that the RCA Board of Directors authorized Legal Counsel to respond to the City of Beaumont interpleader motion and take whatever legal steps, including bringing action against the City of Beaumont, to protect RCA's rights to MSHCP funds.

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14. ADJOURNMENT

With no other items before the RCA Board of Directors, Vice Chairman Thomasian adjourned the meeting. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, October 5, 2009, at 1:00 p.m., at the County Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Respectfully submitted,



Honey Bernas
Clerk of the Board