



EXECUTIVE COMMITTEE MINUTES

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1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority Executive Committee was called to order by Chairman Ingram at 12:14 p.m., Wednesday, November 20, 2019, at the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California, 92501.

2. ROLL CALL – was taken by April Boydd.

COMMITTEE MEMBERS PRESENT	COMMITTEE MEMBERS ABSENT
Jonathan Ingram, Chairman – City of Murrieta	Natasha Johnson, Vice Chair – City of Lake Elsinore
Lesa Sobek – City of Menifee	
Crystal Ruiz – City of San Jacinto	
Kevin Jeffries – County of Riverside, District 1	
Jeff Hewitt – County of Riverside, District 5	

**Arrived after start of meeting ** Departed before meeting adjourned*

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

There were no Committee Member announcements.

5. ADDITIONS/REVISIONS

Honey Bernas, Deputy Executive Director, announced a revision to Agenda Item No. 8, with reference to the title, which should read Fiscal Year 2020 First Quarter Financial Report and Budget Adjustments. She further stated that the recommended motion should read: 1) Recommend that the RCA Board of Directors: A) Receive and file the

Fiscal Year 2020 First Quarter Financial Report; B) Approve the budget adjustments contained in Exhibit A; C) Authorize the Chairman to direct the Auditor-Controller to make the budget adjustments contained in Exhibit A; and 2) Authorize staff to agendize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

6. APPROVAL OF MINUTES – October 16, 2019 and October, 30, 2019

M/S/C (County of Riverside District 5/City of San Jacinto) to approve the minutes of the September 18, 2019 meeting of the Executive Committee as submitted.

(5 Ayes, 0 Nays, 0 Abstain)

7. WESTERN RIVERSIDE COUNTY MSHCP FEE COLLECTION REPORT FOR OCTOBER 2019

Honey Bernas, Deputy Executive Director, reported that for the month of October 2019, the total of fee collection receipts was \$2,335,810.

M/S/C (City of San Jacinto/ City of Menifee) to approve this item as recommended:

- 1) Recommend that the RCA Board of Directors receive and file the Western Riverside County MSHCP Fee Collection Report for October 2019; and
- 2) Authorize staff to agendize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

(5 Ayes, 0 Nays, 0 Abstain)

8. FISCAL YEAR 2020 FIRST QUARTER FINANCIAL REPORT AND BUDGET ADJUSTMENTS

Honey Bernas, Deputy Executive Director, presented the Fiscal Year 2020 First Quarter Financial Report and Budget Adjustments, which included an Executive Summary (cash balance summary and financial statement overview), detailed financial statements, and MSHCP Fee Collections Report. She stated that as of September 30, 2019, the cash balance was \$42.2 million, which represents a \$44 thousand increase from the Fiscal Year 2019 ending cash balance. Cash receipts were \$4.3 million and cash disbursements were \$4.2 million. The cash balance as of November 18, 2019, was \$49.2 million. An additional \$6.4 million is set aside as restricted for endowment for a total of \$55.7 million. She further reported that in Operations, revenues of \$177 thousand exceeded expenditures of \$101 thousand by \$76 thousand. In Land Management and Monitoring, revenues of \$1.1 million exceeded expenditures of \$658 thousand by \$409 thousand. Tipping Fees for the first quarter were approximately \$892 thousand, which represents 30% of the budgeted revenues of \$3 million, and staff anticipates that Tipping Fee revenue of \$3.4 million will surpass the budget by the end of the year. In Land Acquisition, revenues of \$4.8 million exceeded expenditures of \$4

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million by \$814 thousand. Total developer mitigation fees were \$4.2 million, which represents 29% of the budgeted mitigation fees of \$14.6 million. During the first quarter of the fiscal year, RCA acquired eight properties totaling 87 acres valued at approximately \$2.5 million. Additionally, RCA received one land donation of 34 acres from RCTC valued at \$505 thousand. She further advised that a budget adjustment is necessary due to two staff members' retirements that were not anticipated in the original budget. Staff recommends increasing estimated appropriations by \$310 thousand in payoff of permanent, seasonal, and \$14 thousand in budgeted benefits in the Operations Program totaling \$324 thousand. Staff anticipates that the excess Tipping Fee revenue in the general fund will be sufficient to cover the amount. Staff is also requesting a budget adjustment of \$2.5 million for a Land Acquisition that was not anticipated in the original budget.

M/S/C (City of Menifee/ City of San Jacinto) to approve this item as recommended:

- 1) Recommend that the RCA Board of Directors:
 - A) Receive and file the Fiscal Year 2020 First Quarter Financial Report;
 - B) Approve the budget adjustments contained in Exhibit A;
 - C) Authorize the Chairman to direct the Auditor-Controller to make the budget adjustments contained in Exhibit A; and
- 2) Authorize staff to agendize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

(5 Ayes, 0 Nays, 0 Abstain)

9. FISCAL YEAR 2019 AUDITED FINANCIAL STATEMENTS

Honey Bernas, Deputy Executive Director, presented the Fiscal Year 2019 Audited Financial Statements. She reported that this was the third year the RCA was audited by Brown Armstrong Accountancy Corporation. She stated that she was pleased to report that the Independent Auditors' Report indicates that the financial statements present fairly in all material respects, the financial position of the RCA as of June 30, 2019. The opinion was "clean" or "unmodified." In addition, the auditors did not identify any internal control deficiencies or findings related to internal controls of RCA. She responded to questions asked by Executive Committee members. The Executive Committee commended staff for a job well done.

M/S/C (City of San Jacinto/County of Riverside District 5) to approve this item as recommended:

- 1) Recommend that the RCA Board of Directors receive and file the following reports:
 - A) Basic Financial Statements and Independent Auditors' Report for the Year ended June 30, 2019;
 - B) Single Audit Report for the year ended June 30, 2019; and
 - C) SAS 114 Report – *The Auditors' Communication with Those Charged with Governance*; and
- 2) Authorize staff to agendize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

(5 Ayes, 0 Nays, 0 Abstain)

10. PROPOSED 2020 RCA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETING SCHEDULE

April Boydd, Administrative Manager, presented the proposed 2020 schedule with no changes to the traditional schedule for both the Board of Directors and Executive Committee meetings. She highlighted the dark meeting months and the adjustments made in the schedule due to holidays.

M/S/C (City of San Jacinto/City of Menifee) to approve this item as recommended:

- 1) Recommend that the RCA Board of Directors adopt the Proposed 2020 Meeting Schedule of the RCA Board of Directors and Executive Committee; and
- 2) Authorize staff to agendize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

(5 Ayes, 0 Nays, 0 Abstain)

11. MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS (WRCOG) AND THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY (RCA) FOR TRANSPORTATION UNIFORM MITIGATION FEE (TUMF) REVENUE DISBURSEMENT

Honey Bernas, Deputy Executive Director, stated that the RCA receives TUMF Funds from WRCOG to mitigate for their TUMF facilities. Under the MSHCP, RCA receives 5% of construction costs for new TUMF network lanes, bridges, and railroad grade separations. In 2007, RCA entered into an MOU with WRCOG that set forth how the

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funds were transferred to RCA. During discussion with RCA, WRCOG staff recommended that the MOU be updated to follow the structure that WRCOG has with similar organizations. Under the current MOU, RCA purchases land then requests reimbursement from WRCOG. Under the new MOU, the transfer of funds to RCA would become automatic. The transfers would take place quarterly, four times a year. Additionally, RCA requested that WRCOG review MSHCP fee payments for fee credit agreements that were entered into over the years. During WRCOG's reconciliation process, it was determined that \$2 million in fees were not collected or remitted to the RCA. The new MOU covers the \$2 million. If the MOU is approved, the RCA will receive its share of the TUMF funds on hand in two equal installments. The first installment will be allocated to the RCA in six months, and the second installment within 12 months of the date of the MOU. The WRCOG Executive Committee approved the updated MOU on October 7, 2019.

Chairman Ingram asked how much the installment amounts would be.

Honey Bernas stated that the first installment would be \$1 million and the second installment would be \$1 million.

Board Member Sobek asked if WRCOG would automatically send the fees over so that when they collect the fees RCA won't know how much they are collecting.

Honey Bernas stated that is correct and that RCA will report the fees at the end of each year.

M/S/C (City of Menifee/ County of Riverside District 5) to approve this item as recommended:

- 1) Recommend that the RCA Board of Directors approve the updated MOU between WRCOG and RCA for TUMF Revenue Disbursement;
- 2) Recommend that the RCA Board of Directors authorize the Chair, pursuant to legal counsel review and approval, to execute said MOU on behalf of the RCA; and
- 3) Authorize staff to agendaize this matter for the December 2, 2019, meeting of the RCA Board of Directors.

(5 Ayes, 0 Nays, 0 Abstain)

12. DISCUSSION AND POSSIBLE EXECUTIVE COMMITTEE ACTION CONCERNING NEXUS STUDY UPDATE

Steve DeBaun, stated that RCA adopted a Development Impact Fee to fund most of the Land Acquisition activities. A Development Impact Fee Nexus Study is required to impose a fee and the Development Impact Fee has not been updated since 2004. RCA has contracted with Teifion Rice-Evans with Economic & Planning Systems, who is on

the phone and will present the Draft Nexus Study. Mr. DeBaun stated that RCA is hoping to get the discussion to the Board for consideration. Mr. Rice- Evans presented a PowerPoint. He stated that the Mitigation Fee schedule has not been updated since 2004. Staff looked at the obligations RCA has that are separate from the State and Federal Government. Staff also looked at the amount of mitigation fee levels required to fully fund the Plan and provided fee options with associated timing. He further stated that the reason for the fee increase is that RCA is receiving lower levels of local non-fee funding such as Tipping fees, TUMF fees, and other Mitigation fees. The second reason for the increase is due to limited land dedications. The 2004 study expected 42% of land to come from land dedications, which has not been the case. The actual amount of land dedications has been less than 10%. The third reason for increasing the fee is that the cost required to establish the Endowment was not included in the Plan and is necessary. To complete the funding of the MSHCP, RCA needs to raise \$832 million in mitigation fees to fund the net local cost. In order to raise the fees its best to look at the average cost per acre. Mr. Rice-Evans presented four options to increase the fees, the first with no extension of time to complete the acquisition phase and the other three had the fee increases spread out over 5, 10, or 15 years to help lessen the impact of the increases.

Steve DeBaun asked the Executive Committee if they had questions or recommendations.

Board Member Ingram stated that staff and the Executive Committee need to meet and take the time to discuss the information before making any decisions.

Board Member Jeffries stated that RCA needs to look at current expenditures at the same time they are looking at raising revenue.

Board Member Ingram requested that RCA staff schedule a meeting in December if possible or January with the Executive Committee, Legal Counsel, BIA, and the Nexus Study Representative, Teifion Rice-Evans to go over the Nexus Study in more detail.

Board Member Sobek requested that the meeting be on a non-City Council meeting day.

13. EXECUTIVE DIRECTOR'S REPORT

13.1 REPORT CONCERNING THE NATIONAL HABITAT CONSERVATION PLAN (HCP) COALITION ANNUAL MEETING

Charles Landry, Executive Director, reported that he and Tricia Campbell attended the Annual Meeting of the National Habitat Conservation Plan Coalition (HCP) held in West Virginia, November 12 - 15, 2019. The RCA has been in the forefront in actively building this Coalition, and the Coalition continues to grow with representatives from over 22 states. It was a good meeting, and a wide range of issues that many of the HCPs face were discussed. More than 60 HCPs nationwide have now joined the Coalition. He noted the importance of having participation from so many other States, not just

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California. He also reported that Tricia Campbell is now the Vice President of the HCP Coalition.

- 14. FUTURE AGENDA ITEMS:** *(Committee members are invited to suggest additional items to be brought forward for future discussion.)*

No future agenda items were suggested.

- 15. CLOSED SESSION ITEMS:**

15.1 PUBLIC EMPLOYEE APPOINTMENT

Pursuant to Government Code Section 54957

Title: Executive Director

15.2 CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Representative: Board Chairperson

Unrepresented Employee: Executive Director

After closed session, the meeting was reconvened. There were no announcements from General Counsel on closed session.

- 16. ADJOURNMENT**

There being no more items before the Executive Committee, Chairman Ingram adjourned the meeting at 1:10 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, December 18, 2019, at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, Third Floor, RCA Conference Room, Riverside, California, 92501.

Prepared by:



April Boydd

Administrative Manager

Respectfully submitted:



Jennifer Fuller

Director of Administrative Services