
Riverside County Habitat Conservation Agency

City of Corona ◇ *City of Hemet* ◇ *City of Lake Elsinore* ◇ *City of Menifee* ◇ *City of Moreno Valley*
City of Murrieta ◇ *City of Perris* ◇ *City of Riverside* ◇ *City of Temecula* ◇ *City of Wildomar* ◇ *County of Riverside*

MINUTES

Thursday, May 21, 2009 - 9:00 a.m.

County of Riverside
4080 Lemon Street
1st Floor – Board Chambers
Riverside, CA 92501

PRESENT: Mr. Eugene Montanez, Chairperson, City of Corona
Supervisor Bob Buster, County of Riverside
Ms. Maryann Edwards, City of Temecula
Mr. Mike Gardner, City of Riverside
Ms. Robin Hastings, City of Moreno Valley
Ms. Robin Lowe, City of Hemet
Mr. Gary Thomasian, Vice-Chair, City of Murrieta
Mr. Fred Twyman, City of Menifee
Mr. Mark Yarbrough, City of Perris

ABSENT: Mr. Bob Cashman, City of Wildomar
Ms. Melissa Melendez, City of Lake Elsinore

STAFF: Carolyn Syms Luna, RCHCA
Gail Barton, RCHCA
Princess Hester, RCHCA
Brian Shomo, RCHCA
Karin Watts-Bazan, County Counsel

1. CALL TO ORDER

Eugene Montanez, Chairperson, called the meeting to order at 9:07 a.m.

Chairperson Montanez thanked all of the cities for adopting the amendments to the Joint Exercise of Powers Agreement (JPA) and to the Implementing Agreement (IA) in such a timely manner. The amendments added the cities of Menifee and Wildomar to the JPA and to the IA for the Stephens' Kangaroo Rat Habitat Conservation Plan. The approval by all of the cities and the county has allowed the new member cities to be voting members at today's Board meeting.

2. ROLL CALL

Roll call of the RCHCA Board of Directors showed seven member agencies present with the Cities of Hemet, Lake Elsinore, Temecula and Wildomar absent.

3. PUBLIC COMMENT

No comments were offered.

4. BOARD MEMBER ANNOUNCEMENTS

There were no announcements.

5. ADDITIONS/REVISIONS

There were no additions/revisions to the agenda.

6. CONSENT CALENDAR: Presented for Block Approval. Board Members have the option of excluding discussion items from a master motion.

6.1 Minutes from the February 19, 2009 Meeting

The minutes from the February 19, 2009, meeting was presented for approval.

6.2 Status of Mitigation Fee Transfers from Member Agencies through March 31, 2009

The fees collected as of March 31, 2009, for FY 2008/09 total \$232,778.75.

6.3 RCHCA Financial Report through March 31, 2009

The fund balance as of March 31, 2009, is \$16,029,809.

6.4 Report on the Attendance Roster

The roster, which shows the attendance of each Board member, was presented.

6.5 Status Report Concerning Reserve Managers Coordinating Committee

Ms. Barton gave an update on the January 22nd Reserve Managers Coordinating Committee (RMCC) as follows:

- Grazing as a management tool
 - Brian Shomo, RCHCA Natural Resources Manager, provided update information relating to the RCHCA's plans to proceed with sheep grazing at Lake Mathews.
 - Brian described his plan to perform a quick pre-grazing habitat assessment.
- Cooperative assistance among reserve managers in order to maximize assets, talents and experiences while minimizing costs

- The possibility of sharing equipment among agencies.
- The potential for joining together to assist one another with specific tasks such as controlled burns, habitat assessments, etc.
- The continued sharing of information.
- Reserve specific updates
 - Reserve managers provide regular updates on management activities and impacts specific to their respective reserves.

MOTION for approval of items 6.1, 6.2, 6.3, 6.4, and 6.5: Gary Thomasian

SECOND: Mark Yarbrough

Motion Approved

Ayes-7

None Opposed

Please note that Robin Lowe joined the meeting at this time.

7. POLICY CALENDAR:

7.1 Presentation on the Lake Mathews Reserve

Mr. Shomo discussed the Lake Mathews Reserve and shared the following:

Looking Forward to the Future

- 2nd Year
 - Grazing
 - Fencing
 - SKR and Habitat Surveying and Monitoring
 - Orchard and Vineyard Consolidation/Restoration
 - Potential MOU with Waste Management
 - Begin drafting VMP

Grazing Update

- Grazing lease signed by all parties
- Grazing delayed because of grass seed heads
- Grazing to begin in June 2009
- Currently assembling flocks in Adelanto for transport to Lake Mathews Reserve

Fencing

- 5,989 feet of barb wire fencing
- One 4" pipe gate
- Cost - \$26,000
- Conforms to TWS Guidelines – 12", 12", 18" strand spacing

Weed Abatement

- Completed

Orchard Consolidation and Removal Project

- Approximately 540 acres of potential SKR habitat
- Labor provided by Community Service Volunteers or Grant Funding
 - No cost to the RCHCA
- Citrus trees will be consolidated into piles and eventually burned
- Enables SKR management practices (i.e., grazing or mowing)

Juvenile Work Program

- 75 acres consolidated

Federal Permit Update

- Permit allows staff to conduct and determine monitoring efforts independent of costly consultants.

Vegetation Monitoring

- Methods
 - 6 Transects/440 m long
 - 1x1 meter sampling grids every 20 m
 - Data collected:
 - % cover of grass, dirt, rock
 - Grass height
 - Sampling grids averaged over all transects

Vineyard Restoration and Enhancement Project

- Working with the USFWS to assist with funding the removal of vineyard debris (8 sites/5 acres each)
 - WHIP GRANT
- Debris severely restricts management options thereby reducing the quantity of habitat available to SKR
- 126 posts removed to date

Waste Management MOU

- RCHCA benefits by having Waste Management remove large piles of irrigation tubing and providing waste removal services
- Waste Management benefits by having patrol of El Sobrante's 350 acre conservation area that is contiguous with RCHCA land
- MOU delayed because of Waste Management Leadership change

Please note that Maryann Edwards joined the meeting at this time.

Vegetation Management Plan (VMP)

- Enables controlled burns, if RCHCA chooses to do so

- RECON finished Quino checkerspot butterfly and vegetative surveys
- California gnatcatcher surveys finishing up
- Report due September 30, 2009
- BLM cost = \$235,000/RCHCA cost = \$0
- Begin drafting VMP in the fall of 2009

Summary

- Fiscal Responsibility
 - Staff Expertise = cost effectiveness
 - Partnerships = shared burdens
 - Sound Financial Health = advantageous opportunities

7.2 Follow-Up Report on the Member Agency Fee Audit Report

Ms. Hester stated that following the audit of the Member Agencies, RCHCA staff met with each agency to review their respective fee ordinance, audit findings (if applicable) and made recommendations to ensure that fee collection is consistent with the adopted fee ordinance.

Ms. Hester reported that each Member Agency and Board member received a copy of the final audit for their respective jurisdictions.

Ms. Hester thanked Bill Batey for being present at the meeting with Moreno Valley staff.

7.3 Approval of Policy No. RCHCA-008 Delegation of Authority to Authorize the Executive Director to Execute Non-Monetary, Non-Policy Agreements

Ms. Hester reported that while RCHCA policy speaks very clearly to the limits of the Executive Director's authority in executing monetary agreements, it does not formally address non-monetary, non-policy agreements. Policy No. RCHCA-008 provides a formalized approach to non-monetary, non-policy agreements that addresses both the content of the agreement and the procedure for review. She stated that two examples of non-monetary, non-policy agreements subject to this policy are Rights of Entry for Monitoring and Memorandums of Understanding between agencies dealing with management issues.

Ms. Hester requested that the Board approve Policy No. RCHCA-008 delegating authority to authorize the Executive Director to execute non-monetary, non-policy agreements.

MOTION to approve Policy No. RCHCA-008 delegating authority to authorize the Executive Director to execute non-monetary, non-policy agreements: Robin Lowe

SECOND: Fred Twyman

**Motion Approved
Ayes-9
None Opposed**

7.4 **Fiscal Year 2007/2008 Independent Auditor's Report of the Riverside County Habitat Conservation Agency**

Ms. Hester discussed the annual audit for FY 2007/2008 performed by Ahern Adcock Devlin, LLP (AAD). She stated that in the auditor's opinion, the financial statements "present fairly, in all material respects, the financial position of the Agency (RCHCA) as of June 30, 2008, and the results of its operations for the year then ended, in conformity with United States generally accepted accounting standards". She stated that AAD noted certain matters involving internal control and its operation that the firm considered a control deficiency. These conditions are described in the Findings and Recommendations section of the letter from AAD.

The findings and recommendations submitted by AAD, along with the actions that have been taken to address these findings are as follows:

1. **Capital Assets**

During testing, AAD noted that the capital asset listing had not been reconciled to the fixed asset module of the general ledger and depreciation expense had not been recorded.

AAD Recommendation: It is recommended that the Agency assign an individual the responsibility of updating the capital asset listing on at least an annual basis, including calculation of depreciation expense.

RCHCA Action: *The Agency uses the County of Riverside's Asset Module system to manage its capital asset listing. When this new system was launched, the County experienced some technical difficulties because the asset module system does not provide comprehensive capital asset reports for reconciliation. The technical difficulties have been resolved and our assets have been reconciled.*

2. **Accounting System**

AAD noted that the June 30, 2007 audit entries, including GASB 34 full accrual adjustments, had been erroneously recorded to the fiscal year ended June 30, 2008. In addition, the 2007 accruals had not been properly reversed during fiscal year ended June 30, 2008, resulting in material misstatement of receivables and changes in fund balance throughout the fiscal year then ended.

It is also noted that the Agency maintains cash basis books throughout the year and certain accruals are required at year-end in order to comply with generally accepted accounting principles.

AAD Recommendation: It is recommended that the Agency maintain records and perform account reconciliations, adjustments, and accruals necessary to provide accurate financial reporting in compliance with both modified accrual and full accrual basis of accounting is required. It is also recommended that the Agency evaluate the accuracy and completeness of accruals and other transactions prepared by the Auditor-Controller's Office.

RCHCA Action: *The erroneously recorded prior year adjustments were the result of a miscommunication between staff and the auditor. The RCHCA uses the County Auditor-Controller's Office and it operates on a modified accrual basis as required under GASB 34. Accruals were limited due to the procedures utilized by the County Auditor-Controller's Office. The correct adjustments have been made and we are now in balance.*

7.5 Approval of Policy No. RCHCA-001 Which Revises Policy No. 2005-001 Concerning the Distribution of SKR Reserve Management Non-Wasting Endowments (Lake Skinner, Motte-Rimrock, and Sycamore Canyon)

Ms. Barton reported that on September 29, 2005, the RCHCA Board adopted Policy No. 2005-001 regarding the distribution of SKR reserve management endowments. She stated that the policy has been revised in order to provide clarity, consistency, and accountability in the administration of the non-wasting endowment funds. The policy has also been assigned a new number consistent with the current numbering system.

MOTION to adopt Policy No. RCHCA-001 which revises the previous policy concerning the distribution of SKR reserve management non-wasting endowments (Lake Skinner, Motte-Rimrock, and Sycamore Canyon): Mike Gardner

SECOND: Mark Yarbrough

**Motion Approved
Ayes—9
None Opposed**

7.6 Approval for Staff to Release a Request for Proposal to Accept Bids for Auditing Services

Ms. Hester reported that since 1999, the RCHCA has contracted with the firm of Ahern Adcock Devlin, LLP (AAD) to perform an annual audit of the Agency's accounts and records.

Ms. Hester stated that while there is no specific service time standard for independent auditors of government agencies, the Government Finance Officers Association (GFOA) recommends that "Governmental entities should enter into multi-year agreements of at least five years in duration when obtaining the services of independent auditors". It further states that, "Governmental entities should undertake a full-scale competitive process for the selection of independent auditors at the end of the term of each audit contract, consistent with applicable legal requirements".

Based on the above recommendation by the GFOA, Ms. Hester stated that RCHCA staff is requesting that the Board authorize staff to issue a Request for Proposal (RFP) to accept bids for auditing services.

MOTION to authorize RCHCA staff to issue a Request for Proposal (RFP) to accept bids for auditing services: Robin Lowe

SECOND: Maryann Edwards

**Motion Approved
Ayes—9
None Opposed**

7.7 Report on Reserve Management Committees for the Southwestern Riverside County Multi-Species Reserve and the Lake Mathews Reserve

Ms. Barton gave an update on the Reserve Management Committee (RMC) meetings as follows:

Southwestern Riverside County Multi-Species Reserve RMC (February 4, 2009)

1. Approval of 2009/10 Budget
 - The RMC examined three potential budgets: increasing, static, and reduced by 5%.
 - The RMC approved the “static” budget with a few adjustments.
2. Status Report of Management Plan with Regard to CEQA
 - MWD had filed a Notice of Exemption (NOE).
 - The RCHCA will file a NOE following Board Approval of the Plan. (Note that at the last RCHCA Board Meeting, this Board approved the Management Plan and directed staff to file the appropriate documents. The NOE was filed and has been removed with no comments received.)
3. Paul Frandsen’s Retirement
 - Paul Frandsen was commended for his years of dedication and service to the RMC.

Lake Mathews Reserve RMC (March 11, 2009)

1. RCHCA Use of Office Facility at Lake Mathews
 - MWD discussed the RCHCA’s proposed lease for office space and had the following two main concerns:
 - They would prefer a mechanism other than a lease because they would need to take it to Risk Management and there could be additional costs.
 - They were concerned about the RCHCA’s requirement of “exclusive” use of one room because MWD does not see this as consistent with “cooperative” use of the facility.
 - If the RCHCA is unable to have exclusive use of one of the rooms, Brian Shomo is unable to assure, to the best of his ability, security of expensive tools and sensitive technology.
2. Request for Proposal for Management Plan
 - The RMC is proceeding with drafting a management plan for the MWD lands that include the RCHCA held conservation easement.
 - MWD intends to seek approval of an RFP at a special meeting or at the next regularly scheduled meeting.
3. Private Property that Opens Directly onto Reserve Land Owned by MWD
 - The RMC was notified of a neighbor to the reserve who was accessing the reserve to ride motorcycles.
 - The RCHCA made the following recommendations:
 - This site should be fenced, preferably with chain link type fencing, and “No Trespassing” signs should be posted.
 - The reserve boundary should be examined for other such access from

private property and proactive measures taken to prevent trespass.

Chairperson Montanez stated that he knows there has been discussion regarding the RCHCA putting its own building/office at the Lake Mathews Reserve.

Ms. Barton stated that there has been and that this will be addressed in Agenda Item 7.9.

7.8 Approval of the RCHCA Fiscal Year 2009/2010 Operating Budget

Ms. Hester reported that the RCHCA has made great progress this fiscal year, particularly in the area of land management. The activities that have been accomplished are demonstrated in the visual changes to the reserves and the collaborative partnerships that have been formed. She stated that on April 27, 2009, RCHCA staff met with the Budget Subcommittee and endorsed the proposed budget for Fiscal Year 2009/2010.

Ms. Hester stated that the RCHCA has transitioned from focusing on land acquisition to focusing on land and habitat management. She stated that staff has redesigned the budget to reflect the following expenditure categories:

- Land Acquisition
- Legal Services
- Operating Expense
- Administration
- Lake Mathews
- Core Reserve Management

Ms. Hester reported that a small amount of funds remain in the Land Acquisition category as a placeholder in the event that land may become available that would be beneficial to the species and/or reserve design.

Highlights of the Proposed Budget:

- Increases
 - The reserve fund balance is increased to five (5) years for operational sustainability due to the economic downturn effect on fee revenue.
 - Core reserve endowment funds are increased by \$2,300,600.
- Decreases
 - Decrease in salaries and benefits.
 - Decrease in professional services contracts.
- Projects carried forward
 - Staff will work to secure an approved vendor for regular refuse removal.
 - Weed abatement is an annual expense necessary to ensure protection of life and property.
 - The second phase of the member agency audit in which Mayer Hoffman McCann, PC, consistent with the RFP, will randomly select one member agency to be audited on mitigation fee transmittals.

- Staff will work to secure a new internal financial auditor.
 - Efforts will be made to update management plans for the reserves.
 - BLM land exchange.
 - Establish facility at Lake Mathews.
 - ESA Day program and other outreach efforts.
 - Reserve patrol at the Lake Mathews and Sycamore Canyon Reserves.
 - SKR translocation research project.
 - Management and monitoring at the Lake Mathews and Steele Peak Reserves.
- Projected mitigation fees
 - The RCHCA has experienced a decrease in SKR mitigation fees as a result of the declining economy and decrease in new development projects in Riverside County. Therefore, the projection of SKR mitigation fees was decreased by 40% from the previous year. The three-year reserve fund balance that was set aside to ensure the basic operation of the Agency has been increased to five years of reserve to ensure operational independence and sustainability in the event that the SKR fee revenue continues to decrease.
 - The overall impact to the Fiscal Year 2009/2010 budget is an increase of \$1,358 from the current year as explained above.

Ms. Hester requested that the Board approve the RCHCA Fiscal Year 2009/2010 budget as recommended by the Budget Subcommittee.

MOTION to approve the Fiscal Year 2009/2010 budget as recommended by the Budget Subcommittee: Robin Lowe
SECOND: Maryann Edwards

Motion Approved
Ayes-9
None Opposed

7.9 Establishment of a Subcommittee for the Lake Mathews Reserve Facility

Mr. Shomo discussed the establishment of a Reserve Facility on RCHCA owned land at Lake Mathews. He stated that during the planning process, there will be several decisions that will need to be made.

RCHCA staff envisions a Reserve Facility that will consist of the following:

- Office space
- Shop/storage space
- Space for educational outreach events
- An interpretive garden
- Serve as an example for green technology

RCHCA staff is requesting that the Board appoint three (3) members to sit on a subcommittee to assist in the planning process and provide direction concerning the green technology aspects of the facility, as well as to make recommendations to the Board concerning final design plans.

Mr. Shomo asked for three volunteers to sit on the subcommittee.

Eugene Montanez, Mike Gardner and Gary Thomasian volunteered to serve on the Lake Mathews Reserve Facility Subcommittee.

MOTION to accept Eugene Montanez, Mike Gardner and Gary Thomasian as subcommittee members for the Lake Mathews Reserve Facility and make recommendations to the Board concerning final design plans for the facility: Mark Yarbrough

SECOND: Maryann Edwards

Motion Approved

Ayes-9

None Opposed

8. EXECUTIVE DIRECTOR'S REPORT

At the request of Ms. Luna, Ms. Barton discussed the recent ESA Day event at the Sycamore Canyon Wilderness Park on May 13th and 14th. She stated that the event was well attended by local 6th grade students and was well received by all.

Mr. Yarbrough suggested that for future ESA Day events, RCHCA staff provide information to the Perris Sentinel newspaper as they will be happy to print a story highlighting the events of ESA Day.

Ms. Luna thanked the Board members for their support of ESA Day. Without their support, this event would not be possible.

9. CLOSED SESSION

No items were scheduled for closed session.

10. ITEMS FOR NEXT MEETING

No items were suggested for the next meeting.

11. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 10:03 a.m. The next meeting will be held at 9:00 a.m. on September 17, 2009, in the Board Chambers of the Riverside County Administrative Center.