



The Western Riverside County Regional Conservation Authority was established in 2004 as a joint powers authority to administer the 2003 Western Riverside County Multiple Species Habitat Conservation Plan. Currently, the Authority consists of eighteen (18) cities and the county.

MEETING

**Monday September 11, 2017
12:30 p.m.**

**Riverside County Administrative Center
Board Room, First Floor, 4080 Lemon Street, Riverside, CA 92501**

OFFICERS

Marion Ashley, Chairman
County of Riverside, District 5

Jonathan Ingram, Vice-Chairman
City of Murrieta

BOARD MEMBERS

Daniela Andrade
City of Banning

Kevin Bash
City of Norco

Julio Martinez
City of Beaumont

David Starr Rabb
City of Perris

Jeffrey Hewitt
City of Calimesa

Andy Melendez
City of Riverside

Larry Greene
City of Canyon Lake

Crystal Ruiz
City of San Jacinto

Eugene Montanez
City of Corona

Maryann Edwards
City of Temecula

Clint Lorimore
City of Eastvale

Timothy Walker
City of Wildomar

Michael Perciful
City of Hemet

Kevin Jeffries
County of Riverside, District 1

Verne Lauritzen
City of Jurupa Valley

John Tavaglione
County of Riverside, District 2

Natasha Johnson
City of Lake Elsinore

Chuck Washington
County of Riverside, District 3

Matt Liesemeyer
City of Menifee

V. Manuel Perez
County of Riverside, District 4

Jeffrey Giba
City of Moreno Valley

Charles Landry, Executive Director



MEETING AGENDA*

**Actions may be taken on any item listed on the agenda. Non-exempt materials related to an item on this agenda submitted to the RCA Board after distribution of the agenda packet are available for public inspection at the RCA Offices, 3403 Tenth Street, Suite 320, Riverside, California, during normal business hours. Such documents are also available on the Western Riverside County Regional Conservation Authority website at www.wrc-rca.org subject to staff's ability to post the documents before the meeting. Alternative formats are available upon request by contacting the Clerk of the Board at (951) 955-9700. Notification of at least 72 hours prior to meeting time will assist staff in accommodating such requests.*

Monday, September 11, 2017

12:30 p.m.

**Riverside County Administrative Center
First Floor Annex – Board Hearing Room
4080 Lemon Street
Riverside, CA 92501**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 955-9700. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. PUBLIC COMMENT**

At this time members of the public can address the RCA Board of Directors regarding any items within the subject matter jurisdiction of the Board that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Each individual speaker is limited to speak three (3) continuous minutes or less. Any person wishing to address the Board on any matter, whether or not it appears on this agenda, is requested to complete a "Request to Speak" form from the Clerk of the Board. The completed form is to be submitted to the Clerk of the Board prior to an individual being heard. Whenever possible, lengthy testimony should be presented to the Board in writing and only pertinent points presented orally. Any written documents to be distributed or presented to the RCA Board of Directors shall be submitted to the Clerk of the Board.

- 5. BOARD MEMBER ANNOUNCEMENTS** *(This item provides the opportunity for the Board Members to report on attended meetings/conferences and any other items related to RCA activities.)*

RCA BOARD OF DIRECTORS AGENDA

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September 11, 2017

6. **ADDITIONS/REVISIONS** *(The Board may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*

7. **APPROVAL OF MINUTES — June 5, 2017**

8. **PRESENTATION BY TREASURER-TAX COLLECTOR'S OFFICE,
TREASURER'S STATEMENT OF INVESTMENT POLICY** *(related to Item 9.2)*

9. **CONSENT CALENDAR** *(All matters listed under the Consent Calendar will be approved in a single motion unless a Board Member requests separate action on specific Consent Calendar item. The item will be pulled from the Consent Calendar and placed for discussion.)*

- 9.1 **WESTERN RIVERSIDE COUNTY MSHCP FEE COLLECTION REPORTS FOR
MAY, JUNE and JULY 2017**

Overview — **Staff Report**

This item is for the RCA Board of Directors to receive and file the Western Riverside County MSHCP Fee Collection Reports for May, June and July 2017.

- 9.2 **RESOLUTION NO. 2017-007, RESOLUTION OF THE BOARD OF DIRECTORS
OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION
AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY**

Overview — **Staff Report**

This item is for the RCA Board of Directors to adopt Resolution No. 2017-008, Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy.

- 9.3 **FISCAL YEAR 2017 PRELIMINARY FOURTH QUARTER FINANCIAL REPORT
(UNAUDITED)**

Overview — **Staff Report**

This item is for the RCA Board of Directors to receive and file the Fiscal Year 2017 Preliminary Fourth Quarter Financial Report.

9.4 FISCAL YEAR 2017 FOURTH QUARTER CONSULTANT REPORTS

Overview — **Staff Report**

This item is for the RCA Board of Directors to receive and file the Fiscal Year 2017 Fourth Quarter Consultant Reports.

10. EXECUTIVE DIRECTOR'S REPORT

10.1 Report on August 28, 2017 RCA/RCTC Special Meeting/Workshop

11. LAND ACQUISITION UPDATE

12. FEATURED SPECIES OF THE MONTH

13. ITEMS FOR NEXT MEETING

Board Members are invited to suggest additional items to be brought forward for future discussion.

14. CLOSED SESSION ITEMS:

14.1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8

Negotiating Parties: RCA – Executive Director of Designee

Under Negotiation: Price/Terms

Item	Assessor Parcel No.	Property Owner(s)/Agent
1	571-280-038	Willa Holdings, LLC Brian Bechtel
2	366-320-012	William Katz
3	470-400-013	Mark Allred, Linda Allred

15. ADJOURNMENT

The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for October 2, 2017, at 12:30 p.m., at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Acronyms

AGENDA ITEM NO. 7

MINUTES

June 5, 2017



www.wrc-rca.org

MEETING MINUTES

1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority was called to order by Vice Chairman Ingram at 12:35 p.m. on June 5, 2017, in the Board Room of the Riverside County Administrative Center, 4080 Lemon Street, Riverside, California, 92501.

2. PLEDGE OF ALLEGIANCE

Board Member Lesa Sobek led the RCA Board Members and meeting attendees in a flag salute.

3. ROLL CALL

Member Agency	Board Member Name	Status	Arrived
City of Banning	Daniela Andrade	Present	11:31 AM
City of Beaumont	Julio Martinez	Present	11:29 AM
City of Calimesa	Jeffrey Hewitt	Present	11:31 AM
City of Canyon Lake	Vicki Warren	Present	11:25 AM
City of Corona	Eugene Montanez	Present	11:30 AM
City of Eastvale	Joseph Tessari, Alternate	Present	11:23 AM
City of Hemet	Michael Perciful	Present	11:33 AM
City of Jurupa Valley	Verne Lauritzen	Present	11:21 AM
City of Lake Elsinore	Natasha Johnson	Absent	
City of Menifee	Matt Liesemeyer	Present	11:29 AM
City of Moreno Valley	Jeffrey Giba	Present	11:29 AM
City of Murrieta	Jonathan Ingram, Vice Chairman	Present	11:28 AM
City of Norco	Kevin Bash	Present	11:33 AM
City of Perris	David Starr Rabb	Present	11:24 AM
City of Riverside	Andy Melendrez	Present	11:26 AM
City of San Jacinto	Crystal Ruiz	Present	11:33 AM
City of Temecula	Maryann Edwards	Present	11:31 AM
City of Wildomar	Timothy Walker	Present	11:25 AM
District 1	Kevin Jeffries	Present	11:21 AM
District 2	John Tavaglione	Present	11:32 AM
District 3	Chuck Washington	Present	11:19 AM
District 4	V. Manuel Perez	Absent	
District 5	Lesa Sobek, Alternate	Present	12:23 PM

4. PUBLIC COMMENT

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

5. BOARD MEMBER ANNOUNCEMENTS (This item provides the opportunity for the Board Members to report on attended meetings/conferences and any other items related to RCA activities.)

Vice Chairman Ingram called for Board Member announcements. There were no Board Member announcements.

6. ADDITIONS/REVISIONS (The Board may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)

Rose Haro, RCA Administrative Manager, announced that there were no additions or revisions.

7. APPROVAL OF MINUTES — May 1, 2017 meeting of the RCA Board of Directors.

RESULT:	APPROVED AS RECOMMENDED
MOVER:	City of Banning
SECONDER:	District 2
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3
ABSENT:	City of Lake Elsinore, District 4
ABSTAIN:	District 5

8. CONSENT CALENDAR (All matters listed under the Consent Calendar will be approved in a single motion unless a Board Member requests separate action on specific Consent Calendar item. The item will be pulled from the Consent Calendar and placed for discussion.)

RESULT:	APPROVED AS RECOMMENDED
MOVER:	City of Menifee
SECONDER:	City of Moreno Valley
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, Wildomar, District 1, District 2, District 3, District 5
ABSENT:	City of Lake Elsinore, District 4

8.1 WESTERN RIVERSIDE COUNTY MSHCP FEE COLLECTION REPORT FOR APRIL 2017Overview

This item is for the RCA Board of Directors to receive and file the Western Riverside County MSHCP Fee Collection Report for April 2017.

8.2 FISCAL YEAR 2017 THIRD QUARTER FINANCIAL REPORTOverview

This item is for the RCA Board of Directors to receive and file the Fiscal Year 2017 Third Quarter Financial Report.

8.3 FISCAL YEAR 2017 THIRD QUARTER CONSULTANT REPORTSOverview

This item is for the RCA Board of Directors to receive and file the Third Quarter Consultant Reports.

9. DIRECTOR OF LAND ACQUISITION, RCA – CLASSIFICATION SPECIFICATION

Honey Bernas, Director of Administrative Services, reminded the Board that at the May 1, 2017 Board of Directors meeting the Fiscal Year 2018 budget, which included a new Director of Land Acquisition position, was approved. Chairman Ashley directed staff to take the Classification Specification for the Director of Land Acquisition position back to the Executive Committee for review. She advised that Executive Committee discussed the qualifications for the position. She gave a brief history of the position and how County Human Resources (HR) came up with the Classification Specification. She also explained the recruitment process and how the Candidate Requisition Form is used when requesting HR to require qualifications that are over and above the minimum qualifications contained in the Classification Specification. She gave examples of similar positions from several agencies showing that none of the agencies require a Licensed Broker or Real Estate Agent. She then asked for direction from the Board on the Classification Specification.

Staff was asked to clarify why this matter was before the Board when the Fiscal Year 2018 Budget approved at the May 1, 2017 Board meeting approved this position. Honey Bernas reiterated that although the Board approved the FY2018 budget, the Chairman referred the Classification Specification back to the Executive Committee for review and placement on the RCA Board of Directors' meeting agenda for June. It was stated that several Board Members were of the opinion that RCA does not need to fill this position and that merely changing the Classification Specification did not address that issue. Board Members discussed whether or not the candidate should be required to be a Licensed Broker or Real Estate Agent. The recommended motion was changed by Honey Bernas to receive and file after Board Members asked for clarification as to why the discussion of the Classification Specification was being reheard.

Overview

This item is for the RCA Board of Directors to provide staff direction concerning the Director of Land Acquisition, RCA – Classification Specification.

Motion was changed by Honey Bernas, Director of Administrative Services, to receive and file the Director of Land Acquisition, RCA – Classification Specification.

RESULT:	APPROVED AS RECOMMENDED
MOVER:	City of Corona
SECONDER:	City of Temecula
AYES:	Banning, Beaumont, Calimesa, Corona, Eastvale, Hemet, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula, District 2, District 3, District 5
NAYS:	City of Canyon Lake, City of Jurupa Valley, City of Wildomar, District 1
ABSENT:	City of Lake Elsinore, District 4

10. RESOLUTION NO. 2017-006, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY DECLARING SUPPORT FOR THE ESTABLISHMENT OF A NATIONAL WILDLIFE REFUGE WITHIN THE BOUNDARIES OF THE WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

Charles Landry, Executive Director, presented this item. Establishing a refuge 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 is approximately \$18 million annually.

The proposal is to establish a refuge in the eastern part of the Western Riverside County MSHCP where there is minimal population and development. The refuge will include land that RCA has already 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 nor increase the footprint. The resolution starts the process for RCA to negotiate with the U.S. Fish and Wildlife Service. This agenda item will return to the RCA Board of Directors after the study is accomplished, which takes a couple years, and negotiations have taken place.

Vice Chairman Ingram added that this refuge was discussed in great detail during the recent visit to Washington, D.C. He suggested the motion be changed to receive and file. He spoke to other Member Agencies and they would like an opportunity to sit at the negotiating table. He further commented that these acres are substantial, and this refuge will help get the MSHCP to its completion. The Federal Government is going to manage the land for perpetuity and allow RCA access, which places less stress on the MSHCP. The local control and authority will need to be negotiated.

Board Members expressed concerns with regard to access onto the refuge for trails, how wildfires will be fought on this land, and if air tankers would be restricted. They were also concerned about U.S. Fish and Wildlife going beyond the boundaries of the Plan Area.

Ed Sauls, representative from The Sauls Company, spoke in support of this item. He presented the history on how the Endangered Species Act came about. He suggested that Board of Directors proceed with the refuge and view it as a funding source. He suggested that conditions be placed on the refuge for access and that RCA use their acquisition process to obtain the land.

Charles Landry answered the concerns posed by the Board of Directors. He said that the MSHCP Acquisition procedures would be used, and there will be no need to establish another acquisition program. He further stated that during the negotiations the Board of Directors' concerns for fire safeguards, fire roads and access to trails will all be discussed and negotiated. The restrictions that the U.S. Fish and Wildlife proposes will be subject to negotiation as to RCA's local control of the refuge.

Overview

This item is for the RCA Board of Directors to adopt Resolution No. 2017-006, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Declaring Support for the Establishment of a National Wildlife Refuge within the Boundaries of the Western Riverside County Multiple Species Habitat Conservation Plan.*

Motion was made by Board Member Washington to continue this item off calendar.

RESULT:	APPROVED AS RECOMMENDED
MOVER:	District 3
SECONDER:	City of San Jacinto
AYES:	Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Wildomar, Temecula, District 1, District 2, District 3, District.5
ABSENT:	City of Lake Elsinore, District 4

After the vote was taken, Board Member Jeffries changed his vote from Abstained to Aye, change was recorded to reflect his vote.

11. EXECUTIVE DIRECTOR'S REPORT

11.1 RCTC/RCA Joint Workshop - August 28, 2017

Charles Landry, Executive Director, reported that there will be a joint workshop with RCTC, which is tentatively scheduled for August 28, 2017. All members of the Board of Directors were encouraged to attend. He stated that the focus for this workshop is on Transportation and the MSHCP, but all aspects will be discussed.

11.2 Section 6 Update

Charles Landry, Executive Director, reported that the United States President's budget has zero dollars for acquisition under Section 6. He stated that this was not unusual and that the Congressional input will significantly help in obtaining funding for acquisitions. There should not be an expectation for more funds than what has been the amount for the last two years, which is \$18-19 million set aside for acquisitions.

12. LAND ACQUISITION UPDATE

Charles Landry, Executive Director, stated that at the last RCA Board of Directors' meeting, it was reported that RCA had acquired 56,105 acres. Escrow has closed on two additional properties totaling approximately 38 acres, bringing the reserve total to approximately 56,143 acres.

13. FEATURED SPECIES OF THE MONTH

Elizabeth "Betsy" Dionne, Ecological Resources Specialist, stated that this new feature to the Board of Directors meeting was requested by the Executive Committee on May 17, 2017. She said this will give the Board of Directors the opportunity to learn more about the different species that are covered under the Plan. The featured species for the month of June is the southern/western pond turtle. She gave the background of the turtle, and the monitoring and management activities for this species. After her presentation, she invited questions from the Board Members. Board Member Sobek asked if there has been any land acquired for the turtle's habitat within the Plan Area. Betsy Dionne responded in the affirmative. She stated that there are trappings taking place on what is commonly known as the Bolton property, which is west of Lake Mathews off Cajalco Road. RCA also acquired several properties in Murrieta known as the Winchester 700 and Richmond American, which have suitable habitat for the turtle. Both Murrieta Creek and Temecula Creek have been identified for the turtle and RCA has acquired land in the surrounding area. Board Members thanked her for a well-informed presentation.

14. ITEMS FOR NEXT MEETING

Vice Chairman Ingram asked if any Board Member had items for the next meeting. There were no requested items.

Vice Chairman requested that the board room be cleared for closed session and that the recording be turned off.

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 RCA Board, Vice Chairman Ingram adjourned the meeting at 1:30 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Board of Directors is scheduled for Monday, July 10, 2017, at 12:30 p.m. at the County of Riverside Administrative Center, Board Room, 4080 Lemon Street, Riverside, California.

Prepared by:



Rose Haro
RCA Administrative Manager

Respectfully submitted:



Honey Bernas
Director of Administrative Services

AGENDA ITEM NO. 9.1

**WESTERN RIVERSIDE COUNTY
MSHCP FEE COLLECTION
REPORTS FOR MAY,
JUNE AND JULY 2017**

Regional Conservation Authority

**WESTERN RIVERSIDE COUNTY
MSHCP FEE COLLECTIONS REPORTS FOR
MAY, JUNE AND JULY 2017**

Staff Contact:

**Honey Bernas
Director of Administrative Services
(951) 955-9700**

Background:

The RCA Executive Committee directed staff to report on Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation Fee (LDMF) Collection and Civic/Infrastructure Contribution on a monthly basis.

Attached are the reports for May, June and July 2017. The reports were prepared on a cash basis and, therefore, reflect the cash received by RCA during that month.

Executive Committee and Staff Recommendation:

That the RCA Board of Directors receive and file the Western Riverside County MSHCP Fee Collections Reports for May, June and July 2017.

Attachment

- 1) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for May 2017
- 2) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for June 2017
- 3) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for July 2017

AGENDA ITEM NO. 9.1

Attachment 1

**WESTERN RIVERSIDE COUNTY
MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE
CONTRIBUTION REPORT FOR
MAY 2017**

**WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR MAY 2017
CASH BASIS**

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS						
City/County	Month	REMITTED			EXEMPTIONS & FEE CREDITS	
		Residential Permits	Commercial/Industrial Acres	Amount Remitted	Residential Permits	Amount
City of Banning	April-No Activity					
City of Beaumont	April	64		\$127,488		
City of Calimesa	April	13		\$25,896		
City of Canyon Lake	April	1		\$1,992		
City of Corona	April-No Activity					
City of Eastvale	April		0.31	\$2,102		
City of Hemet	April		0.36	\$2,441		
City of Jurupa Valley	April	17		\$33,864		
City of Lake Elsinore	April		0.04	\$274		
	Summerly Project ¹				11	\$21,912
City of Menifee	April	11	11.3	\$98,391		
City of Moreno Valley	April	33		\$65,736		
City of Murrieta	April-No Activity					
City of Norco	April		4.39	\$29,791		
City of Perris	March	5		\$9,960		
	April-No Activity					
City of Riverside	April received in June					
City of San Jacinto	April	19		\$37,848		
City of Temecula	April	10	0.19	\$14,013		
	Roripaugh ²				9	\$17,928
City of Wildomar	January (Adjustment)	6		\$11,952		
	April	12		\$23,904		
County of Riverside	May	109	12.25	\$300,183		
Total LDMF Collections		300	28.82	\$ 785,835	20	\$39,840

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS		
Riverside County Flood Control & Water Conservation District	Norco MDP Line NB-2 and Lateral S-5A	\$15,399
Total Civic/Infrastructure Contributions		\$15,399

TOTAL MAY 2017 \$ 801,234

1) Summerly Project - Development agreement dated 8/24/04. Expiration date 9/23/14. Under review.

2) Roripaugh Development Agreement dated 12/17/02. Project is exempt under AD161.

AGENDA ITEM NO. 9.1
Attachment 2

**WESTERN RIVERSIDE COUNTY
MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE
CONTRIBUTION REPORT FOR
JUNE 2017**

**WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR JUNE 2017
CASH BASIS**

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS						
City/County	Month	REMITTED			EXEMPTIONS & FEE CREDITS	
		Residential Permits	Commercial/Industrial Acres	Amount Remitted	Residential Permits	Amount
City of Banning	May - No Activity					
City of Beaumont	May	104		\$207,168		
City of Calimesa	May - No Activity					
City of Canyon Lake	May - No Activity					
City of Corona	May - No Activity					
City of Eastvale	May - No Activity					
City of Hemet	May - No Activity					
City of Jurupa Valley	May	45		\$89,640		
City of Lake Elsinore	May	23		\$45,816		
	Summerly Project ¹				5	\$9,960
City of Menifee	May	45	5.9	\$129,574		
City of Moreno Valley	May	22	44.6	\$346,009		
City of Murrieta	May - No Activity					
City of Norco	May		3.0	\$20,369		
City of Perris	May	29		\$57,768		
City of Riverside	April	3	46.4	\$320,076		
City of San Jacinto	May	15		\$29,880		
City of Temecula	May	13	13.23	\$106,274		
	Roripaugh ²				7	\$13,944
City of Wildomar	May	5		\$9,960		
County of Riverside	June	178	7.27	\$398,902		
	Rancho Bella Vista ³				1	\$1,938
Total LDMF Collections		482	120.39	\$ 1,761,436	13	\$25,842

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS		
Riverside County Flood Control & Water Conservation District	Wildomar MDP Lateral C-1 Storm Drain	\$49,033
Total Civic/Infrastructure Contributions		\$49,033

TOTAL JUNE 2017 \$ 1,810,470

1) Summerly Project - Development agreement dated 8/24/04. Expiration date 9/23/14. Under review.

2) Roripaugh Development Agreement dated 12/17/02. Project is exempt under AD161.

3) Rancho Bella Vista - Fee Credit Agreement with County of Riverside. Properly exempted at \$1,938 rate.

AGENDA ITEM NO. 9.1
Attachment 3

**WESTERN RIVERSIDE COUNTY
MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE
CONTRIBUTION REPORT FOR
JULY 2017**

**WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND
CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR JULY 2017
CASH BASIS**

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS						
City/County		REMITTED			EXEMPTIONS & FEE CREDITS	
		Residential Permits	Commercial/Industrial Acres	Amount Remitted	Residential Permits	Amount
City of Banning	June - No Activity					
City of Beaumont	June	325		\$647,400		
City of Calimesa	June - No Activity					
City of Canyon Lake	June	1		\$1,992		
	Correction	2		\$3,876		
City of Corona	June	316	1.8	\$339,580		
City of Eastvale	June - No Activity					
City of Hemet	June - No Activity					
City of Jurupa Valley	June	88		\$175,296		
City of Lake Elsinore	June		5.57	\$37,765		
	Summerly Project ¹				17	\$33,864
City of Menifee	June - Received in August					
City of Moreno Valley	June	35		\$69,720		
City of Murrieta	June - No Activity					
City of Norco	June - Received in August					
City of Perris	June - Received in August					
City of Riverside	May	31		\$60,796		
City of San Jacinto	June	16		\$31,872		
City of Temecula	June	1		\$1,992		
	Roripaugh ²				1	\$1,992
City of Wildomar	June	4		\$7,968		
County of Riverside	July	75	19.51	\$283,562		
Total LDMF Collections		894	26.88	\$ 1,661,819	18	\$35,856

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS	
None	\$0
Total Civic/Infrastructure Contributions	\$0

TOTAL JULY 2017 \$ 1,661,819

1) Summerly Project - Development agreement dated 8/24/04. Expiration date 9/23/14. Under review.

2) Roripaugh Development Agreement dated 12/17/02. Project is exempt under AD161.

AGENDA ITEM NO. 9.2

**RESOLUTION NO. 2017-007,
*RESOLUTION OF THE BOARD OF
DIRECTORS OF THE WESTERN
RIVERSIDE COUNTY REGIONAL
CONSERVATION AUTHORITY
ADOPTING A STATEMENT
OF INVESTMENT POLICY***

Regional Conservation Authority

**RESOLUTION NO. 2017-007,
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
ADOPTING A STATEMENT OF INVESTMENT POLICY**

Staff Contact:

**Steve DeBaun, General Counsel
Best, Best & Krieger, LLP
(951) 686-1450**

Background:

Under California law, every public agency is required to adopt an investment policy which shall be updated periodically. The County Treasurer acts as the Treasurer for the RCA, and the County's investment schedule was incorporated into the RCA policy to help assure consistency between the agencies.

The County's Investment Oversight Committee reviewed and the County Board of Supervisors adopted a revised Treasurer's Statement of Investment Policy on May 23, 2017 and August 29, 2017. All changes are in compliance with California Government Code Sections 53601 & 53635, which govern the County Treasurer's investments of surplus monies. A representative from the County Treasurer's office will be at the meeting should the board have any questions.

The County made the following cumulative changes to its Statement of Investment Policy:

1. Page 1,
 - a. Paragraph 1, changed wording from "the Code" to "Code".
 - b. Paragraph 3, changed wording from "Section 27000.3 of the code declares" to "Code Section 27000.3 declares".
2. Page 2,
 - a. Paragraph 2, removed Don Kent, and added Jon Christensen.
 - b. Paragraph 2, removed Assistant Treasurer – Tax Collector, Jon Christensen.
 - c. Paragraph 2, added "Sr. Chief Deputy Treasurer – Tax Collector," and removed "Investment Manager".
 - d. Paragraph 2, added "Sr. Chief Deputy Treasurer – Tax Collector, Steve Faeth, and".
 - e. Paragraph 2, added wording "see schedule VII".

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3. Page 4, Replaced "Portfolio reports required by Code Sections 53607 and 27133(e) shall be filed monthly with the Board of Supervisors. The Treasurer shall also prepare and file with the Board of Supervisors, the County Executive Officer, County Auditor-Controller, Superintendent of Schools and the Investment Oversight Committee, the Monthly Treasurer's Pooled Investment Fund reports, including at a minimum, all information required by law. Monthly Treasurer's Pooled Investment Fund reports are to be filed with the County Investment Oversight Committee as required by Code Section 27133." **with** "Portfolio reports required by Code Sections 53607 and 27133(e) shall be filed monthly with the Board of Supervisors, Investment Oversight Committee, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties."
4. Page 5, Removed "retail" and "wire transfers," from paragraph 1.
5. Page 6,
 - a. Changed date from "12/08/2016" to "08/29/2017".
 - b. Removed name and signature, "Don Kent".
 - c. Added name and signature, "Jon Christensen".
6. Page 7,
 - a. Changed "Union Bank Government Managed Rate Account (GMRA)" with "Interest bearing Checking Account". Changed "10%" to "20%".
 - b. Removed "Registered with SEC," "No NAV adjustments" and "No front end loads".
7. Page 8, Added "Williams Capital Group" under section 1.
8. Page 12, Added "Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively."
9. Page 14, Added "Policy Criteria for Staff Authorized to Make Investments on Emergency Cases Schedule VII"
 1. Don Kent, Riverside County Chief Financial Officer
 2. Other treasury staff approved by the Treasurer."

Staff is requesting that the changes listed above be incorporated in the RCA's policy. The full investment policy is attached to this staff report.

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Page 3

September 11, 2017

Executive Committee and Staff Recommendation:

That the RCA Board of Directors adopt Resolution No. 2017-007, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy*.

Attachments:

1. Resolution No. 2017-007
2. Statement of Investment Policy – Redlined Copy

AGENDA ITEM NO. 9.2
Attachment 1

RESOLUTION NO. 2017-007

RESOLUTION NO. 2017-007

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY

WHEREAS, the California Legislature has provided standards for governing bodies authorized to make investment decisions for local agencies, which are set forth in Government Code sections 16429.1, 53600-53609 and 53630-53686 (the "Investment Act"); and

WHEREAS, Section 53684 of the Government Code permits the governing bodies of the local agencies to authorize the deposit of excess funds in the county treasury for the purposes of investment by the county treasurer pursuant to Section 53601 and 53635; and

WHEREAS, Section 53646 of the Government Code allows local agencies to annually approve a Statement of Investment Policy which has been prepared by the chief fiscal officer of such local agency; and

WHEREAS, the Board of Directors of the Western Riverside County Regional Conservation Authority has been presented with a Statement of Investment Policy, attached hereto as Exhibit A and incorporated by reference, which is designed to conform with the requirements of the Investment Act; and

WHEREAS, the Board of Directors, with the aid of its staff, has reviewed the Statement of Investment Policy and wishes to approve the same;

WHEREAS, this Resolution updates the Western Riverside County Regional Conservation Authority's Investment Policy, attached hereto as Exhibit A and incorporated by reference, to conform with California statutes governing cities, which will rescind, supersede and replace Resolution No. 2017-001.

NOW, THEREFORE, the Board of Directors hereby adopt the Western Riverside County Regional Conservation Authority Investment Policy, a copy of which is on file at the offices of the Authority and is available for inspection by the public.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of the Western Riverside County Regional Conservation Authority held this 11th day of September, 2017.

ATTEST:

By: _____
Honey Bernas, Clerk of the Board
Western Riverside County Regional
Conservation Authority

By: _____
Marion Ashley, Chairman
Western Riverside County Regional
Conservation Authority

Exhibit A

**WESTERN RIVERSIDE COUNTY
REGIONAL CONSERVATION AUTHORITY
INVESTMENT POLICY**

INTRODUCTION

The Western Riverside County Regional Conservation Authority, is a Joint Powers Authority ("RCA") comprised of the County of Riverside and the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Eastvale, Hemet, Jurupa Valley, Lake Elsinore, Menifee, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, Temecula and Wildomar. The RCA is responsible for the implementation and management of the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP"). The RCA is governed by a Board of Directors (the "Board"), comprised of the five members of the Riverside County Board of Supervisors and an elected official from each member city.

The Board has adopted this Investment Policy (the "Policy") in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the RCA. All RCA funds will be invested in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the Board of Directors of the Western Riverside County Regional Conservation Authority on September 11, 2017.

RIVERSIDE COUNTY TREASURER

Pursuant to California Government Code Section 53684, the Board authorizes the deposit of excess funds of the RCA in the Riverside County treasury for the purpose of investment by the County Treasurer as outlined in this Policy.

SCOPE & OBJECTIVES

The RCA's primary investment objectives, in priority order, shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments of the RCA shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. **Liquidity.** The investment portfolio of the RCA will remain sufficiently liquid to enable the RCA to meet its cash flow requirements.
3. **Return on Investment.** The investment portfolio of the RCA shall be designed with the objective of maximizing return on its investments, but only after ensuring safety and liquidity.

DELEGATION OF AUTHORITY

The management responsibility for the RCA's investment program is delegated annually by the Board to the Treasurer pursuant to California Government Code Section 53607. As designated by the Board of Directors, the Riverside County Treasurer serves as the Treasurer. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. Authority may be delegated to other staff members provided the Treasurer exercises prudence in a selection of these staff members and imposes suitable safeguards to prevent abuse in the exercise of discretion. The Treasurer shall remain responsible for any investment decisions made by these staff members. The Treasurer shall maintain a list of every staff member who was delegated such authority, and his or her responsibilities with respect to investment decisions. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The Treasurer, on behalf of the RCA, may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the RCA's financial resources.

PRUDENCE

The standard of prudence to be used for managing the RCA's investments shall be California Government Code Section 53600.3, the prudent investor standard which states:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The RCA's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The RCA recognizes that no investment is totally riskless and that the investment activities of the RCA are a matter of public record. Accordingly, the RCA recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the RCA.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the RCA and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Treasurer any financial interests they have in financial institutions that conduct business with the RCA and they shall subordinate their personal investment transactions to those of the RCA. In addition, the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203.

Any firm proposing to provide any type of investment service to RCA shall acknowledge their familiarity with the provisions of the Political Reform Act, (Government Code Section 81000 et seq., and 2 Cal. Code of Regs. 18110 et seq., hereinafter "PRA") and the provisions limiting contractual conflicts of interest under Government Code Section 1090 et seq. Any firm proposing to provide any type of investment service to RCA shall also acknowledge their familiarity with and agree to abide by any Federal or State law, regulation, rule or policy pertaining to or limiting campaign contributions by such firms, their employees, spouses and agents.

All persons, firms, dealers, brokers and advisors providing investment service or bond issue assistance shall disclose to the RCA all fee sharing, fee-splitting and commission arrangements with other entities or persons prior to RCA agreeing to buy an investment, or issuing bonds.

AUTHORIZED INVESTMENTS

1. **Riverside County Treasurer's Pooled Investment Fund ("RCTPIF").** The RCA may invest in the Riverside County Pooled Investment Fund.

2. **State of California Local Agency Investment Fund ("LAIF").** The RCA may invest in LAIF.

3. **Eligible Investments for Bond Proceeds.**

Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to permitted investments, bond proceeds will be invested in securities permitted by this Policy.

With respect to maximum maturities, the Policy authorizes investing bond reserve fund proceeds beyond the five years if prudent in the opinion of the Treasurer.

4. **Specific Investments Outside RCTPIF and LAIF.**

Specific investments shall be governed by the Treasurer's Pooled Investment Fund Statement of Investment Policy, as may be amended from time to time. A copy of the current policy is attached as Exhibit "1."

REPORTING

The Treasurer shall provide to the Board and the Executive Director a portfolio report, on a monthly basis in accordance with the requirement of the Government Code.

At least annually if any investments outside the RCTPIF exist, the Treasurer shall present to the Board a review of the investment portfolio's adherence to appropriate risk levels and a comparison between the total portfolio return and the established investment goals, objectives and benchmarks.

POLICY REVIEW

This Investment Policy shall be presented annually to the Board for review pursuant to Section 53646(a)(2) of the Government Code. This Policy may be amended by the Board at a public meeting as conditions warrant.

EXHIBIT 1

**TREASURER'S POOLED INVESTMENT
FUND STATEMENT OF INVESTMENT POLICY
[ATTACHED]**



**COUNTY OF RIVERSIDE
OFFICE OF THE TREASURER TAX-COLLECTOR
STATEMENT OF INVESTMENT POLICY**

INTRODUCTION

The Treasurer's Statement of Investment Policy is presented annually to the County Investment Oversight Committee for review and to the Board of Supervisors for approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code (Code Section). This policy will become effective immediately upon approval by the Board of Supervisors.

SCOPE

The Treasurer's Statement of Investment Policy is limited in scope to only those County, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond funds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

FIDUCIARY RESPONSIBILITY

Code Section 27000.3 declares each treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in Code Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer or the board of supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors."

PORTFOLIO OBJECTIVES

The first and primary objective of the Treasurer's investment of public funds is to **safeguard investment principal**; second, to maintain sufficient **liquidity** within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or **yield** on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

AUTHORITY

Statutory authority for the Treasurer's investment and safekeeping functions are found in Code Sections 53601 and 53635 et. seq. The Treasurer's authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the Board of Supervisors on November 08, 2016 by County Ordinance No.767.20. Code Section 53607 effectively requires the legislative body to delegate investment authority of the County on an annual basis.

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Code Sections 53601 and 53635 as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the Treasurer-Tax Collector, Jon Christensen, Sr. Chief Deputy Treasurer-Tax Collector, Giovane Pizano, Sr. Chief Deputy Treasurer-Tax Collector, Steve Faeth, and Assistant Investment Manager, Isela Licea, are authorized to make investments (except in the case of an emergency, see schedule VII) and to order the receipt and delivery of investment securities among custodial security clearance accounts.

AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule II of this policy.

DAILY ACCOUNTABILITY AND CONTROL

Except for emergencies or previous authorization by the Treasurer-Tax Collector, all investment transactions are to be conducted at the Treasurer-Tax Collector's office (if open and available to conduct business), documented, and reviewed by the Treasurer-Tax Collector. All investment transactions will be entered daily into the Treasurer's internal financial accounting system with copies to be filed on a timely basis. Portfolio income shall be reconciled daily against cash receipts and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

SECURITY CUSTODY & DELIVERIES

All securities except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County Treasurer with custodial security clearance services. These third party trust department arrangements provide the County with a perfected interest in, and ownership and control over the securities held by the custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the Treasurer's vault. The security holdings shall be reconciled with the custodian holding records daily. The Treasurer's Fiscal Compliance unit will audit purchases daily for compliance, and audit holding records monthly.

COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the Board of Supervisors pursuant to Code Section 53601.

LIQUIDITY

The portfolio shall maintain a weighted average days to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

SECURITIES LENDING

The Treasurer may engage in securities lending activity limited to 20% of the portfolio's book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the Treasurer to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in Schedule I, (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the short and long term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the Treasurer-Tax Collector.

PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the Treasurer's portfolio on the settlement date.

PORTFOLIO REPORTS/AUDITING

Portfolio reports required by Code Sections 53607 and 27133(e) shall be filed monthly with the Board of Supervisors, Investment Oversight Committee, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties. Consistent with Board Policy B-21 (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the Board of Supervisors, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer's website:

<http://www.countytreasurer.org/Treasurer/TreasurersPooledInvestmentFund/MonthlyReports.aspx>

SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the Treasurer's Statement of Investment Policy, upon written request and approval of the responsible agency's governing board, and, approval of the Treasurer-Tax Collector. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the Treasurer-Tax Collector. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The Treasurer-Tax Collector reserves the right to allocate a pro-rata charge for administrative costs to such funds.

PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer's Institutional Money Market Index (TIMMI), or other suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio's performance, in keeping with this policy, and, current market conditions.

INVESTMENT OVERSIGHT COMMITTEE

In accordance with Code Section 27130 et seq. of the Code, the Board of Supervisors has established an Investment Oversight Committee. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with Sections 53684 and 53844 of the Code which give the Treasurer broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the calendar quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the Treasurer to assure compliance with Code Sections 53684 and 53844.

QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is permitted, pursuant to Code Section 27013, to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with Code Sections 27013, 27133(f), and 27135, the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: banking services, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe

benefits for the personnel in the Treasurer-Tax Collector's office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the Treasurer-Tax Collector shall annually prepare a proposed budget revenue estimate per Code Section 27013.

TREASURY OPERATIONS

Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The Treasurer will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County Treasurer may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

Should any agency solicit entry, the agency shall comply with the requirements of Section 53684 of the Code and adopt a resolution by the the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County Treasurer. The resolution shall specify the amount of monies to be invested, the person authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency's willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the Treasurer's ability to deduct pro-rata administrative charges permitted by Code Section 27013. Any solicitation for entry into the TPIF must have the County Treasurer's consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the Treasurer.

POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

With the Treasury being required to maintain a 40% liquidity position at all times during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County Treasurer.

The Treasurer's approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and, an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Neither the Treasurer-Tax Collector nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County Treasurer which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of Code Section 27133. IOC members shall be subject to the limits included in the Board of Supervisors Policy B-21.

ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program

or impairs their ability to make impartial and prudent investment decisions. In addition, the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, , Investment Manager, and Assistant Investment Manager are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.

INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office Of The Treasurer-Tax Collector Policy Governing Competitively Bid Investments, dated March 3, 2011).

No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County Treasury, shall be invested for a period of time exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the Board of Supervisors, and, will remain in force until subsequently amended in writing by the Treasurer-Tax Collector and approved by the Board.



Jon Christensen
County of Riverside
Treasurer-Tax Collector

08/29/2017

SCHEDULE I

AUTHORIZED INVESTMENTS	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY (S&P/MOODY'S/FITCH)
U.S. Treasury notes, bills, bonds or other certificates of indebtedness	100%	N/A	Maximum 5 years	N/A
Notes, participations, or obligations issued by the agencies of the federal government	100%	N/A	Maximum 5 years	N/A
Bonds, notes, warrants or certificates of indebtedness issued by the state of CA, or local agencies, or, the County of Riverside. Registered treasury notes or bonds of any of the other 49 United States per Government Code Section 53601 (d)	15% maximum	See Schedule VI	Maximum 4 years	Long term "AA-, Aa3, AA-" or better
Local Agency Investment Fund (LAIF)	\$50 million	Maximum \$50 million per LAIF	Daily Liquidity	N/A
Commercial Paper (CP)	40% maximum	See Schedule VI	Maximum 270 days	Short term "A-1,P-1,F-1" or better
Local Agency Obligations (LAO)	2.5% maximum	Board of Supervisors approval required. Issued by pool depositors only	Maximum 3 years	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
CalTRUST Short Term Fund (CLTR)	1% maximum	Board of Supervisors approval required	Daily liquidity	NR / Portfolio managed pursuant to California Government Code § 53601 & 53635
Negotiable CD's (NCD'S) issued by national or state chartered banks or a licensed branch of a foreign bank	25% maximum	See Schedule VI	Maximum 1 year	Short term "A-1,P-1,F-1" or better
Collateralized Time Deposits (TCD)	2% maximum	See Schedule IV	Maximum 1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency mortgages, CP, BA's	40% max, 25% in term repo over 7 days. No more than 20% w/one dealer in term repo	Repurchase agreements to be on file	Maximum 45 days	Short Term "A-1, P-1, F-1" or better If "A-2, P-2, F2" then overnight only
Reverse Repurchase Agreements on U. S. Treasury & federal agency securities in portfolio	10% maximum	For temporary cash Flow needs only.	Max 60 days with prior approval of Board of Supervisors	N/A
Medium Term Notes (MTNO) or Corporate Notes	20% maximum	See Schedule VI	Maximum 3 years	"AA, Aa2, AA" minimum if under 1 year
Interest bearing Checking Account	20%	N/A	Daily Liquidity	Fully collateralized
Money Market Mutual Funds (MMF) that invest in eligible securities meeting requirements of California Government Code	20% maximum	See Schedule V	Daily liquidity	Long Term "AAA" (2 of 3 nationally recognized rating services)

(1) Whichever is greater.

AUTHORIZED BROKER/DEALERS SCHEDULE II

The Treasurer is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

Union Bank
Piper Jaffray & Co.
SunTrust Bank
Stifel Nicolaus
FTN Financial
InCapital
Raymond James & Associates, Inc.
Williams Capital Group

2. Direct purchases from major commercial paper issuers, money market mutual funds, banker's acceptance issuers, negotiable CD issuers, or savings and loan are authorized.
3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the Treasurer, such transactions are deemed advantageous.

To ensure compliance with the County Treasurer's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the Board of Supervisors.

**POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS
SCHEDULE III**

1. The County Treasurer has elected to limit security transactions as mentioned in Schedule II. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The Treasurer is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.
2. The County Treasurer's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The firm must specify the types of securities it specializes in and will be made available for our account.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
5. The firm must be willing to provide us annual financial statements.
6. The County Treasurer is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS

SCHEDULE IV

Before the Treasury can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
3. Investments less than the FDIC insurance limit will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided on a monthly basis. A collateral waiver for the portion insured by the FDIC will be granted.
5. The County Treasurer must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
6. The County Treasurer will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
7. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
9. The County Treasurer must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists between any County official and an officer or employee of the bank.
10. Time deposits will only be made with banks and savings and loans having branch office locations within Riverside County.

POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND SCHEDULE V

Shares of beneficial interest issued by diversified management companies, also known as mutual funds, invest in the securities and obligations authorized by Code Sections 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

1. The fund must have a “AAA” ratings from two of the nationally recognized rating services: Moody’s, Fitch, Standard & Poor’s.
2. The fund’s prospectus cannot allow hedging strategies, options or futures.
3. The fund must provide a current prospectus before participation in the fund and provide copies of their portfolio reports and shall provide at least at month-end, a complete listing of securities within the fund’s portfolio.

**POLICY CRITERIA
CORPORATE AND MUNICIPAL SECURITIES
SCHEDULE VI**

Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers acceptances, and commercial paper. Medium term securities will be restricted by the long term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1+)	AAA/Aaa/AAA	<p>Corp. Maximum of 5% per issuer with no more than 2% greater than 1 year final maturity and no more than 1% greater than 2 year final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.</p>
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	<p>Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity. For the State of California debt only maximum of 2% greater than 13 month final maturity.</p>
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	<p>Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity.</p> <p>Muni. Maximum of 5% per issuer. No more than 13 month final maturity. For the State of California Debt only, maximum of 2% greater than 13 month final maturity.</p>

4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	<p>Corp. No Asset Backed programs. Maximum of 2% per issuer with no more than 1% greater than 7 days. No more than 45 days maximum maturity.</p> <p>Muni. For the State of California Debt only, maximum of 3% with no more than 2% greater than 1 year final maturity.</p>
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Rating Agency Comparison Table

Short-Term Scale

S&P	A-1+, A-1
Moody's	P-1
Fitch	F-1+, F-1

Long-Term Scale

S&P	AAA, AA+, AA, AA-, A+, A
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2
Fitch	AAA, AA+, AA, AA-, A+, A

POLICY CRITERIA FOR STAFF AUTHORIZED TO MAKE INVESTMENTS ON
EMERGENCY CASES SCHEDULE VII

1. Don Kent, Riverside County Chief Financial Officer
2. Other treasury staff approved by the Treasurer.

AGENDA ITEM NO. 9.2

Attachment 2

STATEMENT OF INVESTMENT POLICY
REDLINED



**COUNTY OF RIVERSIDE
OFFICE OF THE TREASURER TAX-COLLECTOR
STATEMENT OF INVESTMENT POLICY**

INTRODUCTION

The Treasurer's Statement of Investment Policy is presented annually to the County Investment Oversight Committee for review and to the Board of Supervisors for approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code (~~the~~ Code Section). This policy will become effective immediately upon approval by the Board of Supervisors.

SCOPE

The Treasurer's Statement of Investment Policy is limited in scope to only those County, school, special districts and other fund assets actually deposited and residing in the County Treasury. It does not apply to bond funds or other assets belonging to the County of Riverside, or any affiliated public agency the assets of which reside outside of the County Treasury.

FIDUCIARY RESPONSIBILITY

Code Section 27000.3 ~~of the Code~~ declares each treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in Code Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer or the board of supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors."

PORTFOLIO OBJECTIVES

The first and primary objective of the Treasurer's investment of public funds is to **safeguard investment principal**; second, to maintain sufficient **liquidity** within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or **yield** on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with State law.

AUTHORITY

Statutory authority for the Treasurer's investment and safekeeping functions are found in Code Sections 53601 and 53635 et. seq. The Treasurer's authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the Board of Supervisors on November 08, 2016 by County Ordinance No.767.20. Code Section 53607 effectively requires the legislative body to delegate investment authority of the County on an annual basis.

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized in Code Sections 53601 and 53635 as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply.

STAFF AUTHORIZED TO MAKE INVESTMENTS

Only the Treasurer-Tax Collector, ~~Don Kent~~Jon Christensen, ~~Assistant Treasurer-Tax Collector, Jon Christensen, Investment Manager~~Sr. Chief Deputy Treasurer-Tax Collector, Giovane Pizano, Sr. Chief Deputy Treasurer-Tax Collector, Steve Faeth, and Assistant Investment Manager, Isela Licea, are authorized to make investments (except in the case of an emergency, see schedule VII) and to order the receipt and delivery of investment securities among custodial security clearance accounts.

AUTHORIZED BROKER/DEALERS

Securities transactions are limited solely to those noted on Schedule II of this policy.

DAILY ACCOUNTABILITY AND CONTROL

Except for emergencies or previous authorization by the Treasurer-Tax Collector, all investment transactions are to be conducted at the Treasurer-Tax Collector's office (if open and available to conduct business), documented, and reviewed by the Treasurer-Tax Collector. All investment transactions will be entered daily into the Treasurer's internal financial accounting system with copies to be filed on a timely basis. Portfolio income shall be reconciled daily against cash receipts and quarterly, prior to the distribution of earnings among those entities sharing in pooled fund investment income.

SECURITY CUSTODY & DELIVERIES

All securities except for money market funds registered in the County's name and securities issued by the County or other local agencies shall be deposited for safekeeping with banks contracted to provide the County Treasurer with custodial security clearance services. These third party trust department arrangements provide the County with a perfected interest in, and ownership and control over the securities held by the custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are **NOT** to be held in investment firm/broker dealer accounts. All security transactions are to be conducted on a "delivery versus payment basis." Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Securities issued by local agencies purchased directly shall be held in the Treasurer's vault. The security holdings shall be reconciled with the custodian holding records daily. The Treasurer's Fiscal Compliance unit will audit purchases daily for compliance, and audit holding records monthly.

COMPETITIVE PRICING

Investment transactions are to be made at current market value and competitively priced whenever possible. Competitive pricing does not necessarily require submission of bids, but does require adequate comparative analysis. The current technology utilized by the Treasury provides this information.

MATURITY LIMITATIONS

No investment shall exceed a final maturity date of five years from the date of purchase unless it is authorized by the Board of Supervisors pursuant to Code Section 53601.

LIQUIDITY

The portfolio shall maintain a weighted average days to maturity (WAM) of less than 541 days or 1.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio shall maintain at least 40% of its total value in securities having maturities 1 year or less.

SECURITIES LENDING

The Treasurer may engage in securities lending activity limited to 20% of the portfolio's book value on the date of transaction. Instruments involved in a securities lending program are restricted to those securities pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

REVERSE REPURCHASE AGREEMENTS

The Treasury shall not engage in any form of leverage for the purpose of enhancing portfolio yield. There shall be no entry into reverse repurchase agreements except for temporary and unanticipated cash flow requirements that would cause the Treasurer to sell securities at a principal loss. Any reverse repurchase agreements are restricted pursuant to Code Section 53601 and by the Treasurer's Statement of Investment Policy.

MITIGATING MARKET & CREDIT RISKS

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm as noted in Schedule I, (3) by limiting the duration of investment to the time frames noted in Schedule I, and (4) by maintaining the diversification and liquidity standards expressed within this policy.

TRADING & EARLY SALE OF SECURITIES

All securities are to be purchased with the intent of holding them until maturity. However, in an effort to minimize market and credit risks, securities may be sold prior to maturity either at a profit or loss when economic circumstances, trend in short-term interest rates, or a deterioration in credit-worthiness of the issuer warrants a sale of the securities to either enhance overall portfolio yield or to minimize further erosion and loss of investment principal. Such sales should take into account the short and long term impacts on the portfolio. However, the sale of a security at a loss can only be made after first securing the approval of the Treasurer-Tax Collector.

PURCHASE OF WHEN ISSUED SECURITIES

When issued (W.I.) purchases of securities and their subsequent sale prior to cash settlement are authorized as long as sufficient cash is available to consummate their acceptance into the Treasurer's portfolio on the settlement date.

PORTFOLIO REPORTS/AUDITING

Portfolio reports required by Code Sections 53607 and 27133(e) shall be filed monthly with the Board of Supervisors, Investment Oversight Committee, Superintendent of Schools, Executive Officer, County Auditor Controller and interested parties. ~~The Treasurer shall also prepare and file with the Board of Supervisors, the County Executive Officer, County Auditor Controller, Superintendent of Schools and the Investment Oversight Committee, the Monthly Treasurer's Pooled Investment Fund reports, including at a minimum, all information required by law. Monthly Treasurer's Pooled Investment Fund reports are to be filed with the County Investment Oversight Committee as required by Code Section 27133.~~ Consistent with Board Policy B-21 (County Investment Policy Statement), § III A, an outside compliance audit will be conducted annually. Outside audits will be conducted at least biennially by an independent auditing firm selected by the Board of Supervisors, per Board Minute Order No. 3.48. Reports are posted monthly on the Treasurer's website: <http://www.countytreasurer.org/Treasurer/TreasurersPooledInvestmentFund/MonthlyReports.aspx>

SPECIFIC INVESTMENTS

Specific investments for individual funds may be made in accordance with the Treasurer's Statement of Investment Policy, upon written request and approval of the responsible agency's governing board, and, approval of the Treasurer-Tax Collector. Investments outside of the policy may be made on behalf of such funds with approval of the governing Board and approval of the Treasurer-Tax Collector. All specific investments shall be memorialized by a Memorandum of Understanding. With the purchase of specific investments, the fund will be allocated the earnings and/or loss associated with those investments. The Treasurer-Tax Collector reserves the right to allocate a pro-rata charge for administrative costs to such funds.

PERFORMANCE EVALUATION

Portfolio performance is monitored daily and evaluated monthly in comparison to the movement of the Treasurer's Institutional Money Market Index (TIMMI), or other suitable index. Over time, the portfolio rate of return should perform in relationship to such an index. Regular meetings are to be conducted with the investment staff to review the portfolio's performance, in keeping with this policy, and, current market conditions.

INVESTMENT OVERSIGHT COMMITTEE

In accordance with Code Section 27130 et seq. of the Code, the Board of Supervisors has established an Investment Oversight Committee. The role of the Committee is advisory in nature. It has no input on day to day operations of the Treasury.

QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS

Portfolio income, including gains and losses (if any), will be distributed quarterly in compliance with Sections 53684 and 53844 of the Code which give the Treasurer broad authority to apportion earnings and losses among those participants sharing in pooled investment income, and, except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the calendar quarter. Any subsequent adjustments of reported earnings by the Auditor-Controller will be first reviewed and approved by the Treasurer to assure compliance with Code Sections 53684 and 53844.

QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is

permitted, pursuant to Code Section 27013, to deduct from investment income before the distribution thereof, the actual cost of the investment, audit, deposit, handling and distribution of such income. Accordingly, in keeping with Code Sections 27013, 27133(f), and 27135, the Treasury shall deduct from pooled fund investment earnings the actual cost incurred for: ~~retail~~ banking services, ~~wire transfers~~, custodial safekeeping charges, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the Treasurer-Tax Collector's office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions. Costs are apportioned based upon average daily ending balances. Prior to gaining reimbursement for these costs, the Treasurer-Tax Collector shall annually prepare a proposed budget revenue estimate per Code Section 27013.

TREASURY OPERATIONS

Treasury operations are to be conducted in the most efficient manner to reduce costs and assure the full investment of funds. The Treasurer will maintain a policy regarding outgoing wires and other electronic transfers. Requests for outgoing transfers which do not arrive on a timely basis may be delayed. The County Treasurer may institute a fee schedule to more equitably allocate costs that would otherwise be spread to all depositors.

POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY

Should any agency solicit entry, the agency shall comply with the requirements of Section 53684 of the Code and adopt a resolution by the the legislative or governing body of the local agency authorizing the deposit of excess funds into the County treasury for the purpose of investment by the County Treasurer. The resolution shall specify the amount of monies to be invested, the person authorized by the agency to coordinate the transaction, the anticipated time frame for deposits, the agency's willingness to be bound to the statutory 30-day written notice requirement for withdrawals, and acknowledging the Treasurer's ability to deduct pro-rata administrative charges permitted by Code Section 27013. Any solicitation for entry into the TPIF must have the County Treasurer's consent before the receipt of funds is authorized. The depositing entity will enter into a depository agreement with the Treasurer.

POLICY CRITERIA FOR VOLUNTARY PARTICIPANT WITHDRAWALS

With the Treasury being required to maintain a 40% liquidity position at all times during the calendar year, it is anticipated that sufficient funds will be on hand to immediately meet on demand all participant withdrawals for the full dollar amounts requested without having to make any allowance or pro-rata adjustment based on the current market value of the portfolio. In addition, any withdrawal by a local agency for the purpose of investing or depositing those funds outside the Pool shall have the prior written approval of the County Treasurer.

The Treasurer's approval of the withdrawal request shall be based on the availability of funds; the circumstances prompting the request; the dollar volume of similar requests; the prevailing condition of the financial markets, and, an assessment of the effect of the proposed withdrawal on the stability and predictability of the investments in the county treasury.

POLICY ON RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Neither the Treasurer-Tax Collector nor any member of his staff, shall accept any gift, gratuity or honoraria from financial advisors, brokers, dealers, bankers or other persons or firms conducting business with the County Treasurer which exceeds the limits established by the Fair Political Practices Commission (FPPC) and relevant portions of Code Section 27133. IOC members shall

be subject to the limits included in the Board of Supervisors Policy B-21.

ETHICS & CONFLICTS OF INTEREST

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. In addition, the County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, , Investment Manager, and Assistant Investment Manager are required to file annually the applicable financial disclosure statements as mandated by the FPPC and County policy.



INVESTMENTS MADE FROM DEBT ISSUANCE PROCEEDS

The proceeds of a borrowing may be specifically invested per Schedule I of this policy (with the exception of Collateralized Time Deposits and Local Agency Obligations) as well as competitively bid investments (see County of Riverside Office Of The Treasurer-Tax Collector Policy Governing Competitively Bid Investments, dated March 3, 2011).

No pooled fund investments made from the proceeds of a borrowing, the monies of which are deposited in the County Treasury, shall be invested for a period of time exceeding the maturity date of the borrowing. Nor shall any monies deposited with a bank trustee or fiscal agent for the ultimate purpose of retiring the borrowing be invested beyond the maturity date of the borrowing.

POLICY ADOPTION & AMENDMENTS

This policy statement will become effective following adoption by the Board of Supervisors, and, will remain in force until subsequently amended in writing by the Treasurer-Tax Collector and approved by the Board.

~~Don Kent~~ Jon Christensen
County of Riverside
Treasurer-Tax Collector

12/08/2016 8/29/2017

SCHEDULE I

AUTHORIZED INVESTMENTS	DIVERSIFICATION (1)	PURCHASE RESTRICTIONS	MATURITY	CREDIT QUALITY (S&P/MOODY'S/FITCH)
U.S. Treasury notes, bills, bonds or other certificates of indebtedness	100%	N/A	Maximum 5 years	N/A
Notes, participations, or obligations issued by the agencies of the federal government	100%	N/A	Maximum 5 years	N/A
Bonds, notes, warrants or certificates of indebtedness issued by the state of CA, or local agencies, or, the County of Riverside. Registered treasury notes or bonds of any of the other 49 United States per Government Code Section 53601 (d)	15% maximum	See Schedule VI	Maximum 4 years	Long term "AA-, Aa3, AA-" or better
Local Agency Investment Fund (LAIF)	\$50 million	Maximum \$50 million per LAIF	Daily Liquidity	N/A
Commercial Paper (CP)	40% maximum	See Schedule VI	Maximum 270 days	Short term "A-1,P-1,F-1" or better
Local Agency Obligations (LAO)	2.5% maximum	Board of Supervisors approval required. Issued by pool depositors only	Maximum 3 years	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
CalTRUST Short Term Fund (CLTR)	1% maximum	Board of Supervisors approval required	Daily liquidity	NR / Portfolio managed pursuant to California Government Code § 53601 & 53635
Negotiable CD's (NCD'S) issued by national or state chartered banks or a licensed branch of a foreign bank	25% maximum	See Schedule VI	Maximum 1 year	Short term "A-1,P-1,F-1" or better
Collateralized Time Deposits (TCD)	2% maximum	See Schedule IV	Maximum 1 year	N/A
Repurchase Agreements (REPO) with 102% collateral restricted to U. S. Treasuries, agencies, agency mortgages, CP, BA's	40% max, 25% in term repo over 7 days. No more than 20% w/one dealer in term repo	Repurchase agreements to be on file	Maximum 45 days	Short Term "A-1, P-1, F-1" or better If "A-2, P-2, F2" then overnight only
Reverse Repurchase Agreements on U. S. Treasury & federal agency securities in portfolio	10% maximum	For temporary cash Flow needs only.	Max 60 days with prior approval of Board of Supervisors	N/A
Medium Term Notes (MTNO) or Corporate Notes	20% maximum	See Schedule VI	Maximum 3 years	"AA, Aa2, AA" minimum if under 1 year
Union Bank Government Managed Rate Account (GMRA) Interest bearing Checking Account	2 10%	N/A	Daily Liquidity	Fully collateralized
Money Market Mutual Funds (MMF) that invest in eligible securities meeting requirements of California Government Code	20% maximum	Registered with SEC No NAV adjustments No front end loads See Schedule V	Daily liquidity	Long Term "AAA" (2 of 3 nationally recognized rating services)

(1) Whichever is greater.

AUTHORIZED BROKER/DEALERS SCHEDULE II

The Treasurer is authorized to conduct investment security transactions with the broker/dealers which are designated by the Federal Reserve Bank as primary government dealers. Security transactions with firms, other than those appearing on this list, are prohibited.

1. Other authorized firms:

Union Bank
Piper Jaffray & Co.
SunTrust Bank
Stifel Nicolaus
FTN Financial
InCapital
Raymond James & Associates, Inc.
Williams Capital Group

2. Direct purchases from major commercial paper issuers, money market mutual funds, banker's acceptance issuers, negotiable CD issuers, or savings and loan are authorized.
3. Incidental purchases of less than \$10 million may be made with other firms if in the opinion of the Treasurer, such transactions are deemed advantageous.

To ensure compliance with the County Treasurer's investment guidelines, each newly authorized primary government dealer and other authorized firms (as listed above in section 1, 2 and 3) will be supplied a complete copy of this Investment Policy document approved by the Board of Supervisors.

POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS
SCHEDULE III

1. The County Treasurer has elected to limit security transactions as mentioned in Schedule II. Accordingly, the financial institution must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses. The Treasurer is prohibited from the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.
2. The County Treasurer's intent is to enter into long-term relationships. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The firm must specify the types of securities it specializes in and will be made available for our account.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on commercial paper, banker's acceptances and other securities it offers for sale.
 - (c) Be willing to trade securities for our portfolio.
 - (d) Be capable of providing market analysis, economic projections, and newsletters.
 - (e) Provide market education on new investment products, security spread relationships, graphs, etc.
5. The firm must be willing to provide us annual financial statements.
6. The County Treasurer is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's custodial bank.
7. Without exception, all transactions are to be conducted on a delivery versus payment (DVP) basis.
8. The broker/dealer must have been in operation for more than 5 years, and, if requested, the firm must be willing to provide us a list of local government clients or other reference, particularly those client relationships established within the State of California.

POLICY CRITERIA FOR COLLATERALIZED TIME DEPOSITS SCHEDULE IV

Before the Treasury can place a time deposit with a local bank or savings and loan, the following criteria must be met:

1. The bank must provide us with an executed copy of the "Contract for Deposit of Moneys."
2. The interest rate on the Time Certificate of Deposit must be competitive with rates offered by other banks and savings and loans residing in Riverside County, as well as exceed that of U.S. Treasury Securities.
3. Investments less than the FDIC insurance limit will be sufficient without requiring any collateral to be pledged with the Federal Reserve to secure the public fund deposit.
4. Investments exceeding the FDIC insurance limit shall be fully collateralized by U.S. Treasury and Federal Agency securities having maturities five years or less. The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. The securities pledged as collateral must have a current market value greater than the dollar amount of the deposit in keeping with the ratio requirements specified in Code Section 53652. Additionally, a statement of the collateral shall be provided on a monthly basis. A collateral waiver for the portion insured by the FDIC will be granted.
5. The County Treasurer must be given a current audited financial statement for the financial year just ended as well as the most recent quarterly statement of financial condition. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
6. The County Treasurer will not place a public fund deposit for more than 10% of the present paid-in capital and surplus of the bank.
7. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc).
8. All time certificates must have a maturity date not exceeding one year from the date of the deposit, with interest payments based upon the stated interest rate.
9. The County Treasurer must receive a letter from an officer of the bank at the time the initial deposit is made, that there is no known pending financial disclosure or public announcement of an adverse financial event involving the bank or savings and loan, nor is there any knowledge that a conflict of interest situation exists between any County official and an officer or employee of the bank.
10. Time deposits will only be made with banks and savings and loans having branch office locations within Riverside County.

POLICY CRITERIA FOR ENTERING INTO A MONEY MARKET FUND SCHEDULE V

Shares of beneficial interest issued by diversified management companies, also known as mutual funds, invest in the securities and obligations authorized by Code Sections 53601.7(10). Approved mutual funds will be registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et. seq.) and shall meet the following criteria:

1. The fund must have a “AAA” ratings from two of the nationally recognized rating services: Moody’s, Fitch, Standard & Poor’s.
2. The fund’s prospectus cannot allow hedging strategies, options or futures.
3. The fund must provide a current prospectus before participation in the fund and provide copies of their portfolio reports and shall provide at least at month-end, a complete listing of securities within the fund’s portfolio.

**POLICY CRITERIA
CORPORATE AND MUNICIPAL SECURITIES
SCHEDULE VI**

Corporate Criteria. Money market securities will be first restricted by short-term ratings and then further restricted by long term credit ratings. The long term credit ratings, including the outlook of the parent company will be used. Money market securities consist of negotiable certificates of deposit (NCDs), bankers acceptances, and commercial paper. Medium term securities will be restricted by the long term ratings of the legal issuer. Concentration limit restrictions will make no distinction between medium term notes and money market securities.

No short term negative credit watch or long-term negative outlook by 2 of 3 nationally recognized rating services except for entities participating in government guaranteed programs. Credit Category 1 and Category 2 with negative credit watch or long-term negative outlook, by more than one nationally recognized rating service is permitted as Category 3 and Category 4 respectively.

Municipal Criteria. Minimum of A or A2 or A, underlying credit rating for selecting insured municipal securities and a maximum of 5% exposure to any one insurer (direct purchases and indirect commitments).

Liquidity Provider Restrictions. Maximum of 5% exposure to any one institution (direct purchases and indirect commitments).

Category	Short-Term Ratings	Long-Term Ratings	Restrictions
1	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1+)	AAA/Aaa/AAA	<p>Corp. Maximum of 5% per issuer with no more than 2% greater than 1 year final maturity and no more than 1% greater than 2 year final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.</p>
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	<p>Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity.</p> <p>Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity. For the State of California debt only maximum of 2% greater than 13 month final maturity.</p>
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	<p>Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity.</p> <p>Muni. Maximum of 5% per issuer. No more than 13 month final maturity. For the State of California Debt only, maximum of 2% greater than 13 month final maturity.</p>

4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	<p>Corp. No Asset Backed programs. Maximum of 2% per issuer with no more than 1% greater than 7 days. No more than 45 days maximum maturity.</p> <p>Muni. For the State of California Debt only, maximum of 3% with no more than 2% greater than 1 year final maturity.</p>
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Rating Agency Comparison Table

Short-Term Scale

S&P	A-1+, A-1
Moody's	P-1
Fitch	F-1+, F-1

Long-Term Scale

S&P	AAA, AA+, AA, AA-, A+, A
Moody's	Aaa, Aa1, Aa2, Aa3, A1, A2
Fitch	AAA, AA+, AA, AA-, A+, A

POLICY CRITERIA FOR STAFF AUTHORIZED TO MAKE INVESTMENTS ON
EMERGENCY CASES SCHEDULE VII

1. Don Kent, Riverside County Chief Financial Officer
2. Other treasury staff approved by the Treasurer.

AGENDA ITEM NO. 9.3

**FISCAL YEAR 2017 PRELIMINARY
FOURTH QUARTER FINANCIAL
REPORT (UNAUDITED)**

Regional Conservation Authority

**FISCAL YEAR 2017 PRELIMINARY FOURTH QUARTER
FINANCIAL REPORT (UNAUDITED)**

Staff Contact:

**Honey Bernas, Director of
Administrative Services
(951) 955-2842**

Background:

Attached is the Fiscal Year 2017 Preliminary Fourth Quarter Financial Report, which includes an Executive Summary (cash balance and financial statement overview), detailed financial statements, and an MSHCP Fee Collections Report.

RCA staff is pleased to report that overall, the RCA reported a combined excess of revenues over expenditures of approximately \$558 thousand.

In the Operations Program (935100), revenues exceeded expenditures by \$864.3 thousand. This was a direct result of a contribution from Southern California Edison for a Certificate of Inclusion for the West of Devers project. The total contribution of \$2.1 million was allocated to all programs, including \$503 thousand to Operations. Operations also received a significant infrastructure contribution of \$232 thousand from the City of Beaumont for the Potrero Bridge project.

In the Land Management and Monitoring Program (935300), revenues exceeded expenditures by \$1.9 million. Tipping fees of \$3.7 million for 2.2 million tons of out-of-county waste exceeded budgeted revenues by \$1.3 million. This represents the highest contribution to RCA since its inception.

In the Land Acquisition Program (935201), expenditures exceeded revenues by \$2.2 million. This is significantly less than the \$8.7 million draw on restricted fund balance that was approved by the Board. During the year, the Board approved the early acquisition of phases 7 and 8 of the Anheuser Busch property which was to draw on restricted fund balance. A significant increase in development mitigation fees collected the fourth quarter of the year, lessened the draw on fund balance. Development mitigation fee revenues collected by Member Agencies totaled approximately \$14 million for Fiscal Year 2017. This represents \$2.9 million more than the budgeted \$11 million. An allocation of \$967 thousand Participating Special Entity revenue from Southern California Edison was also crucial to the program this year.

During the year, the RCA acquired 20 properties totaling approximately 2,054 acres. Of the 20 properties, five were funded with federal and state funds of \$3.4 million and \$2.6 million, respectively. The remaining properties were acquired with development mitigation fees and Measure A funds. In addition, the RCA received five land donations and one conservation easement with a combined acreage of 382 and an estimated market value of \$1.1 million from private developers.

Final Fiscal Year 2017 audited financial statements will be presented to the RCA Board at a later date.

Executive Committee and Staff Recommendation:

That the RCA Board of Directors receive and file the Fiscal Year 2017 Preliminary Fourth Quarter Financial Report.

Attachments:

- 1) Executive Summary (Cash Balance Summary and Financial Statement Overview)
- 2) Detailed Financial Statements
- 3) MSHCP Fee Collections Report

AGENDA ITEM NO. 9.3

Attachment 1

**EXECUTIVE SUMMARY
(CASH BALANCE SUMMARY AND
FINANCIAL STATEMENT
OVERVIEW)**



**Regional
Conservation
Authority**
Western Riverside County

EXECUTIVE SUMMARY

Fiscal Year 2017 Preliminary Fourth Quarter Financial Report (Unaudited)

July 1, 2016 – June 30, 2017

Preserving our open space heritage • Protecting our economy • Building our future



Cash Balance Summary

July 1, 2016 – June 30, 2017

Rounded to the Nearest Thousand	
Balance as of 07-01-16	\$ 34,743,000
Cash Receipts 07-01-16 through 06-30-17	<u>28,921,000</u>
Cash Available	63,664,000
Cash Disbursements 07-01-16 through 06-30-17	<u>(30,268,000)</u>
Cash Balance as of 06-30-17	<u>\$ 33,396,000</u>

Budget to Actual

July 1, 2016 – June 30, 2017

Operations (935100)	Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<u>Revenue</u>	\$ 485,660	\$ 1,214,224	\$ 728,564
<u>Appropriations:</u>			
Salaries & Benefits	129,490	103,301	26,189
Supplies & Services	356,170	246,666	109,504
Total Appropriations	\$ 485,660	\$ 349,967	\$ 135,693
Net Operating Position	\$ 0	\$ 864,257	\$ 864,257

Budget to Actual

July 1, 2016 – June 30, 2017

Land Management & Monitoring (935300)	Adjusted Budget	Actual	Favorable (Unfavorable) Variance
<u>Revenue</u>	\$ 2,979,840	\$ 4,455,513	\$ 1,475,673
<u>Appropriations:</u>			
Salaries & Benefits	520,050	451,864	68,186
Supplies and Services	2,339,590	2,008,627	330,963
Other Charges	40,200	40,138	62
Capital Assets	80,000	67,546	12,454
Total Appropriations	\$ 2,979,840	\$ 2,568,175	\$ 411,665
Net Operating Position	\$ 0	\$ 1,887,338	\$ 1,887,338

Budget to Actual

July 1, 2016 – June 30, 2017

Land Acquisition (935201)	Budget	Actual	Favorable (Unfavorable) Variance
<u>Revenue</u>	\$ 24,652,640	\$ 26,298,489	\$ 1,645,849
<u>Appropriations:</u>			
Salaries & Benefits	1,613,260	1,442,490	170,770
Supplies & Services	2,134,940	1,149,582	985,358
Other Charges	140,000	133,752	6,248
Capital Assets	29,514,440	25,766,067	3,748,373
Total Appropriations	\$ 33,402,640	\$ 28,491,891	\$ 4,910,749
Net Operating Position	\$ (8,750,000)	\$ (2,193,402)	\$ 6,556,598

Executive Committee and Staff Recommendation

That the RCA Board of Directors receive and file the
Fiscal Year 2017 Preliminary Fourth Quarter Financial
Report.



AGENDA ITEM NO. 9.3
Attachment 2

DETAILED FINANCIAL
STATEMENTS

Regional Conservation Authority
Preliminary Budget vs. Actual Comparison as of June 30, 2017 (Unaudited)
General Fund - 935100 Operations

REVENUE

Account	Account Description	Budget	Actual	% of Actual to Budget	Note No.	Positive (Negative) Variance with Budget
722000	Participating Special Entities	\$ 68,750	\$ 507,457	738%	1	\$ 438,707
740020	Interest-Invested Funds	34,125	77,623	227%	2	43,498
740040	Interest-Other	-	2,622	N/A		2,622
769240	Other Gov MSHCP Infrastructure	100,000	232,670	233%	6	132,670
769260	Other Gov MSHCP Civic Projects	50,000	96,995	194%	7	46,995
771410	Flood Control District	132,785	185,348	140%	8	52,563
777860	Joint Project Review	100,000	111,508	112%		11,508
781360	Other Misc Revenue	-	1	N/A		1
Total Revenue		\$ 485,660	\$ 1,214,224	250%		\$ 728,564

EXPENDITURES

510040	Regular Salaries	\$ 90,345	\$ 72,828	81%		\$ 17,517
510440	Annual Leave Buydown	3,310	2,751	83%		559
515200	Retiree Health Insurance	230	173	75%		57
518100	Budgeted Benefits	35,605	27,549	77%		8,056
Total Appropriation 1		129,490	103,301	80%		26,189
520200	Communications	75	86	115%		(11)
520270	County Delivery Services	30	31	103%		(1)
520320	Telephone Service	45	4	9%		41
520940	Insurance-Other	1,380	1,032	75%	12	348
521360	Maint-Computer Equipment	1,260	659	52%		601
521540	Maint-Office Equipment	225	156	69%		69
521640	Maint-Software	445	285	64%		160
523100	Memberships	355	275	77%		80
523230	Miscellaneous Expense	2,450	2,298	94%		152
523620	Books/Publications	15	-	0%		15
523640	Computer Equip-Non Fixed Asset	290	73	25%		217
523660	Computer Supplies	90	29	32%		61
523680	Office Equip Non Fixed Assets	30	29	97%		1
523700	Office Supplies	295	184	62%		111
523760	Postage-Mailing	170	222	131%		(52)
523800	Printing/Binding	120	-	0%		120
523840	Computer Equipment-Software	300	61	20%		239
524560	Auditing and Accounting	16,415	15,131	92%	13	1,284
524900	GIS Services	325	300	92%	14	25
525020	Legal Services	115,000	38,078	33%	15	76,922
525140	Personnel Services	405	372	92%	16	33
525840	RCIT Device Access	1,130	653	58%	17	477
526700	Rent-Lease Bldgs	5,960	5,958	100%	18	2
527780	Special Program Expense	600	-	0%		600
527840	Training-Education/ Tuition	90	14	16%		76
527980	Contracts	206,025	178,925	87%	19	27,100
528120	Board/Commission Expense	1,245	947	76%		298
528140	Conference/Registration Fees	60	69	115%		(9)
528900	Air Transportation	55	16	29%		39
528960	Lodging	120	16	13%		104
528980	Meals	635	413	65%		222
529000	Miscellaneous Travel Expense	15	7	47%		8
529040	Private Mileage Reimbursement	515	331	64%		184
529080	Rental Vehicles	-	12	0%		(12)
Total Appropriation 2		356,170	246,666	69%		109,504
Total Expenditures		\$ 485,660	\$ 349,967	72%		\$ 135,693
Net Operating Position		\$ -	\$ 864,257			\$ 864,257

Regional Conservation Authority
Preliminary Budget vs. Actual Comparison as of June 30, 2017 (Unaudited)
General Fund - 935300 Land Management and Monitoring

REVENUE

Account	Account Description	Adjusted Budget	Actual	% of Actual to Budget	Note No.	Positive (Negative) Variance with Budget
722000	Participating Special Entities	\$ 68,750	\$ 483,436	703%	1	\$ 414,686
740020	Interest-Invested Funds	34,425	63,924	186%	2	29,499
740040	Interest-Other	-	230	0%		230
741000	Rents	76,180	75,691	99%	3	(489)
771410	Flood Contrl District	290,485	70,931	24%	8	(219,554)
781360	Other Misc. Revenue	30,000	14,981	50%		(15,019)
781520	Tipping Fees	2,480,000	3,746,320	151%	11	1,266,320
Total Revenue		\$ 2,979,840	\$ 4,455,513	150%		\$ 1,475,673

EXPENDITURES

510040	Regular Salaries	\$ 363,200	\$ 316,125	87%		\$ 47,075
510440	Annual Leave Buydown	18,650	18,610	100%		40
515200	Retiree Health Insurance	925	694	75%		231
518100	Budgeted Benefits	137,275	116,435	85%		20,840
Total Appropriation 1		520,050	451,864	87%		68,186
520200	Communications	7,375	6,681	91%		694
520270	County Delivery Services	60	58	97%		2
520320	Telephone Service	225	22	10%		203
520940	Insurance-Other	12,870	11,254	87%	12	1,616
521360	Maint-Computer Equipment	16,300	10,647	65%		5,653
521500	Maint-Motor Vehicles	7,000	4,500	64%		2,500
521540	Maint-Office Equipment	1,125	781	69%		344
521640	Maint-Software	3,020	2,159	71%		861
523100	Memberships	1,765	1,373	78%		392
523230	Miscellaneous Expense	1,750	1,078	62%		672
523620	Books/Publications	75	-	0%		75
523640	Computer Equip-Non Fixed Asset	4,120	1,140	28%		2,980
523660	Computer Supplies	450	143	32%		307
523680	Office Equip Non Fixed Assets	150	143	95%		7
523700	Office Supplies	5,475	4,364	80%		1,111
523760	Postage-Mailing	955	610	64%		345
523800	Printing/Binding	600	-	0%		600
523840	Computer Equipment-Software	2,690	2,494	93%		196
524560	Auditing and Accounting	3,700	2,926	79%	13	774
524900	GIS Services	1,620	1,500	93%	14	120
525020	Legal Services	102,000	32,500	32%	15	69,500
525140	Personnel Services	2,025	1,918	95%	16	107
525840	RCIT Device Access	5,650	3,263	58%	17	2,387
526700	Rent-Lease Bldgs	113,570	113,570	100%	18	-
526910	Field Equipment-Non Assets	17,500	5,517	32%		11,983
527100	Fuel	18,000	9,391	52%		8,609
527780	Special Program Expense	2,500	-	0%		2,500
527840	Training-Education/ Tuition	450	70	16%		380
527880	Training-Other	4,000	3,380	85%		620
527980	Contracts	1,991,785	1,778,695	89%	19	213,090
528120	Board/Commission Expense	6,225	4,733	76%		1,492
528140	Conference/Registration Fees	400	347	87%		53
528900	Air Transportation	270	255	94%		15
528960	Lodging	600	314	52%		286
528980	Meals	535	217	41%		318
529000	Miscellaneous Travel Expense	75	47	63%		28
529040	Private Mileage Reimbursement	1,080	1,093	101%		(13)
529080	Rental Vehicles	-	60	N/A		(60)
529500	Electricity	1,600	1,384	87%		216
Total Appropriation 2		2,339,590	2,008,627	86%		330,963
535220	Assessments & HOA	40,200	40,138	100%		62
Total Appropriation 3		40,200	40,138	100%		62
546320	Vehicles-Cars/Light Trucks	80,000	67,546	84%		12,454
Total Appropriation 4		80,000	67,546	0%		12,454
Total Expenditures		\$ 2,979,840	\$ 2,568,175	86%		\$ 411,665
Net Operating Position		\$ -	\$ 1,887,338			\$ 1,887,338

Regional Conservation Authority
Preliminary Budget vs. Actual Comparison as of June 30, 2017 (Unaudited)
Capital Projects Fund - 935201 Land Acquisition

REVENUE

Account	Account Description	Adjusted Budget	Actual	% of Actual to Budget	Note No.	Positive (Negative) Variance with Budget
711040	Measure A-Local St & Rds	\$ 3,000,000	\$ 3,000,000	100%		\$ -
722000	Participating Special Entities	137,500	966,872	703%	1	829,372
740020	Interest-Invested Funds	61,450	110,487	180%	2	49,037
740040	Interest-Other	-	14	0%		14
751680	CA-Grant Revenue	2,559,330	2,598,750	102%	4	39,420
766600	Fed-Capital Grants and Contrib	3,480,630	3,408,450	98%	5	(72,180)
769240	Other Gov MSHCP Infrastructure	-	6,997	0%	6	6,997
769260	Other Gov MSHCP Civic Projects	-	8,882	0%	7	8,882
771410	Flood Control District	326,730	-	0%		(326,730)
777170	Development Mitigation Fees	11,000,000	13,963,562	127%	9	2,963,562
777600	TUMF Revenue-Developer Fees	850,000	850,000	100%		-
781220	Capital Contributions & Donations	3,207,000	1,090,720	34%	21	(2,116,280)
781360	Other Miscellaneous Revenue	30,000	293,755	979%	10	263,755
Total Revenue		\$ 24,652,640	\$ 26,298,489	107%		\$ 1,645,849

EXPENDITURES

510040	Regular Salaries	\$ 1,120,455	\$ 1,008,913	90%		\$ 111,542
510440	Annual Leave Buydown	49,040	48,811	100%		229
515200	Retiree Health Insurance	2,845	2,134	75%		711
518100	Budgeted Benefits	440,920	382,632	87%		58,288
Total Appropriation 1		1,613,260	1,442,490	89%		170,770
520200	Communications	2,050	1,337	65%		713
520270	County Delivery Services	30	31	103%		(1)
520320	Telephone Service	1,230	122	10%		1,108
520940	Insurance-Other	31,350	29,506	94%	12	1,844
521360	Maint-Computer Equip	34,440	18,021	52%		16,419
521540	Maint-Office Equipment	6,150	4,269	69%		1,881
521640	Maint-Software	12,135	7,796	64%		4,339
523100	Memberships	9,630	7,504	78%		2,126
523230	Miscellaneous Expense	9,580	5,151	54%		4,429
523620	Books/Publications	410	374	91%		36
523640	Computer Equip-Non Fixed Asset	7,745	1,996	26%		5,749
523660	Computer Supplies	2,460	783	32%		1,677
523680	Office Equip Non Fixed Assets	820	782	95%		38
523700	Office Supplies	8,070	5,141	64%		2,929
523760	Postage-Mailing	4,675	3,540	76%		1,135
523800	Printing/Binding	3,280	-	0%		3,280
523840	Computer Equipment-Software	8,200	7,200	88%		1,000
524560	Auditing and Accounting	155,390	150,143	97%	13	5,247
524900	GIS Services	8,855	8,200	93%	14	655
525020	Legal Services	1,053,000	190,889	18%	15	862,111
525140	Personnel Services	11,070	10,155	92%	16	915
525840	RCIT Device Access	30,895	17,840	58%	17	13,055
526700	Rent-Lease Bldgs	162,850	162,848	100%	18	2
527780	Special Program Expense	16,400	-	0%		16,400
527840	Training-Education/Tuition	2,460	381	15%		2,079
527980	Contracts	475,295	466,346	98%	19	8,949
528120	Board/Commission Expense	34,030	25,876	76%		8,154
528140	Conference/Registration Fees	2,040	1,898	93%		142
528280	Imaging Supplies	2,500	630	25%		1,870
528900	Air Transportation	11,675	5,935	51%		5,740
528920	Car Pool Expense	500	303	61%		197
528960	Lodging	12,780	5,474	43%		7,306
528980	Meals	5,230	2,430	46%		2,800
529000	Miscellaneous Travel Expense	1,110	833	75%		277
529040	Private Mileage Reimbursement	6,205	5,520	89%		685
529080	Rental Vehicles	400	328	82%		72
Total Appropriation 2		2,134,940	1,149,582	54%		985,358
534000	Interest Notes-Warrants	140,000	133,752	96%	20	6,248
Total Appropriation 3		140,000	133,752	96%		6,248
540040	Land	29,484,440	25,760,985	87%	21	3,723,455
540060	Improvements-Land	30,000	5,082	17%		24,918
Total Appropriation 4		29,514,440	25,766,067	87%		3,748,373
Total Expenditures		\$ 33,402,640	\$ 28,491,891	85%		\$ 4,910,749
Net Operating Position		\$ (8,750,000)	\$ (2,193,402)			\$ 6,556,598

Regional Conservation Authority
Notes to Financial Reports
Preliminary June 30, 2017 (Unaudited)

	Operations	Land Management and Monitoring	Land Acquisition	Total RCA
REVENUES:				
1) Participating Special Entities:				
Southern California Edison-West of Devers	\$503,436	\$483,436	\$ 966,872	\$1,953,745
Southern California Edison-Valley Ivyglen II	4,021			4,021
	<u>\$507,457</u>	<u>\$483,436</u>	<u>\$ 966,872</u>	<u>\$1,957,766</u>
2) Interest from Riverside County Treasurer Pool Investment Fund:				
1st quarter interest at 0.71%	\$14,459	\$14,585	\$28,900	\$57,943
2nd quarter interest at 0.74%	14,689	14,815	28,033	57,536
3rd quarter interest at 0.79%	18,358	18,386	23,104	59,848
4th quarter interest at 0.96%	30,117	16,138	30,450	76,705
Total Interest	<u>\$77,623</u>	<u>\$63,924</u>	<u>\$110,487</u>	<u>\$252,032</u>
3) Rent revenues from the following sources:				
Goodhart		\$5,160		
KCAA Radio		6,000		
Archery Club		3,000		
Cell tower lease		54,651		
Lockheed lease		1,000		
Beekeepers		5,880		
Total Rent		<u>\$75,691</u>		
4) State revenues were received for the following purposes:				
Live Oak Canyon - RLC			\$486,500	
Live Oak Canyon - Hudson			485,000	
Riverpark			811,500	
Terra Investment			233,000	
McLaughlin			582,750	
Total State			<u>\$2,598,750</u>	
5) Federal funds were received for the following property acquisitions:				
Riverpark			\$1,893,500	
Terra Investment			717,000	
McLaughlin			797,950	
Total Federal			<u>\$3,408,450</u>	
6) Infrastructure contributions from member agencies:				
City of Beaumont - Potrero Blvd Bridge	\$232,670			\$232,670
County-Exchange Club Pak Frontage			\$6,997	6,997
Total Infrastructure	<u>\$232,670</u>		<u>\$6,997</u>	<u>\$239,667</u>
7) Civic contributions from member agencies:				
City of Eastvale - Fire Station	\$11,228			\$11,228
Crestmore Heights Photovoltaic	65,291			65,291
City of San Jacinto-Solar Project Permits	7,797			7,797
City of Moreno Valley - Kitching Substation	12,679			12,679
County-Exchange Club Parking Lot			\$8,882	8,882
Total Civic	<u>\$96,995</u>		<u>\$8,882</u>	<u>\$105,876</u>
8) Contributions from Riverside County Flood Control:				
University Wash Channel	\$91,335			\$91,335
Banning MDP Line	94,013			94,013
Norco MDP Line NB2		\$15,399		15,399
Wildomar MDP Lateral C-1		49,033		49,033
Norco MDP Line NB3		6,498		6,498
Total Flood Control	<u>\$185,348</u>	<u>\$70,931</u>		<u>\$256,279</u>

**Regional Conservation Authority
Notes to Financial Reports
Preliminary June 30, 2017 (Unaudited)**

Operations	Land Management and Monitoring	Land Acquisition	Total RCA
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REVENUES (Continued):

9) Mitigation fees through 6/30/17 are as follows:

City of Banning	\$0	
City of Beaumont	2,025,891	
City of Calimesa	170,219	
City of Canyon Lake	17,928	
City of Corona	535,152	
City of Eastvale	798,899	
City of Hemet	12,204	
City of Jurupa Valley	1,148,973	
City of Lake Elsinore	359,118	
City of Meniffee	1,179,010	
City of Moreno Valley	1,294,804	
City of Murrieta	81,150	
City of Norco	107,672	
City of Perris	1,322,815	
City of Riverside	1,280,660	
City of San Jacinto	394,416	
City of Temecula	339,747	
City of Wildomar	380,845	
County of Riverside	2,514,058	
Total Mitigation	\$13,963,562	

10) Miscellaneous Revenues were received as follows:

Various deposit agreements	\$168,920	\$168,920
Legal cost reimbursements	6,340	6,340
Geller Property #2 Solar Project	118,495	118,495
EMWD Management	\$10,481	10,481
County Flood Debris Basin	4,501	4,501
Total Miscellaneous Revenues	\$14,981	\$293,755

11) RCA receives \$1.50 per ton for the out-of-county tonnage. In addition, RCA receives a maximum of \$400,000 annually for the in-county tonnage.

	Out-of-County Tonnage	Revenue at \$1.50 per ton
July 2016	157,604	\$236,405
August 2016	165,795	248,692
September 2016	171,479	257,219
October 2016	161,521	242,282
November 2016	164,368	246,552
December 2016	186,393	279,590
January 2017	196,859	295,289
February 2017	203,542	305,313
March 2017	225,256	337,885
April 2017	185,477	278,215
May 2017	198,639	297,958
June 2017 (Estimated)	198,639	297,958
Adjustment		22,965
In-County Contribution		400,000
	2,215,570	\$3,746,320

Regional Conservation Authority
Notes to Financial Reports
Preliminary June 30, 2017 (Unaudited)

	Operations	Land Management and Monitoring	Land Acquisition	Total RCA
EXPENDITURES:				
12) Insurance provided by SDRMA:				
General & Property	\$1,032	\$5,122	\$29,506	\$35,660
Vehicle Insurance		6,132		6,132
Total Insurance Nine Months	\$1,032	\$11,254	\$29,506	\$41,792
13) Auditing and Accounting consists of the following:				
Vavrinek, Trine, Day & Co.	\$14,963	\$1,833	\$144,164	\$160,959
Brown Armstrong Accountancy Corp	90	450	2,460	3,000
County Auditor-Controller's Office	78	643	3,519	4,240
Total Auditing and Accounting	\$ 15,131	\$ 2,926	\$ 150,142	\$ 168,199
14) GIS Services				
Digital Globe	\$300	\$1,500	\$8,200	\$10,000
15) Legal Services as follows:				
Best, Best and Krieger	\$38,078	\$32,500	\$190,888	\$261,466
16) Personnel services by County Human Resources:				
Approx. \$1,125 per employee annually	\$372	\$1,918	\$10,155	\$12,444
17) RCIT Device Charges				
RCIT Monthly \$1,813	\$653	\$3,263	\$17,840	\$21,756
18) Rent & lease building cost:				
RCA office monthly rent \$16,549.	\$5,958	\$29,789	\$162,848	\$198,595
Monitoring office monthly rent \$6,982		83,780		83,780
Total Rent	\$5,958	\$113,570	\$162,848	\$282,375
19) Contract services are as follows:				
Capitol Alliance Consulting			\$23,333	\$23,333
Kadesh & Associates*			46,667	46,667
Dudek	\$176,841	\$36,207	73,091	286,138
Economic & Planning Systems	1,583	7,916	43,275	52,775
Real Estate Management			79,647	79,647
Geographics	501	2,506	13,700	16,707
Hogan Lovells			150,000	150,000
Parks & Open-Space Dist.-Land Mgmt.		812,216	23,979	836,195
Thomas Mullen (Reimbursable Expenditures)*			12,654	12,654
SAWA		919,850		919,850
Total Contracts	\$178,925	\$1,778,695	\$466,346	\$2,423,967
* Contracts approved under Executive Director Authority.				
20) Interest to Riverside County on Loan				
Interest Anheuser Busch Phases 6-8 (Not capitalized)			\$98,918	
Interest rate at average 2016 Treasurer Pool Investment rate of 0.70%			34,833	
			\$133,752	

**Regional Conservation Authority
Notes to Financial Reports
Preliminary June 30, 2017 (Unaudited)**

Operations	Land Management and Monitoring	Land Acquisition	Total RCA
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EXPENDITURES (Continued):

21) Land acquisition costs are as follows:

Land Donated to the Authority:	
Jurupa Donation	\$77,220
Toscana Donation	480,000
Conatser Conservation Easement	38,500
Spring Mountain Ranch PA4	150,000
Spring Mountain Ranch PA3	220,000
French Valley Donation	125,000
Subtotal Donated Properties	<u>\$1,090,720</u>

Properties Acquired:

Live Oak Canyon - RLC	489,269
Live Oak Canyon - Hudson	838,167
Ordonez Property	477,837
Higgins	89,248
Davis, James & John	266,781
Riverpark	2,713,004
Rancho Road Escarpment	629,525
Jenkins	151,587
Tax Sale 2015	35,745
Terra Investment	954,903
Anheuser Busch - Phs 6-8 (Capitalized)	11,976,205
O'Connor - Ph 5	350,830
Hong#2	186,791
Hong#3	482,801
Bush , Brian	753,508
Beresford	211,864
McLaughlin	1,671,406
Torrez, Belinda	141,561
Tax Sale parcels 2016	72,138
Bhathal Property	1,519,796
	<u>24,012,967</u>

Consultants Costs:

Real Estate Management	392,929
Best, Best & Krieger	212,616
Parks & Open-Space Dist.	23,987
Environmental Equalizers, Inc.*	19,500
Hess Development*	1,400
Dudek - Environmental*	5,450
Others	1,416
Total Land Acquisition Costs	<u>\$25,760,985</u>

* Contracts approved under Executive Director Authority.

AGENDA ITEM NO. 9.3
Attachment 3

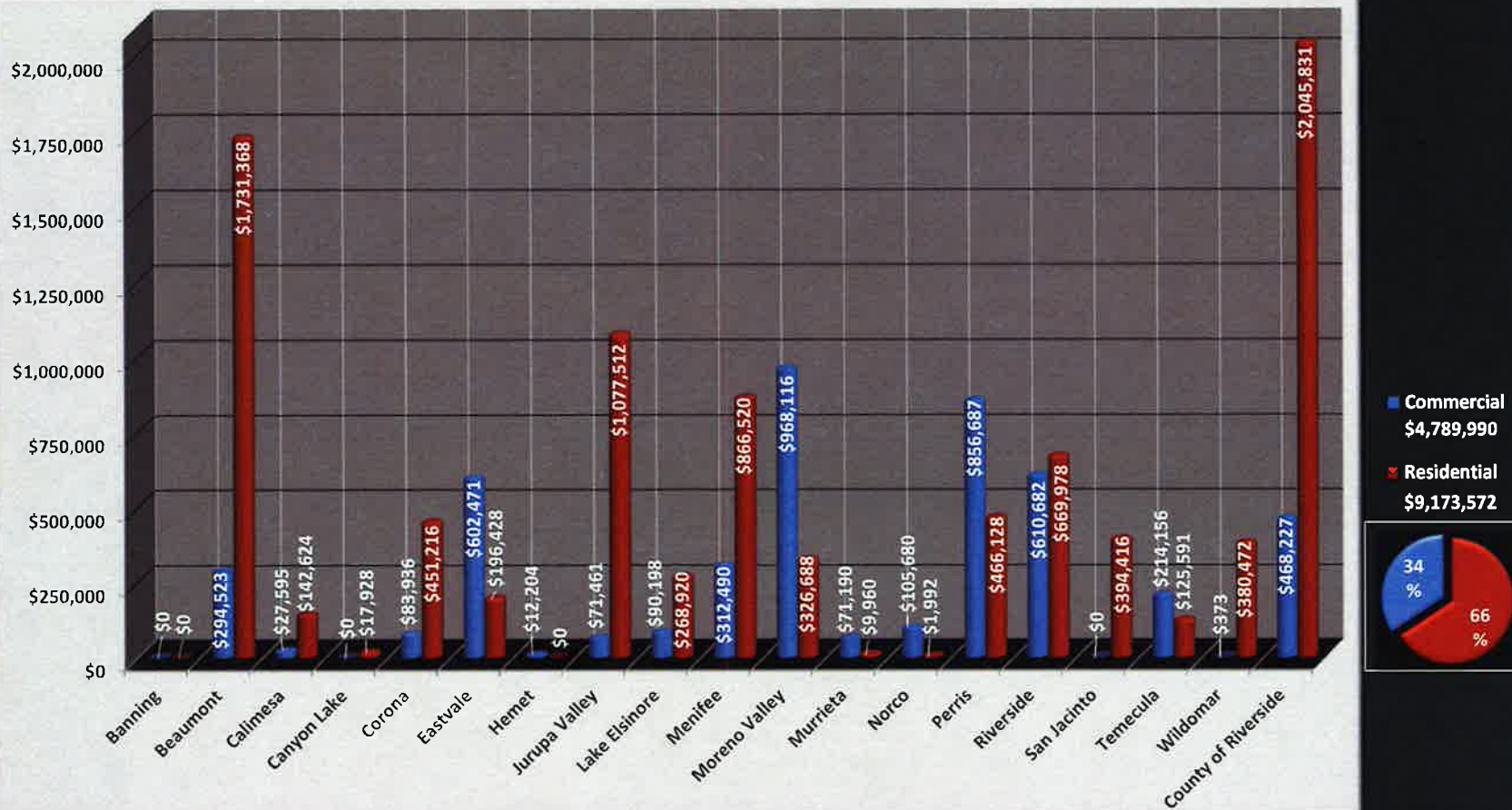
MSHCP FEE
COLLECTIONS REPORT

REGIONAL CONSERVATION AUTHORITY
MSHCP MITIGATION FEE COLLECTIONS BY MEMBER AGENCY
FISCAL YEAR 2017

BASED ON ACCRUAL BASIS (Month reported by City)

COUNTY AND CITIES:	JUL 2016	AUG 2016	SEP 2016	OCT 2016	NOV 2016	DEC 2016	JAN 2017	FEB 2017	MAR 2017	APR 2017	MAY 2017	JUN 2017	TOTALS FY 2017	PERCENT OF TOTAL
CITY OF BANNING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
CITY OF BEAUMONT	387,402	69,720	55,776	101,592	94,689	81,672	65,736	61,752	125,496	127,488	207,168	647,400	2,025,891	14.5%
CITY OF CALIMESA	41,032	27,595	-	-	1,992	25,896	-	-	47,808	25,896	-	-	170,219	1.2%
CITY OF CANYON LAKE	1,992	-	1,992	-	-	1,992	-	5,976	1,992	1,992	-	1,992	17,928	0.1%
CITY OF CORONA	6,780	26,875	19,901	-	28,137	1,992	-	111,888	-	-	-	339,580	535,152	3.8%
CITY OF EASTVALE	-	56,576	120,793	5,976	5,976	355,124	62,240	190,111	-	2,102	-	-	798,899	5.7%
CITY OF HEMET	-	-	9,763	-	-	-	-	-	-	2,441	-	-	12,204	0.1%
CITY OF JURUPA VALLEY	37,688	97,608	69,720	87,648	152,419	51,792	118,213	115,565	119,520	33,864	89,640	175,296	1,148,973	8.2%
CITY OF LAKE ELSINORE	81,539	-	17,928	24,760	2,034	97,505	-	27,595	23,904	274	45,816	37,765	359,118	2.6%
CITY OF MENIFEE	47,808	68,174	148,080	95,264	45,816	9,920	113,544	53,824	71,431	98,390	129,574	297,184	1,179,010	8.4%
CITY OF MORENO VALLEY	-	181,561	9,731	25,031	15,936	-	344,424	204,785	31,872	65,736	346,009	69,720	1,294,804	9.3%
CITY OF MURRIETA	-	43,444	3,984	1,992	-	-	-	31,730	-	-	-	-	81,150	0.6%
CITY OF NORCO	-	27,824	-	-	-	15,536	7,236	-	-	29,791	20,291	6,994	107,672	0.8%
CITY OF PERRIS	322,411	80,084	70,104	-	55,776	-	1,992	49,800	9,960	-	57,768	674,920	1,322,815	9.5%
CITY OF RIVERSIDE	34,344	242,636	63,314	31,635	149,735	1,992	43,671	29,880	312,580	320,076	50,796	-	1,280,660	9.2%
CITY OF SAN JACINTO	7,968	9,960	23,904	31,872	35,856	65,736	21,912	63,704	33,904	37,848	29,880	31,872	394,416	2.8%
CITY OF TEMECULA	31,349	18,219	-	7,650	1,992	1,992	125,186	31,080	-	14,013	106,274	1,992	339,747	2.4%
CITY OF WILDOMAR	11,952	17,928	77,688	49,800	45,816	49,800	32,245	27,888	25,896	23,904	9,960	7,968	380,845	2.7%
COUNTY OF RIVERSIDE (LMS)	115,292	221,067	139,077	220,785	59,760	111,552	420,363	138,749	171,312	217,016	300,183	398,902	2,514,058	18.0%
TOTAL COUNTY AND CITIES	\$ 1,127,557	\$ 1,189,270	\$ 831,755	\$ 684,005	\$ 695,934	\$ 872,501	\$ 1,356,762	\$ 1,144,328	\$ 975,675	\$ 1,000,831	\$ 1,393,359	\$ 2,691,584	\$ 13,963,562	100.0%
OTHER														
FLOOD CONTROL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,335	\$ -	\$ 94,013	\$ -	\$ -	\$ 15,399	\$ 55,532	\$ 256,279	42.6%
OTHER GOV MSHCP INFRASTRUCTURE	-	-	-	-	-	232,670	-	-	-	-	-	6,997	239,667	39.8%
OTH GOV MSHCP CIVIC PROJECTS	-	-	11,228	-	-	73,088	12,679	-	-	-	-	8,882	105,876	17.6%
TOTAL OTHER	\$ -	\$ -	\$ 11,228	\$ -	\$ -	\$ 397,093	\$ 12,679	\$ 94,013	\$ -	\$ -	\$ 15,399	\$ 71,411	\$ 601,823	100.0%
GRAND TOTAL	\$ 1,127,557	\$ 1,189,270	\$ 842,982	\$ 684,005	\$ 695,934	\$ 1,269,594	\$ 1,369,441	\$ 1,238,341	\$ 975,675	\$ 1,000,831	\$ 1,408,758	\$ 2,762,995	\$ 14,565,385	

Fiscal Year 2017
MSHCP Development Mitigation Fee Revenues
 July 1, 2016 through June 30, 2017



AGENDA ITEM NO. 9.4

**FISCAL YEAR 2017
FOURTH QUARTER
CONSULTANT REPORTS**

Regional Conservation Authority

**FISCAL YEAR 2017 FOURTH QUARTER
CONSULTANT REPORTS**

Staff Contact:

**Charles Landry
Executive Director
(951) 955-9700**

Background:

Attached are the Fiscal Year 2017 Fourth Quarter Consultant Reports for Dudek, Geographics, Kadesh & Associates, LLP, Riverside County Regional Parks and Open-Space District, Santa Ana Watershed Association, and Douglas P. Wheeler – Hogan Lovells, US LLP.

Executive Committee and Staff Recommendation:

That the RCA Board of Directors receive and file the Fiscal Year 2017 Fourth Quarter Consultant Reports.

Attachments:

Fiscal Year 2017 Fourth Quarter Consultant Reports

- Attachment 1 – Dudek
- Attachment 2 – Geographics
- Attachment 3 – Kadesh & Associates, LLP
- Attachment 4 – Riverside County Regional Parks and Open-Space District
- Attachment 5 – Santa Ana Watershed Association
- Attachment 6 – Douglas P. Wheeler, Hogan Lovells, US LLP

AGENDA ITEM NO. 9.4

Attachment 1

DUDEK

**CONSULTANT REPORT
DUDEK
FISCAL YEAR 2017 FOURTH QUARTER REPORT**

Report Covers Period: 04/01/17 to 06/30/17

Services Provided During Current Work Period:

Joint Project Reviews

As part of our ongoing duties related to MSHCP implementation for the RCA, Dudek continued to provide review of biological reports, analysis and submittals related to Joint Project Reviews (JPRs) submitted by Permittees. Dudek reviewed and completed several JPRs for Permittees during this reporting period.

Permittee Trainings and Support

Dudek assists the RCA in providing training and support to Permittees on MSHCP implementation. These training sessions are provided once or year or upon request and include an overview of the MSHCP, RCA responsibilities, Permittee Responsibilities, rough step, JPR process, required surveys and mitigation, CEQA documents, changes to the MSHCP, reserve lands, and the Wildlife Agencies' role. Discussion of unique circumstances for each Permittee is also provided in the training. Trainings sessions were held during the fourth quarter of 2017 on April 10 and April 17.

Dudek staff continued to provide ongoing support and attended meetings with Permittees on MSHCP implementation and compliance questions. Dudek fields questions on an ongoing basis related to either new projects or ongoing projects, both inside and out of the criteria area.

Monthly meetings with the Riverside County Environmental Programs Department (EPD) are ongoing. These meetings are a forum to discuss upcoming or ongoing County HANS/JPRs, conservation criteria, and other Permittee requirements to facilitate MSHCP consistency. Meetings with EPD this quarter were held on April 5, May 3, and June 7, 2017. Notable projects and issues discussed included the proposed Lakeside (Lee Lake) project; Walker Hills JPRs and Criteria Refinement' Teramor conveyance of easements; and, fencing plan reviews.

RCA and Dudek also met with City of Lake Elsinore consultants regarding the Temescal Canyon Road Bridge project on April 5, 2017. Issues include restoration of previously removed riparian vegetation that was unpermitted, appropriate required mitigation, and restoration to include an adequate width of Linkage 6 in order to maintain its function.

Wildlife Agency Coordination and Meetings

Dudek attended three monthly meetings with U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) staff hosted by the RCA. Duties included coordinating with attendees and review of materials ahead of the meeting. Meetings with the

Wildlife Agencies this quarter were held on April 20, May 18, and June 22, 2017. Projects and issues discussed included the Gilman Springs Road (RCTD) with wildlife movement and connectivity between San Jacinto Wildlife Area's Davis and Potrero Units; Santa River Trail (County Parks) mitigation options; Olsen Canyon JPR and Criteria Refinement; Mission Blvd Bridge Replacement (RCTD) with Santa Ana sucker, restoration, and mitigation; Habitat Conservation Plan funding; San Jacinto College at Meniffee with burrowing owl; Perris dam Emergency Release Facility; Walker Hills; and Lakeside (County) with multiple issues.

Dudek also participated in three Pre-Application Meetings with the U.S. Army Corps of Engineers, Regional Water Quality Control Board, CDFW, and USFWS staff. Projects represented by Permittees and/or the project representatives are presented for consideration. The various regulatory agencies and RCA discuss, review, and seek solutions to issues related to permitting and MSHCP compliance. The review and analysis presented in these meetings is often subject to MSHCP Consistency review which is part of Dudek's role with the RCA. Meetings with the regulated waters Permitting Agencies this quarter were held on April 12, May 10, and June 14, 2017. Projects and issues discussed included Salt Creek Trail; Regional Agriculture Line Conversion; Lake Elsinore Mitigation Site; Stetson Avenue Bridge Replacement; Pinnacle Senior Living Center; MEBO Resort; Gallery Heights; and Temescal Canyon Road Bridge.

Also in this reporting period, Dudek provided documentation and support to CDFW and USFWS related to ongoing projects and questions on MSHCP implementation.

RCA Support

Dudek staff provided various forms of analysis and provided staff support by attending meetings, conference calls and conducting research via email related to ongoing and past projects. During this reporting period, Dudek was involved in discussions on various projects, as described above, and below specific to Lockheed Participating Special Entities (PSEs). Dudek has remains involved in all processing of Southern California Edison PSE application reviews and follow-up after approval, as well as pre-application coordination.

The last year of monitoring for the Munz's Onion relocation effort was completed in the First Quarter of this fiscal year. The results of the monitoring effort were incorporated into a final report that was submitted to the RCA on December 5, 2016. RCA determined that because of the favorable rainfall conditions this year, it would be helpful for Dudek to conduct another year of Munz's onion surveys this spring and provide a brief write-up of the results. Dudek provided the counts and status, including weed issues, to RCA in early April.

Participating Special Entities

Dudek staff provided support and coordination related to pending and existing PSEs. Issues related to several ongoing SCE projects and the MSHCP are ongoing and require support related to MSHCP implementation. Consistency Findings for the West of Devers System Upgrade Project (WODUP) were issued on December 26, 2016. Resubmittal of revised reports [based on revised design, updated biological information, and replacement of Additional Reserve Lands (ARL) and Public/Quasi-Public (PQP) lands] is pending. Coordination between Dudek and SCE is ongoing to help with their questions regarding resubmittals and mitigation.

Lockheed Martin Corporation submitted two PSE applications on December 13, 2016, one for remediation at Site 1 Potrero Canyon and the other for remediation at Site 2 Laborde Canyon. Comments were provided and coordination is ongoing with TetraTech to assist them in addressing the comments. Dudek attended a Site 2 field visit with TetraTech, CDFW, and RWQCB on June 2, 2017. Their schedule for Site 2 has been accelerated, and the revised submittal was received on June 23, 2017. In the interest of time, their draft documents are being reviewed while TetraTech is wrapping up small mammal surveys.

Management Support

Dudek is assisting RCA management in the training of new staff relative to JPR processing.

AGENDA ITEM NO. 9.4
Attachment 2

GEOGRAPHICS

**CONSULTANT REPORT
GEOGRAPHICS
FISCAL YEAR 2016-17 FOURTH QUARTER REPORT**

Report Covers Period: 4/1/17 – 6/30/17

Services Provided During Current Work Period:

Public Information and Branding Services
Website Updating and Hosting

Branding Services:

A second tablecloth with the RCA logo was produced by Geographics for staff use at events.

During the fourth quarter, Geographics continued work on RCA's annual newsletter. Copywriting and initial design were completed and a draft was provided in April.

Work on the newsletter and its accompanying e-newsletter will continue into the next quarter.

Website Hosting:

Geographics provided secure hosting with automatic backups for all three months of the quarter.

On April 21, while running a weekly server report, an unusual list of changes was discovered on the server. After investigation, it was determined to be a number of infections. Passwords were changed and infected files were deleted, along with corrupted plugins. Geographics also updated the anti-virus definitions on local machines.

Geographics continued to monitor the RCA server for additional issues. Two SSH access logs were found from China and Sweden. To further protect the server, Rackspace was asked to add a whitelist to allow only Geographics and WRCRCA employees access to this server. Geographics installed a program to the server that checks for malware twice a day, and sends notifications if anything suspicious is found.

Website Updates:

- Continued weekly reporting to check server and website for any issues
- On-site meeting to resolve missing file issue
- Investigate and delete infection from web server
- Investigate infected uploads
- Update current agenda link

AGENDA ITEM NO. 9.4
Attachment 3

KADESH & ASSOCIATES, LLP

CONSULTANT REPORT -- KADESH & ASSOCIATES
RCA FISCAL YEAR 2017 FOURTH QUARTER REPORT
WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

Report Covers Period: 4-1-17 through 6-30-17

Summary:

Activities in WRCRCA Q4 (April-June, 2017) revolved around:

- 1- Budget and Appropriations for FY18;
- 2- Organizing and staffing of new Trump Administration;
- 3- Old Budget and Appropriations business – the Continuing Resolution for FY17 which was set to expire on April 28 and new FY17 Appropriations; and
- 4- the June RCA fly-in for meetings regarding the National Wildlife Refuge system.

Legislation and Issues:

The focus of RCA and Coalition activities has been on robust funding of relevant habitat programs and the successful rollout of the WIFIA program by the EPA which includes a drought resiliency provision designed by the RCA, as well as exploration of National Wildlife Refuge system.

April –

April largely consumed with the House's Healthcare Repeal and Replace effort and the Budget – the conclusion of the CR, the effective rejection of the Trump Administration's so-called “skinny budget” and new FY17 Appropriations.

April featured a two-week Easter/Passover/Spring recess.

The most relevant legislative activity focused on the (ultimately successful) effort to conclude the FY17 appropriations bills with an Omnibus package to govern spending for the remainder of Fiscal Year 2017 which concludes September 30, 2017. FY18 Budget details were expected the week of May 14, but there was significant discussion that they will be later than this, possibly early June.

May -

May featured the Senate in session for four weeks and the House for three weeks and two major events: the rollout of the Trump Administration's Fiscal Year 2018 budget and “Infrastructure Week” in Washington, DC for stakeholders from around the nation including the Port of LA and the LA Mayor's office, as well as water agency interest.

In the formal FY18 Budget submission EPA is targeted for a 31.4% cut. While past may not always be prologue, the FY17 Omnibus experience gives some hope that the Congress, on a

bicameral and bipartisan basis, does not agree with this depth of cutting or the specifics in many cases significant to the habitat community in the areas of transportation, water and the environment. The EPA budget will ultimately be decided in a catch all omnibus in September.

June –

The Senate and House were both in session for all four weeks of June.

June featured the commencement of the very compressed Fiscal Year 2018 Appropriations process and follow up to “Infrastructure Week” in Washington, DC held the week of May 14. The House and Senate transportation and infrastructure related committees continued to hold hearings, particularly on FAA reform, but no large-scale infrastructure bill is in sight for this year.

Activities summary:

Arranged and participated in June DC Fly-in.

Answered specific questions from RCA staff.

Kept staff updated as to legislative changes, committee assignments and confirmations.

Tracked EPA's implementation of WIFIA – identified possible fatal flaw in EPA interpretation of the Act regarding water agency participation and began working to correct it either administratively or through subsequent legislation.

Monitored and shared updates on Administration Transition regarding Budget, Appropriations, Interior, EPA/WIFIA, habitat and environmental policies and personnel.

Follow up to a previous item –

Division G, Title II of the Omnibus directs: “Within 30 days of enactment of this Act, the Agency [EPA] is directed to submit to the House and Senate Committees on Appropriations its annual operating plan for fiscal year 2017, which shall detail how the Agency plans to allocate funds at the program project level.” This report has been prepared by EPA and received by the House and Senate Appropriations Committees. It is not a public report.

Questions and Comments -

It is the pleasure of Kadesh & Associates to serve the RCA. If this report generates any questions, please direct them to Dave Ramey at 202-549-1519 or dave@kadeshdc.com. Thank you.

###

AGENDA ITEM NO. 9.4
Attachment 4

RIVERSIDE COUNTY
REGIONAL PARKS and
OPEN-SPACE DISTRICT

**CONSULTANT REPORT
RIVERSIDE COUNTY PARKS AND OPEN-SPACE DISTRICT
FISCAL YEAR 2017 FOURTH QUARTER REPORT**

Report Covers Period: 04/01/17 – 06/30/17

Services Provided During Current Work Period:

102 Work Release Program hours were utilized during the Fourth Quarter of FY2017

Patrol/Access Control/Maintenance

General Administration

Staff obtained three bids for two new F-250 trucks. Winning bid went to Sunrise Ford. Trucks delivered 6/29/17.

Badlands HMU

Invoice was submitted to insurance company for fence damage caused by drunk driver on the Wolfskill-Driscoll Reserve adjacent to Gilman Springs Road. CHP asked the invoice be submitted with case being finished by DA.

Calmat: Staff spent three days spraying new Russian thistle regrowth. 10 gallons of chemical was used to suppress 2 acres of new thistle regrowth.

Cactus Valley HMU

Bautista Canyon Reserve: Staff worked closely with USFS Natural Resources Specialist John Ladley to block off a shared road in Bautista Canyon. The dirt road was providing access to target shooters and dumping on the RCA Tax Sale 2012. Currently, we are in agreement that the USFS will provide gate material and RCA staff will fabricate and install gate. We do not foresee a formal MOU but we have asked the USFS District Ranger if one is needed for a long term agreement.

Gavalin HMU

Post wild flower refuse clean up: Staff removed 30 fifty-gallon trash bags of litter from the edge of the parcels at Reynolds. The removal did not include most of the roadway litter and only RCA parcels were targeted. It was a small dent in the debris left behind from the wildflower crowds. Next year we plan to get ahead of the crowds in response to how quickly word spreads on social media. Closure of the main access road is being discussed.

North Peak: Ranger Chagolla had extensive contact with Lake Elsinore RSO and BLM Ranger near the Northpeak parcels during the 4th quarter. Overlapping responsibilities created favorable conditions to work together. Range Chagolla was able to show access routes in and out of the

area and pinpoint RCA locations being abused. We were able to provide support to BLM on their closing of their target shooting areas. RSO is still providing support in closing of the illegal target shooting area north of Northpeak El Toro. Abandoned vehicles were removed by J&M towing from Northpeak #4 interior.

Johnson Property: 5 individuals were observed shooting on Johnson property. Once the individuals noticed the Rangers they ran away carrying assault rifles, leaving their vehicles behind. All individuals ran toward the riparian area to the north on private property. RSO was called and the helicopter showed up within 5 minutes. A motor unit also responded but was reluctant on making contact due to being out numbered and over powered. BLM Ranger also showed up but did not receive any support from RSO to search the mines he suspected the individuals to be hiding in. RSO did thoroughly search the vehicles but did not find anything illegal, just large amounts of ammunition. Vehicles could not be towed due to limited access. RSO hoped to catch the vehicles on the road and conduct a traffic stop if found. Both vehicles were registered to addresses in Mead Valley. The incident was turned over to RSO for follow up.

Meniffee HMU

El SOL Riparian Mitigation Project: All grading and fencing work has been complete. Hydro-seeding, cuttings and container planting expected in October.

Ranger Garcia removed a homeless encampment on the Anheuser Busch Phase 8 area without incident.

Evendal Wilson/Bergstein: properties were patrolled weekly during the 3rd Quarter. After reports of target shooters Ranger staff and RSO responded and made contact with the multiple shooters. All shooters were escorted off the property and asked not to return. Information from all individuals was obtained for our records.

Riverside HMU

Staff installed new HOBO weather station on the Teledyne DSF site. Installation of the weather station consisted of installing concrete pad and chain link fencing along with set up of weather station. Weather station will provide site specific weather data which may be crucial in the success of the Delhi fly species.

San Jacinto HMU

KHOV/EMWD CE: Staff installed a post and bollard project on the KHOV parcel to eliminate a trespass issue off Bethlam Avenue. Staff worked with Lake Hemet Municipal Water District to bring in large boulders to cut off another vehicle trail near Treatment Area A.

San Tim HMU:

Hudson-Live Oak Canyon: The WCB sign for Live Oak Canyon was installed. The property has been patrolled twice in April with no issues to report. Calimesa RSO (Deputy Rios) has worked with Ranger Chagolla in patrolling the Oak Valley area in April.

Oak Valley: one stolen car was found and recovered by RSO. One large metal storage container was also found on the Oak Valley Reserve. It looks like the container was being moved and the associated vehicle became stuck so they left the container. We will remove the container in April.

Sage HMU:

The WCB sign for Terra Investment property has been installed during the 4th Quarter on the interior road.

Habitat/Species Management

BUOW Translocation: Staff spent much of the 4th quarter keeping predators away from nesting burrows. The pair managed to successfully raise 4 young to fledgling stage and they remain on site utilizing the nesting burrow.

SKR Management: Staff completed ± 70.0 acres SKR vegetation management at the Cordova and JPR 6 parcels in Sage HMU.

Bolton: 15 days of turtle trapping was conducted during the month of May. Only one small, new turtle caught in lower pond (9.0 cm, 7-9 yo). One other small, new turtle found dead in upper pond (~10 cm). Total of at least 4 unique individuals seen in pond during 2017 wet season.

Fire Management/Weed Abatement

Herbicide and Mechanical Treatment were completed at McElhinney Stimmel, CALMAT (along Gilman Springs Road), Tax Sale 5, Fuller, Ordonez, Wilhelm, SJRR, Cordova, Bolton, Greenwald, Casa Modelo, Clark, Gentry, Shiang, Calvary Chapel, and RAFCO.

Small wildfire was reported to Management staff on the Bishop property. Staff suppressed a small fire and mopped up without further resources needed.

Acquisitions

Initial Site Inspections:

Beresford: completely untouched. Very nice habitat with nice creek and pooling water. 20+ coast range newts were found. No problem areas found to occur.

Murrieta Market Place: Most markers were found, one pertinent marker missing. 3 WPT found onsite within creek.

La Laguna: all markers requested were found to be installed.

Torres: previous avocado orchard. Some irrigation and chain link fencing corrals remain.

French Valley Donation: all witness markers in place, no dumping. A very odd narrow shaped strip of a property. Vernal pool located in western section of southern strip.

Bush: follow up pre-acquisition review. Housing area cleanup was completed and old tires and electric meter box removed. Lots of small trash remains throughout the site however.

McLaughlin: Most witness markers in place. No dumping. One large (~17 ft diameter) and three small metal cisterns are located within the property along its northern edge. No other dumping found. Already extensive (excessive) network of Mt bike trails on property radiating from neighboring Simpson Park. One trail seen going south east connecting to Bautista Canyon Property. Another trail currently being constructed in northern part of property.

Allred: All witness markers in place, no trash or problem areas were found to occur.

Bethel: follow up pre-acquisition review. Markers are all in. Pretty good CSS habitat with lots of covered species (CAGN, BESP, Jackrabbit, and both whiptails present). Fair bit of OHV activity coming from north and also from neighborhood to the south. Staff repaired a cut fence on boundary with CNLM property.

Katz: Pre-acquisition review. Large pile of erosion control material overflowing from neighbor's property onto Katz property and washing down creek. Stack of car bumpers clearly dumped from same neighbor on property. EDA has been made aware of problem areas.

AGENDA ITEM NO. 9.4
Attachment 5

SANTA ANA
WATERSHED ASSOCIATION

CONSULTANT REPORT
SAWA – BIOLOGICAL MONITORING PROGRAM
FISCAL YEAR 2016/2017 FOURTH QUARTER REPORT

Report Covers Period: 04/01/17 – 6/30/17

Services provided during current work period:

Biological monitoring surveys conducted:

- Carnivores (mountain lion, coyote, bobcat, long-tailed weasel) via motion-triggered cameras in habitat linkages.
- Small mammal via live-capture trapping grids within habitat suspected to support San Bernardino kangaroo rat and Los Angeles pocket mouse at Potrero Basin.
- Golden Eagle via United States Geological Survey (USGS) territory surveys.
- White-tailed Kite surveys via transect surveys and nest monitoring.
- Burrowing Owl pair count surveys via binoculars, spotting scopes, and trail cameras at locations with owls to determine numbers of breeding pairs and nest outcomes.
- Riparian bird surveys via transect surveys and nest monitoring.
- Tricolored Blackbird via a state-wide effort to estimate numbers of breeding birds.
- Quino checkerspot butterfly via area-constrained visual encounter surveys at any conserved locations where the species has been observed historically.
- Vernal pool surveys for fairy shrimp and western spadefoot in pools with standing water.
- Terrestrial herpetofauna via grid-based visual searches for lizards and snakes.
- Santa Ana sucker via use of a GoPro camera (Sunnyslope).
- Arroyo toad via visual and audio survey techniques along stream segments.
- Western pond turtle via trapping within appropriate aquatic habitat in a previously occupied area (Santa Rosa Plateau).
- Rare plants via area-constrained visual encounter surveys at conserved locations known or suspected to support covered rare plant species.
- Delhi Sands flower-loving fly via visual encounter surveys along line-distance transects at recently occupied locations to confirm annual reproduction and determine density.

Collaboration:

- Coordination continuing with CA Department of Fish and Wildlife staff at the San Jacinto Wildlife Area (SJWA) regarding management of the Tricolored Blackbird breeding and foraging habitat, along with some discussion on Burrowing Owl.
- Collaboration continuing with the state-wide Tricolored Blackbird Working Group.
- Collaboration continuing with USGS and their Golden Eagle territory surveys.
- Collaboration continuing with CNLM on the Burrowing Owl pair count surveys.
- Collaborated with OCWD on White-tailed Kite and riparian bird surveys on their Prado property.
- Collaborated with SAWA and OCWD with Santa Ana sucker surveys at Sunnyslope on April 4.

- Collaborated with other wildlife organizations and wildlife professionals in a SAWPA Santa Ana sucker meeting on April 24.
- Collaboration established with USGS regarding their arroyo toad surveys.
- Collaboration established with Santa Rosa Plateau staff regarding their western pond turtle surveys.
- Collaborated with other wildlife professionals involved in HCP's in an Inter-Agency Sub-Committee Regional Vegetation Monitoring Meeting on May 4.
- Collaborated with other wildlife organizations and wildlife professionals in a Delhi Sands flower-loving fly Working Group meeting on May 16.
- Collaboration with Riverside County Flood Control regarding small mammal trapping prior to cleanout of the Potrero Basin.

Accomplishments:

- Gathered useful data for carnivores (coyote, bobcat), Los Angeles pocket mouse, northwestern San Diego pocket mouse, Dulzura kangaroo rat, Bryant's desert woodrat, Golden Eagle, White-tailed Kite, Burrowing Owl, riparian birds, Tricolored Blackbird, Quino checkerspot butterfly, vernal pool species, terrestrial herpetofauna, Arroyo toad, western pond turtle, and rare plants.
- Met species objective for Quino checkerspot butterfly regarding documentation of presence in 4 of 7 Core Areas, and one satellite core.
- Hosted three monthly monitoring/management coordination meetings with local land managers and wildlife agency representatives, one of which was performed by Biological Monitoring Program staff.
- Taxa and survey leads began holding post-survey meetings to get feedback from staff.
- HOBO weather station established at the Teledyne site, location of Delhi Sands flower-loving fly.
- Working on 2016 reports.

Training

- Arroyo toad survey training was conducted by the Herp Lead and Tricolored Blackbird vegetation and bird point count survey training was conducted by the survey lead on Wednesday, April 19.
- All Hands Meeting occurred on June 12: cleaned and checked vehicles, continued equipment inventory, discussed survey and report status.
- Aguanga kangaroo rat trapping survey training was conducted by the Mammal Lead and Delhi Sands flower-loving fly survey training was conducted by the survey lead on June 15.
- Data Manager attended ArcGIS 123 program training on June 22.

AGENDA ITEM NO. 9.4
Attachment 6

DOUGLAS P. WHEELER
HOGAN LOVELLS, US LLP



Quarterly Contract Report

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

April-June, 2017

During this quarter, the new Administration made slow progress in its **appointment of senior officials** at the Fish and Wildlife Service and the Department of the Interior. At this writing, no one has been nominated to serve as Assistant Secretary for Fish and Wildlife and Parks or Director of the Fish and Wildlife Service (FWS). In June, however, Secretary of the Interior Ryan Zinke named Greg Sheehan, then Director of Utah's Wildlife Service, as Deputy Director of FWS. Now serving as Acting Director, Sheehan has a 25-year record of service as a state resource manager, and can be expected to share that perspective with his new colleagues. It has been widely report that another state official, Scott Talbott of Wyoming, will be nominated as Director. Although there has been no appointment to the position of Assistant Secretary for Fish and Wildlife and Parks, Todd Willens, a former Congressional staff member and veteran of previous Republican administrations, currently services as Principal Deputy and Acting Assistant Secretary. He is joined in that office by Aurelia Skipwith, a biologist and attorney who has also worked on Capitol Hill, and for the Monsanto Company.

The absence of confirmed appointees in these positions has slowed the development of a new policy agenda, and made it more difficult than usual to engage these agencies on matters of interest to the Authority. Not surprisingly, the **Authority's representatives have turned their attention instead to the Congress**, and other institutions which share our concerns. When Charlie Landry and Tom Mullen travelled to Washington in June, they brought the Authority's message to the offices of Senators Feinstein (A. Segal) and Harris (K. Chang), and to the Senate Committee on Environment and Public Works (M. Leggett) and the office of Representative Calvert (I. Foley). In each instance, Messrs. Landry and Mullen won support for the Authority's objectives, including adequate funding for habitat acquisition, pursuant to section 6 of the Endangered Species Act, and the possibility of a new National Wildlife Refuge in Riverside County. The funding message was apparently persuasive, as the House Subcommittee on Interior Appropriations, chaired by Representative Calvert, subsequently reported an appropriations bill which includes **funding for section 6 at levels which are substantially higher than those recommended by the Administration**, and about equal to those of prior years. The House is expected to consider the FY 2018 Interior appropriations bill as part of "minibus" legislation, which would provide appropriations for several agencies in a single bill. The Senate has yet to act on counterpart appropriations legislation, but it is expected to follow the lead of the House in rejecting the Administration's proposal that section 6 funding be sharply reduced.

Earlier in June, Messrs. Landry and Wheeler met in Sacramento with regional leadership of the Fish and Wildlife Service to explore a possible **pathway toward establishment of a new National Wildlife Refuge in Riverside County**. Regional Director Paul Souza and Regional refuge chief Polly Wheeler offered encouragement to the Authority, acknowledging that habitat values had been well-established in planning for the MSHCP. Landry explained that the Board had not yet decided to

proceed, but believes that the Service has an obligation to provide additional funding for habitat acquisition. In theory, the establishment of a refuge on land which has already been designated for acquisition within the MSHCP will facilitate access to an additional source of Federal funding, the refuge acquisition account, and speed the acquisition of privately-owned land within the MSHCP. Souza and Wheeler explained the agency process by which new refuge proposals are developed and reviewed. Due to the complexity of this process, and current sentiment concerning the establishment of new refuges, they advised that we rely instead on legislation to establish any new refuge in Riverside County. Assuming the support of Representative Calvert, it would also be possible to tailor a legislative proposal to the specific circumstances of the Western Riverside MSHCP. A summer associate at Hogan Lovells, Sarah Ruckriegle, explored both options, and also concluded that a carefully-written legislative proposal would best address the concerns of the Board. She also found another example, at the San Diego National Wildlife Refuge, where a new refuge had been established in conjunction with a pre-existing MSHCP.

In other ways, California continued during this quarter to demonstrate leadership on wildlife issues which had once been the province of the Federal government. Borrowing a leaf from the Authority's experience, the Legislature enacted a new transportation bill—SB 1—which for the first time authorizes the use of “**advance mitigation**” to offset the environmental impacts of transportation infrastructure, and provides substantial funding to CalTrans for this purpose. Similarly, the Strategic Growth Council has begun to implement AB 2087, a pilot program for advance mitigation at the regional level which was authorized by the Legislature in 2016. Judging from the response of eligible communities, there is growing statewide interest in this concept which was pioneered by Riverside County in 2004.

As reported in the last quarter, the Western Governors Association has also drawn on the WRCRCA experience in developing its bi-partisan recommendations for **reform of the Endangered Species Act**. Although progress toward reform has been slowed somewhat by the pace of appointments to policy-level positions in the new Administration, the Congress clearly intends to follow the lead of the WGA. As noted, during their most recent visit to Washington, Messrs. Landry and Mullen briefed Congressional staff on the successes of the MSHCP, and encouraged consideration of procedural reforms that would complement the efforts of the Authority in implementing its innovative MSHCP.

*Douglas P. Wheeler, Esq.
Washington, D.C.
August 3, 2017*

2017 RCA - Commonly Used Acronyms

ARL	Additional Reserve Lands
BUOW	Burrowing Owl
CALFIRE	California Department of Forestry and Fire Protection
CALTRANS	California Department of Transportation
CD	Consistency Determination
CDFG	California Department of Fish and Game
CDFW	California Department of Fish and Wildlife (<i>formerly CDFG</i>)
CEQA	California Environmental Quality Act
CETAP	Community and Environmental Transportation Acceptability Process
CHD	Critical Habitat Designation
CIP	Capital Improvement Program
CNLM	Center for Natural Lands Management
EMWD	Eastern Municipal Water District
EPD	Environmental Programs Department (<i>Riverside County</i>)
ERP	Expedited Review Process
FY	Fiscal Year
HANS	Habitat Evaluation and Acquisition Negotiation Strategy
HMU	Habitat Management Unit
IC	Interchange
JPR	Joint Project Review
LDMF	Local Development Mitigation Fee
MOU	Memorandum of Understanding
MSHCP	Multiple Species Habitat Conservation Plan
OHV	Off-Highway Vehicle
PCL	Proposed Constrained Linkage
PQP	Public/Quasi-Public
PSE	Participating Special Entities
RCA	Regional Conservation Authority
RCD	Resource Conservation Districts
RCRCD	Riverside-Corona Resource Conservation District
RCOE	Riverside County Office of Education
RCTC	Riverside County Transportation Commission
RCTD	Riverside County Transportation Department
RMOC	Reserve Management Oversight Committee
ROVE	Recreation Off-Highway Vehicle Enforcement
SAWA	Santa Ana Watershed Association
SB	San Bernardino
SR	State Route
SWG	State Wildlife Grant
TAC	Technical Advisory Committee
TIFIA	Transportation Infrastructure Finance and Innovation Act
TUMF	Transportation Uniform Mitigation Fee
USFWS	United States Fish and Wildlife Service
UTM Nad 83 Zone 11	Meter Coordinate System for Maps
WIFIA	Water Infrastructure Finance and Innovation Act
WIIN	Water Infrastructure Improvements for the Nation
WA	Wildlife Agencies (<i>USFWS & CDFW</i>)
WCB	Wildlife Conservation Board
WPT	Western Pond Turtle
WRDA	Water Resources Development Act