

AGENDA ITEM NO. 6

MINUTES

April 19, 2017



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 Ashley at 12:05 p.m., Wednesday, April 19, 2017, at the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California, 92501.

2. ROLL CALL – was taken by Rose Haro, Administrative Manager.

COMMITTEE MEMBERS PRESENT	COMMITTEE MEMBERS ABSENT
Marion Ashley, Chairman – County of Riverside District V Jonathan Ingram, Vice Chairman – City of Murrieta Jeffrey Hewitt – City of Calimesa Eugene Montanez – City of Corona Natasha Johnson, City of Lake Elsinore Maryann Edwards - City of Temecula	John Tavaglione, County of Riverside District II

3. PUBLIC COMMENTS

Chairman Ashley called for public comments regarding items not listed on the agenda. There were no public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

Chairman Ashley called for Committee Member announcements. Vice Chairman Ingram indicated that the draft for the Criteria Refinement is on the agenda. He asked for a future agenda item regarding how Metropolitan Water District and the local water agencies administer assessments to remainder parcels after RCA has acquired a portion of a parcel. He gave an example of the issue, stating that if one owned 20 acres of land and the city conditions him to give 10 acres of land to RCA and allows

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development on the net 10 acres, the water agencies are charging the development as if it was for the entire 20 acres. He has asked Charles Landry to look into if when RCA acquires acreage, a new assessor's parcel number can be given to the property owner and the old parcel number stay with RCA. He further stated that one can't charge \$5 thousand an acre for areas that are in conservation and that will never have development. Charles Landry asked Steve DeBaun, General Counsel, to note Vice Chairman Ingram's comments to bring that item back in the future.

(City of Lake Elsinore and City of Temecula arrived during committee member announcements at 12:07p.m.)

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

6. APPROVAL OF MINUTES – March 15, 2017

M/S/C (CITY OF MURRIETA/CITY OF CALIMESA) to approve the minutes of the March 15, 2017 Meeting of the Executive Committee as submitted.

(6 Ayes, 0 Nays, 0 Abstain, 1 Absent)

7. WESTERN RIVERSIDE COUNTY MSHCP FEE COLLECTIONS REPORT FOR MARCH 2017

Honey Bernas, Director of Administrative Services, presented the MSHCP Fee Collections Report for March 2017. The RCA received fees in the amount of \$896,074 for 327 residential permits and 40.3 commercial acres. There were 25 reported exemptions totaling \$49,800 (16 in the City of Lake Elsinore and nine in the City of Temecula). There were no reported civic/infrastructure projects. For the month of March 2017, the total receipts were \$896,074.

M/S/C (CITY OF MURRIETA/CITY OF LAKE TEMECULA) to approve this item as recommended and authorize staff to agendize this matter to the May 1, 2017 meeting of RCA Board of Directors:

- 1) Recommend that that RCA Board of Directors receive and file the Western Riverside County MSHCP Fee Collections Report for March 2017; and
- 2) Authorize staff to agendize this matter for the May 1, 2017 meeting of the RCA Board of Directors.

(6 Ayes, 0 Nays, 0 Abstain, 1 Absent)

8. RESOLUTION NO. 2017-XXX, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING THE FISCAL YEAR 2018 OPERATING AND CAPITAL BUDGET

Honey Bernas, Director of Administrative Services, presented an overview of RCA's Proposed Fiscal Year 2018 Operating and Capital Budget. She advised that as was customary, the proposed budget reflected conservative revenue estimates and limited appropriations in order to meet RCA's current commitments and obligations under the MSHCP. Staff was pleased to propose a balanced budget for Fiscal Year 2018.

She reviewed Exhibit A-1, which provided an overall summary of the budget and comparison to the FY2016 Actual Revenues and Appropriations; the FY2017 Adjusted Budget and Year-end Projections; and dollar and percentage change over the FY2017 Adjusted Budget. She advised that the FY2017 Adjusted Budget reflected an overall draw on the fund balance of \$8.7 million, as a result of the Board approving an earlier payment of Phases 7 and 8 for an existing phased acquisition, which resulted in RCA saving \$1.8 million, but staff was projecting a deficit of \$5.6 million only. The difference resulted from the receipt of \$2.1 million from Southern California Edison for a Certificate of Inclusion for the West of Devers Upgrade Project; land acquisitions in the budget which would carry forward into FY2018, and \$500 thousand legal contingency which would not be spent.

Total proposed revenue sources of \$25.1 million included the following major projected revenue sources: 1) Federal and State funds of \$2 million and \$1.2 million, respectively; 2) Development Mitigation Fees of \$10.5 million; 3) Measure A funds of \$3 million; 12 land donations and two conservation easements totaling approximately 384 acres with an estimated value of \$2.4 million; 4) Tipping Fees of \$2.5 million; and 6) \$1.9 in Participating Special Entity revenue for Installment No. 2 for Southern California Edison's Certificate of Inclusion for the West of Devers project (\$2.1 million, net of a 10% endowment set-aside). Other Proposed Revenue Sources included: 1) Flood Control fees of \$400 thousand; 2) TUMF Contributions of \$700 thousand; 3) Interest of \$284 thousand; 4) Infrastructure Contributions of \$80 thousand; 5) Civic Contributions of \$80 thousand; and 6) Other Miscellaneous Revenue of \$30 thousand. This is the fifth consecutive year that RCA has been awarded Section 6 funds and staff is in negotiations with a property owner to close escrow in FY 2018 which will expend all available the Section 6 funds. Although there has been a slight increase in development mitigation fees and FY2018 fees will increase by 1.97% due to the CPI adjustment, staff proposed a 5% decrease from the FY2017 budgeted Development Mitigation Fees due to an existing fee credit agreement and the potential establishment of a mitigation bank within the MSHCP boundaries.

Total proposed appropriations reflected a 32% decrease, from \$34.9 million in FY2017 to \$25.1 million in FY2018. The decrease is mainly due to the proposed budget not including the three phases of the Anheuser Busch acquisition. The proposed FY2018 budget was prepared using the cost allocation assumptions endorsed by the Board in 2007 as the guiding principal. Appropriations are allocated directly to the project applicable to each program, and only 2.8% of total appropriations are allocated among

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all three programs. Appropriation percentages for FY2018 were Operations 2%, Land Management and Monitoring at 3%, and Land Acquisitions 85%.

Salaries and Benefits reflected a 7% increase from the FY2017 Adjusted Budget as a result of a \$99 thousand increase in salaries which includes a position swap from Sr. Real Property Agent to Director of Land Acquisition, plus annual step increases for employees who have not reached the top of the current salary ranges, a \$48 thousand increase in benefits, and a \$7 thousand increase in annual leave buy-down. Management is of the opinion that RCA would be better served by filling the Director of Land Acquisitions position rather than a Sr. Real Property Agent for succession purposes and due increased work load in acquisitions and other divisions. In addition to overseeing the Land Acquisition Division, the incumbent would also be expected to learn all aspects of the RCA and serve as back-up to the Executive Director, Director of Administrative Services and Director of Management and Monitoring. Capital outlay is the largest appropriation in RCA's budget at \$16.5 million. Land purchase and improvements of \$16.4 million included the purchase of 32 properties, totaling approximately 1,356 acres. The proposed budget also included the purchase of two new trucks for the Land Management and Monitoring Program to replace older trucks.

Honey Bernas summarized the overall budget which included \$25.1 million in revenue sources and appropriations. Staff proposed a balanced budget with no draws on fund balances. The proposed budget also included a \$2.5 million contingency; \$500 thousand for legal expenditures and \$2.0 million for property acquisitions.

Staff projected a fund balance of approximately \$27.5 million as of June 30, 2017, available to carry forward in FY 2018. Of this amount, \$19.9 million is unrestricted general fund and \$7.6 million is restricted fund balance for capital acquisitions.

She then gave an overview of the Operating and Capital Budget by Program, and the proposed Contract Detail by Appropriations. She advised that proposed contracts reflected a \$301 thousand dollar increase and reviewed the significant contract changes for real property services, loan program reimbursement, Nexus Study Update, reserve management and biological monitoring services.

Chairman Ashley suggested that for the FY2019 budget presentation staff include a three to five year cash flow. He thanked staff for a job well done and great presentation.

M/S/C (CITY OF MURRIETA/CITY OF TEMECULA) to approve this item as recommended and authorize staff to agendize this matter to the May 1, 2017 meeting of RCA Board of Directors and recommended that staff present a five year budget for FY2019:

- 1) Recommend that the Board of Directors adopt Resolution No. 2017-XXX, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting the Fiscal Year 2018 Operating and Capital Budget*; and

- 2) Authorize staff to agendize this matter for the May 1, 2017 meeting of the RCA Board of Directors.

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

9. RECURRING CONTRACTS FOR FISCAL YEAR 2018

Honey Bernas, Director of Administrative Services, advised that staff is recommending five recurring contracts for consultants that are providing unique or specialized services and working closely with RCA staff and the Board on long-term projects. She reviewed the scope of services and contract amounts for Fiscal Year 2018 for the following recurring contracts: 1) Geographics; 2) Kadesh & Associates; 3) Thomas B. Mullen; 4) Santa Ana Watershed Association; and 5) Douglas P. Wheeler.

Board Member Hewitt asked if the upcoming AB1250, which will affect cities and counties and will add more paperwork and if it will affect RCA. Vice Chairman Ingram answered in the affirmative. Steve DeBaun, General Counsel stated that in its current form, it would apply to the agency because RCA is a joint powers agency.

M/S/C (CITY OF MURRIETA/CITY OF CALIMESA) to approve this item as recommended and authorize staff to agendize this matter to the May 1, 2017 meeting of RCA Board of Directors:

- 1) Recommend that the RCA Board of Directors approve the Recurring Contracts for Fiscal Year 2018;
- 2) Recommend that the RCA Board of Directors authorize the RCA Executive Director, upon legal counsel review and approval, to execute said agreements on behalf of the RCA; and
- 3) Authorize staff to agendize this matter for the May 1, 2017 meeting of the RCA Board of Directors

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

10. BIOLOGICAL MONITORING PROGRAM WORK PLAN AND COST ESTIMATE FOR FISCAL YEAR 2017-18

Laurie Dobson Correa, Director of Reserve Management and Monitoring, presented this item. She explained that the MSHCP requires that a work plan and budget for the Monitoring Program be adopted annually and that along with administrative activities such as training, scheduling surveys, ordering supplies, contract management and data management, the primary function of the program is to conduct focused surveys for covered species based on the frequency required by the MSHCP and produce reports for most surveys annually. She went on to summarize the species surveys proposed for FY2018 including Quino checkerspot butterfly, Delhi sands flower-loving

fly, California gnatcatcher breeding documentation and tri-colored blackbird surveys. She noted tri-color blackbird surveys are done every year because they breed at only one location, the San Jacinto Wildlife Area, where there was a grant funded habitat enhancement project. She further stated that raptor nest surveys for bald and golden eagles, and white-tailed kites are also in the work plan. Raptors tend to use the same nesting for many years and nest monitoring helps document continued use and avoid disturbance by land management activities. Burrowing owl monitoring is done annually as part of breeding season surveys which includes the monitoring of artificial burrows in population sites that are managed by RCA. A survey for loggerhead shrike is included for FY2018, a species that is surveyed separately from other birds. She noted reptile species surveys still include the two mountain kingsnakes and the two others that are hard to find, the southern rubber boa and banded gecko. Small mammal trapping are conducted each year and this year's focus species is Aguanga kangaroo rat. Board Member Montanez asked if biologist can tell which mammals are which without dissecting them. Laurie Correa answered in the affirmative because of the distinctive features of the species. She continued with the presentation to indicate that camera traps are the primary tool used to document carnivores. The RCA is considering using scent dogs to find specific species that have been difficult to locate using other survey methods. Board Member Hewitt asked if it was similar to the bloodhound. Laurie Correa said they are trained for individual species so it is the same concept to follow the scent. They can find things a human can't find.

M/S/C (CITY OF CORONA/CITY OF CALIMESA) to approve this item as recommended and authorize staff to agendize this matter to the May 1, 2017 meeting of RCA Board of Directors:

- 1) Recommend that RCA Board of Directors approve the Biological Monitoring Program Work Plan and Cost Estimate for Fiscal Year 2017-18;
- 2) Authorize staff to agendize this matter for the May 1, 2017 meeting of the RCA Board of Directors.

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

11. PROFESSIONAL SERVICES AGREEMENT BETWEEN THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR AUDITING SERVICES

Honey Bernas, Director of Administrative Services, presented this item. The current five year contract with Vavrinek, Trine, Day and Company for external auditing of RCA's annual Financial Statements ended with auditing of Fiscal Year 2016. The RCA released a Request for Proposals (RFP) for Auditing Services, which was published on the RCA and the California Society of Municipal Finance Officers websites. A technical review panel was assembled consisting of two RCA staff members and one member from the County of Riverside Auditor's office. The top three firms were selected and interviewed. Following the interviews, staff recommended the selection of Brown Armstrong Accountancy Corporation.

M/S/C (CITY OF MURRIETA/CITY OF TEMECULA) to approve this item as recommended and authorize staff to agendize this matter to the May 1, 2017 meeting of RCA Board of Directors:

- 1) Recommend that RCA Board of Directors approve the Professional Services Agreement between the RCA and Brown Armstrong Accountancy Corporation, for audit services for the year ended June 30, 2017 with an option to extend the term of the agreement for additional one year term not to exceed four years; and
- 2) Authorize staff to agendize this matter for the May 1, 2017 meeting of the RCA Board of Directors.

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

12. RECOMMENDATION TO REVISE THE RCA CRITERIA REFINEMENT POLICY

Chairman Ashley acknowledged receipt of letters regarding this agenda item from Susan Nash, Tom Paulek, Friends of the Northern San Jacinto Valley; George Hague, Sierra Club, Moreno Valley Group Conservation Chair; Jonathan Evans, Center for Biological Diversity and Drew Feldmann San Bernardino Valley Audubon Society.

These letters were distributed to Executive Committee members at the meeting.

Vice Chairman Ingram stated the purpose of the Criteria Refinement agenda item is to clarify policy only. Not to create, add to or enhance the policy in any way.

Michelle Ouellette, General Counsel, commented as to the content of the letters received and the rulings from the courts. She stated that the reason for this item is to provide clarity to the Criteria Refinement process contained in Section 6.5 of the MSHCP and so that Section 2.(i)., Scope and Definitions, of the policy are easier to understand.

She recommended that RCA respond to the letters received, and the Executive Committee concurred. Michelle Ouellette added that she will explain in the reply letters how RCA is in compliance with CEQA.

The Executive Committee discussed the Criteria Refinement Policy with regard to the benefits of the policy and the attached flowchart to assist in understanding the process.

Vice Chairman Ingram thanked staff for the time invested in bringing clarification to the policy and commented on the equitable benefits to the Member Agencies.

Honey Bernas suggested changing the title of the agenda item to add the word Criteria Refinement "Clarification" Policy. She also thanked Vice Chairman Ingram for his help in assisting with clarifying the policy.

A redlined Criteria Refinement Policy was distributed to Executive Committee members at the meeting.

M/S/C (CITY OF MURRIETA/CITY OF LAKE ELSINORE) to authorize staff to agendize this matter as amended to the May 1, 2017 meeting of RCA Board of Directors:

Review and provide staff direction concerning proposed Resolution No. 2017-XXX, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting Revised Criteria Refinement Policy.

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

13. EXECUTIVE DIRECTOR'S REPORT

Vice Chairman Ingram asked Charles Landry, Executive Director, to give an update to the Executive Committee on a meeting with City of Lake Elsinore in regards to fee issues. Charles Landry stated that the meeting with Lake Elsinore went well, and that there is a tentative agreement. The RCA will receive land from that is owned or controlled by the City of Lake Elsinore in return for fee credit on the fees that are owed. He also stated that the city advised that they will be collecting fees on some projects. This should provide equivalence on the fee issues. Once the final agreement is reached, the agreement will be brought to the Board of Directors and the City Council. There was no further discussion.

13.1 Memorandum of Understanding (MOU) between RCA and Rivers & Lands Conservancy regarding Habitat Management pursuant to the Western Riverside County Multiple Species Habitat Conservation Plan

Charles Landry, Executive Director, reported that RCA has signed an MOU with Rivers & Lands Conservancy (RLC) that RLC will manage their property pursuant to the MSHCP. The property that RLC owns, within criteria cells, counts toward the MSHCP goal. He stated that officials from Rivers & Lands Conservancy will be at the Board of Directors meeting May 1 to be recognized for the continued partnership.

13.2 Congressional Tour

Charles Landry, Executive Director, announced that the tour scheduled for April 20, 2017 has been canceled due to lack of availability from the Congressional delegates which included Congressmen Calvert, Issa, Ruiz, Takano and staff members.

13.3 Wildlife Refuge

Charles Landry, Executive Director, distributed to Executive Committee members a draft resolution supporting the establishment of a National Wildlife Refuge within the boundaries of the MSHCP. This will allow RCA to access additional federal funding through the Land and Water Conservation Fund. This fund has approximately \$900 million allocated annually versus Section 6 acquisition which has approximately \$18 million appropriated. The proposal is to establish a refuge in the eastern part of MSHCP where there is minimal population and development. The refuge will include land that RCA has already been acquired and add additional land which is already described for conservation under the plan. The MSHCP will not expand past the requirements of the plan. Besides the additional acquisition funding, the U.S. Fish and Wildlife will maintain the refuge for perpetuity, which is a cost that RCA does not have to incur. The acreage for the refuge is approximately 20-40 thousand acres. The public will still have access to these areas as they will under the trail coverage of the MSHCP. Vice Chairman Ingram added that he has met with developers and land owners and discussed in great detail this refuge. The greatest concern was not expanding the footprint of the MSHCP which will not occur under the proposal. He further commented that these acres are substantial, and this refuge will help get the MSHCP to its completion. Charles Landry commented that the Federal Government will still have to acquire an additional 38 thousand acres, which is their contribution to the MSHCP. Chairman Ashley asked if there was any downside to this refuge. Charles Landry answered that the only downside is that the land in question is much more affordable than other areas, and the Federal Government will have a lower cost per acre acquisition cost than RCA. Vice Chairman Ingram commented that if the Federal Government is going to manage the land for perpetuity, RCA can transfer more funds into the endowment for those acres that RCA still has to manage within the plan. Board Member Edwards asked that once the Federal Government gets involved, can they place any restrictions on the property other than what exists for RCA land. Charles Landry answered to say that when RCA negotiates the details of the refuge, RCA will ensure that there is public access through the MSHCP trails. Board Member Edwards gave an example of the Johnson Ranch Preserve in which the City of Temecula can't even get a trail through the property. Charles Landry answered to say that the purpose would be to allow the MSHCP and its uses to continue, including access to the reserve through the planned MSHCP trails.

Chairman Ashley directed that this item be moved to the Board of Directors. Charles Landry asked if it should be brought back to Executive Committee. Chairman Ashley and all Executive Committee members agreed that the item should move go directly to the Board of Directors on June 5, 2017. Vice Chairman Ingram added that a flowchart should be included.

M/S/C (CITY OF TEMECULA/CITY OF LAKE ELSINORE) to authorize staff to agendize this matter to the June 5, 2017 meeting of RCA Board of Directors:

Discuss and provide staff direction concerning a possible resolution for the establishment of a wildlife refuge.

(6 Ayes, 0 Nays, 0 Abstain, Absent 1)

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

Chairman Ashley called for future agenda items.

Vice Chairman Ingram suggested issue that he is concerned with regarding annexation of Metropolitan (MET) and the local water districts regarding \$5 thousand fee per acre.

- 15. CLOSED SESSION ITEMS:**

15.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to paragraph 1 of Subdivision (d) of Government Code Section 54956.9

- **Case No. MCC1300351 JPR, Inc., dba Silverado Ranch Estates vs. California Department of Fish and Game; County of Riverside; Western Riverside County Regional Conservation Authority**

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

16. ADJOURNMENT

There being no other items before the Executive Committee, Chairman Ashley adjourned the meeting at 1:25 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, May 17, 2017, at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, Third Floor, RCA Conference Room, Riverside, California, 92501.

Prepared by:



Rose Haro
Administrative Manager

Respectfully submitted:



Honey Bernas
Clerk of the Board