

MINUTES

TEAMRCD

Temecula-Elsinore-Anza-Murrieta Resource Conservation District

Regular Board Meeting

Thursday, August 11, 2016 4:00 PM

**Truax Building
41923 Second Street, Fourth Floor
Temecula, CA 92590**

I. PRELIMINARY FUNCTIONS

Call to Order, 4:00 p.m., meeting recorded by Rose Corona

Flag Salute

Roll Call/Establish a Quorum:

Directors Present: Rose Corona (President), Carol Lee Brady (Secretary/Treasurer), Michael Newcomb

Directors Absent: David Kuhlman (Vice President), Vicki Long

Associate Directors Present: Dave McElroy, Rick Neugebauer (arrived at 4:06 p.m.)

Associate Directors Absent: Randy Feeney

Deputy Counsel Present: Melissa Cushman

NCRS Present: Bob Hewitt

Public: None

MOTION TO APPROVE AGENDA: President Corona called for a motion to approve the agenda; moved by Director Brady and seconded by Director Newcomb. Call for vote. **Motion passed 3-0**

II. & III. CONSENT CALENDAR/CORRESPONDENCE/FINANCIALS & GENERAL INFORMATION

President Corona asked for a motion to approve the consent calendar to include all correspondence and general information listed. Director Brady moved for approval of consent calendar and all correspondence and general information listed; Director Newcomb seconded the motion. Call for vote. **Motion passed 3-0.**

Deputy Counsel Cushman noted that the minutes from the previous meeting needed to be approved (Item 1), and President Corona called for a motion. Director Newcomb moved to approve, President Corona seconded. **Motion approved 3-0.**

IV. ACTION ITEMS/DISCUSSION CALENDAR

Item #1: Discussion and potential approval of new logo for TEAM RCD

President Corona introduced the topic and there was general discussion regarding the various samples for the new design. Director Newcomb and President Corona agreed to stay in touch to fine-tune the version he originally created to present to the full Board at the next meeting.

Item #2: Update on credit card for TEAM RCD

President Corona reported that the bank had offered TEAM RCD a credit card for District business, which she thought was a good idea so that she would not have to make miscellaneous business charges on her personal card, and then request reimbursement in the form of a check from TEAM RCD. The bank then told her that she would have to fill out an application including her own personal and corporate information. Rather than fill out an entire application, President Corona added another account user to her existing American Express account. The new card is under the TEAM RCD name with a limit of \$500.

Director Newcomb asked if it would be considered its own account, under TEAM RCD's EIA number, and President Corona confirmed that it was. Director Brady observed that the Amex document in the correspondence packet reflects a higher credit limit, and she noted that American Express does allow the primary user to assign authorized limits to additional assigned card users. President Corona said that was indeed how she set it up and that the account was for incidental smaller charges that will be automatically paid to avoid any possibility of late charges. Director Newcomb asked if \$500 would be enough, and President Corona said that she thought that amount should be fine for now; and it can be increased at a later date if the Board wishes to authorize a higher amount.

Item 3: Discussion and update on meeting with RCA regarding potential MOU and partnership with TEAM RCD. Discussion and potential approval of a draft MOU between RCA and TEAM RCD, with authorization for the President or appointed Board member to sign the MOU if there is little or no change to the MOU. Also, update on Morgan Hill project.

President Corona turned the floor over to Melissa Cushman, Deputy Counsel, who stated that she did not meet with RCA (Regional Conservation Authority) so she could not report on that portion of the item. However, she did have the final version of the MOU (Memorandum of Understanding) that RCA had reviewed and they requested that TEAM RCD sign it first.

There was general discussion between President Corona, Ms. Cushman, and Associate Director Neugebauer regarding minor changes between the new version and previous draft. President Corona provided some background to the Board and explained that she, Associate Director Neugebauer and Hugh Wood (of SAWA) had met with RCA on June 2, 2016 and had discussed the timeframe of completion of D.R. Horton's Morgan Hill project (which would coincide with TEAM RCD's receipt of the conservation easement.) TEAM RCD's due diligence must be completely accepted by Fish and Wildlife in order to take the easement. And so they asked RCA if they could take the conservation easement and allow TEAM RCD to perform the maintenance with the approval of Fish & Wildlife. In order to do so, TEAM RCD needs to enter into this MOU in order to execute on that plan.

Director Newcomb asked if there was anything in the MOU that creates a risk for TEAM RCD, and said that it was his understanding that entering into it just allows the RCD to set up future negotiations with no liability. President Corona stated that that was correct, and further clarified that it's like the MOUs the District has had with other RCDs.

Ms. Cushman added that a good thing about this is that RCD is agreeing to manage existing land which are the three properties attached, and President Corona clarified the existing lands as Greer Ranch and Adeline Farms which TEAM RCD already is managing, and the Clinton Keith property. Associate Director Neugebauer noted that this would help generate more revenue for the RCD and hopefully provide funding for a staff member.

Director Newcomb moved to approve, and President Corona seconded. **Motion passed 3-0.** Ms. Cushman noted that signatures would be needed.

Item 4: 2016 Local Agency Biennial Notice-Conflict of Special Interest Codes-Direction and authorization for District Counsel to draft a Conflict of Special Interest Code to be adopted by the Board within 90 days. Also to make any changes regarding the Codes to reflect the new name of Temecula-Elsinore-Anza-Murrieta Resource Conservation District

President Corona summarized the topic and explained that the binders provided to Board members did not contain a signed conflict of interest code, and that Deputy Counsel Cushman had prepared a draft that also reflects the RCD's new name.

The draft follows the generally accepted format with various citations and language available online, including an appendix with identified designated positions, disclosure categories etc. Ms. Cushman added that any general manager, chief financial officer, treasurer, investment consultant are required by law to already be complying with the California code of regulations for the filing of forms.

There was extensive discussion between the Directors, Associate Directors and Deputy Counsel regarding associate directors since they also fill out Form 700 but may not need to be included in all five disclosure categories as volunteers rather than Directors appointed by the Board of Supervisors. Elimination of unnecessary (or not applicable) titles was agreed upon by Directors, Associate Directors and Counsel.

Ms. Cushman noted that the Clerk of the Board had already been alerted that the RCD would be making changes and we have 90 days from that time.

Director Newcomb moved to eliminate categories 3, 4 and 5 from the draft, and to direct District Counsel to make appropriate amendments and submit the amended document to the Clerk of the Board.

Director Brady seconded the motion, and President Corona called for a vote. **Motion passed 3-0.**

Item 5: Discussion and potential approval to direct District Counsel to create and extension of the existing water audit agreement and President between Mission RCD and Team RCD since Rancho Water District has decided to extend the existing agreement until December 31, 2016. Also discussion and potential approval to authorize the President or appointed Board member to sign agreement if there are little or no changes to the existing agreement

President Corona briefly summarized the item and requested a motion. Director Brady moved to direct Counsel to prepare the documents to extend the existing agreement until 12/31/16. President Corona called for a vote. **Motion passed 3-0.**

Counsel asked if there would be a vote to have the President sign the document once it was prepared. President Corona asked for an amendment to the motion. Director Newcomb moved to amend the motion and add that the President is authorized to sign. President Corona seconded and called for a vote. **Motion to amend passed 3-0.**

Item 6: Information on the CSDA Annual Conference in San Diego Oct. 10-13. Discussion and potential approval to send one Board Member or Associate Director to the Conference and pay expenses for registration, meals and gas to and from convention

President Corona reported that she had spoken with Mandy Parkes of Inland Empire regarding the California Special Districts Association (CSDA) annual conference. It will be held in San Diego this year, and President Corona said that she would like to nominate Associate Director McElroy to attend. She also noted that scholarships were available, and that TEAM RCD may request up to two to cover expenses for the registration for the CSDA in October and also the California Association of Resource Conservation Districts (CARCD) in November.

Director Newcomb asked if more than two could be requested, and President Corona said that she could ask for more – maybe two for each event. Director Newcomb said he didn't think a motion was needed; and President Corona agreed that this is just informational so she could get the Board's input and then move forward in getting additional information from Ms. Parkes.

Item 7: Update on drafts of Ongoing MOU's with other RCD's in our area (Inland Empire, San Jacinto, Antelope Valley etc.

President Corona provided a quick overview, saying the other RCDs in the area had the drafts of ongoing MOUs, were very excited, and are bringing them to their boards. However there has been no action yet because many of them go dark in July or August. They will address the item most likely in September.

Item 8: Discussion and update on meeting with Fish and Wildlife

President Corona asked Associate Director Neugebauer to provide an update and he summarized by saying that he and President Corona had a substantive two-hour meeting with Jeff Brandt (Fish & Wildlife) and his associate named Kim. They took along three or four boxes of files and documents to demonstrate the progress the new TEAM RCD Board has made in organizing documents, tracking and reporting funds, ensuring that the proper bookkeeping was being put in place, and re-creating archived files to identify historic transactions and develop improved management/oversight.

Associate Director Neugebauer mentioned that the MS4 had been brought up, and provided an overview. He explained that the Riverside County has an agreement with the San Diego Regional Water Board a certain amount – say between six and seven million dollars - for the right of our water going across the Santa Margarita Watershed. TEAM RCD is the watershed agency for the County of Riverside for the Santa Margarita watershed. He suggested that some of those dollars be “kept at home” for our RCD to manage it, funding a staff versus relying upon appointed volunteers. Mr. Neugebauer noted that the MS4 is being rewritten right now and he thinks we should sit down with Flood Control, Transportation, City Council and other stakeholders to discuss how some of the dollars could be kept to support the TEAM RCD organization.

There was additional conversation in that meeting about short and long-term plans created by the new Board regarding partnering with other RCDs, our plan for taking on additional conservation easements, coming together with other entities to manage mitigation, etc.

Mr. Neugebauer mentioned the District owned Clinton Keith property, which came to the RCD through a private benefactor, and there was discussion between Directors Newcomb, Corona, Brady and Associate Director Neugebauer regarding historic documentation and files regarding this property in order to address mitigation that has been placed on it. There are options for

an outlet for that piece of property once it is determined that the mitigation needs are being addressed once all the information is compiled.

President Corona expressed that long term the RCD will continue to do due diligence for additional funding and hopefully eventually hire staff for day-to-day operations. But for now, we're going to start partner with every RCD and organization that we can, as long as the Board agrees and approves projects that align with their vision for the District.

Item 9: Discussion and potential approval to hire a service to provide basic administrative help on a part time basis for basic clerical help

President Corona recommended that TEAM RCD hire help from a temporary agency to assist with copying, filing and clerical duties. Directors have been reconstructing files, screening transcripts, copying board packets and preparing minutes; but this work could be delegated so that directors' time is redirected to strategic tasks rather than clerical.

There was discussion regarding meeting transcription and also the need for some work needing confidentiality. President Corona suggested condensing the scope of work an outside agency individual would perform, and called for a motion.

Director Newcomb moved to hire an administrative person for about eight hours/month at the going rate through a temporary agency. Director Brady seconded the motion. Call for vote. **Motion passed 3-0.**

Item 10: Discussion and potential approval of Audit Services for year ending June 30, 2016. Also discussion of legislation AB 2613 which authorizes additional alternatives to the annual audit requirements for special districts that have annual revenues below \$150,000.

President Corona introduced the item and turned the floor over to Director Brady, who had prepared a bid analysis.

Director Brady gave a brief overview of the RFP and said that bids had been solicited from CPA firms to provide auditing services to the district for the period of June 2015-June 2016, and to prepare reports as required. Two of the four responded: 1) Nigro and Nigro and 2) Fedak and Brown. Technical and commercial requirements were met by both firms. A copy of the Excel spreadsheet analysis can be made available online. Director Brady explained that a summary of an "apples to apples comparison" shows that the total proposed engagement bid by Nigro and Nigro is for 80 audit hours for a total of \$6400, versus only 40 audit hours proposed by Fedak and Brown. She noted that hourly rates are also discounted for each category bid by Nigro and Nigro. There was a provision to have the option to request additional hours, as well as an out-of-pocket expense adder also proposed by Fedak and Brown. These options could potentially inflate the bottom line of the proposal, if exercised.

President Corona then said that there is a new piece of legislation just passed (signed on the Monday prior to the meeting) going to the Governor's desk, which could impact the award of this RFP. AB:2613 addresses another alternative available to RCDs that don't make revenues above \$150,000/year. There is a possibility that an audit would not be required in 2016, and could potentially be performed in 2017 and 2018 instead using this proposed new method, which would save the cost of the audit for those with small budgets. President Corona called the CSDA to investigate alternatives, and they confirmed that as soon as the governor signs AB2613 it would go into effect. According to the legislation, with a unanimous vote of the Board of Supervisors the RCD would be able to have an audit every 2 or 5 years depending on the frequency recommended by the controller. She said that the problem with this method required by AB2613 is that it basically requires the District to let the County do the bookkeeping for the District.

Director Brady asked if the 3-year clean audit requirement for the due diligence required by Fish and Wildlife. President Corona said that Mr. Brandt seemed happy with the current accounting systems in place, so the two issues are separate.

Associate Director Neugebauer recommended that the Board continue doing annual audits so that TEAM RCD continues to operate independently without comingling funds, so the District retains control without having the County controller manage the money and pay the bills.

President Corona agreed. Mr. Neugebauer added that the language regarding requirement for under \$150,000 revenue was unclear. President Corona suggested that she and another Director go up to the County to speak with the auditor get an opinion.

Director Newcomb asked for an estimate of the time required for past audits since Nigro and Nigro's bid included an 80 hour cap. He noted that the previous hours needed may have been because the auditor was dealing with books and records that were "a mess"; but now that they're in order less time may be necessary. President Corona agreed; and said that Jeff Nigro had said he would review the time estimate he had bid, but that there's a certain built-in number of hours built in that they have to meet in order to meet the requirements to be auditors.

Director Brady suggested a "not to exceed" type of contract with the auditor. Director Newcomb suggested having President Corona clarify to bidders that the current bookkeeping is now in place and see if they would like to revise the hours proposed in their bids.

President Corona asked moved that she and another director go up to the County, talk to the auditor controller, and see what they'll accept in light of the fact that the RCD is now on the right track with Quickbooks, reports, and a bookkeeper. Director Brady seconded. **Motion passed 3-0.**

V. OLD BUSINESS

President Corona asked District Counsel if the order of business could be changed so that Bob Hewitt could discuss the Meadowview project before other items were addressed. Ms. Cushman said that the order could be changed, and President Corona turned the floor over to Bob Hewitt from the Natural Resources Conservation Service (NRCS.)

Mr. Hewitt began by saying that he had a preliminary design for the Meadowview Homeowners' Association and then had met with the committee agencies, Fish & Wildlife, Flood Control, etc. The design was thrown out because they didn't want NRCS to be working in the channels with a vertical bank.

President Corona noted that the sides of the channel were collapsing and asked who was objecting to the design and objecting to NRCS going into the channel. Mr. Hewitt responded "all of them." And said that it takes time to redesign the proposed work but it could be done. He explained that they were trying to balance the engineering in terms of cuts and fits, and drew an example on the whiteboard to show the way it could be accomplished.

There was further discussion between the Directors, Associate Directors and Mr. Hewitt regarding the methodology and soil movement.

President Corona then reminded the Board that Terri Biancardi, from the Meadowview Homeowners' Association (HOA), had made a presentation at a meeting about four months ago. At the time, she had asked if TEAM RCD wanted to be involved with management or some part of the project. President Corona recently received an email from Ms. Biancardi (copy in the Board Packet) asking for permission to contact Riverside Corona RCD (RCRCD) to manage the project.

She continued by saying that Ms. Biancardi had contacted the Bureau of Reclamation and they were going to manage the project, and Mr. Hewitt clarified that the construction of the project would be managed by NRCS and they have about \$70,000 in their contract to fund it. Flood Control has offered money to cover some of the difference. He explained that the HOA had approached TEAM RCD because Flood Control can't give the money directly to them and it needs to go through a public agency.

Director Newcomb asked why Flood Control doesn't give it to TEAM RCD, and Mr. Hewitt said they could, but Ms. Biancardi is looking into an alternative right now since the Bureau of Reclamation is such a big agency and a more local agency may be able to move the project forward in a more efficient manner. She further explained to the Board that Rancho California Water District (RCWD) said that if TEAM RCD decided to move forward with this project they may be able to provide help with staff and support in collaboration to receive funding from Flood Control. She said that the person in charge of that at RCWD is on paternity leave but will be back in September, at which time TEAM RCD

would have a meeting with him to define exactly how it will work and what needs to be done in order to proceed.

There was further discussion regarding scope of work, planting and irrigation options. Mr. Hewitt said that at the time the HOA was looking at possibilities, the TEAM RCD Board was in transition and with the new Board things have changed so it might be good to have President Corona or another Director go to one of the HOA Board meetings to observe.

He closed by showing the Board a list of 110 contracts that he administers, and said that TEAM RCD has 47 federal contracts in our area. There was further discussion about some possible future partnering between NRCS and TEAM RCD.

Associate Director Neugebauer asked if Mr. Hewitt had heard any update regarding the Cahuilla lawsuit; Mr. Hewitt said that he had not. President Corona mentioned that Jason Uhley had come to speak to the Board and Nicolette (Jonkoff) had also come in because she was concerned that a governmental agency was potentially involved. President Corona had not heard from Ms. Jonkoff with an update, but said that she would follow up with her.

President Corona and the Board thanked Mr. Hewitt and he left the meeting.

Item 1: Discussion and update of Country Roads Maintenance Agreement

President Corona provided background, explaining that Director Long had advised the Board at a previous meeting that there was no agreement because it had fallen through. However, President Corona found a copy of an agreement in the archived files signed by Director Long in 2011.

Associate Director Neugebauer asked if the other side had signed, and President Corona said that they had. She continued by saying there is a maintenance agreement but TEAM RCD is not requiring implementation until the conservation easement and arrangement with RCA and D.R. Horton is settled. D.R. Horton was supposed to finalize the easement. They had to make an amendment to the easement, which requires a road for Edison. Until they get that road, we don't have any responsibilities for now. She said this was an update to advise the Board and until RCA and D.R. Horton resolve the issue we won't be doing anything further.

Item 2: Discussion and potential approval to direct District Counsel to create a proposal for endowment for Benton Channel project and to direct the President to draft a letter to Flood Control regarding the current Maintenance agreements with Valley Wide

President Corona turned the floor over to Associate Director Neugebauer, and prefaced it by saying that Jeff Brandt had expressed concern with the scope of work for Valley Wide Maintenance regarding the need for TEAM RCD to put a larger overlay - not just for Benton channel and the developer, but the larger

long-term project because it's TEAM RCD's conservation easement. Mr. Neugebauer said that Valley Wide is supposed to be developing a natural habitat format; but he believes that there has been discussion about how some HOAs may have influence from a visual landscape perspective. Mr. Brandt may be concerned that things are being trimmed up that should remain natural, and President Corona said she had contacted Jason Uhley of Flood Control who will look into it further.

Associate Director Neugebauer and President Corona further discussed who was in control and in charge of the maintenance, and Mr. Neugebauer said that Valley Wide was in charge of the maintenance through an agreement with Flood Control. President Corona asked for a motion to draft a letter to Flood Control regarding the current maintenance agreements with Valley Wide and possible alternatives to the existing contractor.

Director Newcomb made the motion; President Corona seconded. **Motion passed 3-0.**

Item 3: Discussion and update on RFP's for conservation easements

Associate Director Neugebauer began to explain that they had not gone out because he had started reading easements and thought there were some issues with the easements that RCA has regarding what is in control of their property. President Corona said that she had consulted with Deputy Counsel Cushman, and also had consulted with Hugh Wood (from SAWA, who is familiar with the current agreement) and both had agreed that they don't believe these concerns were going to affect anything substantially. The issues Mr. Neugebauer found could be addressed if any changes were needed; but President Corona noted that time was running out, the RFPs needed to be sent out, and she did send them.

Associate Director Neugebauer then noted the time and said that he had to leave at 6:00, so President Corona made a motion to close open session to discuss litigation issues in closed session. Director Newcomb seconded.

Motion passed 3-0

Transcript ended at this point.

Items 4-5 of Old Business; IV. New Business, VII Oral/Written Reports; and IX Future Agenda Items: To be addressed at next meeting.

VIII. CLOSED SESSION

Item 1: Conference with legal counsel-anticipated litigation. Potential initiation of litigation pursuant to subdivision (d)(4) of Government Code Section 549569:one potential case

Meeting completed at 6:20 pm

Carol Lee Brady

Carol Lee Brady-Secretary-Treasurer