



MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Scott Miller at 12:38 p.m. on Monday, December 1, 2014, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California, 92501.

2. PLEDGE OF ALLEGIANCE

Alternate Board Member Debbie Franklin led the RCA Board Members and meeting attendees in a flag salute.

3. ROLL CALL

Board Members Present

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 Alternate*
Tom Fuhrman, *City of Menifee*
Jeffrey Hewitt, *City of Calimesa*
Kevin Jeffries, *Riverside County District 1*
Natasha Johnson, *City of Lake Elsinore*
Andy Melendrez, *City of Riverside*
Scott Miller, *City of San Jacinto*
Eugene Montanez, *City of Corona*
Laura Roughton, *City of Jurupa Valley Alternate*
Adam Rush, *City of Eastvale*
Richard Stewart, *City of Moreno Valley*
John Tavaglione, *Riverside County District 2*
Mark Yarbrough, *City of Perris**

Board Members Absent

Marion Ashley, *Riverside County District 5*
John Benoit, *Riverside County District 4*
Shellie Milne, *City of Hemet*
Harry Ramos, *City of Murrieta*
Vacant, *Riverside County District 3*

**Arrived after start of meeting*

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 or revisions.

7. APPROVAL OF MINUTES

M/S/C (BASH/EDWARDS) to approve the minutes of the November 3, 2014 meeting of the RCA Board of Directors.

Ayes 14, Abstain 3 (Jurupa Valley, Moreno Valley, and Canyon Lake)

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 (HEWITT/RUSH) to approve the following Consent Calendar items:

Ayes 17

8.1 WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR OCTOBER 2014

Receive and file the Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for October 2014.

8.2 FISCAL YEAR 2014 FIVE-YEAR DEVELOPMENT IMPACT FEE ACCOUNTING REPORT

Receive and file the Fiscal Year 2014 Five-Year Development Impact Fee Accounting Report.

8.3 FISCAL YEAR 2015 FIRST QUARTER FINANCIAL REPORT AND BUDGET ADJUSTMENTS

Receive and file the Fiscal Year 2015 First Quarter Financial Report; Approve the Budget Adjustments contained in Exhibit A; and Direct the Auditor-Controller to make the budget adjustments contained in Exhibit A.

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8.4 PROPOSED 2015 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

Adopt the proposed 2015 meeting schedule of the RCA Board of Directors and Executive Committee.

9. FISCAL YEAR 2014 AUDITED FINANCIAL STATEMENTS

M/S/C (FRANKLIN/BBENOIT) to receive and file the Fiscal Year 2014 Audited Financial Statements.

Ayes 17

Honey Bernas, Director of Administrative Services, gave an over view of the Fiscal Year 2014 Audited Financial Statements. She reported that this is the third year the Authority has been audited by Vavrinek, Trine, Day & Co., LLP. The firm was selected in 2012. The contract allows for annual extensions of the contract for up to five years.

The Independent Auditors' Report contained in the Basic Financial Statements indicates that the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2014. This opinion is considered "clean" or "unmodified," which means that the Authority's accounting and financial reporting is consistent with Generally Accepted Accounting Principles (GAAP). Revenue exceeded expenditures in all programs. The RCA acquired 26 properties. The ending fund balance was \$30 million for all funds, which is a \$6 million increase from last fiscal year. The RCA's capital assets increased by \$16 million. At this time, Honey Bernas introduced Roger Alfaro, partner with Vavrinek, Trine, Day and Co., LLP, who was present to give an overview of the audit process and answer any questions the Board may have regarding the audit.

Roger Alfaro, with Vavrinek, Trine, Day & Co., LLP, gave an overview of the audit process. He advised that the auditors completed their audit process for the fiscal year ended June 30, 2014. The firm issued an "unmodified" opinion, otherwise referred to as a clean opinion on the financial statements, which is the highest level of assurance that can be received on the audited financial statements. Roger stated as part of the audit process, in accordance with government auditing standards, the auditors are required to consider the Authority's internal control over financial reporting, as well as its compliance with laws, regulations, contracts, and grants that could have a material impact on the financial statements. The auditors also issue a report pursuant to government auditing standards, which to the extent there are any deficiencies in the internal control or instances of non-compliance, the auditors are required to communicate those to the RCA Board. The Independent Auditors' Report on Internal Control Over Financial Reporting notes that as a result of their

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audit procedures, there were no material weaknesses or instances of non-compliance. In addition, the last deliverable, which is a letter that provides additional qualitative discussion with respect to estimates and those types of matters has been included in the report. The auditors were pleased to report that, as noted in the letter, that they did not encounter any disagreements with management with respect to accounting, auditing, or financial reporting matters, nor did they encounter any significant difficulties in the conduct of their field work. The auditors appreciated the assistance of the Authority in completing their audit procedures. Mr. Alfaro then thanked the Board and offered to address any questions with respect to the audit process.

Chairman Miller stated that he was pleased with audit report and appreciated the complete and transparent process and the fact that staff worked well with the auditors and provided all documentation necessary for them to complete their audit.

10. EXECUTIVE DIRECTOR'S REPORT

10.1 Section 6 Update

Charlie Landry reminded the Board that Section 6 is the federal component of the Plan that allows the federal government to provide match dollars for purposes of acquisition of properties for Habitat Conservation Plans. In fiscal years 2012, 2013 and 2014, RCA was awarded \$8.2 million in Section 6 grants. The State usually provides a match between 30 and 35% of the property value, which could result in the RCA receiving approximately \$11 million. Staff has been working diligently to acquire properties with grant funds and is in the negotiation process on several acquisitions. For fiscal year 2015, the RCA is requesting the maximum amount, which is \$2 million. Staff anticipates it will be at least six months before RCA is notified of the results of the award amount. If the RCA is awarded the full amount, and the State provides match, the total amount could equal approximately \$3 million.

10.2 RCA 10-Year Review

Charlie Landry stated that June 2014 marked the RCA's 10-year anniversary. The MSHCP was adopted by the County in 2003 and permits were issued in June 2004. Initially all 14 (now 18) western Riverside County Cities are Permittees. All 18 Western Riverside County Cities have signed the Implementation Agreement, which is our contract with the United States Fish and Wildlife Service and the California Department of Fish and Wildlife. Other partners include: Caltrans, State Parks, Riverside County Transportation Commission (RCTC), Riverside County Flood Control and Water Conservation District, Waste Management, and Riverside County Park and Open-Space District. The purpose of the Plan is to protect and sustain endangered and threatened animals and plants and their habitats in a comprehensive way, so that local governments can expedite the construction of

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infrastructure to support growth--particularly transportation facilities. Prior to the MSHCP it was difficult to build. This is largest Habitat Conservation Plan in the nation. It covers 146 species, 33 of which are listed species. There are approximately 500 Habitat Conservation Plans throughout the United States. Approximately 100 Multiple Species Habitat Conservation Plans, plans which cover more than one species, are in the United States. California has 28 completed or planned. Some of those are in planning states. Other large MSHCPs are in Texas Florida, which are areas that have the most species and development pressure.

Charlie Landry reviewed Member Agency Development Mitigation Fees from inception, revenues and expenditures from inception, funding and acquisition trends, Reserve Management and Monitoring, major plan successes, projects expedited under the MSHCP, and major policy successes.

Roger Berg thanked Charlie Landry for the report. He stated that he was involved in the MSHCP during the planning stages. He praised the RCA Board for their leadership and staff for their great work in implementing the Plan. He stated that the MSHCP conserves land for the public and future generations to enjoy and expedites the construction of roads.

Chairman Miller thanked the Executive Director and staff for the report. It was a good 10-year review and while there is much work to be done, good progress has been made.

John Tavaglione stated that he was one member of the Board of Supervisors who was against this process when it was introduced in the late 1990's. He was opposed until a project in the Second District called the Cantu Galleano Interchange, along the I-15. He recalled the difficulties encountered with the project and the mitigation required for the Delhi Sands flower-loving fly, which was approximately \$1 million and the project was delayed for nearly 10 years. That experience made him a believer in the MSHCP. After Jim Venable and Tom Mullen left office, Marion Ashley and John Tavaglione took the project to the finish line. The process was frustrating and will continue be at times, however, in the end, it is the right thing to do. He commended staff and the RCA Board for their work on this Plan.

Richard Stewart stated that he agreed with John Tavaglione and had his doubts in the beginning. He stated that as an attorney, it is always good when you see a client who basically bullet proofs themselves by doing the right thing in an organized, reasonable way, which is what he believes happened with the MSHCP. There were those who opposed the Plan; however, as it started to form, they began to see the logic and reasonableness of it. The Plan actually works and is reasonable. He stated that he became believer in the Plan and is still today.

Mark Yarbrough joined the meeting at this time.

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11. LAND ACQUISITION UPDATE

Charlie Landry reported that since the last meeting, the RCA acquired two additional properties totaling an additional fifty (50) acres, bringing the reserve total to 48,318 acres.

12. ITEMS FOR NEXT MEETING

Andy Melendrez stated that he requested at the last RCA Board meeting to review the collection of Local Development Mitigation Fees and polices. He noted that the item was not on today's agenda and asked if it will be placed on the next meeting agenda. He would like an overview of how fees are collected. There appears to be inconsistency on how are collected. He requested an overview so that the Board has a better understanding of the process.

13. ELECTION OF OFFICERS

This item is for the RCA Board of Directors to hold an election for Chairman and Vice-Chairman for 2015.

M/S/C (MILLER/BASH) nominated Supervisor John Tavaglione for RCA Board of Directors Chairman.

18 Ayes

M/S/C (RUSH/EDWARDS) nominated Eugene Montanez for RCA Board of Directors Vice-Chairman

18 Ayes

14. PRESENTATIONS – RECOGNITION OF SERVICE

On behalf of the RCA Board, Chairman Miller presented plaques in recognition of their service, commitment, and dedication to the RCA to the following County employee, RCA staff member retirees:

Rochelle Jensen, RCA Administrative Services Officer, for 15 years of service to the RCA and County of Riverside.

Sharon Baker-Stewart, RCA Information Technology Officer, for 31 years of service to RCA and the County of Riverside.

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On behalf of the RCA Board Chairman Miller presented plaques to the following outgoing RCA Board Members and thanked them for their service:

Roger Berg (2010- 2014)
Thomas Fuhrman (2011-2014)
Jerry Westholder (2014)
Mark Yarbrough (2004-2014)

Chairman-elect John Tavaglione presented outgoing Chairman Scott Miller with a plaque in recognition of his service as RCA Board Chairman for 2014.

15. ADJOURNMENT

There being no other items before the RCA Board, Chairman Miller adjourned the meeting of the Western Riverside County Regional Conservation Authority Board of Directors at 1:35 p.m. The next meeting is scheduled for Monday, January 5, 2015, 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