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EXECUTIVE COMMITTEE

The Executive Committee, consisting of the RCA Board Chairman, Vice-Chairman, Past Chairman, and four members of the RCA Board, makes recommendations regarding personnel, administrative and financial matters, as well as provide guidance on a broad range of issues including target areas or types of habitats needed to remain in rough step. In addition, the Executive Committee may schedule Funding Coordination Committee workshops to discuss funding and acquisition strategy.

EXECUTIVE COMMITTEE MEETING

October 21, 2015, Wednesday @ 12:00 p.m.
Western Riverside County Regional Conservation Authority
Riverside Centre, RCA Conference Room
3403 Tenth Street, Suite 320
Riverside, California 92501

EXECUTIVE COMMITTEE MEMBERS

John Tavaglione, Chairman
County of Riverside, District 2

Eugene Montanez, Vice-Chairman
City of Corona

Scott Miller, Past Chairman
City of San Jacinto

Marion Ashley
County of Riverside, District 5

Ben Benoit
City of Wildomar

Maryann Edwards
City of Temecula

Natasha Johnson
City of Lake Elsinore

Charles Landry, Executive Director



EXECUTIVE COMMITTEE AGENDA*

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*Action(s) may be taken on any item listed on the agenda. Non-exempt materials related to an item on this agenda submitted to the RCA Executive Committee after distribution of the agenda packet are available for public inspection at the RCA Offices, 3403 10th Street, Suite 320, Third Floor, Riverside, California, 92501, 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.

Wednesday, October 21, 2015
12:00 P.M.
Riverside Centre, RCA Conference Room
3403 Tenth Street, Suite 320
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 an Executive Committee 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. ROLL CALL**
- 3. PUBLIC COMMENT** *At this time, members of the public can address the Executive Committee regarding any items within the subject matter jurisdiction of the RCA that are not separately listed on this agenda. Members of the public will have the 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 Executive Committee on any matter, whether or not it appears on this agenda, is requested to complete a Request to Speak Form available 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 Executive Committee in writing and only pertinent points presented orally. Any written documents to be distributed or presented to the Executive Committee shall be submitted to the Clerk of the Board.*
- 4. COMMITTEE MEMBER ANNOUNCEMENTS**
- 5. ADDITIONS/REVISIONS** *(The Committee 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 Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee Members present, adding an item requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*

6. **APPROVAL OF MINUTES - [August 19, 2015](#)**

7. **RESOLUTION NO. 2015-008, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY ADOPTING A STATEMENT OF INVESTMENT POLICY**

[Overview](#) - [Staff Report](#)

A representative of the Riverside County Treasurer-Tax Collector's Office will be present to answer questions concerning the RCA's Investment Policy.

This item is for the RCA Executive Committee to:

- 1) Recommend that the RCA Board of Directors adopt Resolution No. 2015-008, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy*, and
- 2) Authorize staff to agendize this matter for the November 2, 2015 meeting of the RCA Board of Directors.

8. **WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORTS FOR SEPTEMBER**

[Overview](#) - [Staff Report](#)

This item is for the RCA Executive Committee to:

- 1) Recommend that the RCA Board of Directors receive and file the Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for September 2015
- 2) Authorize staff to agendize this matter for the November 2, 2015 meeting of the RCA Board of Directors.

9. **FISCAL YEAR 2015 DEVELOPMENT IMPACT FEE ANNUAL ACCOUNTING REPORT**

[Overview](#) - [Staff Report](#)

This item is for the RCA Executive Committee to:

- 1) Recommend that the RCA Board of Directors receive and file the Fiscal Year 2015 Development Impact Fee Annual Accounting Report; and
- 2) Authorize staff to agendize this matter for the November 2, 2015 meeting of the RCA Board of Directors.

10. **DISCUSSION AND POSSIBLE EXECUTIVE COMMITTEE ACTION CONCERNING MEMBER AGENCY COMMENTS REGARDING DRAFT RESOLUTION NO. 2015-007, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY REVISING ITS FEE CREDIT AND WAIVER POLICY SUPERSEDING AND REPLACING RESOLUTION NO. 05-05**

11. **PRESENTATION OF RCA'S UPDATED WEBSITE**

Overview

Roy Henderson, Chief of Technical Information, will give an overview of the RCA's updated website.

12. **EXECUTIVE DIRECTOR'S REPORT**

12.1 Acquisition Update

12.2 Update concerning RCA-owned San Jacinto River property

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

14. **ADJOURNMENT**

The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, November 18, 2015 at 12:00 p.m., at the Riverside Centre, 3403 Tenth Street, Suite 320, Third Floor, RCA Conference Room, Riverside, California, 92501.

[RCA Commonly Used Acronyms](#)



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 Vice-Chairman Eugene Montanez at 12:01 p.m., Wednesday, August 19, 2015, at the RCA Conference Room, 3403 Tenth Street, Suite 320, Riverside, California, 92501.

2. ROLL CALL

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

3. PUBLIC COMMENTS

There were no public comments.

4. COMMITTEE MEMBER ANNOUNCEMENTS

There were no committee member announcements.

5. ADDITIONS/REVISIONS

There were no additions or revisions to the agenda.

6. **APPROVAL OF MINUTES – [April 15, 2015](#)**

M/S/C (MILLER/ZANOWIC) to approve the minutes of the April 15, 2015 meeting of the Executive Committee as submitted.

(4 Ayes, 0 Nays, Abstain 0)

7. **WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN (MSHCP) LOCAL DEVELOPMENT MITIGATION FEE (LDMF) COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORTS FOR MAY, JUNE AND JULY 2015**

Honey Bernas, Director of Administrative Services presented the LDMF collection and civic/infrastructure contribution reports for May, June and July 2015. Regional Conservation Agency received \$3 million for MSHCP fees for 1,272 residential units and 96.4 commercial acres. The City of Murrieta contributed \$95,037 for two infrastructure projects.

Total mitigation fees for the year were \$9.4 million with an RCA budget of \$8.3 million. Last fiscal year it was reported that \$9.9 million was received, which reflected a 5% decrease over the prior year. Fiscal year 2014 included a large industrial project in the City of Moreno Valley for \$2.2 million. Fiscal year 2016 is budgeted at \$9.3 million.

Exemptions/Fee Credits were reported at \$437,988 for 226 units, which included 157 in the City of Lake Elsinore, 29 in the City of Temecula and 40 in the County of Riverside.

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 Reports for May, June and July 2015; and**
- 2) **Authorized staff to agendize this matter for the September 14, 2015 meeting of the RCA Board of Directors.**

(4 Ayes, 0 Nays, Abstain 0)

8. **FISCAL YEAR 2015 PRELIMINARY FOURTH QUARTER FINANCIAL REPORT (UNAUDITED)**

Honey Bernas, Director of Administrative Services reported that auditors have completed their preliminary work and will return on September 21 for the audit. No material changes are anticipated to the reports.

RCA EXECUTIVE COMMITTEE MINUTES

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Staff anticipates the financial statements will be presented to the Executive Committee in November 2015 and to the RCA Board in December 2015.

It was further reported that as of June 30, 2015, RCA's cash balance was \$30.5 million, which represents a \$2.1 million increase from last year. Cash receipts were reported at \$20.9 million, which includes \$9.3 million in mitigation fees, \$3.6 million for infrastructure and PSEs, \$3 million in Measure A funds, \$2.8 million in federal and state funding, \$1.3 million in tipping fees, \$500 thousand in TUMF fees, and \$500 thousand in other miscellaneous revenue.

Cash disbursements were reported at \$18.8 million, which included \$12.8 million for capital acquisitions, \$4.2 million for general expenditures, and \$1.8 million in salaries and benefits. Regional Conservation Authority's cash balance as of August 13, 2015 was reported at \$32.9 million, with an additional \$3.8 million set aside for the endowment.

In Operations, revenue was reported at \$2.6 million which exceeded expenditures of \$369 thousand by \$2.2 million. The excess revenue is attributed to two PSEs from Southern California Edison for the Lakeview Substation and the Valley Ivyglen projects.

In Management and Monitoring, revenue was reported at \$3.5 million which exceeded expenditures of \$2.3 million by \$1.2 million. This was attributed to an 21% increase in tipping fees over prior year.

Vice-Chairman Montanez asked why tipping fees were higher. Other Executive Committee members speculated that perhaps outside county waste might be hauled in, or with development on the rise another contributing factor may be construction waste.

In Land Acquisition, revenue exceeded expenditures. Revenue was reported at \$16.7 million with expenditures of \$16.4 million. Total mitigation fees were reported at \$9.4 million. The highest contributors were the County of Riverside at \$1.5 million, City of Eastvale at \$1.2 million, City of Menifee at \$855 thousand, and City of Jurupa Valley at \$853 thousand. During the year, RCA acquired 20 properties and two conservation easements adding 1,109 acres to the reserve. There were two conservation easements with a value of \$82 thousand, totaling four acres. Also reported were two land donations with a value of \$246 thousand totaling 123 acres, and eight federal and state funded properties with a combined value of \$2.7 million totaling 471 acres. One acquisition was funded by \$3 million in Measure A funds and 73 acres, nine properties were funded by RCA at \$6.9 million totaling 438 acres. It's all good news to report this year!

It was further reported by Honey that at year end, the general fund balance was \$17.4 million and the capital project fund balance was \$12.7 million.

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Several Executive Committee members complimented Honey and staff on the good work performed.

Board Member Miller commented on the \$2 million reported in the Press Enterprise and asked if it was the \$2 million RCA received last year. It was answered by legal counsel, Michelle Quелlette, Best Best & Krieger, that it was Section 6 funds.

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

- 1) **Recommend that RCA Board of Directors receive and file the Fiscal Year 2015 Fourth Quarter Financial Report; and**
- 2) **Authorize staff to agendize this matter for the September 14, 2015 meeting of the RCA Board of Directors.**

(6 Ayes, 0 Nays, Abstain 0)

Board Member Johnson arrived during staff presentation (12:07p.m.)

Board Member Edwards arrived during staff presentation (12:09p.m.)

9. RESOLUTION NO. 2015-007, RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY REVISING ITS FEE CREDIT AND WAIVER POLICY SUPERSEDING AND REPLACING RESOLUTION NO. 05-05.

Honey Bernas, Director of Administrative Services reported that Board directed staff to draft a policy concerning MSHCP fee credits and send the draft policy to member agencies for review and comment. Staff has drafted a policy for the Executive Committee's review and approval. It was reported that staff deems it important for fee credits to be in exchange for land that contributes to the reserve assembly.

Honey further reported that the policy before committee lays out the criteria for fee credits, the review standards, decision, appeal and reporting process. The review standards will ensure that the land contributes to the reserve assembly, taking into consideration the overall revenue requirements of the RCA, whether the land can be managed, rough step, and any other relevant information that Executive Director deems appropriate. The amount of the fee credit will be equal to the appraised value less RCA's appraisal cost.

Vice-Chairman Montanez asked how this policy different from what the current policy. . Honey Bernas responded that under the current policy, RCA does not have any approval authority. Member Agencies can ask RCA for review, but they are not required to. Sometimes fee credits are given in exchange for land that does not contribute toward reserve assembly. This policy gives the Executive Director authority to approve, giving 30 days to review and either approve the policy, approve it with conditions, or deny it. In the event of a denial there will be an appeal process where they can appeal

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to the Executive Committee. The Executive Committee will make their decision then forward recommendation to the RCA Board for consideration and final approval.

Board Member Edwards asked if the Board is in essence giving itself approval authority and asked if RCA can do that. Honey answered to the affirmative. Steve DeBaun, RCA legal counsel, stated that the agency is the administrator of the program, so it is his belief they can give themselves approval authority. He further stated that it's a JPA, and RCA is the administrator.

Board Member Edwards further asked if there is a cost to appeal and can it only be a Board Member that can appeal and/or an applicant too. Honey answered that there is no cost to appeal and that a Board Member, member agency or applicant can appeal. Honey added that the only recoverable amount is RCA's cost for the appraisal, estimated at approximately \$5 thousand per appraisal. The amount of the fee credit will be reduced by the cost of the appraisal.

Vice-Chairman Montanez commented that it makes sense, and there might be a lot of land people want to give RCA, but RCA may not want or need it. Honey explained that they might want to get a \$1 million fee credit for land that is only appraised at \$350 thousand. Steve DeBaun commented that the advantage, in his opinion, is to have this discussion upfront rather than two to four years later when developers are gone. Board Member Edwards added that there are advantages to have a policy to point to.

Honey Bernas added that the recommendation is to have the draft policy sent to member agencies for review and comment so that any issues or concerns can be brought back to the Executive Committee for discussion.

Board Member Johnson asked why the policy did not get approved prior. Honey answered that prior Board Members did not want to give up their approval authority. Steve DeBaun commented that the first attempt for this policy was in the early years of the agency and many members did not understand the policy, and the agency did not have a track record.

Michelle Ouellette commented that there had not been issues with fee credits that we are seeing now, after all these years. We need to address these issues either this way or discuss another way to solve them.

Executive Committee Member Benoit asked that staff provide generic examples when soliciting comments from member agencies. Honey stated that she would provide a generic example. The example would be that the fee credit needs to be in exchange for land that contributes to reserve assembly. Often developers want fee credit for land they can't develop. Fee credit should not be given for undevelopable land.

Michelle Ouellette stated that the key is with the examples member agencies are giving fee credits, because the member agencies have deemed it so and the RCA does not

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have input on it and yet RCA is supposed to be buying certain amount of acreage so that we don't have to be imposing these fees anymore and this undercuts the ability when we get land that does not help us or that RCA does not want.

Board Member Edwards voiced concern what if every member agency gave credit for everything with no policy in place. Honey stated there would be no revenue, yet RCA still has to operate. When there is a fee credit given for land that does not contribute to reserve assembly, it causes issues for the RCA and the member agency. The member agency expects RCA to take ownership and manage the land, yet RCA does not benefit from owning the land. It costs RCA money. It would benefit the member agencies and RCA if fee credits were worked out prior to credits being issued rather than after the fact.

Board Member Edwards commented it's a lack of information on the member agencies part. Like RCA, WRCOG administers a program, and they have approval authority over funding.

Board Member Benoit commented that the City of Wildomar is going to consider the exemption process next month. He stated that he wants to know about exemptions ahead of time. Exemptions are happening and don't get checked until the third or fourth year of the audit. If the city exempts a project, unless someone is going into the city books a year later at an audit, it's never known until much later.

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

- 1) **Review draft Resolution No. 2015-007 and approve in concept or provide staff direction concerning proposed changes;**
- 2) **Direct staff to send the draft policy to the member agencies for review and comment; and**
- 3) **Direct staff to report back to the RCA Executive Committee at the October 21, 2015 meeting.**

(6 Ayes, 0 Nays, Abstain 0)

10. RESOLUTION NO. 2015-009 RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AMENDING THE ELECTIONS SECTION OF ITS BYLAWS TO ELECT A CHAIRPERSON AND A VICE-CHAIRPERSON EVERY SECOND YEAR AND AMENDMENT NO. 6 TO THE JOINT EXERCISE OF POWERS AGREEMENT CREATING THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

Honey Bernas stated that it was suggested that due to the complexities of the MSHCP and implementation, that it may benefit the RCA to extend the terms of the officers from

one to two years if the officers were willing to serve longer. The pros and cons of extending the terms were discussed.

Due to the fact that extending the terms would require a four year commitment, no action was taken on this item.

Vice Chairman Montanez suggested that Charles Landry and Chairman Tavaglione have a discussion at Board without a voting topic during the Executive Director's report. The Vice Chairman noted no motion taken on this item referred to the Board of Directors meeting for Director Report discussion only.

The RCA Executive Committee did not take a motion on this item for the following:

- 1) **Recommend that the RCA Board of Directors consider introducing Resolution No. 2015-009, *RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY AMENDING THE ELECTIONS SECTION OF ITS BYLAWS TO ELECT A CHAIRPERSON AND A VICE-CHAIRPERSON EVERY SECOND YEAR*; and**
- 2) **Recommend that the RCA Board of Directors approve, authorize the Chairman to execute, and direct staff to send Amendment No. 6 to the Joint Exercise of Powers Agreement Creating the Western Riverside County Regional Conservation Authority to Member Agencies requesting that they execute and return no later than November 2, 2015; and**
- 3) **Authorize staff to agendize this matter for the September 14, 2015 meeting of the RCA Board of Directors.**

(0 Ayes, 0 Nays, Abstain 0)

11. FISCAL YEAR 2015 FOURTH QUARTER CONSULTANT REPORTS

Laurie Correa, Director of Reserve Management and Monitoring gave a summary on each consultant report:

Dudek: Provides biological reviews, analysis and submittals related to Joint Project Reviews (JPR's) submitted by Permittees. During the reporting period, they performed several reviews. Dudek provided permittee training and consultant training during this quarter. They coordinated and attended monthly meetings with U.S. Fish and Wildlife Service and California Department of Fish and Wildlife. They provided support and coordination related to pending and existing Participating Special Entity applications. They have four projects pending, several are extremely large.

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Geographics: Developed final art, printed 1,800 copies and distributed 700 copies of the Summer Newsletter publication. They continue to provide website updating and hosting; public information and branding services.

Riverside County Parks and Open-Space District: Managed different Management Units. Performed specific species and habitat related activities. Regional Conservation Authority has conservation easements over the upper San Jacinto River on Eastern and Lake Hemet Water District land. This area is popular for off-road activities and illegal dumping. Soboba reservation is on the other side of the river, they meet in the middle of river, and there are several access points. Access from the north side of the river has been an issue, but the Tribe contacted Parks and is interested in working with them on controlling the access points through the river. There was a small fire at the Oak Valley property in San Timoteo. Of the eight acre fire, four acres of RCA land burned consisting mostly of grassland.

Santa Ana Watershed Association (SAWA): RCA's biological monitoring group. This is peak season for SAWA in terms of surveys. They start in February and run through October, but high season is April through the end of June. They are working on a dozen of different surveys; while also working on the 2014 survey reports and their section of the annual report. They are very busy during this time of the year.

David Kennett (Capitol Alliance Consulting)/Douglas P. Wheeler (Hogan Lovells): Both are focused on the loan legislation that would create a new program to provide loans and loan guarantees for habitat acquisitions related to HCPs that support infrastructure development. They are pursuing Senate and House Transportation Reauthorization bills that would allow HCPs to secure large loans for habitat acquisition through the Transportation Infrastructure Finance and Innovation Act (TIFIA).

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

- 1) **Recommend that the RCA Board of Directors receive and file the Fiscal Year 2015 Fourth Quarter Consultant Reports; and**
- 2) **Authorized staff to agendaize this matter for the September 14, 2015 meeting of the RCA Board of Directors.**

(6 Ayes, 0 Nays)

12. **DISCUSSION AND POSSIBLE EXECUTIVE COMMITTEE ACTION CONCERNING STATUS OF AGEED-UPON PROCEDURES**

Honey Bernas gave an update on the fee collections, audits and development agreements (DAs). RCA is making a lot of progress.

RCA EXECUTIVE COMMITTEE MINUTES

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It was reported that RCA should be caught up with all the audits soon. Before the auditors came out to do their field work, RCA received 12 draft 2014 reports issued to RCA that needed reviewing.

Honey provided a list of DAs indicating RCA's determination of outstanding amounts, along with the agreed-upon procedures findings for member agencies. RCA is making progress.

Vice-Chairman Montanez asked for the timeframe on completing the rest of the audits. Delores Reyna, Administrative Manager, answered that RCA has drafts through 2014. As soon as staff and the member agencies and RCA review, final reports will be issued and the auditors can start the 2015 fiscal year audits.

Vice-Chairman Montanez asked if the cities were notified of the draft ones. Honey Bernas answered no and added that RCA staff needs to review and meet with the cities to confirm that we have all the correct information before we issue a report.

Vice-Chairman Montanez asked if it would be helpful, especially on those with large amounts, to at least notify them rather than continue on. Honey advised that the members are aware of the findings listed. She stated that RCA has been working with the member agencies to clear up the findings and reported on each of the member agencies with findings.

Vice Chairman Montanez asked how RCA handles the fact, that city did not pay attention to the expiration date of a development agreement, but the developer did and yet the developer is not paying the fees knowing full well that the development agreement has expired. He asked if there is a way to go after the developers directly versus the city doing it. Steve DeBaun, legal counsel, responded that the obligation springs from the ordinance that each city has adopted and if that city has not properly collected the fee, then the city is not properly implementing its ordinance. Board Member Edwards explained that the City of Temecula's development agreement expiration dates are entered on the computer, so it will come up and generate a message. Honey Bernas stated that as long as the cities are reporting that they have exemptions, RCA can confirm they are current. Vice Chairman Montanez stated that it's not fair to the cities to go back two to three years. He noted that there is training with staff, so if there is a disconnect it has to be determined where that disconnect is and see if there is any commonality. Cities are not trying to evade the issue. Honey encouraged that cities should be submitting their exemption reports and RCA can review them upon receipt. As an example, July fee reports have just been received and there were exemptions that were not previously reported. RCA gives a courtesy call. There is also a fee increase that was to be implemented July 1, 2015. Some members are still collecting at the old rate. When RCA receives the report, the member agency is notified right away. RCA is being more proactive and assisting the member agencies.

13. EXECUTIVE DIRECTOR'S REPORT

13.1 Loan Program Update

Charles Landry updated Executive Committee that RCA received \$2 million in Section 6 funds for fiscal year 2015-16. The Regional Conservation Authority hopes to receive match funds from the State of California, which is typically a one-third match. This would result in RCA receiving \$3 million in grand funds for 2016. This is good news, because the total Section 6 is only between \$18-20 million for acquisition grants. So this \$2 million dollars is from the total United States pot. This is the fourth consecutive year that RCA has been allotted the funds. He further stated that is why it's important for elected officials to lobby in DC the service, resulting in these outcomes. Charlie gave thanks to all the elected officials for such support in doing so. Monday morning group also lobbied this issue on RCA's behalf, most importantly Congressman Calvert and Senator Feinstein. Congressman Calvert is to be commended for keeping Section 6 alive throughout the last few years.

Charlie Landry advised that Tom Mullen, consultant, who has been serving on a reimbursable only contract for traveling expenses going back and forth to DC on behalf of RCA, has resigned. Tom plans to continue his assistance when able, but with no reimbursable contract. Honey Bernas added that if he travels to D.C., he will do it at his own expense. Board Member Miller asked if he was still assisting in the same capacity as before. Charlie answered that it will be significantly reduced, but if there is an opportunity that he can assist us, he will. It will be on an informal basis with no contract. Board Member Edwards asked if Tom Mullen frequents D.C. Charlie answered that he will still be lending assistance to RCA if he happens to be in D.C. Board Member Miller commented on the effectiveness of Tom Mullen's abilities for RCA in D.C. Vice Chairman Montanez asked if there was another motive for resigning. Charlie answered to say that he did not want any potential for conflicts and having more personal time. Tom has dedicated a lot of time on the loan program.

14. 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.

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 Number RIC1203353 Albert Thomas Paulek vs. RCA**

- **Case Number MCC1300351 JPR, Inc., dba Silverado Ranch Estates vs. California Department of Fish and Game; County of Riverside; Western Riverside County Regional Conservation Authority**

15.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph 2 of subdivision (d) of Section 54956.9

One potential case.

15.3 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph 4 of subdivision (d) of Section 54956.9

One potential case.

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

16. ADJOURNMENT

There being no more items before the Executive Committee, Vice-Chairman Montanez adjourned the meeting at 1:20 p.m. The next meeting of the Western Riverside County Regional Conservation Authority Executive Committee will be held on Wednesday, September 16, 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

AGENDA ITEM NO. 7

**RESOLUTION NO. 2015-008,
“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. 2015-008,
“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 Treasurer has reviewed and approved the attached policy.

The County’s Investment Oversight Committee reviewed and the County Board of Supervisors adopted a revised Treasurer’s Statement of Investment Policy on September 1, 2015. All changes are in compliance with California Government Code Sections 53601 & 53635, which govern the County Treasurer’s investments of surplus monies.

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

1. Page 6, Date: Updated the Date
2. Page 7, Schedule I: Increase maturity maximum from 3 years to 4 years for the Authorized Investments of “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)”
3. Page 8, Authorized Broker/Dealers Schedule II: Added Raymond James & Associates, Inc. as an authorized dealer
4. Page 10, Schedule IV, Number 2: Added “as well as exceed that of U.S. Treasury Securities.”

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.

Steven DeBaun, RCA Legal Counsel, will present the RCA’s Investment Policy. A County of Riverside Treasurer-Tax Collector’s Office staff member will be present at the meeting to answer any questions regarding the County’s investment policy.

Staff Recommendations:

That the RCA Executive Committee:

- 1) Recommend that the RCA Board of Directors adopt Resolution No. 2015-008, *Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy*.
- 2) Authorize staff to agendize this matter for the November 2, 2015 meeting of the RCA Board of Directors.

Attachments:

1. Resolution No. 2015-008, "*Resolution of the Board of Directors of the Western Riverside County Regional Conservation Authority Adopting a Statement of Investment Policy*"
2. Statement of Investment Policy – Redlined Copy

AGENDA ITEM NO. 7
Attachment 1

Resolution No. 2015-008

RESOLUTION NO. 2015-008

**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. 2015-003.

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 2nd day of November, 2015.

By: _____
John F. Tavaglione, Chairman
Western Riverside County Regional
Conservation Authority

ATTEST:

By: _____
Honey Bernas, Clerk of the Board
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 April 6, 2015.

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 (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

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 cashflow 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 December 2, 2014 by County Ordinance No.767.18. 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, Assistant Treasurer-Tax Collector, Jon Christensen, Investment Manager, Giovane Pizano, and Assistant Investment Manager, Isela Licea, are authorized to make investments (except in the case of an emergency) 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 daily and audited monthly by the Treasurer's Internal Audits staff.

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 cashflow 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. 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 of the responsible agency, 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. 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
County of Riverside
Treasurer-Tax Collector

September 1, 2015

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)	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
Wells Fargo Bank
Piper Jaffray & Co.
SunTrust Bank
Stifel Nicolaus
FTN Financial
InCapital
Wells Fargo Securities
Raymond James & Associates, Inc.

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 and the fund must maintain daily, a principal per share value of \$1.00 per share.
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.

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	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. Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity. Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity.
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity. Muni. Maximum of 5% per issuer. No more than 13 month final maturity.
4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	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. Muni. State of California Debt only. Maximum of 3% with no more than 2% greater than 1 year final maturity.

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

AGENDA ITEM NO. 7
Attachment 2

Statement of Investment Policy
Redlined Copy



**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

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 cashflow 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 December 2, 2014 by County Ordinance No.767.18. 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, Assistant Treasurer-Tax Collector, Jon Christensen, Investment Manager, Giovane Pizano, and Assistant Investment Manager, Isela Licea, are authorized to make investments (except in the case of an emergency) 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 daily and audited monthly by the Treasurer's Internal Audits staff.

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 cashflow 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. 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 of the responsible agency, 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. 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
County of Riverside
Treasurer-Tax Collector

December 2, 2014

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 34 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)	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
Wells Fargo Bank
Piper Jaffray & Co.
SunTrust Bank
Stifel Nicolaus
FTN Financial
InCapital
Wells Fargo Securities
Raymond James & Associates, Inc.

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 Treasurer 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 and the fund must maintain daily, a principal per share value of \$1.00 per share.
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.

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	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. Muni. Maximum of 5% per issuer with no more than 2% greater than 13 month final maturity.
2	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA+/Aa1/AA+, AA/Aa2/AA	Corp. Maximum of 4% per issuer with no more than 1% greater than 1 year final maturity. No more than 13 month final maturity. Muni. Maximum of 5% per issuer with no more than 1% greater than 13 month final maturity.
3	A-1+/P-1/F-1+ (SP-1+/MIG1/F-1)	AA-/Aa3/AA-	Corp. Maximum of 3% per issuer with no more than 1.5% greater than 90 days. No more than 270 days final maturity. Muni. Maximum of 5% per issuer. No more than 13 month final maturity.
4	A-1/P-1/F-1 (SP-1/MIG1/F-1)	A/A2/A or better.	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. Muni. State of California Debt only. Maximum of 3% with no more than 2% greater than 1 year final maturity.

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

AGENDA ITEM NO. 8

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

Regional Conservation Authority

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

Staff Contact:

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

Background:

The RCA Executive Committee directed staff to report on Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contributions on a monthly basis.

Attached is the report for September 2015. The report was prepared on a cash basis and, therefore, reflects the cash received by RCA during that month.

Staff Recommendations:

That the RCA Executive Committee –

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

Attachments

- 1) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for September 2015

**AGENDA ITEM NO. 8
ATTACHMENT**

**WESTERN RIVERSIDE COUNTY
MULTIPLE SPECIES HABITAT
CONSERVATION PLAN (MSHCP)
LOCAL DEVELOPMENT
MITIGATION FEE (LDMF)
COLLECTION AND
CIVIC/INFRASTRUCTURE
CONTRIBUTION REPORTS FOR
SEPTEMBER 2015**

**MSHCP LDMF AND CIVIC/INFRASTRUCTURE CONTRIBUTION
CASH RECEIPTS SEPTEMBER 2015
CASH BASIS**

DEVELOPMENT FEES					
City/County by Month	REMITTED			EXEMPTIONS AND FEE CREDITS	
	Residential Permits	Commercial Acres	Amount Remitted	Residential Permits	Amount
City of Banning August - No Activity					
City of Beaumont July August	10 21		\$19,520 \$40,992		
City of Calimesa August	16		\$31,232		
City of Canyon Lake August	2		\$3,904		
City of Corona August - No Activity					
City of Eastvale August	19		\$23,033		
City of Hemet August (July Correction)			\$56		
City of Jurupa Valley August	35	13.0	\$154,015		
City of Lake Elsinore Summerly Project ¹ Pardee-Grossman/Cottonwood Canyon ²				18 80	\$35,136 \$156,160
City of Menifee August	28		\$54,656		
City of Moreno Valley August - No Activity					
City of Murrieta August - No Activity					
City of Norco August - No Activity					
City of Perris August	16	6.50	\$74,453		
City of Riverside August	52	13.1	\$142,043		
City of San Jacinto August - No Activity					
City of Temecula - August Roripaugh Development Agreement ³	8		\$15,504	25	\$48,800
City of Wildomar August - No Activity					
County of Riverside(TLMA) - September Starfield Sycamore Investors ⁴ Rancho Bella Vista ⁵	57	1.85	\$124,341	14 41	\$27,132 \$79,458
Total Cities and County	264	34.42	\$683,749	178	\$346,686

CIVIC AND INFRASTRUCTURE PROJECTS

City of Moreno Valley	Road Widening from I-215 to Veteran's Way	\$5,680
Total Civic/Infrastructure Remitted		\$5,680

TOTAL RECEIPTS - SEPTEMBER 2015 \$ 689,429

- 1) Summerly Project - Development agreement dated 8/24/04. Expiration date 9/23/14. Under review.
- 2) Pardee Grossman/Cottonwood Canyon Development Agreement - Development Agreement dated 7/9/1990. Expiration date 7/9/2010. Amended January 2010 extending term to 7/1/2030. Under review.
- 3) Roripaugh Development Agreement dated 12/17/02. Project is exempt under AD161.
- 4) Starfield Sycamore Investors - Fee Credit Agreement with County of Riverside. Property exempted at \$1,938 rate.
- 5) Rancho Bella Vista - Fee Credit Agreement with County of Riverside. Property exempted at \$1,938 rate.

AGENDA ITEM NO. 9

FISCAL YEAR 2015 DEVELOPMENT IMPACT FEE ANNUAL ACCOUNTING REPORT

Regional Conservation Authority

**FISCAL YEAR 2015
DEVELOPMENT IMPACT FEE ANNUAL ACCOUNTING REPORT**

Staff Contact:

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

Background:

In accordance with Government Code Section 66006 (b), the Authority is required to make an annual accounting of the Development Impact Fee Funds. Additionally, the Government Code requires that the annual accounting be made available to the public no later than 180 days after the last day of each fiscal year. This information must be reviewed by the Board no earlier than 15 days after it becomes available to the public.

Staff Recommendations:

That the RCA Executive Committee:

- 1) Recommend that the RCA Board of Directors receive and file the attached Fiscal Year 2015 Development Impact Fee Annual Accounting Report; and
- 2) Authorize staff to agenize this matter for the November 2, 2015 meeting of the RCA Board of Directors.

Attachment:

Fiscal Year 2015 Development Impact Fee Annual Accounting Report

AGENDA ITEM NO. 9
Attachment

Fiscal Year 2015
Development Impact Fee
Annual Accounting Report



Development Impact Fee Annual Accounting Report

Fiscal Year 2015

California Government Code Section 66006 requires an annual disclosure review of development impact fees collected and disbursements made. The disclosure portion of Section 66006 (b) requires that, within 180 days after the last day of the fiscal year, the Authority shall make available the following information:

A. A brief description of the type of fee in the account or fund:

The Local Development Mitigation Fee (LDMF) is to be charged throughout the Plan Area on all development in order to assemble a 500,000 acre reserve which will protect and sustain endangered and threatened animals and plants and their habitats in a comprehensive way and allow local governments to expedite development and the construction of infrastructure, particularly transportation facilities.

B. The amount of the fee 2015:

Category	Fee Amount
Residential, density less than 8.0 dwelling units per acre (fee per dwelling unit)	\$ 1,938
Residential, density between 8.0 and 14.0 dwelling units per acre (fee per dwelling unit)	\$ 1,241
Residential, density greater than 14.0 dwelling units per acre (fee per dwelling unit)	\$ 1,008
Commercial (fee per acre)	\$ 6,597
Industrial (fee per acre)	\$ 6,597

C/D. The beginning and ending balance of the account or fund and the amount of the fees collected and interest earned (Government Code Sections 66006(b)(1)(C) and (D):

Beginning Fund Balance (7/1/14)	\$ 12,808,489
Fees Collected:	
Fees Collected	\$9,408,928
Fee Credits Applied	<u>108,528</u>
Net Fees	9,517,456
Interest Earned	42,218
Expenditures	<u>(9,889,303)</u>
Ending Fund Balance (6/30/15)	<u>\$ 12,478,860</u>

E. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees:



Development Impact Fee Annual Accounting Report

Fiscal Year 2015

Project Descriptions	Project ID	FY 2015 Reportable Fees	Percentage Funded with Reportable Fees
Warren Road Partners	14-014	\$ 5,140,122	94%
Berger Donation	14-015	7,639	14%
Agua Tibia Donation	14-016	18,100	8%
Fuller Property	14-017	9,394	8%
RAFCO Property	14-018	342,225	100%
Veshkini Property	14-019	92,590	100%
Patterson Property	14-020	15,854	7%
Bellacap Donation	14-021	20,012	84%
North Peak El Toro Road	14-022	19,187	13%
Conn Property	14-023	88,737	100%
O'Connor Phase III	14-024	253,612	100%
Inland Premier Phase I	14-025	483,011	71%
Helmand Property	14-026	115,529	100%
RCA Anheuser Busch Phase IV	15-001	53,992	2%
Oldar Property #2	15-002	18,961	10%
TNC/Monte Cristo Property	15-003	17,455	12%
Witek Property	15-004	73,870	100%
Evandel - Wilson Property	15-005	35,339	12%
McCausland Property	15-006	170,620	100%
Evandel - Bergstein Property	15-007	14,327	5%
Calcutta Conservation Easement	14-E02	11,047	19%
Cost Related to Land Acquired in Prior Years		35,809	88%
Properties of Interest Under Negotiation		602,587	92%
Capital Acquisition Administrative Cost		1,613,368	100%
Consultants: Capital Acquisition Strategies		493,690	100%
Consultants: Financial and Compliance Audits		111,654	100%
Property Insurance		30,572	100%
		<u>\$ 9,889,303</u>	

Development Impact Fee Annual Accounting Report Fiscal Year 2015

- F. An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and public improvement remains incomplete.**

The Authority has determined as of the end of fiscal year 2015 that sufficient funds have been collected to finance a portion or all of the cost associated with the following properties:

Property	Estimated/Actual Acquisition Date
Costanzo Property	August 2015
Inland Premier Phase II	December 2015
O'Connor Property Phase IV	December 2015

- G. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

Not applicable. The Authority has not made any such interfund transfers or loans.

- H. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.**

Not applicable. The Authority has not made any refunds pursuant to subdivision (e) of Section 66001 or any allocations pursuant subdivision (f) of Section 66001.