



MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Chairman Tavaglione at 12:34 p.m. on Monday, December 7, 2015, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California, 92501.

2. PLEDGE OF ALLEGIANCE

Vice Chairman Montanez led the RCA Board Members and meeting attendees in a flag salute, after a moment of silence for the victims in San Bernardino County.

3. ROLL CALL

Board Members Present

Board Members Absent

<p>George Moyer, <i>City of Banning</i> Jeffrey Hewitt, <i>City of Calimesa</i> Tim Brown, <i>City of Canyon Lake</i> Eugene Montanez, <i>City of Corona</i> Clint Lorimore, <i>City of Eastvale</i> Linda Krupa, <i>City of Hemet</i> Natasha Johnson, <i>City of Lake Elsinore</i> Matt Liesemeyer, <i>City of Menifee</i> George Price, <i>City of Moreno Valley Alt.</i> * Jonathan Ingram, <i>City of Murrieta</i> Berwin Hanna, <i>City of Norco Alt.</i> David Starr Rabb, <i>City of Perris</i> Andy Melendrez, <i>City of Riverside</i> Scott Miller, <i>City of San Jacinto</i> Maryann Edwards, <i>City of Temecula</i> Ben Benoit, <i>City of Wildomar</i> Kevin Jeffries, <i>Riverside County District I</i> John Tavaglione, <i>Riverside County District II</i> Bonnie Wright, <i>Riverside County District III Alt.</i> Ella Zanowic, <i>Riverside County District V Alt.</i></p>	<p>Mark Orozco, <i>City of Beaumont</i> Verne Lauritzen, <i>City of Jurupa Valley</i> John Benoit, <i>Riverside County District IV</i></p>
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*Arrived after roll call
 Alt. = Alternate

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4. PUBLIC COMMENTS

Tom Paulek, Conservation Chairman, Friends of the Northern San Jacinto Mountains requested to speak regarding future agenda items. He requested that RCA Board meetings be video streamed for the public to view. He stated that he could not find on RCA's website where that is possible. He asked if the video streaming of RCA public meetings would be available for the public and how they would be archived for the public record. He asked that RCA place this item of concern on the agenda so that it's fully vetted and explained.

Mr. Paulek had the clerk distribute a newsletter entitled *Friends of the Northern San Jacinto Valley* (2015, November) to the RCA Board of Directors. He stated that the newsletter provides important and very relevant issues for the RCA Board and the implementation of the MSHCP. These include the status of burrowing owls on San Jacinto Wildlife Area, the exclusion of the public from Potrero conservation area, renewal of the reclaimed water contract for San Jacinto Wildlife area with Eastern Municipal Water District. He asked that these items be placed on a future meeting agenda as soon as possible.

Chairman Tavaglione requested that Honey Bernas, RCA Director of Administrative Services, respond to video streaming concern. Honey Bernas stated that RCA is streaming the meetings and will be working with the Chief of Technical Information and County of Riverside to provide public a link on RCA's website to view the meetings.

Chairman Tavaglione advised that RCA staff will respond to Mr. Paulek regarding the issues highlighted in the newsletter.

Arnold San Miguel, representing the Southern California Association of Governments (SCAG), advised the RCA Board of Directors that SCAG has released for public comment the Draft Regional Transportation Plan and Sustainable Community Strategies for 2016-2040. The current plan expires in June of 2016. Senate Bill 375 requires that public workshops specifically for elected officials be conducted. The workshop for elected officials in western Riverside County is January 13, 2016 from 11:00 a.m. to 12:30 p.m. at the Riverside County Administrative Center, Board of Supervisors Chambers, 4080 Lemon Street, First Floor, Riverside, California, 92501. The meeting will begin immediately following the conclusion of the Riverside County Transportation Commission meeting and lunch will be provided for attendees. Mr. San Miguel encouraged the Board Members to give their input on the long range transportation plan. All of the projects from Riverside County Transportation Commission come into the long range plan, as well as all of the other County Commissions. It is a great opportunity for Board Members to give their input on what should happen and what needs to be addressed for the future. This plan has two components: the funded part and the strategic part. He encouraged Board Members to attend and to invite their colleagues to attend as well.

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5. BOARD MEMBER ANNOUNCEMENTS

There were no board member announcements.

6. ADDITIONS/REVISIONS

Board Member Hewitt requested that an urgency agenda item be added to the agenda regarding the Riverside County Habitat Conservation Agency (RCHCA) and its inclusion into the Western Riverside Council of Governments (WRCOG) as opposed to the Regional Conservation Authority.

Steve DeBaun, General Counsel, explained that in order to add this item as an urgency agenda item, the Board of Directors need to make a finding that there is an immediate need to take action on this item and that the item came to the attention of the Board subsequent to the posting of the agenda. He also explained that this will require a 2/3 vote.

Chairman Tavaglione reiterated Board Member Hewitt's request that an urgency item to be added to the agenda.

Board Member Hewitt stated that this item will be discussed in two hours at the WRCOG Board meeting. His concern was that many RCA Board Members may not have realized that such an item was going to be considered at WRCOG's meeting this date. He expressed his concerns for two habitat plans that have not been blended and the fact that the Executive Director of RCHCA is retiring. He would like to understand why RCHCA is not being blended with RCA verses WRCOG.

Board Member Krupa expressed her same concern. She would like to see this item discussed by RCA Board of Directors today.

Chairman Tavaglione made the statement that he assumes the City of Calimesa representative Board Member Hewitt would like to make a motion to declare an urgency item be place on RCA's agenda.

Board Member Hewitt answered yes.

M/S/C (HEWITT/EDWARDS) to add an urgency agenda item regarding Riverside County Habitat Conservation Agency inclusion into Western Riverside Council of Governments as oppose to the Regional Conservation Authority.

Ayes 19, Nays 0, Abstain 1 (Jeffries)

The urgency item regarding RCHCA's inclusion into WRCOG as opposed to the RCA was added to the RCA Board of Directors' agenda, and the following discussion ensued.

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Board Member Jeffries asked legal counsel what the legal authority is to intervene between two governmental entities and asked that legal counsel to state the legal authority to add this item as an urgency item when RCA has no jurisdiction over the matter.

Steve DeBaun stated that there are two separate issues. One, what is the legal authority to prevent the action that is being contemplated by RCHCA and WRCOG. He is not aware of any such legal authority the RCA Board would have. Second, what is the legal authority to merge RCHCA and RCA, and there is legal authority for that.

Board Member Jeffries stated that he was aware of this matter for at least two months and doesn't understand how this is an urgency item.

Chairman Tavaglione stated that to his knowledge, this matter has not been before the County Board of Supervisors. Board Member Jeffries confirmed that it had not. Chairman Tavaglione stated that he had concerns as a member of the Board of Supervisors and that it seems logical that the RCA would be the proper agency to absorb the RCHCA.

Vice Chairman Montanez stated that he has served on WRCOG, RCA and RCHCA Boards. One of the reasons that was given for merging RCHCA with WRCOG is that the RCHCA has been in the process to delist the Stephens Kangaroo Rat (SKR), and the delisting process is contrary to part of RCA's mission. He further stated it would be a conflict in trying to delist and at the same time trying to acquire property for habitat.

Board Member Ben Benoit explained that the proposal for RCHCA to be absorbed into WRCOG was in making government more efficient. He was the one who brought this up two years ago as Chairman of RCHCA. He saw an opportunity for a Board that was willing to look in the direction of making themselves smaller and not needing an Executive Director. At the time, RCHCA Board looked at their options and made a conscious decision of which way to go when reviewing their management agreement. The management agreement states that County shall appoint the Executive Director, select their employees, and take care of the RCHCA organization. He further stated that RCHCA had problems with County Human Resources as has RCA. It appeared that RCHCA Board Members were being treated as County employees. It became difficult and onerous and that was one of the reasons the RCHCA Board decided to look at other organizations such as WRCOG. Partly because it is his opinion that 10 or 15 years from now, the RCA Board may be looking at the need to have a separate Executive Director and separate body and where else the RCA might be housed. He looked toward the Coachella Valley Association of Governments (CVAG) which takes care of their habitat groups professionally and does a good job for them. He questions the need to have all of these separate pieces of government and this big Council of Governments. He stated that is why he began pushing that direction, and the RCHCA Board agreed. That is the direction RCHCA Board is positive toward and the RCHCA Board will meet again on December 18, 2015 to finalize the arrangement, and there is a

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meeting later today for WRCOG to finalize the management agreement. He stated this is the decision of RCHCA and WRCOG, and for the RCA Board to intervene in the process, is not right in his opinion. If the RCA Chairman thinks otherwise, he understands.

Chairman Tavaglione stated he is not sure he feels otherwise, but has concerns in terms of consistency related to transfer of habitat issues.

Board Member Edwards stated that she served on the RCHCA Board for nine years and was part of the process of the discussion regarding this issue. She called for a joint meeting of RCHCA and RCA staff approximately eight years ago. It was clear that neither agency was ready to give up what they were doing. The MSHCP was not far enough along at the time, and the RCHCA still had a huge relocation mission ahead of it, so the timing for a merger was not right. What needs to be decided is what kind of agency is the RCA. Presently, the RCA is a purchasing agency to protect the MSHCP and acquire properties. At some point, when all of the parcels are purchased, the RCA will need to assess what kind of agency it will be. Will it be a land management agency, which is a huge undertaking on a scale probably not seen in United States having been one of the earliest and the best MSHCP. The Regional Conservation Authority needs to evaluate who it is and where is it headed. It just seemed a natural link to Board Member Edwards to link the RCHCA with RCA. Eventually RCA will decide if it will be a land management agency or be turned over to WRCOG at some point to monitor all of the habitat. She is no longer on the RCHCA Board and had not heard of this item being considered at WRCOG today. This comes as a surprise to her, especially since she spearheaded efforts eight years ago to get the two agencies together to talk about this.

Board Member Hewitt stated, in response to Chairman Montanez's comment that one body's mission is to protect and one is to decertify, is a great symbol of success of a MSHCP to have their species be decertified. That is proof that MSHCP's work. He stated that RCA has knowledgeable staff. He advised that he has a Bachelor of Science degree in biology. He came to the RCA with the belief that these kind of programs were merely big government gone bad. When it was explained to him why the MSCHP was developed, it makes sense on both sides, whether one is pro-development or a tree hugger. After being on the RCA Board for a year, he has experienced the wealth of knowledge the RCA staff has and commends them. He is of the opinion that merging the RCHCA with WRCOG is a vote of no confidence to a very hard working staff. If 20,000 acres can be added to RCA's 50,000 acres, that is 40 percent of what RCA has for over 200 species. Why should 20,000 acres be set aside for once species which should be decertified by many accounts. That will not be known until the biology is brought to the RCA Board. Notwithstanding legal issues, government works when it stays simple and is simple enough so that it can be explained to children. He wants the government that is in place to work the best and that is reason for adding this item. He wants to shrink government, but wants to have the government that is in place to work the best, which is why he brought this matter up.

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Board Member Liesemeyer stated that he had concerns that this item was not an urgency item as he had known about the matter and questioned why it was placed on the agenda and being discussed.

Chairman Tavaglione explained it was voted by majority that this item was an urgency item, and it was added to RCA's agenda.

Board Member Jeffries stated that it makes a lot of sense from a government point of view to have RCHCA absorbed into RCA's organization. From a private property rights point of view, it scares him to give RCA any more authority than it has today. He further stated that he does not want RCA to expand or grow in its power because it already has incredible power over private property rights. He stated that under that philosophy, he could support giving the powers, as limited as they may be in a winding down organization, to the RCA. He would prefer RCA decrease its influence, size and scope rather than that entity. That is another fight. Therefore, he is not supportive of what may make good government bureaucratic sense to consolidate RCHCA and RCA, but has to go with private property rights philosophy to protect property owners and not expand RCA.

Chairman Tavaglione expressed that many had good comments on this issue. He further stated that in speaking the RCA Executive Director, while it would seem most logical to have RCA absorb RCHCA, RCA is still small in nature in terms of its staff and would have to expand to absorb RCHCA and take on more responsibility. Given the lack of resources that would come from the RCHCA and the limited resources coming into RCA, although it would probably be better if the RCA absorbed the RCHCA at some point, now is not the best time. The comments regarding efficiencies and the efforts to delist SKR are all good points. If the RCA Board wishes to express its concerns to WRCOG, the RCA can do so but has no legal authority to change the direction at WRCOG or RCHCA.

Board Member Hewitt stated that it is his understanding and he would like Board Members of RCHCA to confirm, that RCHCA has three years in reserves. If that amount is close to RCA's budget, that may be quite a dowry. In terms of adding staffing, RCA could incorporate the existing RCHCA staff into RCA funded with the dowry.

Chairman Tavaglione stated that RCHCA has to manage the reserve they already have and the management of the reserve would not come to RCA without cost. Reserve Management is a rather large annual cost. He asked Carolyn Syms-Luna what the annual cost to manage the reserve is.

Carolyn Syms-Luna, Executive Director for RCHCA, stated that she, Rick Bishop and Honey Bernas actually started the RCA and created the organization. The RCHCA has a three year reserve, which pales in comparison to the RCA funds that would be needed. The RCHCA fee is \$500 per acre, \$250 per half-acre, which is nothing

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compared to the scale that RCA is operating on. The RCHCA is a very lean, small organization that is in a healthy land management mode. All the land that was required has been acquired for the species. The RCHCA has an educational outreach component. She stated that the RCHCA staff as well as the Chair and Vice Chair met with the RCA Executive Director to see if there were any concerns that RCA had. She stated that some of the RCA Board Members also sit on the RCHCA Board. She invited the RCA Board Members to attend one of the RCHCA meetings. It is a very different dynamic. The RCHCA is a program that is almost done. The monies in reserve legally can't be used or moved over to RCA. Those monies would be spent in one year on one land acquisition. The RCHCA does not come with a bundle of money. The WRCOG with respect to educational outreach and where the RCHCA program is, are very different from RCA's program. The RCA is in building blocks. They are acquiring land, looking at management and have a plethora of species that is unprecedented. The SKR program actually has sound land management. It is one of the few plans that is considered for delisting the species. The discussion that Carolyn Luna had with RCA staff indicated that RCA has their hands full at this time. She further stated that RCHCA more aligns with the venue of WRCOG because of the new legislation that will be needed. It's actually a regional component and WRCOG also has a huge educational program. She stated RCHCA is in the last chapter of their program. Mr. Landry and his group have to devote most of their resources to land acquisition and management and monitoring, and RCHCA is done with all of that. She stated that WRCOG has experience in this field and are more than happy to finish the RCHCA program. The RCA electeds would be represented through WRCOG so the RCA would have a say. The RCHCA is at the end of the trilogy, and the RCA is at the beginning of the trilogy. That is why the RCHCA Board thought it would be better to go with WRCOG verses RCA.

Board Member Hewitt expressed his displeasure with how the RCA moves this issue forward.

Board Member Johnson stated that when this item was brought to RCA Executive Committee and it was discussed and vetted. She stated that there were a few reasons for not bringing this issue to RCA Board, and one of the reasons was based on the resources. RCA does not have the funding, and the RCHCA is not coming with a staff. This would not be a good addition to RCA, but more of burden. The RCA still has a lot of work to do. She wanted the Board to have confidence that this matter was vetted by RCA Executive Committee. She further explained the importance of being mindful of RCA's goals, which have not been met yet. RCA does not have the luxury of taking on another mission when RCA's mission has not yet been completed.

Board Member Brown stated this issue should have been brought forward to the RCA Board, rather than handled by the Executive Committee.

Chairman Tavaglione stated that if there is an RCA Board Member that does not sit on WRCOG's Board and still has concerns, they have the right to attend the WRCOG

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meeting and voice those concerns during public comment. There was no action taken on this item by RCA Board of Directors.

7. APPROVAL OF MINUTES – October 5, 2015.

M/S/C (Montanez/Moyer) to approve the minutes of the October 5, 2015 meeting of the RCA Board of Directors.

Ayes 17, Nays 1 (Brown), Abstain 2 (Wright/Hanna),

Board Member Brown requested to speak before the vote was taken.

Chairman Tavaglione asked for a motion to reconsider the motion to approve the minutes of October 5, 2015.

M/S/C (Jeffries/Krupa) to reconsider the approval of the minutes of the October 5, 2015 meeting of the RCA Board of Directors.

Ayes 20, Nays 0, Abstain 0

Board Member Brown stated that at the last Board meeting, he requested RCA staff to provide the policy with regard to exemptions and fee credits, and it was not reflected in the minutes. Charlie Landry asked Board Member Brown if he would like to agendize this for next meeting. Board Member Brown answered yes.

Chairman Tavaglione stated that Board Member Brown will receive a copy of the written policy. Board Member Brown said he was not the only one that wanted to see that policy.

Charlie Landry stated that the policy is coming back to the Executive Committee and staff is working on hopefully the last iteration which will be brought forward to the entire Board once approved by the Executive Committee.

M/S/C (Edwards/Montanez) to approve the minutes of the October 5, 2015 meeting of the RCA Board of Directors.

Ayes 18, Nays 0, Abstain 2 (Wright/Hanna)

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8. Presentation by Don Ken, Treasurer-Tax Collector, Treasurer's Pooled Investment Fund (TPIF) Update

Don Kent, Riverside County Treasurer-Tax Collector, gave an update on the Treasurer's Pooled Investment Fund (TPIF). (A copy of the presentation is on file with the RCA.) Highlights included the following:

Current balance of \$6 billion

Rated AAA by two rating agencies

Over 74% invested in U.S. Treasuries and Agencies

73%+ of portfolio matures less than a year (13% overnight)

Yield to maturity 0.497% and Weighted Average Maturity (WAM) of 1.03

Funds are comprised of County of Riverside, 23 school districts, 3 community college districts, special districts, and other discretionary depositors.

The primary objective of the Treasurer is to safeguard the principal of the funds under his control, meet the liquidity needs of depositors, and achieve a reasonable rate of return.

The Treasurer summed up presentation with the following:

- TPIF is well positioned for rising rates.
- Continue funding key cash flow dates: county payroll, school payroll, tax apportionments, vendor payments, debt service, etc.
- Continue to maintain a strong liquidity profile to meet unexpected cash needs in the current environment.
- Selectively invest in the 1 to 5 year area. Explore defensive bond structures to combat reinvestment rate risk.

Chairman Tavaglione advised the RCA Board that Don Kent and his predecessor, Paul McDonnell, and Jon Christensen all come from a Wall Street background. Giovane Pizano, has an MBA in Finance from UC Riverside and has been a great addition to Treasurer's family 15 years ago. Taking a tour of Treasurer's facility, one gets a feel for the Wall Street brokerage facility with all the screens. He stated that it's rather impressive.

Don Kent stated that monthly copies of the Treasurer's Pooled Investment Fund can be obtained on Treasurers website at countytreasurer.org. RCA staff can also obtain a copy each month.

Board Member Brown wanted to confirm that everything in the portfolio is bonds and notes, with no securities or swaps. Don Kent answered there are no swaps, but there are securities. Board Member Brown asked if common stocks are included. Don Kent answered no and explained that is not allowed per the California Government Code or

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the policy and is never a consideration. Board Member Brown asked if any investments are backed by derivatives. Don Ken answered no.

Chairman Tavaglione thanked Don Kent and commended him for the great job he does on behalf of the County, the RCA, special districts, school districts and others that he represents. The RCA appreciates his conservative approach to investments.

9. CONSENT CALENDAR

Chairman Tavaglione pulled agenda items 9.2 and 9.8 for discussion.

M/S/C (Montanez/Edwards) to approve the Consent Calendar Agenda Item Nos. 9.1, 9.3, 9.4, 9.5, 9.6 and 9.7.

Ayes 19, Nays 0, Abstain 0, Absent 1 (Jeffries step out of the board meeting during the vote)

9.1 RESOLUTION NO. 2015-008, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY

Adopt Resolution No. 2015-008, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy.

9.3 WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORTS FOR SEPTEMBER AND OCTOBER 2015

Receive and file the Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Reports for September and October 2015.

9.4 FISCAL YEAR 2015 DEVELOPMENT IMPACT FEE ANNUAL ACCOUNTING REPORT

Receive and file Fiscal Year 2015 Development Impact Fee Annual Accounting Report.

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9.5 FISCAL YEAR 2016 FIRST QUARTER FINANCIAL REPORT

Receive and file Fiscal Year 2016 First Quarter Financial Report.

9.6 FISCAL YEAR 2016 FIRST QUARTER CONSULTANT REPORTS

Receive and file Fiscal Year 2016 First Quarter Consultant Reports.

9.7 PROPOSED 2016 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

Adopt the Proposed 2016 RCA Board of Directors and Executive Committee Meeting Schedule.

At this time, the Chairman addressed the following pulled Consent Calendar Items:

9.2 RESOLUTION NO. 2015-010, *RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AUTHORIZING THE APPLICANT AND ACCEPTANCE OF GRANT FUNDS FOR ASSESSING DISPERSAL AND MORTALITY OF BURROWING OWLS FOLLOWING PASSIVE AND ACTIVE RELOCATION*

Tom Paulek, Conservation Chair of Friends of the Northern San Jacinto Valley, requested to speak on this item and submitted a letter to Board of Directors dated December 7, 2015. He read the letter to the Board members, objecting to the approval of Resolution No. 2015-010. (A copy of the letter is on file with the RCA.)

Chairman Tavaglione requested that RCA staff member Laurie Correa meet with Mr. Paulek and provide him a verbal or written briefing.

Mr. Paulek clarified that the need for briefing is not for him, but for the RCA Board to understand the essential function of California Environmental Quality Act (CEQA) so that before the Board makes a decision on these types of projects that they are fully informed of the impacts. He further stated that he considers himself an expert on burrowing owls with a great deal of experience.

Chairman Tavaglione explained that Laurie Correa provided a full briefing to the Executive Committee and now that briefing is being presented to the Board of Directors.

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Mr. Paulek stated that the RCA Board needs to have in place a CEQA document before it approves this project.

Chairman Tavaglione asked counsel to respond.

Counsel deferred to staff.

Laurie Correa, RCA Director of Reserve Management and Monitoring, asked if she could clarify a few points. She stated that Mr. Paulek is very knowledgeable about owls and that he managed the San Jacinto Wildlife Area. His statement is true that the burrowing owl population has dropped there. His newsletter contends that the drop is because of the MSHCP, and Laurie Correa strongly disagreed with that statement. She explained that the purpose of MSHCP is to consolidate suitable habitat through acquisition and management of existing reserve areas, which includes the San Jacinto Wildlife Area. She further explained that there is no consensus about why the population has dropped at San Jacinto, but she does not believe it is fair to say that it is due to the MSHCP. There have been three years of drought. There could be changes in internal management practices. The wildlife area is managed by the State of California. It is not directly managed by RCA and is part of the baseline public/quasi-public land. It is a wildlife area, and it is also part of the SKR core reserve. The RCA has worked with the wildlife area staff, but do not have direct management control. Burrowing owls are struggling in Western Riverside County.

The resolution before the board is not whether or not to proceed with passive and active relocations within the Plan. Those are allowed by the Plan, and there is a CEQA document and a NEPA document for the Plan that were certified and adopted at the time that the Plan was approved. This is not a change in those activities. The RCA is required to manage them when they occur on conservation land and is required to monitor for them everywhere there is suitable habitat. The resolution before the Board does not propose any change to that. What it does propose is to accept grant funding to allow RCA to monitor using satellite technology with the help of State grant money and the Coachella Valley Conservation Commission, the JPA that oversees their plan, to obtain better information about where owls are going when they are evicted or passively relocated, which no one has any idea where the owls are going. Even when RCA performs active relocations, if the owls don't stay in the conservation area, staff does not have a way to know where the owls are going. Staff is of the opinion this will provide a different form of enhanced monitoring that should provide better information on where the owls are going. This will further aid in getting the owls on conserved land and keep them there.

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M/S/C (MONTANEZ/EDWARDS) to adopt Resolution No. 2015-010, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Authorizing the Acceptance of Grant Funds for Assessing Dispersal and Mortality of Burrowing Owls Following Passive and Active Relocation.

Ayes 19, Nays 1 (BROWN)

9.8 RESOLUTION NO. 2015-011, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY TO VACATE AND SET ASIDE RESOLUTION NO. 12-002 CERTIFYING AND APPROVING THE WARMS SPRINGS CRITERIA REFINEMENT, AND TO RESCIND THE NOTICE OF EXEMPTION CONCERNING THE CRITERIA REFINEMENT

Susan Nash, Attorney for Tom Paulek on the Warm Springs Criteria Refinement, matter requested to speak on this matter. She commended the RCA Board and staff for their prompt and professional way this item was brought before the Board. She also appreciated receiving prompt payment of her attorney fees. She wanted to point out that if and when a Criteria Refinement comes before the Board, regardless of the opinion being depublished, parts were not contested. She highlighted the three issues for the Board. One, the Court of Appeal ruled that Mr. Paulek does not have to stand up twice as Conservation Chair of the Friends. Either the Friends or Mr. Paulek has standing to sue. Second, this is the first time a court has characterized the Criteria Refinement as akin to a General Plan Amendment. Therefore, in general, Criteria Refinements are always projects under CEQA. She believes this was a very important way to look at it rather than dividing it, as she had done in her briefing, as a project with mitigation and impacts and the whole complete analysis, rather looking it as a General Plan Amendment. She recommends that RCA consider looking at a Criteria Refinement as a CEQA project. Third, if the Criteria Refinement exactly as it is comes back, it will require an Initial Study and at least a Negative Declaration. She thanked the Board for their time.

M/S/C (BENOIT/JOHNSON) to Adopt Resolution No. 2015-011, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority to Vacate and Set Aside Resolution No. 12-002 Certifying and Approving the Warm Springs Criteria Refinement, and to Rescind the Notice of Exemption Concerning the Criteria Refinement.

Ayes 19 Nays 0, Abstain 0, Absent 1 (Board Member Hanna stepped out of the Board meeting.)

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10. FISCAL YEAR 2015 AUDITED FINANCIAL STATEMENTS

Overview

This item is for the RCA Board of Directors to receive and file the following reports:

- A) Basic Financial Statements with Independent Auditors' Report for the Year Ended June 30, 2015;
- B) Single Audit Report for the year ended June 30, 2015; and
- C) SAS 114 Report – *The Auditors' Communication with Those Charged with Governance*.

Honey Bernas, Director of Administrative Services, reported that the 2015 audit has been completed by Vavrinek, Trine, Day & Company who has audited the RCA for the past four years. Their contract was issued in 2012, with extensions for up to five years. The auditors spent approximately two weeks with staff at RCA and another couple of weeks requesting more documentation. The audit went smoothly, and no problems were encountered. The Independent Auditor's Report indicates that the financial statements present fairly in all material respects the financial position of the Authority as of June 30, 2015. The opinion was clean or unmodified which means that RCA's accounting and financial reporting is consistent with Generally Accepted Accounting Principles (GAAP). The unmodified opinion is the highest opinion that auditors can give. She commended RCA's accounting staff for the great job they have done all year long.

She gave an overview of the financial statements reporting that revenue exceeded expenditures in all programs. The RCA's ending fund balance was \$33.9 million for all funds, which is an increase of \$3.9 million from last year. Capital assets increased by \$13.3 million. Total assets as of June 30, 2015 were \$345 million. The Regional Conservation Authority acquired 20 properties and two conservation easements, adding 1,110 acres to the reserve.

During FY 2015, the RCA was required to undergo a single audit, which is a requirement for entities that expend over \$500 thousand in federal funds. The RCA expended approximately \$1.8 million in federal funds during the year for the acquisition of eight properties. Honey Bernas stated that she was pleased to report that there were no internal control deficiencies or findings related to federal expenditures. She commended Brian Beck, RCA Land Acquisition Analyst, and EDA staff members who provide real estate services to RCA for their efforts and great work throughout the year. She commended Brian Beck for his meticulous recordkeeping and attention to detail, which contributed to a smooth single audit.

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Chairman Tavaglione excused himself from the meeting and Vice Chairman Montanez took over chairing the remainder of the meeting.

Board Member Brown stated that the audit report did not mention cost accounting or overhead pools and asked if that was approved pursuant to the latest Cost Accounting Standards Board requirements. He asked if there is an approved overhead cost accounting system in place. Honey Bernas responded that the auditors conducted testing on different transactions and procedures, but not at the cost allocation level. Board Member Brown stated that the rules changed last year related to federal programs, and if an agency is receiving a percentage of grants for administrative services in conjunction with those programs, RCA needs to adhere to the latest policies. He asked if RCA staff could address the cost accounting policies related to general and administration type costs if applicable or if RCA is applying for them. Dolores Reyna, RCA Administrative Manager, stated that RCA does not allocate any salary or administration costs for any of its federal grants. She further stated that the federal grants that are received by RCA are one hundred percent for land acquisition only. Board Member Brown asked if there was a reason why RCA is not applying for general administrative overhead associated with those grants. Dolores Reyna answered that RCA is pleased to accept what becomes available, which is land only grants at this point. Charlie Landry, RCA Executive Director, stated that grants received are specifically for property purchases only. Board Member Brown stated that his concern would be that when RCA eventually moves into the maintenance of lands, there may be a need for something other than direct cost in the future. There may be instances where RCA is losing opportunity because it is not applying for the general and administrative costs. Eugene Montanez stated that in the future when RCA gets to the point of non-land acquisition or there are other grants RCA could apply for then RCA should look into cost allocation. Dolores Reyna agreed and stated that if the RCA receives federal grants in the future that will cover any administrative costs that would be good, but at this point, RCA does not allocate any administrative costs to grants. Board Member Brown stated that now is the time to have an approved cost accounting system in place, rather than waiting for an opportunity to come up and RCA is not able to collect funds.

M/S/C (BENOIT/ZANOWIC) to receive and file the following reports:

- A) Basic Financial Statement with Independent Auditors' Report for the Year Ended June 30, 2015;***
- B) Single Audit Report for the year ended June 30, 2015; and***
- C) SAS 114 Report – The Auditors' Communication with Those Charged with Governance***

Ayes 18, Nays 0, Abstain, Absent 2 (Hanna/Tavaglione step out of the board meeting)

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11. PRESENTATION OF RCA'S UPDATED WEBSITE

Roy Henderson, Chief of Technical Information, gave a brief update on RCA's enhanced website. He worked closely with Geographics, RCA's vendor for the website and public outreach. The website was updated dynamically and focused on security along with ease of access and editing. The design was enhanced, the processing is faster, and the website is easy to edit. A search engine was built in which eliminated the need to have staff add transactions into each web page feed. A search field was added for ease in locating content. RCA staff member Philip Kang created a new MSHCP location tool.

Philip Kang, RCA GIS/IT Database Manager, stated that the MSHCP information tool is a map that enables users to search by assessor's parcel number, address, or any lands that RCA owns. He demonstrated the search functions and how to use mapping component on the website, which works for all parcels in western Riverside County. He gave various examples on how to access information on properties and how to interpret its contents. He also demonstrated using the application on a cell phone.

Vice Chairman Montanez asked if the website could contain a link for videos where the agendas are located in order to assist the public in locating the live or archived meetings. Roy Henderson answered stating that he is working with the County Board of Supervisors Information Technology staff because the vendor that the County is using does not designate individual departments or organizations to utilize the website. They will be working with the vendor to make it easier for the public to go directly to the live pages and archives.

Chairman Tavaglione thanked both Roy Henderson and Philip Kang for their great work.

12. EXECUTIVE DIRECTOR'S REPORT

Charlie Landry, Executive Director, reported the following on 12.1, 12.2 and 12.6:

12.1 County of Riverside Background Check Procedures

Charlie Landry advised the Board that County Human Resources has rescinded the requirement for all Board Members to undergo background checks. He thanked the County Board of Supervisors, especially Supervisor Jeffries, for their efforts in getting this requirement waived.

12.2 National HCP Coalition Meeting – November 9 and 10, 2015

Charlie Landry reported that he attended the National HCP Coalition meeting on November 9 and 10. The two day meeting was held at the U.S. Fish and Wildlife's training center in Shepherdstown, West Virginia. This purpose of the meeting was to form a National HCP Coalition. There were representatives from

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HCPs in twelve states, which included Texas and Florida. Also attending were private HCPs for pipelines, timber and energy, representing approximately 20 states. Michael Bean, Principal Deputy and Assistant Secretary for U.S. Fish and Wildlife, and Gary Frazer, who oversees the endangered species, were both in attendance. The White House was represented. The outcome of this meeting was an agreement to form a national coalition. The mission of coalition is to “Further the use, effectiveness and support of large scale HCPs as local solutions to facilitate economic development and conservation of threatened and endangered species and their habitats.” All of the HCP representatives were in agreement, though it was the first time everyone met. Previously there was only a California Coalition, and there was no input from other HCPs. The Coalition is very important to help form the direction of USFWS. He further stated that it was critically important to have the infrastructure and economic development as part of these HCPs. That is what drives government to form HCPs, while at the same time protecting the threatened and endangered species. This coalition will assist in keeping funding a priority before the administration.

12.3 RCA Land in Valle Vista (aka: K. Hovnanian donation)

Laurie Correa, RCA Director of Reserve Management & Monitoring, reported that an environmental engineer/mitigation consultant from Dudek was brought in to assess the situation after the notice to abatement was received from the County of Riverside Environmental Health on a piece of property that RCA accepted three years ago. The finding was that there was a clean closure before RCA obtained the property. There is no landfill, and there is no trash left on the property other than small pieces that got through the sifting machine. The RCA has submitted the report and all of the backup information to Environmental Health requesting that they rescind their abatement order. The clean closure does not apply to Lake Hemet’s adjacent property, which RCA has a conservation easement over. The Transportation Department will clean out the 36” storm drain that pointed water at the slope which contributed to the erosion in preparation for the rain. The outlet will be cleaned from the main storm drain.

12.4 Discussion Concerning Public Comments Regarding Constrained Linkage 16

Laurie Dobson Correa, RCA Director of Reserve Management & Monitoring, advised the Board Members that Mr. Spresney, who owns property within this linkage, has submitted multiple comments in the past. Staff made a presentation to the Board in 2011 to address wildlife corridors in general and specifically Linkage 16. She made reference to the letter that Mr. Spresney distributed at the October 5, 2015 RCA Board meeting. She explained Linkage 16’s purpose and the species it’s meant to accommodate. She advised that RCA has worked extensively with the City of Murrieta to assemble this corridor. She showed a map of the area and gave historic information on the property, surrounding properties, and the goals of the linkage.

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12.5 Mosquito Update on RCA Land in City of Perris

Laurie Dobson Correa, RCA Director of Reserve Management & Monitoring, reported that the San Jacinto River mosquito breeding problem appears to be under control. She stated that it's too cold for the mosquitos to be breeding at this time. All of the issues that were contributing to the issue that are fixable, are fixed or are being fixed. The storm drain bioswells and infiltration trenches have been reconstructed by KB Homes. She had a conversation with Flood Control this date and they are on-site there today creating a new break in the berm that will drain the large ponded area, which drains the detention basin from the housing tract. That should take care of all of the standing water that was adjacent to the homes. The center channel of the river will probably always have some water in it. Environmental Health will be monitoring it and RCA is now able to treat with larvicide if necessary. Staff is hopeful that this is both a long-term and short-term solution. Charlie Landry added that County Vector Control has been very responsive and has been working the in the area. A public meeting hosted by the City of Perris was effective. All of the agencies worked together to resolve this matter.

12.6 Loan Program

Last week Congress finalized the Transportation Authorization bill. Regional Conservation Authority was attempting to include language to allow HCPs to compete for TIFA funds, as part of the transportation projects. The committee decided not to include the language. This was a surprise since there was strong support from Senator Boxer and Congressman Calvert. A letter from the White House to the Transportation Committee in support of the language was also sent. The President did sign the bill on Friday, December 4, 2015, and the language was not included. The Republican Senate staff indicated that the language was not included because some House Republicans were concerned that it may take some funds away from hard infrastructure; however, RCA hears no objections from any industry prior to the action. One of the most significant issues was the sense that the requested language would only help California; therefore, it invoked an infamous ABC rule in the Senate which is "anything but California." California is ahead in dealing with endangered species and transportation. There are similar efforts in Texas and Florida. There is a Plan B to increase efforts for a standalone bill to create a loan legislation program dedicated for HCPs. Also, Senate Republican has staff has indicated that RCA might be able to pursue an exchange of letters or a mechanism within the conference committee that makes it clear that advance mitigation for specific projects is eligible under TIFIA. Senate Republicans have also said that the Water Resources Development Act (WRDA) bill due in 2016 would be a good vehicle to have a standalone bill, which will be worked on along with the WIFA provision of the HCPs which was passed last year but has not been funded.

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Board Member Edwards recommended that RCA get Dave Kennett busy on this project and that RCA undertake a broad education of some of the congressional members who were opposed. Charles Landry responded that there was not a congressional member who was opposed. It was just a sense from the staff that they should not add the provision to TIFIA.

Board Member Edwards reiterated the need to get Dave Kennett working on a broad educational outreach and start now. The more ground covered, the better.

13. LAND ACQUISITION UPDATE

Chairman Tavaglione recommended that due to time constraints, the acquisition update be given at the next meeting.

14. ITEMS FOR NEXT MEETING

Board Member Jefferies suggested an item be placed on the agenda for full consideration by RCA Board that the 2017 Executive Committee be elected by the entire membership. The current Bylaws, Article 6, this membership is only allowed to elect two out of the seven Board Members. He would like to have a discussion going forward as to whether or not the full membership would like to elect the entire seven members instead of just two of the seven, which are the Chairman and Vice Chairman.

Board Member Hewitt requested that at the next RCA Board meeting, staff give a presentation regarding wildlife corridors and trails, as Mayor of Calimesa Joyce McIntire is very interested in this subject. He would like to see how wildlife corridors are working within City of Calimesa and the Plan Area.

Board Member Miller advised the Board that this is his last meeting, as he is resigning as a Member of the RCA Board. He requested that the meeting be closed in honor of 14 victims that lost their lives last Wednesday in San Bernardino. Specifically, the young lady from City of San Jacinto, Aurora Gudoy, was the youngest of all 14 victims. She was a 26-year old mother, leaving behind her husband and two-year old son. He wanted to honor her and the others who lost their lives by the terrorists.

Chairman Tavaglione adjourned the meeting in Aurora Gudoy and all the victims that lost their lives.

15. ELECTION OF OFFICERS

This item is for the RCA Board of Directors to hold an election for Chairman and Vice-Chairman for 2016.

M/S/C (TAVAGLIONE/JEFFRIES) nominated Eugene Montanez for RCA Board of Directors Chairman.

Ayes 20 Nays 0, Abstain 0, Absent 0

M/S/C (JEFFRIES/EDWARDS) nominated Supervisor Chuck Washington for RCA Board of Directors Vice Chairman.

Ayes 20 Nays 0, Abstain 0, Absent 0

16. PRESENTATIONS – RECOGNITION OF SERVICE

Chairman Tavaglione recommended that due to time constraints, recognition of service presentation was not held.

17. CLOSED SESSION ITEM

17.1 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 Owner/Representative
1	569-090-024	Suzanne Parry

After closed session, the meeting was reconvened. There were no announcements.

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18. ADJOURNMENT

There being no other items before the RCA Board, Chairman Tavaglione adjourned the meeting at 2:20 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, January 4, 2016, at 12:30 p.m., at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Prepared by:



Rose Esparza
Administrative Manager

Respectfully submitted:



Honey Bernas
Clerk of the Board