



MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Jim Hyatt at 12:31 p.m. on Monday, December 3, 2012, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California 92501.

2. PLEDGE OF ALLEGIANCE

Jeff Stone led the RCA Board Members and meeting attendees in a flag salute.

3. ROLL CALL

Board Members Present

Marion Ashley, *Riverside County District 5*
Kevin Bash, *City of Norco*
Ben Benoit, *City of Wildomar*
Randy Bonner, *City of Canyon Lake*
Bob Buster, *Riverside County District 1*
Tom Fuhrman, *City of Menifee*
Mike Gardner, *City of Riverside*
Jim Hyatt, *City of Calimesa*
Linda Krupa, *City of Hemet*
Verne Lauritzen, *City of Jurupa Valley*
John Machisic, *City of Banning*
Jesse Molina, *City of Moreno Valley*
Scott Miller, *City of San Jacinto*
Adam Rush, *City of Eastvale*
Jeff Stone, *Riverside County District 3*
Mark Yarbrough, *City of Perris*

Board Members Absent

John Benoit, *Riverside County District 4*
Roger Berg, *City of Beaumont*
Maryann Edwards, *City of Temecula*
Alan Long, *City of Murrieta*
Melissa Melendez, *City of Lake Elsinore*
Eugene Montanez, *City of Corona*
John Tavaglione, *Riverside County District 2*

4. PUBLIC COMMENTS

There were no public comments.

5. BOARD MEMBER ANNOUNCEMENTS

There were no Board Member announcements.

6. ADDITIONS/REVISIONS

There were no additions/revisions to the agenda.

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7. APPROVAL OF MINUTES

M/S/C (GARDNER/ASHLEY) to approve the minutes of the December 3, 2012 meeting of the RCA Board of Directors, as submitted.

Abstain: Berg

8. RESOLUTION NO. 12-006, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY

Steve DeBaun, Best, Best & Krieger/Legal Counsel, stated that a public agency is required under California law to adopt an updated investment policy periodically. The policy shall sets forth the investment objectives in priority order, i.e. safety, liquidity and return on investment. It also sets forth the prudent investment standard based on the California Government Code. RCA's investments are included in Riverside County's investment pool. Attached to the proposed Policy is the policy that has been adopted by the County of Riverside Office of the Treasurer Tax-Collector which sets forth the requirements for their investment of their pool proceeds, a portion of which included RCA investment. He said that Don Kent, Riverside County Treasurer, is present and available to answer any questions by the RCA Board.

Jeff Stone commented that the County Treasurer does an outstanding job and follows a very conservative protocol in his management of investments.

Don Kent, Riverside County Treasurer Tax-Collector, said that the proposed changes are administrative in nature. One change is shown on Page 12, Policy Criteria for Corporate and Municipal Securities, from 3% to 4% in the AA category and 1% change in each of the categories.

M/S/C (BBENOIT/ASHLEY) to adopt Resolution No. 12-006, A Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy.

9. FISCAL YEAR 2012 AUDIT REPORTS: BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT, SINGLE AUDIT REPORT, AND STATEMENT ON AUDITING STANDARDS (SAS) 114 REPORT

Charlie Landry, Executive Director, stated that the objective of the Request for Proposal for RCA audits was to seek auditors with public sector experience. Vavrink, Trine, Day & Company (VTD) was selected based on their expertise and performance with other governmental jurisdictions. He then introduced Kevin Pulliam, VTD Partner, who will present the audit results.

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Kevin Pulliam pointed that presented to the RCA Board are three audit reports: 1) Basic Financial Statements Report; 2) Single Audit Report; and, 3) Statement on Auditing Standards (SAS) 114 Report. With regards to the Basic Financial Statements, they issued an unqualified or clean opinion in which the financial statements referred to a previously fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the RCA as of June 30, 2012. The respective changes in financial position for the year ended in conformity with generally accepted accounting principles. Under the Single Audit which related to federal grants, they found two audit opinions which are both unqualified. The first is an opinion on government auditing standards and the second is opinion relating to RCA's major programs in accordance with the Single Audit standards or OMB A133. The SAS 114 report is a required communication to members of the Board outlining some specific items as they relate to the audit. They also found no major findings of deficiencies in internal control over financial reporting that are considered to be material weaknesses, as defined in the report.

In response to Jeff Stone's question as to where the annual allocation from Riverside County Transportation Commission (RCTC) is shown in the audit, Dolores Reyna, Administrative Manager II, said that the audit does not include the allocation because the funds were not received, as of yet. However, there is a statement on Page 30 of the audit report that relates to separate funding agreements with local governments and agencies (\$24.3 million) toward land acquisition commitments.

At this time, Charlie Landry recognized staff's efforts in the audit process.

M/S/C (STONE/ASHLEY) to receive and file the following reports:

- 1. Basic Financial Statements with Independent Auditors' Report for the Year Ended June 30, 2012;***
- 2. Single Audit Report for the year ended June 30, 2012; and***
- 3. SAS 114 Report.***

10. WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY MULTIPLE SPECIES HABITAT CONSERVATION PLAN ANNUAL REPORT 2011

Pat Egetter, Chief of Technical Information, presented the 2011 Western Riverside County Regional Conservation Authority Multiple Species Habitat Conservation Plan Annual Report and highlighted the Plan's habitat gains, acquisitions, habitat losses, rough step status, and major activities and accomplishments in the management and monitoring areas. He said that 1,664 acres were acquired, donated or obtained through the development process, bringing the total of conserved land acquired since 2000 to 44,699 acres. With regards to rough step in 2011, the RCA continues to make progress and only two (2) out of the 37 vegetation communities remain out of rough step. Activities included: 1) receipt of three PSE applications and the issuance of one certificate of inclusion for a Kinder Morgan pipeline erosion repair project in Riverside; 2) adding Eastvale as a permittee and is in the process to add Jurupa Valley as a permittee; and, 3) identification of 9,332 acres as development exactions for future conservation through the Joint Project Review (JPR) process for development projects. Approximately 26,871 acres are being

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managed by the RCA and 1,513 acres were added to the Reserve Inventory. In addition, eleven (11) Initial Management Evaluation Reports were completed. With regard to the Monitoring Program, information on multiple species will be collected where it is possible to maximize efficiency. Since 2004, 141 out of the 146 covered species were detected, and 125 species were detected as a result of the Monitoring Program.

Chairman Hyatt asked how to remedy lack of grasslands as it is noted in Area 8. Pat Egetter said that adjustment to vegetation and change targets in some units at some point because a 1996 vegetation map is currently being used and is outdated.

Charlie Landry pointed out the agenda item regarding RCA's application for grant funds for vegetation map update.

M/S/C (STONE/GARDNER) to receive and file the 2011 Western Riverside County Regional Conservation Authority Multiple Species Habitat Conservation Plan Annual Report 2011.

11. CONSENT CALENDAR ITEMS

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

11.1 REMOVAL FROM JOINT PROJECT REVIEW DELINQUENT LIST

Direct staff to remove BFW Corona, LLC, from the Joint Project Review Delinquent List.

11.2 RESOLUTION NO. 12-007, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AUTHORIZING THE APPLICATION AND ACCEPTANCE OF GRANT FUNDS FOR VEGETATION MAP UPDATE

Adopt Resolution No. 12-007, A Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Authorizing the Application and Acceptance of Grant Funds for Vegetation Map Update.

11.3 WESTERN RIVERSIDE COUNTY MSHCP LOCAL DEVELOPMENT MITIGATION FEE COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORTS FOR SEPTEMBER AND OCTOBER 2012

Receive and file the attached Western Riverside County MSHCP Local Development Mitigation Fee Collection and Civic/Infrastructure Contribution Reports for September and October 2012.

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11.4 FISCAL YEAR 2012 DEVELOPMENT IMPACT FEE ANNUAL ACCOUNTING REPORT

Receive and file the attached Fiscal Year 2012 Annual Development Impact Fee Accounting Report.

11.5 FISCAL YEAR 2013 FIRST QUARTER FINANCIAL REPORT

Receive and file the Fiscal Year 13 First Quarter Financial Report.

11.6 PROPOSED 2013 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING, AND WORKSHOP SCHEDULE

Approve the 2013 meeting and workshop schedule.

12. ELECTION OF 2013 RCA OFFICERS

Chairman Hyatt opened the nominations for the 2013 RCA Officers.

Jeff Stone applauded Chairman Hyatt for his leadership and RCA has been fortunate to have great leaders support and advance toward the objectives of the Plan. It is even amazing that RCA is able to acquire the number of reserves during the dwindling economy and the ability to acquire federal funds in an effort to achieve the Plan's goal. At this time, Jeff Stone nominated Marion Ashley for the Chairman position for 2013. There were no other nominations for the Chairman position and the call for nominations was closed. Marion Ashley was unanimously elected as RCA Chairman for 2013.

For the Vice Chairman position, Jeff Stone nominated Scott Miller and Kevin Bash nominated Eugene Montanez. With no other nominations, the nomination for the Vice Chairman position was closed. By a majority vote, Scott Miller was elected as RCA's Vice Chairman for 2013.

For 2013, Marion Ashley and Scott Miller were elected as Chairman and Vice Chairman, respectively.

13. EXECUTIVE DIRECTOR'S REPORT

Charlie Landry reported on the following items:

13.1 Loan Program Update

At this time, there is indication as to what will transpire during the lame duck session. Staff and its consultants will keep continue to be on the lookout for any related bills or continuing resolution that are moving forward to include the loan program legislation. At this time, proposals for legislation is dependent the state of affairs related to the "fiscal cliff". As previously reported, Senator Dianne Feinstein

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and Congressman Ken Calvert are prepared to reintroduce the legislation to the new Congress.

13.2 March Joint Powers Authority and Regional Conservation Authority

RCA has accepted a conservation easement from the March Joint Powers Authority to manage 175 acres, and it includes a \$1.1 million endowment. There is no financial liability for RCA since it will only be using the endowment earnings to manage the property. RCA will be assisting March JPA, who has reached a settlement with the Center of Biological Diversity and U.S. Fish and Wildlife Service. This will assist March and its developer in proceeding with plan development.

Finally, Charlie Landry reported on the notice received from USFWS regarding on the critical habitat final rule on Riverside Fairy Shrimp, which is a listed endangered species. He reminded the RCA Board that staff and its consultants have been working towards removal of unwarranted critical habitat designations (CHD) from MSHCP land and they have ruled pulling back in all areas of Riverside County. RCA will still continue to deal with the Riverside Fairy Shrimp, per the MSHCP.

14. LAND ACQUISITION UPDATE

Brian Beck, Land Acquisition Analyst, said that since the last report, RCA acquired 30 acres bringing the total of reserved land to 45,744 acres. He then presented a map showing the location and presented details of the newly acquired properties.

15. PRESENTATION – RECOGNITION OF SERVICE

Chairman Hyatt, Vice Chairman Ashley and Charlie Landry presented a plaque to recognize the service of outgoing RCA Board Members to:

- A) John Machisic, City of Banning. John Machisic thanked the RCA Board Members and its staff. He pointed out the outstanding purpose of the RCA and the MSHCP. The accomplishments achieved so far are the result of the work by the Board and its staff. The value of its work will be recognized in 30-40 years and that general will appreciate the acreages that were conserved.
- B) Bob Buster, Supervisor District 1. Bob Buster expressed his appreciation to the RCA Board and its staff. He said that the agency, with its overreaching Plan, is remarkable in itself as compared to other agencies. It is faced with funding issues and legal challenges and that the day to day evolution has been very complicated. Yet the RCA has proven itself and continued to come up with creative solutions, not only in funding, but integrate growth with conservation. So, no one should take for granted the County not only in its land forms but also the species that occupies them as they add great value to the daily life. RCA has set the things for the future.

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- C) Bill Batey, City of Moreno Valley. Jesse Molina accepted the plaque on behalf of Bill Batey and spoke about the issues confronted by the agency and the planet by balancing the reserves, habitat and escalation of development.
- D) Melissa Melendez, City of Lake Elsinore. In the absence of a Lake Elsinore representative, staff will mail the plaque to Melissa Melendez.

At this time, incoming Chairman Ashley and Charlie Landry presented Chairman Hyatt with a framed commemoration of the reserved land acquired in 2012 as an expression of appreciation for his leadership throughout the year. Marion Ashley recognized Jim Hyatt for serving as the RCA Chairman and for continuing the agency to move forward with its goal to add to the reserves.

16. ITEMS FOR NEXT MEETING

In response to a question when the minor amendment will be placed on the agenda, Charlie Landry said that it is anticipated that this item will be placed on the next RCA Board's agenda.

Chairman Hyatt adjourned the meeting to Closed Session.

17. CLOSED SESSION ITEM


- 17.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Subdivision (a) of Government Code Section 54956.9
 - **RIC 10004733 Calvary Chapel of Murrieta**

The meeting reconvened. There were no announcements from the Closed Session.

18. ADJOURNMENT

There being no other items before the RCA Board, Chairman Hyatt adjourned the meeting. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, January 7, 2013, at 12:30 p.m., at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Respectively submitted,


Honey Bernas
Clerk of the Board