



www.wrc-rca.org

MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Marion Ashley at 12:34 p.m. Monday, December 2, 2013, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California 92501.

2. PLEDGE OF ALLEGIANCE

Chairman Ashley 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*
Roger Berg, *City of Beaumont*
Tim Brown, *City of Canyon Lake*
Maryann Edwards, *City of Temecula*
Debbie Franklin, *City of Banning*
Tom Fuhrman, *City of Menifee*
Mike Gardner, *City of Riverside*
Jim Hyatt, *City of Calimesa*
Kevin Jeffries, *Riverside County District 1*
Natasha Johnson, *City of Lake Elsinore*
Verne Lauritzen, *City of Jurupa Valley**
Shellie Milne, *City of Hemet*
Scott Miller, *City of San Jacinto*
Jesse Molina, *City of Moreno Valley**
Eugene Montanez, *City of Corona*
Harry Ramos, *City of Murrieta*
Adam Rush, *City of Eastvale*
Jeff Stone, *Riverside County District 3*
John Tavaglione, *Riverside County District 2**
Mark Yarbrough, *City of Perris**

Board Members Absent

John Benoit, *Riverside County District 4*

**Arrived after start of the meeting.*

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 2 of 8

December 2, 2013

4. PUBLIC COMMENTS

Tim Fleming of Lake Elsinore, California, expressed his dismay and questioned the validity, legally and morally, of the potential inverse condemnation of a 77.9 acre parcel within the newly proposed Temecula Valley Wine Country County Community Plan. He requested that the RCA Board consider the long-term economic impact of the proposal. (A copy of Mr. Fleming's written comments is on file at the RCA Offices.)

5. BOARD MEMBER ANNOUNCEMENTS

There were no Board Member announcements.

6. ADDITIONS/REVISIONS

There were no additions/revisions to the agenda.

7. APPROVAL OF MINUTES

M/S/C (HYATT/GARDNER) to approve the minutes of the November 4, 2013, as submitted.

8. CONSENT CALENDAR

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

8.1 WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR OCTOBER 2013

Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan Local Development Mitigation Fee and Civic/Infrastructure Contribution Report for October 2013.

8.2 FISCAL YEAR 2014 FIRST QUARTER FINANCIAL REPORT

Receive and file the Fiscal Year 2014 First Quarter Financial Report.

8.3 PROPOSED 2014 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

Adopt the proposed 2014 meeting schedule of the RCA Board of Directors and Executive Committee.

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 3 of 8

December 2, 2013

8.4 RESOLUTION NO. 13-006, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AUTHORIZING THE APPLICATION AND ACCEPTANCE OF GRANT FUNDS FOR TRICOLOR BLACKBIRD HABITAT ENHANCEMENTS

Adopt Resolution No. 13-006, Resolution of the Board of Directors of the Western Riverside Regional Conservation Authority Authorizing the Application and Acceptance of Grant Funds for Tricolor Blackbird Habitat Enhancements.

9. RESOLUTION NO. 13-005, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY APPROVING THE PURCHASE OF TAX DEFAULTED PROPERTY FROM THE RIVERSIDE COUNTY TREASURER-TAX COLLECTOR'S OFFICE

Brian Beck, Land Acquisition Analyst, reported that RCA received notification from the Riverside County Treasurer-Tax Collector's Office of its intent to sell a list of tax defaulted properties in order to collect back taxes and penalties. Upon review of the list, staff has identified ten (10) parcels that will contribute to the Agency's reserve assembly goals. The properties will also provide key linkages and enhance the existing core reserves. Using a map, staff showed the applicable parcels which were located in the areas of De Luz, Tenaja, Reche Canyon, Lake Matthews, and Vail Lake. The properties, totaling 159.9 acres, amounted to \$422,504.63 (approximately \$2,642/acre). He noted that property owners still have the ability to redeem properties. Resolution No. 13-005 authorizes staff to acquire the properties through the Tax Default process.

Eugene Montanez noted that RCA has previously applied to purchase properties from the Treasurer-Tax Collector's Office Tax Default list. He asked what the percentage of success is of RCA finalizing the purchase of Tax Default properties.

Brian Beck said that RCA has successfully acquired approximately 10-20% of the submitted applications to acquire tax default properties.

Tom Fuhrman asked about linkages and if staff had an overall linkage map. Brian Beck showed a map detailing the property locations. Charlie Landry stated that there is no hard line map. Charlie Landry stated that the properties are described for conservation and would be very good for the Plan.

Kevin Jeffries stated he would be opposing this item as he had asked specifically if the cities and County were consulted prior to the purchase of any property. He stated that in this particular case, that hadn't happened until today. He stated that he believes that the property in Detail 5 may not be in a cell or a linkage. He also expressed concern about the properties in the Tenaja area as there are assessments for road maintenance that the County may be sued over, and he believes that the RCA may be included in this too.

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 4 of 8

December 2, 2013

Brian Beck stated that the properties are located in unincorporated areas, and with regard to the Tenaja assessments, RCA has always paid required assessment fees in acquiring properties in assessment districts.

Jeff Stone added that the RCA has been the beneficiary in acquiring properties through the Tax Default process. All of the properties are located in the unincorporated area, within the habitat plan and with assessment district fees of which RCA will pay. He described the lengthy process, from the County of Riverside to Sacramento, in order to be successful in acquiring the properties. He expressed his support in acquiring properties through this mechanism. He asked who makes the determination as to which agency will be awarded the right to acquire the property when there is more than one agency bidding.

Brian Beck said that he understands that the Treasurer-Tax Collector's Office makes the determination and it is based on the date of the application.

M/S/C (STONE/MILLER) to adopt Resolution No. 13-005, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Approving the Purchase of Tax Defaulted Property from the Riverside County Treasurer-Tax Collector's Office.

NAYS: FUHRMAN, JEFFRIES, MOLINA

10. FISCAL YEAR 2013 AUDITED FINANCIAL STATEMENTS

Honey Bernas, Director of Administrative Services, presented the results of the FY 2013 Financial Statements audit. It is required that an annual audit of the accounts and records of the RCA be performed by an independent public accountant of firm and that a complete written report of such audit be filed with the Auditor-Controller's Office. This year's audit was performed by Vavrinek, Trine, Day & Co., LLP. The auditors' report indicates that the financial statements present fairly, in all material respects, that RCA's position as of June 30, 2013. The opinion was "clean" or "unmodified" indicating that the Authority's financial reporting is consistent with the Generally Accepted Accounting Principles (GAAP). The "unmodified" opinion, previously designated as "unqualified" is the highest designation auditors can give. In addition to providing an opinion on the financial statements, Government Auditing Standards requires that in addition to providing an opinion on the financial statements, the auditors should also report on the auditee's internal control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements. Staff is pleased to report that there were no concerning the financial statements or RCA's internal controls.

Honey Bernas summarized the 2013 financial statements:

- \$26.5 million ending cash balance
- \$1.1 million receivables, primarily from Member Agencies' mitigation fees
- \$325,000 payables to vendors and payroll
- \$2.9 million unearned revenues

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 5 of 8

December 2, 2013

- \$13.1 million General Fund balance
- \$7.8 million Capital Project Fund balance
- \$3.2 million Endowment Permanent Fund
- Acquired 12 properties and 2 conservation easements

The RCA has three funds consisting of the General Fund, the Capital Project Fund and the Endowment Fund. The General Fund increased from 9.8 million to \$13.1 million. The Capital Project Fund increased from \$2.4 million to \$7.8 million. The Endowment Fund increased from \$2.8 million to \$3.2 million.

During the year, RCA acquired 12 properties and two conservation easements. Capital assets increased by \$8.8 million.

M/S/C (GARDNER/EDWARDS) to receive and file the following reports:

- 1) Basic Financial Statements with Independent Auditors' Report for the Year Ended June 30, 2013;***
- 2) Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards; and***
- 3) SAS 114 Report, The Auditors' Communication with those Charged with Governance.***

11. PROPOSED MODIFICATION TO SECTION 1.01 OF THE RCA LAND ACQUISITION POLICIES

Charlie Landry stated that RCA was recently approached by the City of Murrieta regarding concerns that RCA is acquiring conservation easements instead of land in fee title. He noted that RCA prefers acquiring land/fee title versus conservation easements because conservation easements are difficult to manage, gain access to, and to track what is happening with the land. In addition, property owners must continue to pay taxes and provide indemnification since RCA does not have control of the land. RCA currently has twenty (20) conservation easements which are mainly from public lands and corporations and eight (8) are from individual landowners. The eight individual landowners requested to retain title to the land, and a conservation easement was the only way RCA and the land owner could reach agreement to bring the land into the reserve. Therefore, it is proposed that the RCA modify Section 1.01 of the Land Acquisition Policies that the Authority prefers to accept land and fee title rather than a conservation easement and conservation easements should not be accepted from individual landowners unless requested by the property owner.

Harry Ramos expressed concerns about the proposed land acquisition policy including managing land with trails and the cost to manage the land. He said that conservation easement as a conservation tool enables users to achieve conservation objective of the

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 6 of 8

December 2, 2013

land while keeping the land under its ownership. He is uncomfortable with the language to not bring this option up to the landowner during negotiations.

Charlie Landry said that when RCA acquires land via the fee title method, RCA will manage the land per the MSHCP. Some of the land acquired may include trails and is encouraged to have access and view the land as opposed to only a chosen few being able to use the land. There are approved trails in the MSHCP. In cases when there are trails in the land approved in the MSHCP, RCA will work with local entities to make certain that there is availability of the trail access. However, in some cases that the land is not identified as a trail and some use it for off-road vehicle activities, RCA will block access because of management of MSHCP habitat. With regard to cost, RCA will manage the land as if it is land held in fee title.

Roger Berg clarified that it is voluntary to landowner if they wish a conservation easement or fee title during negotiation on land acquisition.

Kevin Jeffries noted that this matter taken up at the request of the City of Murrieta with the purpose of strengthening property landowner rights. This proposal strengthens private property rights by virtue of not requiring a landowner to keep their land, be liable for the land and pay taxes, and not being able to use it. Therefore, he believes that this is the right way to proceed in order to preserve property rights by not asking the property owner for a conservation easement. If a property is needed for conservation, it would be through acquisition of the parcel or portion of the parcel that is needed.

M/S/C (BERG/TAVAGLIONE) to approve the modification to Section 1.01 of the RCA Land Acquisition Policies.

12. EXECUTIVE DIRECTOR'S REPORT

12.1 Loan Program Update

As previously reported, the language of the proposed loan program is included in the Senate version of the Water Resources Development Act (WRDA). The House has passed its own Water Infrastructure Finance Innovation Act (WIFIA) which does not include the provision. Staff expects that the loan program language will be included in the final legislation because it is heavily endorsed by the Water Agencies for the loan program language to be included. If it is passed, RCA would be eligible for the loan guarantee. Staff will also be working on TIFIA legislation when it comes up and make certain that the loan language is included. It is supported by the Administration and the Department of Transportation. He informed the RCA Board that Congressman Ken Calvert was appointed as Chair of the House Appropriations Subcommittee and this is important as the Section 6 allocations are determined by this Committee.

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 7 of 8

December 2, 2013

12.2 Stakeholders Committee Update

The Stakeholders Committee has held three (3) meetings and agenda items that were covered were current funding and financing options, acquisition process, and the JPR (joint project review), HANS (habitat assessment and appraisals. The major focus has been on funding issues. He then reviewed the number of completed JPR and HANS applications. The next meeting is scheduled for January 24, 2014 and the focus will be exclusively on funding issues.

12.3 Habitat Conservation Plan (HCP) Coalition 2014 Annual Conference

RCA, along with local agencies, conservation organizations and business organizations are members of the California HCP Coalition. Meetings are also attended by staff of U.S. Fish and Wildlife and the California Fish and Game. This year, the annual conference will be hosted by RCA and will be held in the City of Temecula's Conference Center on May 14, 2014. The second day of the conference will include a tour/field trip of the southern portion of the MSHCP reserve.

13. LAND ACQUISITION UPDATE

Brian Beck, Land Acquisition Analyst, reported that no additional acreage was acquired since the last RCA Board meeting, and the total reserve acreage remains at 46,763 acres.

14. ELECTION OF 2014 RCA OFFICERS

Nomination for the RCA Chairman position was opened.

M/S/C (ASHLEY/HYATT) to nominate Scott Miller as the RCA Chairman for 2014.

Scott Miller received a unanimous vote as the 2014 RCA Chairman.

Nomination for the RCA Vice-Chairman position was opened.

M/S/C (MILLER/STONE) to nominate John Tavaglione as the RCA Vice-Chairman for 2014

John Tavaglione received a unanimous vote as the 2014 RCA Vice-Chairman.

At this time, Chairman Ashley, Vice-Chairman Miller, and Charlie Landry approached the podium. A plaque was presented to Chairman Ashley. Vice-Chairman Miller and Charlie Landry recognized the year's achievements and the successes accomplished as a result of the leadership of Chairman Ashley.

RCA BOARD OF DIRECTORS MEETING MINUTES

Page 8 of 8

December 2, 2013

Marion Ashley thanked the Board and expressed his appreciation. He acknowledged the hard work and involvement of Scott Miller in the MSHCP and thanked John Tavaglione for his willingness to serve as Vice-Chairman.

John Tavaglione expressed his appreciation to be selected as RCA's Vice-Chairman, and he is looking forward to serving in that capacity and facing the challenges ahead. He spoke about the long process and seven years of hard work that took place prior to the implementation of the MSHCP and recognized the benefits of the MSHCP toward expediting the building of the area's infrastructure projects.

15. ITEMS FOR NEXT MEETING

There were no items requested by the RCA Board Members for the next meeting.

At this time, Chairman Ashley adjourned the RCA Board meeting to Closed Session. Michelle Ouellette, Legal Counsel – BB&K, announced the following Closed Session item.

16. CLOSED SESSION ITEM

16.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to Paragraph 1 of Subdivision (d) of Government Code Section 54956.9

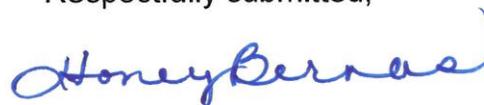
- **MCC1300222 Warren Road Partners, L.P., vs. Western Riverside County Regional Conservation Authority**

There were no announcements from the Closed Session item. With no other items before the RCA Board, the meeting was adjourned.

17. ADJOURNMENT

The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, January 6, 2014, at 12:30 p.m., at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Respectfully submitted,



Honey Bernas
Clerk of the Board