

AGENDA ITEM NO. 6

**MINUTES
APRIL 15, 2015**



EXECUTIVE COMMITTEE MINUTES

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1. CALL TO ORDER

The meeting of the Western Riverside County Regional Conservation Authority Executive Committee was called to order by Chairman John Tavaglione at 12:02 p.m., Wednesday, April 15, 2015, at the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California, 92501.

2. ROLL CALL

COMMITTEE MEMBERS PRESENT	COMMITTEE MEMBERS ABSENT
John Tavaglione, Chairman – County of Riverside District II Eugene Montanez, Vice Chairman – City of Corona Scott Miller, past Chairman – City of San Jacinto Maryann Edwards - City of Temecula * Ben Benoit – City of Wildomar Ella Zanowic – County of Riverside District IV <i>*Arrived after start of the meeting 12:10 p.m.</i>	Natasha Johnson - City of Lake Elsinore

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

Vice Chairman Montanez commented that the RCA Board of Directors meeting on April 6, 2015 was exceptionally quick and efficient!

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda

6. APPROVAL OF MINUTES – March 18, 2015

M/S/C (MONTANEZ/ZANOWIC) to approve the minutes of the March 18, 2015 meeting of the Executive Committee as submitted.

(5 Ayes, 0 Nays)

7. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR MARCH 2015

Honey Bernas, Director of Administrative Services reported for the month of March, RCA received \$867,966 for residential permits, and there were 27 reported exemptions totaling \$52,325 in the City of Lake Elsinore. No civic or infrastructure projects were reported.

M/S/C (ZANOWIC/MILLER) that the RCA Executive Committee:

- 1) Recommend that that RCA Board of Directors receive and file the Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for March 2015; and**
- 2) Authorized staff to agendize this matter for the May 4, 2015 meeting of the RCA Board of Directors.**

(5 Ayes, 0 Nay)

8. FISCAL YEAR 2015 THIRD QUARTER CONSULTANT REPORTS

Charlie Landry, Executive Director, reported on the activities services provided by the following consultants during the third quarter of Fiscal Year 2015:

DUDEK: Continued to provide review of biological reports, analysis and submittals related to Joint Project Reviews (JPRs). They continued to provide ongoing support and attended meetings with Permittees on MSHCP implementation and compliance questions. They assist RCA in providing Permittee training and support on MSHCP Implementation. The training provided encompasses an overview of the MSHCP, RCA and Member Agency responsibilities, rough step, JPR process, MSHCP compliance, CEQA documents, changes to the MSHCP, reserve lands, and the Wildlife Agencies' role. No Permittee training took place during the third quarter, but is anticipated next quarter. Dudek coordinated and attended monthly meetings with the RCA, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife project applicants. They are involved in a major Participating Special Entities (PSC) issues related to several

RCA EXECUTIVE COMMITTEE MINUTES

Page 3 of 11

April 15, 2015

ongoing Southern California Edison projects. Working closely with RCA staff and the Wildlife Agencies, Dudek drafted the MSHCP Burrowing Owl Relocation Standards.

GEOGRAPHICS: Responsible for public information and branding services, website updating and hosting. They began working on the RCA's annual newsletter, which included meetings to develop an outline and content, discuss research required and develop a task list. Copywriting began and work on the newsletter will continue into the next quarter. Geographics provided secure hosting and backups for the website. They continued to work with RCA to finalize the document library and structure for the new website.

RIVERSIDE COUNTY PARKS AND OPEN-SPACE DISTRICT: The Parks Department manages RCA's properties. . General management activities included patrol/access control and maintenance, including fire management and weed abatement. High priority activity areas were San Timoteo/Badlands and the Gavilan/Lake Mathews areas. MSHCP Rangers assisted Recreation Off-Highway Vehicle Enforcement Patrol in the Badlands area. Multiple trespassing issues were addressed, and the effort helped decrease activity. Increased criminal activity and trash dumping has required an increased proactive approach. Dumped tires collected in the first and second quarter, were taken to the County dump. In total, 1,800 pounds of tires were recycled.

All MSHCP staff participated in Chain Saw training provided by County Transportation. The two day, hands-on class consisted of chainsaw repair and maintenance with a heavy emphasis on safety. Staff participated in collapsible baton training at Ben Clark Training Center and were issued collapsible batons.

SAWA: Provides biological monitoring surveys, more recently on carnivores (mountain lion, coyote, bobcat, long-tailed weasel). They collaborate with several wildlife agencies to develop conceptual models for covered species that lead to habitat quality. They gathered useful data on species. They host monitoring/management coordination meetings with local land managers and wildlife agency representatives.

M/S/C (MILLER/MONTANEZ) that the RCA Executive Committee:

- 1) Recommend that RCA Board of Directors receive and file the Fiscal Year 2015 Third Quarter Consultant Reports; and**
- 2) Authorize staff to agendize this matter for the May 4, 2015 meeting of the RCA Board of Directors.**

(5 Ayes, 0 Nays)

9. RESOLUTION NO. 2015-005, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING THE FISCAL YEAR 2016 OPERATING AND CAPITAL BUDGET.

Honey Bernas, Director of Administrative Services reported that proposed budget reflects conservative revenue estimates and limited appropriations in order to meet current commitments and obligations under the Plan. She mentioned that the FY2014 actual revenue and expenditures have been audited by the external auditors and the report was issued in November 2014.

She presented an overall summary of the FY 2016 proposed budget and comparison to FY 2014 actual revenue and appropriations, FY2015 adjusted budget and year-end projections, and the dollar and percentage change from FY2015 to FY2016 budgets. She reported that staff is projecting balanced revenues and appropriations for FY 2015. RCA received two Participating Special Entities (PSE) applications receiving \$2.2 million. She reported that the Proposed 2016 budget calls for a \$688,000 draw on restricted fund balance.

Revenue

Total proposed revenue sources of \$28.3 million include the following major projected revenue sources:

Federal/State Funds - The Agency has been awarded \$8.2 million in federal funds toward land acquisitions. Staff continues to work diligently with potential sellers to acquire land with federal funds. RCA currently has potential properties with possible closing dates within FY2016. The proposed budget reflects the use of all the federal funds awarded and the state matching funds of \$6.3 million and \$3.1 respectively. RCA received good news from the Executive Director of the Wildlife Conservation Board (WCB). RCA is working to acquire a large property, consisting of approximately 2,800 acres using federal funds. The WCB typically provides a maximum 30% match, but are recommending that the WCB approve a 50% match, which will save \$1.1 million in RCA funds for next year.

Development Mitigation Fees - Proposed development mitigation fees are estimated at \$9.3 million, based on the current trend and projected actuals for 2015.

Measure A – Proposed Measure A funds in the amount of \$3 million represents the fourth installment out of eight agreed upon with RCTC, to fulfill RCTC's obligation.

Land donations – RCA anticipates 11 donations with an estimated value of \$2.5 million and 714 acres during FY2016. This is approximately a 29% decline from FY2015 budget.

RCA EXECUTIVE COMMITTEE MINUTES

Page 5 of 11

April 15, 2015

Tipping Fees -- Projected at \$2.3 million based on FY2014 actual of \$2.3 million and current trend/year-end projections.

Other Revenue Sources -- Flood Control fees of \$590 include six flood control projects with anticipated contract awards in FY2016 as projected by Flood Control staff; TUMF contributions of \$500,000 represent a 52% increase over FY2015 adjusted budget; Interest at \$100,000 is estimated at approximately 0.45%, the average treasury rate; Infrastructure and Civic contributions have been lower in recent years. RCA budgets conservatively in those accounts at \$100,000 in infrastructure fees and \$75,000 in civic fees.

Appropriations

Proposed budget reflects a 17% increase in total appropriations, from \$24.7 million in FY2015 Adjusted Budget to \$29 million in FY2016. The overall \$4.3 million increase is attributed to probable land acquisitions during FY2016.

Vice-Chairman Montanez asked if that increase in acquisitions is because of Anheuser Busch. Charlie Landry responded no, stating that Anheuser Busch is still being purchased in increments of \$3 million per year, with a balloon in 2020. The increase is for additional acquisitions. Charlie continued on to say that many acquisitions are already in the mill, including federal and state funded acquisitions. Acquisitions typically take a year when working with state and federal dollars.

Vice-Chairman Montanez asked if the acquisition that Honey mentioned where RCA might receive a larger match is not assumed in the budget, but will reflect positively if received. Charlie Landry answered affirmatively, stating the news was received yesterday. If approved, that will save RCA \$1.1 million.

Board Member Edwards asked what implications the water situation is going to have and how it will affect RCA if development stops. Charlie Landry replied if development stops, that will certainly hurt RCA, but as for wildlife, RCA doesn't really have to do anything additional. He stated that there is a \$2 to \$3 billion park bond coming from the state. The bond discusses NCCP and HCPs but there is no line item. He will be discussing this with local senators to obtain line items in this bond for HCPs and will continue to work with local legislators on this issue.

Chairman Tavaglione suggested that staff work with Brian Nestande.

Honey Bernas continued on with budget presentation. Salaries and Benefits reflect a 1% decrease as a result of: \$94 increase in salaries for a new position to replace a consultant for administrative services, which created a savings in contract expenditures; a \$14 thousand increase in budgeted benefits as a result of salary increases; a decrease of \$126 thousand in projected retirement/buy down payouts because RCA had two employees retire in FY 2015 and no retirement are anticipated in FY2016.

RCA EXECUTIVE COMMITTEE MINUTES

Page 6 of 11

April 15, 2015

Land purchases and improvements of \$22.1 million include 27 properties (4 previously committed land acquisitions, 8 federal/state funded acquisitions, 11 donations and 4 potential acquisitions).

Vice Chairman Montanez asked if 11 donations are the highest RCA has received. Honey Bernas responded that she believes RCA has received 14 in the past.

Honey Bernas summarized the overall budget which includes \$28.3 million in revenue and \$29 million in appropriations, which represents a \$688 thousand draw on restricted fund balance. Staff is projecting a \$26.5 million fund balance as of June 30, 2015, to carry forward into FY2016. Of this amount, \$16.3 million is unrestricted general funds and \$10.2 million is restricted fund balance for capital acquisition purposes. The Fiscal Year 2016 proposed deficit is attributed to previously committed land acquisitions and a contingency for possible new acquisitions. The budget includes a \$500 thousand contingency under legal expenditures, \$2.0 million for existing litigation, and \$1.5 million for potential acquisitions. No draw on unrestricted funds is anticipated. If the contingencies are not required or RCA receives additional state grant funding, a draw on fund balance will not be necessary, which is encouraging as that has not been the case in many years.

Vice Chairman Montanez commented that it might be helpful to list contingencies over the deficiency to show if all these things don't happen, it will not be a deficiency. Honey Bernas replied to say that she is happy to do that or can show a balanced budget and staff can return to the Board for a budget adjustment if necessary if the Executive Committee prefers.

Board Member Edwards state that she does not like to reduce the contingencies. It can be explained and provisions have been made for it. Charlie Landry stated that RCA has been very successful in the last few years making sure that revenues estimates were very conservative and therefore able to achieve those revenue estimates and has kept RCA solvent during the bad economic period.

Honey Bernas asked for clarification on what Vice Chairman would like to see on contingencies. Vice Chairman Montanez replied to summarize it in lieu of going into detail. Show a 14% contingency built into the budget.

Honey Bernas continued with the presentation with Exhibit A-2 showing an overview of the Proposed FY 2016 Budget by Fund and by Program. She stated that the General Fund is comprised of Operations, Management and Monitoring, and the Capital Project Fund includes all resources and appropriations applicable to the Land Acquisition Program. Staff proposes a balanced budget in Operations with \$449,000 for revenues and appropriations. No draw on unrestricted funds is proposed. General revenues include Flood Control, Joint Project Review fees, civic and infrastructure contributions. Significant appropriations include salaries, contract and legal expenses. Staff proposes

RCA EXECUTIVE COMMITTEE MINUTES

Page 7 of 11

April 15, 2015

a balanced budget in Management and Monitoring with \$2.7 million in revenues and appropriations. Significant revenues are Tipping Fees at \$2.3 million, Flood Control fees at \$163,000 and California Department of Fish & Game grant at \$50,000. Appropriations are primarily comprised of contract services of \$2.0 million which includes SAWA and Parks.

Chairman Tavaglione asked if a portion of the Tipping Fees are still allocated for UCR. Charlie Landry answered in the affirmative, and stated that UCR reports every year what they have accomplished to County's Executive Office. RCA is copied on this report. Chairman Tavaglione indicated he would like to see a copy of such report.

Honey Bernas stated that in Land Acquisition, revenues of \$25 million represent development mitigation fees of \$9.3 million, Federal Grants of \$6.3 million, State Grants of \$3.0 million, Measure A funds of \$3 million, and land donations of \$2.5 million. Appropriations of \$25.8 million include land acquisitions of \$22.1 million and legal expenditures of \$1.1 million, including a contingency). The proposed a \$688 thousand draw on reserves includes a contingency for possible land acquisitions.

Honey Bernas continued with an overview of Exhibit A-3, showing proposed appropriations for each contract and gave an overview of the significant changes. There is a slight increase of \$6,000 for contract services. Real estate property services reflects a 33% increase, due mainly to the cost for increased appraisals and service rates increasing by 14.5%, which represent the County of Riverside, Board of Supervisors' approved rate. In Reserve Management there is a \$27,000 increase in that hourly rates have increased due to a cost of living adjustment. Biological Monitoring Program reflects a \$63,000 increase. The increase reflects a \$33 thousand overhead increase based on the consultant's cost to administer the contract. The increases also include approximately \$15 thousand for field biologist benefits and \$14 thousand for program lead biologist step increases to avoid compaction. RCA can bid contract again if the Executive Committee desires. Staff conducted a rate comparison, which revealed that the rates are not only competitive, but low.

Laurie Correa stated that SAWA has a new administrator, and their revenues are a lot more constrained. She stated that SAWA ran an in-lieu fee program for wetland mitigation, but lost it over a year and a half ago. That was a big source of their revenue so much attention was given to their overhead and how they conducted business.

Charlie Landry stated that he believes if the RCA retained another firm to provide biological monitoring, the cost for services rendered would increase.

Honey Bernas stated that RCA did a request for proposals a few years back when RCA received state grant funding, and SAWA was by far the lowest bidder. Their overall increase is 7% or \$33 thousand.

RCA's external auditor reflects a \$3,000 increase because RCA will require a single audit next year.

Honey further stated that RCA's budget is presented at Board in the same manner as many other special districts. She advised that last year one Board Member requested that the format be changed, but staff was not given direction from the Board to make the change. The Executive Committee advised that they prefer the budget in its current format. Honey thanked the Executive Committee for their undivided attention to and input regarding the budget presentation.

Chairman Tavaglione thanked Honey for the presentation.

M/S/C (MILLER/EDWARDS) that the RCA Executive Committee:

- 1) **Recommend that the RCA Board of Directors adopt Resolution No. 2015-005 *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting Fiscal Year 2016 Operating and Capital Budget; and***
- 2) **Authorized staff to agendize this matter for the May 4, 2015 meeting of the RCA Board of Directors.**

(6 Ayes, 0 Nays)

Maryann Edwards, City of Temecula, joined the meeting at 12:10 p.m. during staff presentation of agenda item 9.

10. FISCAL YEAR 2016 RECURRING CONTRACTS

Honey Bernas, Director of Administrative Services, reported that RCA staff is proposing six recurring contracts for next fiscal year. The proposed contracts total \$1,329,629 and represent an approximate five percent increase over last fiscal year. No proposed changes for Kennett, Wheeler or Mullen contract. She noted that the Mullen contract is solely for expense reimbursement.

She advised that Geographics has been providing RCA services since 2009. Their services include branding, public outreach, graphics, photography, website hosting and design, along with custom updates to RCA's website. Geographics has not increased their rates in five years, but did announce a 10% rate increase effective July 1, 2015. A rate comparison was conducted with local vendors. It was difficult finding a vendor that provides the services needed. Geographics' rates are competitive and the service they provide RCA is outstanding. In order to offset the rate increase, staff reduced contract amount by 18% by reducing the scope of services to eliminate the tour reserve video, which will be done in-house if it is needed and as time permits.

RCA EXECUTIVE COMMITTEE MINUTES

Page 9 of 11

April 15, 2015

Honey further stated that the contract with Santa Ana Watershed Association (SAWA) is increasing by 9% which is based on their cost to administer the contract. RCA staff has reviewed rates with comparable public and private classification pay rates, and SAWA's rates remain competitive.

Vavrinek, Trine, Day and Company (VTD), outside auditors, were retained in 2012 after a competitive procurement process. VTD performs RCA's annual audits and agreed-upon procedures for member agency fee collection and remittance. Term of the agreement was for one year period with the option to renew for four additional years. RCA staff would like to exercise its option to extend the term for one additional year. The proposed contract is increased by \$3,344 due to a single audit being required.

Board Member Edwards asked why Mullen contract is only for expenses. Charlie Landry responded to explain that he only asks for expense reimbursement, and prefers it that way.

M/S/C (ZANOWIC/MILLER) that the RCA Executive Committee:

- 1) Recommend that the RCA Board of Directors approve the recurring contracts for Fiscal Year 2016; and**
- 2) Authorized staff to agendize this matter for the May 4, 2015 meeting of the RCA Board of Directors.**

(6 Ayes, 0 Nays)

11. BIOLOGICAL MONITORING WORK PLAN AND COST ESTIMATE FOR FISCAL YEAR 2015-16

Laurie Correa, Director of Reserve Management and Monitoring, presented the Biological Monitoring Work Plan and Cost Estimate for Fiscal Year 2015-16. She explained that the Plan requires that RCA have a biological monitoring program. It consists of having to monitor 146 species at least once every eight years. A handful of species require monitoring every year, and a small number of species every three to five years. She stated that for some species they have to confirm reproduction and density, and they have to confirm they exist in the number of core reserves. The program covers almost 400,000 acres of land so it's a big program.

Because of the number of species, the monitoring is conducted on a rotational basis. A new group or individual species gets monitored every year, some over multiple years. As an example, this year includes fairy shrimp, western pond turtle, spadefoot toad which have been surveyed for the last two years, but because of the lack of rain, they were not detected. With adequate rainfall in FY 2015-16, they will once again be surveyed for. Every year there are inconclusive surveys and ongoing surveys.

SAWA administers the whole program and schedules all the surveys. They manage a huge database which is used to generate survey reports and occurrence data, which also contributes to the state and federal government and all the partner reserve managers, i.e., Riverside County Habitat Conservation Agency (RCHCA), Bureau of Land Management (BLM) and the United States Forest Service (USFS). RCA receives help in return from USFS's survey work. They provide data and vis-versa. They go into mountain streams and trap all of the non-native fish so they don't eat the yellow legged frog.

The monitoring staff consists of 14 members, including six field biologists, and three program leads. The state pays for the fourth program lead that is their ongoing contribution to the monitoring program. There was a request for increase this year, within the range of rates for lead biologists to eliminate compaction with field biologists. In addition, the field biologists would receive the same benefits as the other monitoring program employees. The remaining increase is because of SAWA's overhead rate. The Plan estimated the Biological Monitoring Program budget in Year 10 would be \$1.4 million, and the proposed budget is still under what was projected for this year with number of acres and number of species RCA has. The program has been very successful. All but three of the species that are covered have been inventoried, and the Plan has met the monitoring objectives for 46-48 of the 146 species. The monitoring program is where it should be as far as the progress they have made. It's a good experienced field crew that has to know how to survey for virtually dozens of different species. The program is successful because biologists enjoy doing this kind of work, even if the pay is not that high. They start at approximately \$16.00/per hour.

Roy Henderson commented that biologists in the field have upgraded equipment, providing 3x3 Ethernet. He tried several options, working with Charter and City of Riverside.

M/S/C (BENOIT/MILLER) that the RCA Executive Committee:

- 1) Recommend that the RCA Board of Directors approve the Biological Monitoring Work Plan and Cost Estimate for Fiscal Year 2015-16; and**
- 2) Authorized staff to agendize this matter for the May 4, 2015 meeting of the RCA Board of Directors.**

(6 Ayes, 0 Nays)

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

There were no requests for future agenda items by the Executive Committee.

Chairman Tavaglione asked if anyone has heard of cities cutting back water usage or of any moratoriums being imposed. Vice Chairman Montanez said is he is going to propose cutting back water usage in his city until a grey water plan is implemented. Board Member Edwards said she was part of a meeting with Rancho Water District, and the situation sounds very grim. What MET is doing for reductions was explained at the meeting. No formal announcements on a moratorium. Chairman Tavaglione announced that the Board of Supervisors is having a Water Workshop on May 18.

13. ADJOURNMENT

The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, May 20, 2015, at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, Third Floor, RCA Conference Room, Riverside, California, 92501.

Prepared by:



Rose Esparza
Administrative Manager

Respectfully submitted:



Honey Bernas
Clerk of the Board