

# **WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY**

## **EXECUTIVE COMMITTEE MINUTES**

**Wednesday, November 16, 2022**

### **1. CALL TO ORDER**

The meeting of the Executive Committee was called to order by Chair Natasha Johnson at 12:00 p.m., via Zoom Meeting ID: 880 4524 2000, in accordance with AB 361 due to state or local officials recommending measures to promote social distancing.

### **2. ROLL CALL**

#### **Members/Alternates Present**

Natasha Johnson  
Kevin Bash  
Patricia Lock Dawson  
Crystal Ruiz

#### **Members Absent**

Kevin Jeffries  
Jeff Hewitt  
Jonathan Ingram

### **3. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Board Member Bash.

### **4. PUBLIC COMMENTS**

There were no requests to speak from the public.

### **5. ADDITIONS / REVISIONS**

There were no additions or revisions to the agenda.

### **6. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).***

**M/S/C (Ruiz/Lock Dawson) to approve the following Consent Calendar items.**

#### **6A. APPROVAL OF MINUTES – OCTOBER 19, 2022**

#### **6B. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR SEPTEMBER 2022**

- 1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for September 2022; and
- 2) Forward to the Board of Directors for final action.

**6C. JOINT PROJECT REVIEW STATUS REPORT**

- 1) Receive and file the Joint Project Review (JPR) monthly status report as of October 31, 2022; and
- 2) Forward to the Board of Directors for final action.

**6D. PROPOSED 2023 BOARD OF DIRECTORS/EXECUTIVE COMMITTEE MEETING SCHEDULE**

- 1) Adopt its 2023 Board of Directors/Executive Committee Meeting Schedule; and
- 2) Forward to the Board of Directors for final action.

**6E. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, JULY-SEPTEMBER 2022**

- 1) Receive and file report summarizing the Quarterly Public Engagement Metrics; and
- 2) Forward to the Board of Directors for final action.

**6F. QUARTERLY INVESTMENT REPORT**

- 1) Receive and file the Quarterly Investment Report for the quarter ended September 30, 2022; and
- 2) Forward to the Board of Directors for final action.

**6G. DEVELOPMENT IMPACT FEE ANNUAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

- 1) Receive and file the Development Impact Fee Annual Report for the Fiscal Year Ended June 30, 2022; and
- 2) Forward to the Board of Directors for final action.

**6H. QUARTERLY FINANCIAL STATEMENTS**

- 1) Receive and file the Quarterly Financial Statements for the three months ended September 30, 2022;
- 2) Approve the Fiscal Year 2022/23 budget adjustment in Attachment 2; and
- 3) Forward to the Board of Directors for final action.

**7. FISCAL YEAR 2022 AUDITED BASIC FINANCIAL STATEMENTS**

Sergio Vidal, Chief Financial Officer, presented the Fiscal Year 2022 RCA Financial and Single Audits. The Financial Audit relates to RCA's basic financial statements that report on RCA's financial activity for FY 2022. The Financial Section of the Annual Report includes the Auditor's Report, Management's Discussion and Analysis (MD&A), the Financial Statements, and related

note disclosures. The Single Audit presents RCA's federal grant expenditures for the previous fiscal year. The final item is the auditors annual required communication with those charged with Governance. There were no audit findings noted during the FY 2022 audit for the basic financial statements or the federal grant program.

The net position as of June 30, 2022, totals approximately \$580 million the majority of which consists of land. Detailed information is available within the financial statements in the agenda packet. RCA collected approximately \$37 million in revenue for the fiscal year ended June 30, 2022, which primarily include LDMF fees, tipping fees and federal and state grants. Expenses totaled approximately \$8 million which comprises general operations including salaries and administrative costs. During FY 2022, RCA purchased 1,469 acres of additional reserve land and paid off its loan from the County of Riverside.

Eric Xin, Partner, Brown Armstrong, introduced Melissa Cabezzas, Manager, also from Brown Armstrong to present the audit findings.

Ms. Cabezzas provided a presentation on the FY 2022 Audit Results. Each year, RCA prepares a set of financial statement reports representing that the information contained therein is accurate, complete, and fairly presented in accordance with Generally Accepted Accounting Principles (GAAP). It is the responsibility of the auditors to perform an audit of the RCA's financial statement in accordance with auditing standards generally accepted in the United States, and standards applicable to financial audits contained in the Government Auditing Standards.

An SAS 114 letter is required to be issued at the conclusion of the audit in accordance with professional standards, this communication is addressed to the RCA Board and discusses accounting pronouncements implemented during the year, sensitive estimates that affect RCA's financial statements, difficulties, or disagreements with management if any, and significant corrected or uncorrected financial statements. A report is also issued on internal controls over financial reporting and on compliance and other matters. The report addresses any deficiencies or material weaknesses noted, if any. Lastly, the auditor issues a report on compliance for each major program and on internal control over compliance as required by the Uniform Guidance.

During the planning of the audit, RCA was provided with a critical dates list to be held accountable on deadlines and to ensure important deadlines were met. The interim fieldwork was held remotely the week of May 9<sup>th</sup>. During the interim, the auditors updated their understanding and evaluated RCA internal controls such as segregation of duties to understand the process for capturing and accurately reporting transactions. Testing of compliance was performed for major programs and the major federal program for the year.

Final field work began on September 6<sup>th</sup> and was performed remotely. During the final field work, the auditors performed standard procedures such as confirmation, ratio, and variance analysis, and reviewed supporting documentation for key accounting areas.

The week of October 24<sup>th</sup>, the auditor reviewed RCA's draft financial statements providing comments and any necessary changes.

On November 2<sup>nd</sup>, the audit report and financial statements were finalized.

Mr. Xin stated that RCA had adopted the Governmental Accounting Standards Board Statement No. 87, Leases during the fiscal year. The most sensitive accounting estimates for the financial statements are capital assets and depreciation expense, value of donated land, and lease liability, revenue, receivables, and deferred inflows of resources. The key factors were evaluated, and assumptions were used to develop estimates and they were determined to be reasonable in relation to the overall financial statements.

The RCA's financial statements disclosure is neutral, consistent, and clear. The auditors did not identify any misstatements and did not propose any adjustments. There were also no disagreements with management or difficulties encountered during the audit. No fraud or abuse issues relating to RCA's employees or management were noted.

As a result of the audit, the auditors issued three different audit reports of which the Independent Auditors Report over financial statements was granted an unmodified or clean opinion. The Report on Internal Controls over Financial Reporting and Compliance and other matters was also granted an unmodified opinion. No non-compliance or any findings on internal controls that qualified as material weaknesses or significant deficiencies were identified. Lastly, the Single Audit Report over Federal Grant Compliance was issued an unmodified opinion with no findings of non-compliance. The schedule of expenditures of federal awards was fairly stated in all material respects relating to the basic financial statements as a whole.

Mr. Xin thanked the RCA Management Team for their assistance, help, and flexibility for the FY 2022 Audit.

Mr. Vidal thanked the RCA Financial Team for their efforts and dedication to preparing accurate financial statements.

Chair Johnson thanked the audit team, financial team, and partners for an incredibly thorough presentation and all their efforts.

- 1) **Receive and file the following reports:**
  - a. **Basic Financial Statements with Independent Auditors' Report for the year ended June 30, 2022;**
  - b. **Single Audit Report for the year ended June 30, 2022; and**
  - c. **SAS 114 Report – *The Auditors' Communication with Those Charged with Governance*; and**
- 2) **Forward to the Board of Directors for final action.**

## **8. ACQUISITIONS STATUS REPORT**

Angela Ferreira, Senior Management Analyst, Right of Way, provided an update on the monthly reoccurring acquisition status report. The acquisition status report summarizes the number of property acquisitions currently being managed including properties that have been acquired and the total number of acreages added to the reserve assembly. Staff has worked diligently to complete key willing seller acquisitions and donations for the RCA.

For the month of September 2022, staff has successfully added approximately 751 acres to the reserve assembly which includes the acquisitions of the Olsen Canyon development HANS and willing seller properties totaling approximately 605 acres of land, located in Temescal Canyon, Corona, and the Lake Elsinore area. These properties are all located within Rough Step Unit 7.

Staff is currently managing 41 active parcels, depicted in Attachment 1 of the agenda item. Thus far for the 2022 calendar year, a total of 19 parcels have been acquired, including 16 acquisitions and 3 processed donations, adding a combined total of 2,042 acres to the reserve assembly. Last year, a total of 1,331 acres were added and in 2020 693 acres were added. In addition to the 41 active parcels being managed, staff is working with the County of Riverside Tax Collectors Office to acquire 29 tax-defaulted parcels that would result in adding an additional 303 acres of land to the reserve for a cost of \$1.2 million.

- 1) Receive and file the acquisition status report as of September 30, 2022; and**
- 2) Forward to the Board of Directors for final action.**

## **9. STATE AND FEDERAL LEGISLATIVE UPDATE**

David Knudsen, External Affairs Director, provided an update on state and federal legislative actions. The legislature concluded its' 2022 session by sending 1,166 bills to the Governor for signature or veto. By the October 1, 2022, deadline, the Governor had signed 997 bills and vetoed 169, a veto rate of 14.5%. The legislature remains in recess until December 5, 2022, when the 2023/2024 regular session will begin. All eyes will be on the Governor's budget proposal which is required to be submitted in early January 2023.

At the federal level, RCA is thrilled to have received from the U.S. Fish and Wildlife Service (USFWS) an award for \$4.4 million for potential property purchases across the MSHCP, leading to over 700 acres of newly conserved land. The funds will be matched by \$2.3 million in funds from the Wildlife Conservation Board for a grand total of \$6.7 million in land acquisition funding.

RCA staff traveled to Washington, D.C. to meet with administration officials and congressional staff in support of efforts to establish a wildlife refuge in Western Riverside County and seek reforms to the USFWS Section 6 grant process. In the meeting with Assistant Secretary of the Interior, Shannon Estenoz and USFWS Director Martha Williams, as well as other officials from the service, RCA staff were pleased to receive strong interest in the establishment of a wildlife refuge in Western Riverside County. Similar interest was expressed by White House representatives of the Office of Management and Budget and the Council on Environmental

Quality, which understood that RCA's land acquisition efforts were in alignment with the President's America the Beautiful initiative. RCA also had a productive meeting with the Office of Senator Feinstein, which remains committed to advancing S. 4669 in partnership with regional stakeholders.

Board Member Lock Dawson congratulated staff on the grant that was received.

- 1) **Receive and file an update on state and federal legislation; and**
- 2) **Forward to the Board of Directors for final action.**

## 10. SUMMARY OF THE 2022 STAKEHOLDERS COMMITTEE SURVEY

David Knudsen, External Affairs Director, provided a presentation on the 2022 Stakeholders Committee survey. As part of the ongoing commitment to working with stakeholders, Chair Johnson asked for input from the Stakeholders Committee on possible items for RCA to consider in 2023. Before the October 2022 meeting, a survey was sent to the Stakeholders Committee members and was nearly identical to the one taken by Board Members earlier this year.

Question 1: My top desire for RCA in the coming year. The top selection was to acquire more land to fulfill RCA's obligations under the MSHCP.

Question 2: If budgetary resources are available, what enhancements to current RCA activities do you recommend that the RCA Board of Directors prioritize (Choose up to 3). The top selection was increased advocacy (lobbying) for state and federal funding legislation in support of the MSHCP. The second top response was to acquire more habitat to protect MSHCP-covered species.

Question 3: My top concern about the MSHCP is. The top response was RCA has acquired less than half of the habitat acreage necessary to fulfill the local obligation under the MSHCP.

Question 4: What are the best ways for you to learn more about the MSHCP. The top response was "Species of the Month" and "Getting to Know the MSHCP" presentation at Committee meetings. The second most chosen response was one-on-one briefings with RCA staff.

Question 5: Would your organization be willing to support the RCA through state and federal legislative advocacy efforts. Of the 8 that responded, all stated they would.

Question 6: One word I would use to describe RCA and the MSHCP. The responses included conservation, focused, overpowering, hope, habitat, uncertain, busy, needs to consolidate effort too much government, unsound, and antiquated.

Chair Johnson shared that feedback is a gift. The Stakeholders Committee was reenergized to get their opinions and perspectives. A takeaway is that the stakeholders are predominately focused on the same thing as Board Members, and while there are some differences in opinion

in how to get there, they are in alignment. Some of the selections were things the RCA is already working on giving staff affirmation they are headed in the right direction.

Board Member Lock Dawson agreed that this was a gift and asked to see the slide that showed how they would describe the MSHCP in one word. She was curious about the antiquated comment and wanted to know if anyone had followed up or if the response was expanded.

Chair Johnson stated there was not an expansion on the term, but at the Stakeholders Committee where this survey was presented, there a common thread of streamlining of efforts which could be related to the MSHCP being seen as antiquated. Mr. Knudsen concurred with Chair Johnson.

Anne Mayer, Executive Director, noted that as RCA looks to develop strategies going forward there are opportunities to discuss issues or request clarification with stakeholders not only at the meetings but also on a one-on-one basis.

Chair Johnson added that it was apparent from the survey comments that there is still a lack of knowledge about the MSHCP. While the Stakeholders Committee is familiar with the MSHCP, a complete understanding of it is another feat.

- 1) **Receive and file a verbal summary of the 2022 Stakeholders Committee Survey; and**
- 2) **Forward to the Board of Directors for final action.**

## **11. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORTS**

Anne Mayer, Executive Director wished the Board Members a Happy Thanksgiving and looks forward to seeing everyone in December.

Chair Johnson shared her gratitude for the Board Members and RCA staff for everything they do and all the hats they wear.

## **12. ADJOURNMENT**

There being no further business for consideration by the Executive Committee, Chair Johnson adjourned the meeting at 12:41 p.m. The next meeting of the Executive Committee is scheduled to be held on **Wednesday, December 21, 2021**.

Respectfully submitted,



Lisa Mobley  
Administrative Services Manager/  
Clerk of the Board