

Yolo Habitat Conservancy Policy Binder Part 1

Click in any row in the Table of Contents to link to the relevant materials.

Indexed Number	Reference Letter	Action	Date Adopted
1	A	Unless otherwise authorized by subsequent Board action, rely exclusively on sources of funding other than the Mitigation Trust Account for plan development.	October 15, 2012 Board Meeting, Item 7
1	B	Institute regular schedule of Steering Committee meetings, including city staff, to involve member agencies and other stakeholders in key plan development activities.	October 15, 2012 Board Meeting, Item 7
1	C	Unless otherwise authorized by subsequent Board action, do not rely in the long term on the Mitigation Trust Account for salaries and administrative costs. This does not include funds necessary for easement acquisitions consistent with the purpose of the Account.	October 15, 2012 Board Meeting, Item 7
1	D	Require developers or other project proponents to pay for staff costs associated with Swainson's Hawk mitigation measure compliance imposed as part of project approvals. In general, this will consist of staff time devoted to advising developers on conservation easement terms and related issues associated with project impacting more than 40 acres of habitat.	October 15, 2012 Board Meeting, Item 7
1	E	Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures and grant reimbursements.	October 15, 2012 Board Meeting, Item 7
1	F	Present annual report to the Board, the CAO of Yolo County, and each city manager on easement endowments, including results of monitoring activity.	October 15, 2012 Board Meeting, Item 7
1	G	Coordinate timely annual outside audits, the results of which are presented to the Board by an outside firm, with copies to the CAO of Yolo County and each city manager.	October 15, 2012 Board Meeting, Item 7
1	H	Coordinate annual presentation to the Board by Auditor-Controller's office of State Controller's report on YNHP finances.	October 15, 2012 Board Meeting, Item 7
1	I	Coordinate presentations to the Board from the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service on plan activity, including grant status, as needed.	October 15, 2012 Board Meeting, Item 7 <i>Meetings were scheduled quarterly</i> August 18, 2014, Consent Calendar <i>Approve change from quarterly meetings to meetings coordinated as needed.</i>
1	J	Annual draft budget reviewed by the Finance Team composed of city managers and the County Administrator. In addition, a budget analyst from the Chair's jurisdiction also reviews the draft annual budget. The Board receives the monthly financial updates.	October 15, 2012 Board Meeting, Item 7 <i>Required regular review of monthly and other reports by a Finance Team composed of staff from the cities and the County.</i> August 18, 2014 Consent Calendar <i>Approve change as stated.</i>
2	A	Require consultants to submit invoices to the JPA by the 7th of the following month, or the first work day following the 7th.	December 17, 2012 Board Meeting, Item 7
2	B	Submit grant reimbursements monthly and within 45 days of receiving all invoices.	December 17, 2012 Board Meeting, Item 7 <i>Required staff to submit grant reimbursements within 30 days of receiving all invoices.</i> August 18, 2014 Consent Calendar <i>Approve change from 30 days to 45 days of receiving all invoices.</i>
2	C	Develop an MOU with the Auditor-Controller's office for accounting services that will allow the Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed.	December 17, 2012 Board Meeting, Item 7 May 20, 2013, Item 5 <i>Revised MOU approved and signed</i>
2	D	Follow all Yolo County Administrative Procedure Manual policies, including cash handling, travel, personnel, and purchasing.	December 17, 2012 Board Meeting, Item 7
2	E	Provide monthly financial statements produced by JPA staff for Board meetings.	December 17, 2012 Board Meeting, Item 7 <i>Required staff to submit GenLed reports every month, as well as the monthly financial statement.</i> August 18, 2014 Board Meeting, Consent Calendar <i>Approve limiting this information to the monthly financial statement only.</i>

Indexed Number	Reference Letter	Action	Date Adopted
2	F	Chair approves Executive Director and Project Manager invoices. All other invoices approved by Executive Director. All invoices appear in monthly status reports, which are presented to the Board.	December 17, 2012 Board Meeting, Item 7 <i>Required Chair and Executive Director to approve all invoices.</i> August 18, 2014, Consent Calendar <i>Approve change to require Chair to approve Executive Director and Project Manager invoices and all other invoices approved by the Executive Director</i>
2	G	Authorize Executive Director to approve no more than \$5,000 in expenditures.	December 17, 2012 Board Meeting, Item 7 <i>Approval of action</i> January 24, 2013 Board Meeting, Consent Calendar <i>Increase expenditure authority from \$1,000 to \$5,000</i>
2	H	Approve payment of JPA debt of \$667,733 in non-reimbursable costs. Approve continuation of the planning process for the Yolo HCP/NCCP.	November 15, 2012, Item 13
3	A	Approve Advisory Committee appointments, composition, and name change	January 24, 2013 Board Meeting, Item 8 February 27, 2013 Board Meeting, Consent Calendar <i>Approve updated Advisory Committee membership</i> April 8, 2013 Board Meeting, Consent Calendar <i>Advisory Committee Appointment</i>
4	A	Auditor-Controller appointment for additional level of accounting and financial services	April 8, 2013 Board Meeting, Item 6
5	A	Auditor-Controller revised contract	May 20, 2013 Board Meeting, Consent Calendar
6	A	Revised cash flow policy	June 17, 2013 Board Meeting, Item 6
7	A	Interim project review process	June 17, 2013 Board Meeting, Item 8
8	A	Response to Mitigation Trust Account Finding 2011-09 for FY11-12 audit	July 15, 2013 Board Meeting, Consent Calendar

Staff Report

TO: Don Saylor, Chair
Members of the Board

FROM: Petrea Marchand
Yolo County Habitat JPA Interim Executive Director

DATE: October 15, 2012

SUBJECT: Receive update on JPA finances and approve recommended actions to increase oversight, transparency, and financial stability

REQUESTED ACTIONS:

1. Receive presentation on JPA finances
2. Approve the following actions related to Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) development:
 - a. Return to Board in November with budget and timeline that corresponds to available grant revenue. (A preliminary schedule will be presented at the Board meeting.)
 - b. Research alternatives to current approach to develop an HCP/NCCP, including an HCP/NCCP focused on a smaller suite of species/natural communities and other options
 - c. Unless otherwise authorized by subsequent Board action, rely exclusively on sources of funding other than the Mitigation Trust Account for plan development
 - d. Negotiate payment of unpaid invoices with consultants
 - e. Negotiate new consultant contracts for ongoing work based on anticipated funding and include performance measures
 - f. Extend existing Section 6 grant
 - g. Amend existing state ERP grant to cover project management costs and change deliverables to appropriately reflect plan status
 - h. Pursue Wildlife Conservation Board planning grant
 - i. Apply for a new Section 6 grant in December 2012
 - j. Institute regular schedule of Steering Committee meetings, including city staff, to involve member agencies and other stakeholders in key plan development activities
 - k. Return to Board in November/December 2012 with options to continue HCP/NCCP
3. Approve the following actions related to JPA administration:

- a. Unless otherwise authorized by subsequent Board action, do not rely in the long term on the Mitigation Trust Account for salaries and administrative costs. This does not include funds necessary for easement acquisitions consistent with the purpose of the Account.
 - b. Require developers or other project proponents to pay for the staff costs associated with Swainson's Hawk mitigation measure compliance imposed as part of project approvals. In general, this will consist of staff time devoted to advising developers on conservation easement terms and related issues associated with projects impacting more than 40 acres of habitat.
 - c. Return to the Board in November/December 2012 with options to reduce administration costs.
4. Approve the following actions by the Executive Director to ensure financial oversight:
- a. Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures, and grant reimbursements.
 - b. Present annual report to the Boards the CAO of Yolo County, and each city manager on easement endowments, including results of monitoring activity.
 - c. Coordinate timely annual outside audits, the results of which are presented to Board by an outside firm, with copies to the CAO of Yolo County and each city manager.
 - d. Coordinate annual presentation to the Board by Auditor-Controller's office of State Controller's report on YNHP finances.
 - e. Coordinate quarterly presentations to the Board from the California Department of Fish and Game and the U.S. Fish and Wildlife Service on plan activity, including grant status, if agency staff representatives are available.
 - f. Institute regular review of monthly and other reports by a Finance Team composed of staff from cities and the County.
 - g. Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.

REASON FOR RECOMMENDED ACTIONS:

The recommended actions are necessary to increase oversight, transparency and financial stability in the development of the HCP/NCCP. These actions will help the JPA develop a system through which plan development is funded primarily by state and federal grant revenue, without continued reliance on the use of the Wildlife Mitigation Trust Account.¹ The actions will also help ensure complete, accurate, and consistent financial information is presented regularly to the JPA Board.

BACKGROUND:

After an initial effort in the early 1990s to adopt an HCP, the four cities and the County reinvigorated their habitat conservation planning efforts with the adoption of a Joint Powers

¹ The Wildlife Mitigation Trust Account is the account into which all mitigation fees collected by the JPA for the loss of Swainson's Hawk foraging habitat are deposited.

Agreement to form the Habitat JPA in 2002. The four cities and the County agreed to pursue a countywide HCP/NCCP to protect endangered, threatened, and sensitive species in Yolo County, help preserve agricultural land, streamline permitting, and ensure full mitigation for covered activities. More recently, the HCP/NCCP planning process has also provided opportunities to coordinate with the Bay Delta Conservation Plan and other regional efforts. The California Department of Fish and Game signed a Planning Agreement with the JPA and the U.S. Fish and Wildlife Service in 2005 to direct HCP/NCCP preparation, which was later amended and extended in 2009. The agreement expires in 2013.

Soon after the 2002 formation of the JPA, the JPA signed an agreement with the California Department of Fish and Game to authorize the creation of the Wildlife Mitigation Trust Account and provide guidelines for the expenditure of Swainson's Hawk mitigation fees collected in Yolo County since 1993. The Department authorized the use of \$2 million in the Wildlife Mitigation Trust Account for HCP/NCCP preparation in 2006. The Habitat JPA amended the Joint Powers Agreement in 2006 to allow the use of the Wildlife Mitigation Trust Account funds for plan preparation. The JPA also secured state and federal grants for plan preparation. The most recent of these grants are the 2009 Section 6 U.S. Fish and Wildlife Service grant and the 2010 Ecosystem Restoration Program grant from the California Department of Fish and Game.

Following the resignation of the former Executive Director in early August 2012, interim JPA staff undertook a review of the JPA's financial condition. This included an evaluation of JPA revenues and expenditures over the last 10 years, a review of annual audits conducted by an outside firm, and consultation with the Yolo County Auditor-Controller's office. As a result of this evaluation, staff have reached the following conclusions:

- (1) **The JPA needs \$670,101 in additional revenue to cover expenses through December 2012.** In July 2012, the JPA Board adopted a 2012-13 budget that showed a comfortable financial situation. Based on interim staff's subsequent analysis, the JPA actually needs \$670,101 to maintain operations through December 31, 2012. This amount consists of an FY 2011-12 negative fund balance of \$225,391, unpaid invoices totaling \$303,310 and six months of "keep the lights on" administrative expenses totaling \$141,400. (Staff are exploring ways to reduce the need for additional funding by a small amount, but the majority of the need is unalterable.) The JPA is not able to secure this funding from existing grants because the work occurred outside of the approved grant tasks and adequate documentation was not required of consultants to enable reimbursement. If this funding is secured, the JPA expects to continue plan development as a result of future promising grant opportunities.
- (2) **The \$2 million limit on expenditures from the Mitigation Trust Account endorsed by the California Department of Fish and Game for plan development was exceeded by approximately \$1.53 million.** The JPA spent a total of \$3.53 million from the Mitigation Trust Account between 2007 and 2012. This exceeded the use of \$2 million endorsed by the California Department of Fish and Game by \$1.53 million and occurred without the knowledge and authority of the JPA Board. The JPA Board was advised during the annual budget process that the transferred amount was less than \$2 million. As of August 2012, there is \$943,326 remaining in the Mitigation Trust Account. (The JPA also purchased 1,131 acres of Swainson's Hawk easements with Account funds during the 2007-2012 time period. These easements are supported by endowments for monitoring and enforcement in perpetuity and are not affected by other expenditures from the Trust Account.)

- (3) **Grants were not adequately managed.** The existing 2009 Section 6 grant and 2010 ERP grant tasks and deliverables do not align with the steps necessary to complete the HCP/NCCP, resulting in an inadequate flow of funding for plan completion. This lack of alignment also resulted in the need to return approximately \$236,366 of the Section 6 grant in September 2012 to secure a grant extension for the remaining eligible funds. The consultant payment schedule and invoice procedures also did not align with the flow of grant money, making it difficult to seek reimbursement in a timely and effective manner. In addition, grant submittals were 6-12 months behind schedule.
- (4) **Standard accounting practices were not followed.** The JPA budget was not reconciled at the end of each fiscal year, resulting in additional revenue needs that were not reported to the Board. In addition, audits were not regularly completed. After repeated requests, the JPA Board received audits covering 4 fiscal years in June 2012.

As the information supporting these findings became apparent, interim staff directed all consultants to cease work on the HCP/NCCP in August 2012. Interim staff also is in the process of negotiating an amendment to the 2009 Section 6 grant and an amendment to the 2010 ERP grant to ensure consistency with the plan completion schedule and allow use of funds for project management.

Staff estimate the HCP/NCCP is currently about 50% complete (taking into account all steps necessary to gain final approval of a completed HCP/NCCP) and the EIS/EIR is 20% complete. Staff further roughly estimate it will take an additional 30 months starting in January 2013 to complete the HCP/NCCP at a cost of \$2.5 to \$ 3 million. (More work is necessary to develop a sophisticated schedule and budget.) The Wildlife Conservation Board (WCB) has invited the Habitat JPA to apply for a \$500,000 grant for consideration at the WCB's November 2012 meeting. The JPA also plans to apply for a new Section 6 grant from the U.S. Fish and Wildlife Service in December 2012. Staff believe it is possible to complete a first draft of the HCP/NCCP by July 2013 if the WCB awards the JPA the grant, plus the JPA successfully secures the amendments to the ERP and Section 6 grants currently in progress. Staff need more time to fully evaluate time constraints, however, to develop a detailed schedule and timeline.

Staff Report

TO: Don Saylor, Chair
Members of the Board

FROM: Petrea Marchand
Yolo County Habitat JPA Interim Executive Director

DATE: October 15, 2012

SUBJECT: Receive update on JPA finances and approve recommended actions to increase oversight, transparency, and financial stability

REQUESTED ACTIONS:

1. Receive presentation on JPA finances
2. Approve the following actions related to Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP) development:
 - a. Return to Board in November with budget and timeline that corresponds to available grant revenue. (A preliminary schedule will be presented at the Board meeting.)
 - b. Research alternatives to current approach to develop an HCP/NCCP, including an HCP/NCCP focused on a smaller suite of species/natural communities and other options
 - c. Unless otherwise authorized by subsequent Board action, rely exclusively on sources of funding other than the Mitigation Trust Account for plan development
 - d. Negotiate payment of unpaid invoices with consultants
 - e. Negotiate new consultant contracts for ongoing work based on anticipated funding and include performance measures
 - f. Extend existing Section 6 grant
 - g. Amend existing state ERP grant to cover project management costs and change deliverables to appropriately reflect plan status
 - h. Pursue Wildlife Conservation Board planning grant
 - i. Apply for a new Section 6 grant in December 2012
 - j. Institute regular schedule of Steering Committee meetings, including city staff, to involve member agencies and other stakeholders in key plan development activities
 - k. Return to Board in November/December 2012 with options to continue HCP/NCCP
3. Approve the following actions related to JPA administration:

- a. Unless otherwise authorized by subsequent Board action, do not rely in the long term on the Mitigation Trust Account for salaries and administrative costs. This does not include funds necessary for easement acquisitions consistent with the purpose of the Account.
 - b. Require developers or other project proponents to pay for the staff costs associated with Swainson's Hawk mitigation measure compliance imposed as part of project approvals. In general, this will consist of staff time devoted to advising developers on conservation easement terms and related issues associated with projects impacting more than 40 acres of habitat.
 - c. Return to the Board in November/December 2012 with options to reduce administration costs.
4. Approve the following actions by the Executive Director to ensure financial oversight:
- a. Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures, and grant reimbursements.
 - b. Present annual report to the Boards the CAO of Yolo County, and each city manager on easement endowments, including results of monitoring activity.
 - c. Coordinate timely annual outside audits, the results of which are presented to Board by an outside firm, with copies to the CAO of Yolo County and each city manager.
 - d. Coordinate annual presentation to the Board by Auditor-Controller's office of State Controller's report on YNHP finances.
 - e. Coordinate quarterly presentations to the Board from the California Department of Fish and Game and the U.S. Fish and Wildlife Service on plan activity, including grant status, if agency staff representatives are available.
 - f. Institute regular review of monthly and other reports by a Finance Team composed of staff from cities and the County.
 - g. Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.

REASON FOR RECOMMENDED ACTIONS:

The recommended actions are necessary to increase oversight, transparency and financial stability in the development of the HCP/NCCP. These actions will help the JPA develop a system through which plan development is funded primarily by state and federal grant revenue, without continued reliance on the use of the Wildlife Mitigation Trust Account.¹ The actions will also help ensure complete, accurate, and consistent financial information is presented regularly to the JPA Board.

BACKGROUND:

After an initial effort in the early 1990s to adopt an HCP, the four cities and the County reinvigorated their habitat conservation planning efforts with the adoption of a Joint Powers

¹ The Wildlife Mitigation Trust Account is the account into which all mitigation fees collected by the JPA for the loss of Swainson's Hawk foraging habitat are deposited.

Agreement to form the Habitat JPA in 2002. The four cities and the County agreed to pursue a countywide HCP/NCCP to protect endangered, threatened, and sensitive species in Yolo County, help preserve agricultural land, streamline permitting, and ensure full mitigation for covered activities. More recently, the HCP/NCCP planning process has also provided opportunities to coordinate with the Bay Delta Conservation Plan and other regional efforts. The California Department of Fish and Game signed a Planning Agreement with the JPA and the U.S. Fish and Wildlife Service in 2005 to direct HCP/NCCP preparation, which was later amended and extended in 2009. The agreement expires in 2013.

Soon after the 2002 formation of the JPA, the JPA signed an agreement with the California Department of Fish and Game to authorize the creation of the Wildlife Mitigation Trust Account and provide guidelines for the expenditure of Swainson's Hawk mitigation fees collected in Yolo County since 1993. The Department authorized the use of \$2 million in the Wildlife Mitigation Trust Account for HCP/NCCP preparation in 2006. The Habitat JPA amended the Joint Powers Agreement in 2006 to allow the use of the Wildlife Mitigation Trust Account funds for plan preparation. The JPA also secured state and federal grants for plan preparation. The most recent of these grants are the 2009 Section 6 U.S. Fish and Wildlife Service grant and the 2010 Ecosystem Restoration Program grant from the California Department of Fish and Game.

Following the resignation of the former Executive Director in early August 2012, interim JPA staff undertook a review of the JPA's financial condition. This included an evaluation of JPA revenues and expenditures over the last 10 years, a review of annual audits conducted by an outside firm, and consultation with the Yolo County Auditor-Controller's office. As a result of this evaluation, staff have reached the following conclusions:

- (1) **The JPA needs \$670,101 in additional revenue to cover expenses through December 2012.** In July 2012, the JPA Board adopted a 2012-13 budget that showed a comfortable financial situation. Based on interim staff's subsequent analysis, the JPA actually needs \$670,101 to maintain operations through December 31, 2012. This amount consists of an FY 2011-12 negative fund balance of \$225,391, unpaid invoices totaling \$303,310 and six months of "keep the lights on" administrative expenses totaling \$141,400. (Staff are exploring ways to reduce the need for additional funding by a small amount, but the majority of the need is unalterable.) The JPA is not able to secure this funding from existing grants because the work occurred outside of the approved grant tasks and adequate documentation was not required of consultants to enable reimbursement. If this funding is secured, the JPA expects to continue plan development as a result of future promising grant opportunities.
- (2) **The \$2 million limit on expenditures from the Mitigation Trust Account endorsed by the California Department of Fish and Game for plan development was exceeded by approximately \$1.53 million.** The JPA spent a total of \$3.53 million from the Mitigation Trust Account between 2007 and 2012. This exceeded the use of \$2 million endorsed by the California Department of Fish and Game by \$1.53 million and occurred without the knowledge and authority of the JPA Board. The JPA Board was advised during the annual budget process that the transferred amount was less than \$2 million. As of August 2012, there is \$943,326 remaining in the Mitigation Trust Account. (The JPA also purchased 1,131 acres of Swainson's Hawk easements with Account funds during the 2007-2012 time period. These easements are supported by endowments for monitoring and enforcement in perpetuity and are not affected by other expenditures from the Trust Account.)

- (3) **Grants were not adequately managed.** The existing 2009 Section 6 grant and 2010 ERP grant tasks and deliverables do not align with the steps necessary to complete the HCP/NCCP, resulting in an inadequate flow of funding for plan completion. This lack of alignment also resulted in the need to return approximately \$236,366 of the Section 6 grant in September 2012 to secure a grant extension for the remaining eligible funds. The consultant payment schedule and invoice procedures also did not align with the flow of grant money, making it difficult to seek reimbursement in a timely and effective manner. In addition, grant submittals were 6-12 months behind schedule.
- (4) **Standard accounting practices were not followed.** The JPA budget was not reconciled at the end of each fiscal year, resulting in additional revenue needs that were not reported to the Board. In addition, audits were not regularly completed. After repeated requests, the JPA Board received audits covering 4 fiscal years in June 2012.

As the information supporting these findings became apparent, interim staff directed all consultants to cease work on the HCP/NCCP in August 2012. Interim staff also is in the process of negotiating an amendment to the 2009 Section 6 grant and an amendment to the 2010 ERP grant to ensure consistency with the plan completion schedule and allow use of funds for project management.

Staff estimate the HCP/NCCP is currently about 50% complete (taking into account all steps necessary to gain final approval of a completed HCP/NCCP) and the EIS/EIR is 20% complete. Staff further roughly estimate it will take an additional 30 months starting in January 2013 to complete the HCP/NCCP at a cost of \$2.5 to \$ 3 million. (More work is necessary to develop a sophisticated schedule and budget.) The Wildlife Conservation Board (WCB) has invited the Habitat JPA to apply for a \$500,000 grant for consideration at the WCB's November 2012 meeting. The JPA also plans to apply for a new Section 6 grant from the U.S. Fish and Wildlife Service in December 2012. Staff believe it is possible to complete a first draft of the HCP/NCCP by July 2013 if the WCB awards the JPA the grant, plus the JPA successfully secures the amendments to the ERP and Section 6 grants currently in progress. Staff need more time to fully evaluate time constraints, however, to develop a detailed schedule and timeline.

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

Meeting Minutes: October 15, 2012

Prepared by: Staff

JPA Board Members present:

Sean Denny, City of Woodland
Marjorie Dickinson, UC Davis
Woody Fridae, City of Winters
Chris Ledesma, City of West Sacramento
Jim Provenza, Yolo County
Don Saylor, Yolo County

JPA Board Alternates present: None

Staff present:

Petrea Marchand, Interim Executive Director
Philip Pogledich, JPA legal counsel
Heidi Tschudin, Project Manger
Kate Montieth, Assistant to the Director

Minutes

1. **Chair Saylor** called the meeting to order at 5:35 p.m.
2. **Approval of Agenda Order**
- (Provenza moved and Denny seconded: (5-0)
3. **Public Comment** – None.
4. **Board Correspondence** - None
5. **CONSENT CALENDAR**
 - a) Approve JPA Board minutes – July 16, 2012, August 9, 2012, August 20, 2012
 - b) Authorize refund of Swainson's Hawk mitigation fee paid by the Collins family (\$21,250)
 - c) Authorize the Chair of the Board to sign a Third Amendment to the Agreement with Tschudin Consulting Group (\$10,000 additional compensation)
 - d) Authorize the Interim Executive Director to sign a letter approving the Swainson's Hawk foraging habitat conservation in connection with the Putah Creek Mitigation Bank, subject to DFG concurrence.

Approved as submitted - Provenza moved, Denny seconded: (5-0)

REGULAR AGENDA

6. **Presentation on YNHP background binders** – Interim Director **Marchand** reviewed the documents in the binders distributed to the Board at the last meeting, explaining the purpose was to provide them with background regarding the formation of the JPA, the history of HCP/NCCP plan, planning agreements with DFG, current grants, conservation easements, the Steering Advisory Committee, and the first three publically released chapters of the plan. Chair **Saylor** thanked staff for the preparation of the materials.
7. **Overview of JPA finances and next steps** – Director **Marchand** explained that following the resignation of the former Executive Director in August, staff conducted a review of the revenues and expenditures over the past 10 years and concluded:
 - 1) the JPA needs \$670,101 in additional revenue to cover expenses through December 2012;
 - 2) the \$2 million limit on expenditures from the Mitigation Trust Account was exceeded by approximately \$1.53 million;
 - 3) grants were not adequately managed in a timely and effective manner;
 - 4) standard accounting practices were not followed.

To increase oversight, transparency and financial stability in the development of the HCP/NCCP, staff is recommending 11 actions related to the plan development, 3 actions related to JPA administration, and 7 actions related to financial oversight.

Board Discussion:

Member **Denny** asked why the recent audits completed in June 2012 didn't discover these problems. **Marchand** explained there are different types of audits and that the audits done by Vavrinek, Trine, Day & Co did note an annual deficit in each of the four fiscal years audited. A performance audit, conducted by the Yolo County Auditor-Controller's office is planned. Member **Dickinson** asked if the budget developed to minimally maintain the JPA included the cost of the new audit. **Marchand** replied it did not, and needed to be added. The cost of the VTD audit for 2010-11 and 2011-12 fiscal years had been included. Member **Denny** asked how old the outstanding invoices are. **Marchand** said the invoices date back to April 2012. **Marchand** further said although contractors had been given a stop-work order August 18 and asked to submit invoices through that time, the JPA did not receive some invoices until mid-September. Member **Denny** stated he hoped we had something to show for the work done. **Marchand** said a complete draft of the plan to-date had been requested and received from the contractors.

Chair **Saylor** asked for an explanation of the negative fund balance. **Marchand** explained that in each of the four fiscal years audited by VTD and presented to the Board in June 2012, the JPA had a negative fund balance. Fiscal year 2011-12 was no different. In fiscal year 2011-12, the Board approved a transfer from the Mitigation Trust Account for administrative operations, but this transfer was not sufficient to cover expenditures. In addition, the Board was not told of the revenue shortfall. Member **Provenza** asked for an explanation about issues related to reporting income from grants. **Marchand** responded the total amount of individual grants was presented in more than one fiscal year as revenue, even though the JPA only could receive part of the grant as revenue in any year.

Chair **Saylor** asked what would happen when the planning agreement with DFG expires in February 2013. Counselor **Pogledich** said it was a simple agreement, and would only require a term extension.

Member **Provenza** noted that he was a participant in a group considering what additional oversight might be needed for all JPA's under the county's jurisdiction, and would report back with those findings.

Regarding option 4-e, Coordinating annual presentations to Board from DFG and FWS, member **Dickenson** suggested the phrase "if agency staff representatives are available" be removed. She stated if this was to be a true partnership, they needed to make the commitment to be here. Chair **Saylor** agreed that ongoing communication was vital, particularly considering our timeline. Member **Denny** concurred. Marchand suggested the Board requests that the wildlife agencies work with her to develop mutual process commitments if the plan moves forward. Member **Ledesma** suggested keeping track of the actions adopted by the Board today to increase oversight and accountability and the actions should be considered a contract with ourselves. He suggested adding the approved actions with recommended changes to the Board binders.

Member **Denny** asked if the revenue coming in before December from grant reimbursement could be used to reduce the deficit. **Marchand** responded that there are insufficient funds available in current grants to cover the deficit and new grants can't pay for work done before their start dates. There are only 2 sources of funds available – the Mitigation Trust Account and member contributions.

Chair **Saylor** suggested adding another element to the actions for plan development that includes ongoing communication with the wildlife agencies. Regarding action "d", he feels a very careful conversation needed to be held with contractors regarding the reduction of their invoice amounts. Regarding action "k" options to continue the HCP/NCCP, he asked if the option to discontinue the JPA would be included. **Marchand** replied it would be. Member **Fridae** asked what the liabilities would be if the JPA were discontinued. **Pogledich** said the issue would have to be discussed with the cities' lawyers. Member **Dickinson** recommended the JPA remain focused and strong in November and December, and that we needed understand what role the agencies would play to facilitate this process, and they should make their commitment in writing available at the next JPA board meeting.

Member **Ledesma** commented that he was happy to see communication with city managers increased as an action element because more eyes are needed on the JPA budget. He stated the JPA Board needs to consider corrective action earlier than November or December because the opportunities for city council meetings to consider the impact of JPA dissolution and other options are decreasing. He asked what can be done to reduce JPA expenses until new grant funding is available.

Member **Provenza** asked what might be done to reduce the contractor costs because we can only do what we can afford. Member **Dickinson** asked staff find out how much it had cost to complete other HCP/NCCP plans and how long it took. Member **Denny** inquired if the total amount of the deficit would be known by the next meeting.

Public comments - SAC member, John **Hopkins** reminded the Board even if they dissolved the JPA, their debt would remain. He asked that the current deficit not color

their decisions regarding the HCP/NCCP plan. SAC member Chad **Roberts** hoped action 2-b would not include reducing the species of local concern, and that the SAC needed more meetings and welcomed city representatives. SAC member Glen **Holstein** thanked the Board for addressing the JPA's problems and agreed with SAC member **Roberts** that removing species from the draft plan might result in further costs. He suggested the Board look to local experts for volunteers to assist with the draft plan. Board member **Ledesma** thanked the SAC members for their work and offers of help. Member **Provenza** suggested the board appoint one of its members to liaison. Chair **Saylor** concurred. Member **Provenza** nominated member **Denny**, Chair **Saylor** seconded and the nomination passed unanimously.

Member Provenza moved to adopt the recommended actions as amended by the Board and with the addition of a 12th action - securing process commitments from the wildlife agencies. Member Denny seconded. Passed 5/0

8. **Authorize Chair to sign Wildlife Conservation Board grant resolution** – Counselor **Pogledich** noted the resolution had been amended to increase the amount of the grant by \$100,000 to \$600,000. Member **Ledesma** moved to authorize, member **Denny** seconded. Passed 5/0.
9. **Executive Director's Report** – Director **Marchand** reported that extensions had been requested for both the Section 6 grant and the ERP grant. Extending the grants will give the JPA more flexibility in the use of funds and extend the time available to expend them. She reported that the Wildlife Conservation Board has expressed interest in funding conservation easements and that two land owners were interested in participating. She further said the JPA was currently reviewing an easement proposed by Granite Construction as mitigation for Swainson's Hawk habitat affected by the Esparto Mining And Reclamation Project.

Board discussion – Chair **Saylor** reported that the board management team had met with the agencies and had been very open and frank about the JPA's current financial situation, and had presented the board's strategies to rectify them. He reported that the agencies had been receptive and supporting, and recognized they were partners in the effort to complete the plan. He also commended the SAC board for their participation and communication.

Member **Provenza** reported on the meetings held with legislative representatives, Wolk and Yamada, and that they had been understanding and supportive as well, and had promised help in obtaining new grants.

Project manager Heidi **Tschudin** presented a draft 30-month schedule for the completion of the HCP/NCCP plan. She stated the plan was preliminary and subject to review by the agencies. She suggested the JPA obtain a Memo of Understanding from the agencies which recognizes the project schedule and lays out terms of engagement, such as a commitment of the agencies to meet the proposed deadlines. She further suggested the JPA develop a written procedure to allow senior agency staff to intervene when agency and JPA staff fail to reach an agreement in a timely manner.

Board discussion – Member **Provenza** agreed the MOU and resolution process would be a good idea, as it would help maintain the timeline. Member **Dickinson** also agreed, since it was inevitable that agency staff would change over the life of the planning

process, having written agreements would prevent delays and misunderstandings. Member **Ledesma** said it was helpful to have a sequence of events, and agency buy-in was key. Member **Ledesma** asked staff come back with an updated timeline that listed general assumptions on which the timeline is based, such as funding, and identified possible problems. Member **Fridae** concurred.

Public comment – SAC member **Hopkins** suggested the SAC be involved in resolving issues with the agencies, and it was unacceptable that the SAC not be involved until next year. There was a general discussion about the definition of “public draft” in relation to SAC review of documents. It was agreed the issue needed clarification.

10. **Dates for December and November Board meetings**
Proposal: Tuesday, November 13 and Monday, December 10 - Board members agreed to meet on the suggested dates.
11. **Board Direction and Adjournment of the JPA Board** - The meeting was adjourned at 7:30 p.m.



Don Saylor, Interim Chair
Board of Directors



Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Chris Ledesma, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Receive update and approve revisions to October and December 2012 Board Actions

Date: August 18, 2014

REQUESTED ACTIONS:

1. Approve revisions to October and December 2012 Board Actions as described in this staff report.

BACKGROUND:

At the October 17, 2012 and December 17, 2012 Board meetings, the Board approved a series of actions to help with JPA financial oversight and development of the Yolo HCP/NCCP. Attachment A lists these items along with subsequent related actions. Ongoing actions have been incorporated into JPA policies, which JPA staff update regularly as the Board takes additional actions that guide JPA activities. JPA staff will provide the JPA Board with a full update on all JPA policies at the October Board meeting.

The original actions taken to provide financial oversight and control are still in effect today. Monthly and annual financial updates are provided to the Board and regular updates to city managers and the CAO of Yolo County. These reports include accounting on Fund 366 (Administration) and Fund 364 (Mitigation Trust Account), annual reports on Fund 369 (Easement Endowments), and annual audit findings by the JPA's outside auditor. Grant reimbursements are completed in a timely manner to maintain JPA cash flow. The JPA's MOU with the Yolo County Auditor-Controller's Office provides additional financial oversight. Additionally, JPA staff are following Board actions, including the adopted schedule and budget, to ensure progress on development of the Second Administrative Draft.

As the JPA advances with the Second Administrative Draft and continues towards implementation of the Yolo HCP/NCCP, some of the original Board actions require changes to reflect the current progress of the plan and our organization. Recommended revisions include:

- Presentations by the DFW & USFWS are coordinated as needed instead of quarterly presentations.

- The Finance Team, composed of city managers and the County Administrator, reviews the annual draft budget. A budget analyst from the Chair's jurisdiction also reviews the draft annual budget. The Board receives monthly financial updates. This process replaces the item "Institute regular review of monthly and other reports by a Finance Team composed of staff from the cities and the County."
- The Chair approves the Executive Director and project manager invoices and the Executive Director approves all other invoices. The Board receives a monthly update of expenditures, as well as quarterly updates on grant expenditures. This replaces the policy, "Chair and Executive Director both approve consultant invoices."
- Grant reimbursements are submitted with 45 days of receiving all invoices rather than the original 30 days. This allows staff additional time to prepare accurate grant invoices.

In addition to the necessary revisions above, additional policies enacted by the Board have been added to the JPA Policy binder and are included in the revised table in Attachment A.

ATTACHMENTS:

Attachment A- Updated October and December 2012 Board Actions

UPDATED OCTOBER AND DECEMBER 2012 BOARD ACTIONS (updated July 21, 2014)

PLAN DEVELOPMENT

Actions taken in October & December 2012		Status as of July 2013	Status as of July 2014
A	Develop a budget and timeline that corresponds to available grant revenue	Adopted revised 2012-13 budget 1/24/13. Adopted 2013-14 budget on 6/17/13.	Adopted 2014-15 budget on 5/19/14.
B	Research alternatives to current approach including an HCP/NCCP focused on a smaller suite of species/natural communities and other options	Research ongoing.	Research presented to Board on 1/27/14. Board selected an HCP/NCCP.
C	Unless otherwise authorized by subsequent Board action, rely exclusively on sources of funding other than the Mitigation Trust Account	Adopted 2012-13 and 2013-14 budgets do not rely on Mitigation Trust Account revenue. Board approved use of some grant reimbursement funds for cash flow, but also directed the return of these funds to the Mitigation Trust Account as part of closing the books on the 2012-13 fiscal year.	Complete. Plan development is funded by a 2014 WCB grant and a Section 6 grant is in the final stages of execution.
D	Negotiate payment of unpaid invoices with consultants	Invoices were reduced and paid.	N/A
E	Negotiate new consultant contracts for ongoing work based on anticipated funding and include performance measures	New contracts written and signed 2/8/13.	New contracts pursued as needed.
F	Extend existing Section 6 grant	Complete.	N/A
G	Amend existing state ERP grant to cover project management costs and change deliverables to appropriately reflect plan status	Complete.	N/A
H	Pursue Wildlife Conservation Board planning grant	Received \$600,000 planning grant.	Received 2nd \$700,00 WCB planning grant in February 2014. Completed \$600,000 2012 WCB grant in April 2014.
I	Apply for new Section 6 grant in December 2012	Complete.	New Section 6 grant is in final stages of execution.
J	Institute regular schedule of Steering Committee meetings, including city staff, to involve member agencies and other stakeholders in key plan development activities	Advisory Committee meets monthly to review and comment on papers prepared by staff to describe remaining substantive issues with the plan. (The Board voted to change the name Steering Committee to Advisory Committee at 1/24/13 Board meeting.)	Advisory Committee meets every month. The Board voted to approve new advisory committee appointments at the 2/27/13 & 4/8/13 Board meetings.
K	Return to Board in November/December 2012 with options to continue HCP/NCCP, including the option to dissolve the JPA and the liabilities of attendant to that action	Board voted to continue the JPA until August 12, 2013 and reassess at that time.	Board voted to proceed with an HCP/NCCP for the 2nd Administrative Draft at 1/27/14 Board meeting.
L	Obtain written statement from state and federal wildlife agencies outlining their commitment to facilitate the completion of the plan, how they will accommodate delays caused by their personnel, and problem-solving procedures.	State Department of Fish and Wildlife signed written "coordinating principles." The U.S. Fish and Wildlife Service verbally committed to attend meetings and otherwise participate at a high level, but a recent staff departure and the hiring freeze resulting from the federal budget sequester may change this commitment.	N/A

JPA ADMINISTRATION

Action		Status as of July 2013	Status as of July 2014
A	Unless otherwise authorized by subsequent Board action, do not rely in the long term on the Mitigation Trust Account for salaries and administrative costs. This does not include funds necessary for easement acquisitions consistent with the purpose of the account.	The revised 2012-13 and adopted 2013-14 budget do not rely on the Mitigation Trust Account for salaries or administrative and plan development costs. These costs are paid from contributions from the member agencies.	Complete. FY2014-15 budget does not rely on Mitigation Trust Account for salaries or administrative costs.
B	Require developers or other project proponents to pay for staff costs associated with Swainson's Hawk mitigation measure compliance imposed as part of project approvals. In general, this will consist of staff time devoted to advising developers on conservation easement terms and related issues associated with project impacting more than 40 acres of habitat.	There are limited projects moving forward right now because of the recession, but the JPA has received reimbursement for JPA staff time for the Putah Creek Mitigation Project recently approved by the Board. In addition, landowners pursuing easement funding from the state in coordination with the JPA are required to place deposits with the JPA to pay for staff time. Two landowners have placed such deposits with the JPA.	Fees for staff costs associated with development of mitigation receiving sites pending.
C	Return to the Board in November/December 2012 with options to reduce administrative costs	2012-13 revised budget adopted with costs cut across the board, including reducing administrative assistant to 1/2 time.	Complete. As agency workload grows, will need to revisit this issue.

FINANCIAL OVERSIGHT

Action		Status as of July 2013	Status as of July 2014
October 2012			
A	Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures and grant reimbursements.	The monthly financial report is a regular item on Board agendas. The Executive Director shares detailed financial information with the JPA Finance Team, appointed by the city managers, on a regular basis.	Monthly financials are presented to the Board and financial updates are periodically provided to the city managers and CAO. If a Board meeting does not occur in a given month, financial statement will be distributed. City managers will receive a monthly financial update in the future from the Assistant to the Director.
B	Present annual report to the Board, the CAO of Yolo County, and each city manager on easement endowments, including monitoring activity.	Presented to Board 11/15/12.	Endowment report presented to Board 6/16/14 and presented to city managers 7/14/14.
C	Coordinate timely annual outside audits, the results of which are presented to the Board by an outside firm, with copies to the CAO of Yolo County and each city manager.	2010-11 and 2011-12 audits complete. Contract in process for 2012-13 audit. Audit presented to Board in June 2013.	FY2012-13 audit findings presented to Board 1/27/14. FY2013-14 audit is scheduled for December 2014.
D	Coordinate annual presentation to the Board by Auditor-Controller's office of State Controllers report on YNHP finances	Final MOU approved by Board in May 2013.	FY2012-13 State Controllers report presented to Board 1/27/14.
E	Coordinate quarterly presentations to the Board from the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service on plan activity, including grant status.	DFW & USFWS presented to the Board 1/24/13.	Presentations from DFW & USFWS are coordinated as needed. Scheduled to present at August 18, 2014 Board meeting.
F	Institute regular review of monthly and other reports by a Finance Team composed of staff from the cities and the county.	The Finance Team has received three email updates from the Executive Director with detailed information about JPA finances, including grant tracking and reimbursement.	Finance Team is composed of city managers. They receive regular monthly status report emails at their request and were briefed on the proposed 2014-15 budget. In addition, staff from the Chair's jurisdiction reviewed the draft 2014-15 budget.

G	Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.	Based on a recommendation from the Yolo County CAO and affirmed by the County Auditor-Controller, Executive Director expanded the outside audit to include a review of internal controls. This audit is complete and was presented to the Board in June.	FY2012-13 audit findings on internal controls presented to Board on 1/27/14. Multi-year auditing contract signed with VTD through December 31, 2016.
December 2012			
A	Return to the Board with a cash flow analysis to determine amount of grant reimbursement necessary for cash flow purposes.	Board approved keeping full amount of grant reimbursement for cash flow in 2012-13, but will submit invoices monthly in 2013-14 to minimize cash flow requirements.	Complete.
B	Revisit use of grant reimbursement funds for cash flow in July 2013.	At the 6/17/13 Board meeting, the Board directed staff to return grant reimbursement funds to the Mitigation Trust Account, and to use the cash float available from the County Treasury as needed to pay invoices reimbursable to grants.	The cash flow policies created in June 2013 are still effective.
C	Require consultants to submit invoices to the JPA by the 7th of the following month or the first work day following the 7th.	Consultants are aware of this requirement and submit by the appropriate date.	Consultants are aware of this requirement and usually submit by the appropriate date.
D	Submit grant reimbursements within 30 days of receiving all invoices.	Staff are completely caught up with grant reimbursement. Staff have submitted and received reimbursement for expenditures from May 2011 to March 2013. Staff will start a monthly reimbursement schedule in the 2013-14 fiscal year.	Staff usually submit grant reimbursements within 45 days of receiving invoices. Staff recommend changing this to 60 days because consultants do not always submit invoices by the 7th.
E	Develop an MOU with the Auditor-Controller's office for accounting services that will allow the Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed.	MOU adopted by Board in May 2013.	Complete.
F	Follow all Yolo County Administrative Procedure Manual policies, including cash handling, travel, personnel, and purchasing.	JPA is following these policies.	JPA is following these policies.
G	Provide Board with budget status and appropriations status reports from GenLed on a monthly basis.	Staff creates monthly status reports from GenLed and includes them in board packets.	Staff recommend changing this requirement to rely only on monthly financial statements produced by JPA staff for Board meetings.
H	Chair and Executive Director both approve consultant invoices.	Chair and Executive Director approve all invoices, with the exception of the Executive Director, which is only approved by the Chair.	Chair approves Executive Director and Project Manager invoices. All other invoices approved by Executive Director. All invoices appear in monthly status reports, which are presented to the Board.
I	Authorize Executive Director to approve no more than \$1,000 in expenditures.	Board changed this amount to \$5,000 in January 2013.	Complete.

YOLO COUNTY YOLO COUNTY HABITAT/NATURAL COMMUNITY CONSERVATION PLAN JOINT POWERS AGENCY

August 18, 2014

MINUTES

The Yolo County Habitat Natural Community Conservation Plan Joint Powers Agency Board met on the 18th day of August 2014, starting at 5:30 p.m. in regular session in the Board of Supervisors' Chambers in the Erwin W. Meier Administration Building, Woodland, California.

Present: Jim Provenza
Don Saylor
Lucas Frerichs
Chris Ledesma
Sean Denny
Marjorie Dickinson

Absent: Woody Fridae

Staff Present: Petrea Marchand, Executive Director
Heidi Tschudin, Project Manager
Phil Pogledich, Senior Deputy County Counsel
Susan Garbini, Research Associate

5:30 P.M. CALL TO ORDER

1. Approval of the Agenda Order

Minute Order No. 14-20: Approved agenda order.

MOTION: Frerichs. SECOND: Denny. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

2. Public Comment: This is time reserved for the public to address the JPA Board on matters not on the agenda.

There was no public comment.

3. Board Correspondence

CONSENT CALENDAR

Minute Order No. 14-21: Approved Consent Agenda Item Nos. 4-9.

MOTION: Saylor. SECOND: Frerichs. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

4. Approved June 16, 2014 meeting minutes.
5. Received monthly financial statement.
6. Approve contract amendment for Alford Environmental
7. Approved revisions to October and December 2012 Board actions related to financial and administrative matters.
8. Approved resolution accepting 2013 Section 6 grant in the amount of \$999,000.

Approved acceptance of grant funding from Cooperative Endangered Species Conservation Fund by **Resolution No. 14-03**.

9. Authorized Executive Director to pay up to \$1,400 per month for ongoing office costs and incur up to \$7,000 in one-time moving costs with approval from the Management Committee.

REGULAR AGENDA

10. Approved fee structure for JPA staff costs related to mitigation receiving sites/conservation easements and received and filed revisions to Science & Technical Advisory Committee operational guidelines.

Minute Order No. 14-22: Approved recommended action and directed staff to return to the Board with feedback on future operational guidelines, changes or additions, and directed counsel to return to the Board to provide an evaluation of requirements for the Form 700 pertaining to the STAC members.

MOTION: Provenza. SECOND: Denny. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor
ABSENT: Fridae.

11. Provided direction to staff regarding proposed framework to resolve remaining Second Administrative Draft issues, including permit term, easement template, and enrolled lands.

Minute Order No. 14-23: Approved recommended actions.

MOTION: Saylor. SECOND: Provenza. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

12. Received presentation from the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife on Second Administrative Draft Progress.
13. Received Advisory Committee update.

Chad Roberts commented.

14. Received Executive Director report.
1. Received and filed JPA comments on the public review draft of the Bay Delta Conservation Plan.
 2. Received update on 2013-14 closing of the books.
 3. Received update on Management Committee actions, including update on water bond HCP/NCCP funding.

CLOSED SESSION

15. Public Employee Performance Evaluation
Government code Section 54957
Title: Executive Director

No report out of closed session.

ADJOURNMENT

Next meeting scheduled for: October 20, 2014



Chris Ledesma, Chair
Yolo County Habitat/NCCP JPA

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand, Executive Director
Yolo Habitat JPA

RE: Approve additional financial controls

Date: December 17, 2012

REQUESTED ACTIONS

- 1) Approve performance audit objectives
- 2) Approve invoice and cash flow policies
- 3) Approve additional short-term internal controls
- 4) Receive presentation from Howard Newens, Yolo County Auditor-Controller/Treasurer-Tax Collector on State Controller's Report and other issues

BACKGROUND

On November 15, 2012, the Board directed staff to return with additional interim financial controls. Towards this end, staff met with Howard Newens, Yolo County Auditor-Controller/Treasurer-Tax Collector and Kim Eldredge in the Auditor-Controller's office. The following invoice and cash flow recommendations, audit objectives, and other short term financial controls are a result of that meeting and follow up discussions.

1. Performance Audit Objectives

The following are the recommended audit objectives for the performance audit conducted by the Yolo County Auditor Controller's office. The audit will start in mid-January, cost approximately \$6,500, and take 6-8 weeks. This cost will require the transfer of \$1,500 from contingency, as the budget estimated \$5,000 for the performance audit. Staff will schedule the annual audits for 2010-11 and 2011-12 (currently overdue) to allow completion of the performance audit first.

- A) Determine whether adequate internal controls exist to provide reasonable assurance to the Habitat JPA Board of Directors and management that there is an acceptable level of operational accountability in the handling of easement funds, the Mitigation Trust Account, and cash and grant management.
- B) Achieve operational accountability so the Habitat JPA operates effectively and efficiently, transactions are executed in accordance with laws, regulations and board policies, and reliable information is generated and reported.

The Auditor-Controller's office will use the following procedures: 1) document internal controls in use; 2) perform a risk assessment; 3) evaluate the adequacy of internal controls; and 4) test compliance of internal controls; and 5) recommend improvements to internal controls.

2. Cash Flow and Invoice Policies

The following are recommended cash flow and invoice policies.

- A) Use grant reimbursement from the Section 6 and ERP grants (approximately \$300,000) for cash flow purposes rather than immediately returning the funds to the Mitigation Trust Account;
- B) Revisit use of grant reimbursement funds for cash flow in July 2013;
- C) Develop a cash flow projection with assistance from the Yolo County Auditor-Controller's office and provide to Board;
- D) Require consultants to submit invoices to the JPA by the 7th of the following month. (If the 7th falls on a weekend, then the consultant should submit the invoice the first work day after the 7th.)
- E) Submit grant reimbursements monthly and within 30 days of receiving all invoices.

3. Additional short-term internal controls

The performance audit will recommend additional internal controls to supplement controls already adopted by the Board on October 15th. In addition to the already-adopted controls (see below), staff recommend adoption of the following additional controls prior to completion of the performance audit.

Existing controls from October 15th:

- A) Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures, and grant reimbursements.
- B) Present annual report to the Boards the CAO of Yolo County, and each city manager on easement endowments, including results of monitoring activity.
- C) Coordinate timely annual outside audits, the results of which are presented to Board by an outside firm, with copies to the CAO of Yolo County and each city manager.
- D) Coordinate annual presentation to the Board by Auditor-Controller's office of State Controller's report on YNHP finances.
- E) Coordinate quarterly presentations to the Board from the California Department of Fish and Game and the U.S. Fish and Wildlife Service on plan activity, including grant status.
- F) Institute regular review of monthly and other reports by a Finance Team composed of staff from cities and the County.
- G) Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.

Additional controls:

- A) Develop an MOU with the Auditor-Controller's Office for accounting services that will allow Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed, among other items.

- B) Follow all Yolo County Administrative Procedure Manual policies, including cash handling, travel, personnel, and purchasing.
- C) Provide Board with budget status and revenue status updates from GenLed on monthly basis.
- D) Direct Chair to approve consultant invoices rather than Executive Director.
- E) Authorize Executive Director to approve no more than \$1,000 in expenditures.

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand, Executive Director
Yolo Habitat JPA

RE: Approve additional financial controls

Date: December 17, 2012

REQUESTED ACTIONS

- 1) Approve performance audit objectives
- 2) Approve invoice and cash flow policies
- 3) Approve additional short-term internal controls
- 4) Receive presentation from Howard Newens, Yolo County Auditor-Controller/Treasurer-Tax Collector on State Controller's Report and other issues

BACKGROUND

On November 15, 2012, the Board directed staff to return with additional interim financial controls. Towards this end, staff met with Howard Newens, Yolo County Auditor-Controller/Treasurer-Tax Collector and Kim Eldredge in the Auditor-Controller's office. The following invoice and cash flow recommendations, audit objectives, and other short term financial controls are a result of that meeting and follow up discussions.

1. Performance Audit Objectives

The following are the recommended audit objectives for the performance audit conducted by the Yolo County Auditor Controller's office. The audit will start in mid-January, cost approximately \$6,500, and take 6-8 weeks. This cost will require the transfer of \$1,500 from contingency, as the budget estimated \$5,000 for the performance audit. Staff will schedule the annual audits for 2010-11 and 2011-12 (currently overdue) to allow completion of the performance audit first.

- A) Determine whether adequate internal controls exist to provide reasonable assurance to the Habitat JPA Board of Directors and management that there is an acceptable level of operational accountability in the handling of easement funds, the Mitigation Trust Account, and cash and grant management.
- B) Achieve operational accountability so the Habitat JPA operates effectively and efficiently, transactions are executed in accordance with laws, regulations and board policies, and reliable information is generated and reported.

The Auditor-Controller's office will use the following procedures: 1) document internal controls in use; 2) perform a risk assessment; 3) evaluate the adequacy of internal controls; and 4) test compliance of internal controls; and 5) recommend improvements to internal controls.

2. Cash Flow and Invoice Policies

The following are recommended cash flow and invoice policies.

- A) Use grant reimbursement from the Section 6 and ERP grants (approximately \$300,000) for cash flow purposes rather than immediately returning the funds to the Mitigation Trust Account;
- B) Revisit use of grant reimbursement funds for cash flow in July 2013;
- C) Develop a cash flow projection with assistance from the Yolo County Auditor-Controller's office and provide to Board;
- D) Require consultants to submit invoices to the JPA by the 7th of the following month. (If the 7th falls on a weekend, then the consultant should submit the invoice the first work day after the 7th.)
- E) Submit grant reimbursements monthly and within 30 days of receiving all invoices.

3. Additional short-term internal controls

The performance audit will recommend additional internal controls to supplement controls already adopted by the Board on October 15th. In addition to the already-adopted controls (see below), staff recommend adoption of the following additional controls prior to completion of the performance audit.

Existing controls from October 15th:

- A) Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures, and grant reimbursements.
- B) Present annual report to the Boards the CAO of Yolo County, and each city manager on easement endowments, including results of monitoring activity.
- C) Coordinate timely annual outside audits, the results of which are presented to Board by an outside firm, with copies to the CAO of Yolo County and each city manager.
- D) Coordinate annual presentation to the Board by Auditor-Controller's office of State Controller's report on YNHP finances.
- E) Coordinate quarterly presentations to the Board from the California Department of Fish and Game and the U.S. Fish and Wildlife Service on plan activity, including grant status.
- F) Institute regular review of monthly and other reports by a Finance Team composed of staff from cities and the County.
- G) Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.

Additional controls:

- A) Develop an MOU with the Auditor-Controller's Office for accounting services that will allow Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed, among other items.

- B) Follow all Yolo County Administrative Procedure Manuel policies, including cash handling, travel, personnel, and purchasing.
- C) Provide Board with budget status and revenue status updates from GenLed on monthly basis.
- D) Direct Chair to approve consultant invoices rather than Executive Director.
- E) Authorize Executive Director to approve no more than \$1,000 in expenditures.

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY – SPECIAL SESSION

December 17, 2012

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Sean Denny, City of Woodland
Lucas Frerichs, City of Davis (arrived at 5:36 p.m.)
Chris Ledesma, City of West Sacramento
Jim Provenza, Yolo County

JPA Board Alternates present:

None

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

Tina Bartlett, Regional Director (Region 2) California Department of Fish & Game
Glen Holstein, SAC member
Mark Krummenacker, Manager General Accounting, Yolo County
Sandy Morey, Deputy Director, California Department of Fish & Game
Howard Newens, Auditor-Controller/Treasurer-Tax Collector, Yolo County
Lynnel Pollock, Executive Director, Cache Creek Conservancy
Robert Mazalewski

1. Chair Saylor called the meeting to order at 5:30 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Moved: Provenza Seconded: Ledesma passed 4/0

3. Public Comment: None

4. Board Correspondence: None

6. Consent Calendar

- a. Receive monthly financial statement

Petrea Marchand submitted tables and spreadsheets with detailed information on the JPA budget status for Fiscal Year 2012 as of November 30, 2012

Moved: Provenza Seconded: Denny Passed: 4/0

7. Approve additional financial controls pertaining to JPA operations

- 1) *Performance audit objectives; and 4) Presentation by Howard Newens*

Yolo County Auditor-Controller, **Howard Newens**, discussed the objectives for establishing a sound audit history for the YNHP. First, the county will undertake a review of internal controls on the program that are now in place, make recommendations based on this review, and establish a good environment for an external audit. Then an external audit firm will be retained to complete outstanding financial audits that are required for FY 2010-2011 and FY 2011-2012. The history of the program would likely make auditors cautious about accepting the task. The internal audit will help to overcome these concerns. Both of these audits have been requested by the Board.

Board Member Provenza: We had talked about looking at past financial details.

Howard Newens: We would have to understand the purpose of such an audit. The objectives would probably be to determine whether management objectives have been met. This layer could be added. That would come within the scope of a financial audit and would focus on compliance with laws, regulations, and internal policies. Etc.

Board Member Denny: It would be good to know as soon as possible how things have changed since our new procedures have been in place (June/July). But we can wait for that information.

Howard Newens: The internal review will focus on the period from July until now. The external audit will encompass FY 2010-11 and FY 2011-12. Thus far, we have only looked at the situation in a piecemeal way; it will be good to look at it in its entirety.

Petrea Marchand reported that controls have now been developed in conjunction with the Auditor-Controller's office, but the current review will help to ensure good practices going forward.

Board Member Ledesma: We need to make sure we capture the processes we have implemented over the past few months, identify gaps for action. This will provide a baseline of information for the organization as it goes forward.

Board Chair Saylor asked for a **consensus vote to approve both the performance and the external financial audits; the motion was approved by consensus.**

2) *Invoice and cash-flow policies*

Petrea Marchand described options for dealing with short-term cash flow problems. We propose to use grant reimbursement for maintaining cash flow and thereby avoid interest payments. We would return these funds to the mitigation fund in June 2013. Interest payments would have to come from the contingency fund (which comes from member contributions).

Board Member Denny: I prefer that we borrow at a low rate.

Board Member Provenza: We could pay half back to the mitigation fund.

Board Member Ledesma: Is it hard to judge what amount we need for cash flow?

Petrea Marchand replied that we can get more information about this and that it is our intent to pay back what is owed to the mitigation fund. However, we need to find out what our cash flow requirements are.

Howard Newens: We need to have cash flow analysis immediately – either on a weekly or monthly basis. We should borrow as little as possible. Technically, each fund should maintain its own integrity. Concerns arise when time passes and funds have not been repaid.

Board Member Provenza moved that we delay repaying \$300,000 until a cash flow analysis is available; that items a-e (from memo on “financial controls”) be accepted for now and that item 7.2a be brought back to the Board in February. **Board Member Ledesma** seconded the motion; it **passed unanimously**

3) *Additional short-term internal controls*

Petrea Marchand reviewed the existing controls (from October 15, see items A-G) and recommended the following additional controls:

- A. Develop an MOU with the Auditor-Controller's Office for accounting services that will allow the Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed, among other items.
- B. Follow all Yolo County Administrative Procedure Manual policies, including cash handling, travel, personnel, and purchasing.
- C. Provide Board with budget status and revenue status updates from GenLed on monthly basis.
- D. Direct Chair to approve consultant invoices rather than Executive Director.
- E. Authorize Executive Director to approve no more than \$1,000 in expenditures (per item).

Board Chair Saylor will ask for spread sheet documentation of expenses.

Board Member Frerichs: How did you come up with the chair role?

Petrea Marchand: It was for efficiency.

Board Chair Saylor: All of this will come before the Board: contracts, invoices, monthly consent.

Board Member Denny: These expenditures should be approved by the Executive Director and the Chair.

Philip Pogledich: Payments to outside counsel should be excluded from that process because some of it may be "privileged."

Petrea Marchand: The Chair and the Executive Director can approve invoices. We will come to the Board for information.

Mark Krummenacker: A Memorandum of Agreement between the Auditor-Controller and the JPA was in development many years ago (2003?) – recommend restarting that process.

Howard Newens: The language in that agreement is unclear in the draft. It needs to be clarified. The JPA should formally designate the Auditor-Controller to provide accounting services.

Board Member Ledesma: It would be best to consider these items D, the chair approving invoices rather than the Executive Director and E, the limit on EO approval for expenditures above \$1,000 as interim measures which should be revisited in six months. Too many layers could slow the process. With the implementation of an MOU with the auditor-Controller's Office for accounting services, A, we will have an internal accountant, so we will be able to change D and E later.

Board Chair Saylor: We will revisit these later. For now, we have consensus that two signatures are required under D; and E is changed to "\$1,000/per item". The Board approved items A-C of the recommended additional financial controls and made changes to D and E as noted above.

5) Special Districts Financial Transactions Report, Yolo County Natural Community Conservation Plan Joint Powers Agency, SCO Reporting Year 2012, ID Number: 12505792000

Mark Krummenacker, Manager of General Accounting for Yolo County, presented a report that is required by the State Controller's Office at the end of the fiscal year to the JPA Board. This report lists all assets and expenditures.

8. Authorize Chair to sign contracts for SAIC, EMS, and Tschudin Consulting Group

The Board reviewed a revised strike-out/redline version of the staff report for item 8 distributed by the Executive Director at the meeting.

Petrea Marchand pointed out that the controls and terms proposed for consultants are unique because of the history of the program. Consultants have not all agreed to these controls.

Board Member Frerichs: Why is special counsel needed when we have JPA counsel?

Philip Pogledich: EMS has specialized expertise relevant to HCPs and Sean Skaggs has the institutional memory for the program. I will be coming more up to speed eventually, but there will likely be a need for special expertise from outside counsel in the future as well.

Board Member Provenza: They have a reduced role now. The Management Committee is reviewing this role. I would be less strict the two consultants working directly for the JPA.

Board Member Ledesma: We will present an outline for negotiation with the consultants. The Board chair can make decisions about that.

Petrea Marchand: I would suggest that the proposed recommendations go the Management Committee for review, after which the Board Chair could execute.

Board Chair Saylor: The time frame may require that we move quickly on this. We can work with the Management Committee.

Petrea Marchand clarified that SAIC's contract would include up to \$300,000 for the HCP/NCCP plus Chapter 8, and up to another \$80,000 depending on the role they play in the GIS modifications.

Board Member Provenza moved and **Board Member Denny** seconded a motion to authorize Chair to sign the consultant contracts as described in the revised staff report, following review by the Management Committee. Passed 5/0

9. Sandy Morey and Tina Bartlett, California Department of Fish & Game

Sandy Morey is the Deputy Director of CDFG. She expressed support for the YNHP effort and assured the JPA that the DFG staff are engaged at all levels. The coordinating principles that are expressed in the current review draft describe the working relationship. She commended the staff for their hard work and efforts to communicate with DFG. She emphasized that we should also meet with the US Fish & Wildlife Service to coordinate on the difficult issues that remain.

Tina Bartlett is Regional Director (Region 2), CDFG. She thanked the Board and staff for efforts in turning the plan around. She reaffirmed that DFG staff are committed to completing the plan and that staff support will be provided as needed to accomplish these goals.

Questions

Board Member Provenza: What do you see as the biggest substantive hurdle to completion?

Tina Bartlett: Having a plan, strategy, controls. The timeline is aggressive but feasible.

Board Member Ledesma: What is your view of the principles?

Sandy Morey: We feel that you are now on the right track and are glad to see these changes that will ensure oversight and accountability in the future.

Board Chair Saylor: We look forward to frequent communication, meetings at different levels.

10. Approve Strategy for First Draft

- a. **Petrea Marchand** and **Heidi Tschudin** reviewed the memo to the Board, "36-month schedule". This strategy was developed in coordination with the Management Committee and the Steering Advisory Committee, which held a meeting on December 11.

Board Member Ledesma: Thank you for solutions and a strategy. Are there legal concerns, or requirements for either allowing or responding to public comments on this draft?

Philip Pogledich: We will put out a working draft, which is considered a work in progress. This does not require a formal response. I don't see any legal issues.

Board Member Provenza: We had expressed the desire to get to a starting point. We could add a disclaimer that this is a product form a prior process.

In this period, we can begin working on substantive issues. That will make us ready to move quickly to the second draft. We can invite agencies for discussion of these substantive issues over the next six months.

Board Member Frerichs: Regarding a disclaimer, I think it is better just to clarify that it is a working draft.

Board Chair Saylor: I am not comfortable with having a draft we don't approve of in substance. It needs to reflect the Board's positions. It needs to be a document that we are comfortable with, while acknowledging that it needs more work, improvements, revisions, etc. If it comes from us, we have to approve it.

What is the SAC role? Are they resolving issues or developing a foundation or framework for resolution of substantive issues? I think it is not their role to resolve issues.

Board Member Provenza: They are an advisory committee – with expertise, but not with the authority to resolve issues. But how do we get there by June?

Board Member Ledesma: In the working draft, there may be points we do not agree with. I don't think it is realistic to think we can have a version in 6 months that meets with our approval.

Board Member Provenza: We may not be that far apart in the first draft. But we haven't resolved the policy issues.

Board Chair Saylor: We need to see it before it is released. I would like to see each issue come before the Board for discussion before the draft is completed.

Heidi Tschudin: The problem is to balance all the constraints and the objectives. Constraints include the six month window to produce a draft, the limited amount of funding to accomplish this, the history of non-performance that hangs over the program, the past financial mismanagement, current cash flow problems, distrust by the agencies based on past performance, and the mismatch between grant funding and the tasks that need to be done. We have discussed that a draft document has value for other purposes – even if we don't move forward to completion of this plan. One of the interim problems we can address is to fix the faulty GIS foundation and to resolve contractor issues.

We do not see how we can do more than the tasks described in the six-month strategy without additional time and budget. If we want to accomplish more, we have to go back and re-examine the schedule and budget.

Board Chair Saylor: We haven't talked about the substantive issues at all and don't plan to with this schedule. It's time we had substantive discussions about these issues that matter – at least for us.

Board Member Ledesma: We should be educating ourselves to make sure we are aware of the dimensions of these issues. I suggest we hold workshops to educate ourselves, but not take action on policy. The 6-months schedule is fixed – we must produce a working draft by then.

Board Member Provenza: We could move on two tracks: getting the draft out by June and engaging in the substantive issues.

Board Member Denny: The Steering Advisory Committee also worried about holding resolution of the issues at bay in order to get a draft. But we do need to get to the deliverable.

Board Chair Saylor: But this is not the deliverable we anticipated.

Petrea Marchand: Given the schedule and other constraints, we cannot resolve these issues in 6 months; but we can definitely educate ourselves about them.

Board Member Provenza: Can we hope to have some preliminary resolution of these issues?

Heidi Tschudin: Yes, but it is not feasible to integrate that information back into the June draft. The current draft contains about 1,200-1,500 pages of text, most of it in text edit mode, with numerous edits and comments from the agencies. Different versions of numbers are found throughout, there is no Chapter 8. Modifications are anticipated to reflect updated GIS information. It will be challenging to resolve this by June 30th without working on the substantive issues.

Board Chair Saylor: We should see something on each of the substantive issues, even if they are not “resolved.” The Board needs a preview or clarification of the issues.

Heidi Tschudin: That would take more hours of work than are currently available given the budget and schedule.

Board Member Frerichs: Perhaps the SAC could take on the education of the Board on these issues.

Lynnel Pollock: Regarding the proposal that there be no public comment or response to public comment on the working draft, perhaps you should refer to it as an administrative draft – that would be a better approach for public perception.

Tina Bartlett: There hasn’t been enough feedback to understand the conservation strategy that is in the plan. But we need a starting point for this conversation to begin. An administrative draft will certainly have unresolved issues.

Glen Holstein: At the SAC meeting, the consensus was similar to the concerns expressed by the JPA. We understand that we need to produce a draft soon, but we also need to start exploring the substantive issues, beginning a dialogue with the various stakeholders and agencies. This was a consultant-driven project in the past with a regrettable lack of transparency and resistance to input from others. Much of the present plan was created in isolation – in a vacuum.

Petrea Marchand: We need to bring back a proposal that addresses these concerns. Anything is possible, but everything is constrained by limits of time, money, etc. We are all being measured on the ability to deliver a first draft by June 30th.

Board Member Ledesma: The JPA will have five meetings before the June draft. We need to move on both tracks in the time period: get the draft out and investigate and learn about the substantive issues. We need to be flexible as we go forward.

Board Chair Saylor: We need to have a strategy for bringing these issues to the JPA. We need to come back with a revised strategy, but approve the schedule. We need to understand the issues in order to act on them wisely.

Glen Holstein: It would help if the agencies provided input on the substantive issues at the SAC and JPA meetings.

There was a general discussion about the role of the SAC. It was pointed out that the text of the staff reports says part of their role would be to “assist with the resolution of substantive issues.” It was agreed that role was appropriate. Board members expressed interest in a dual track where the staff works on getting the first draft complete by June 30th and the Board and Steering Committee explore the substantive issues.

Board Chair Saylor inquired if the document would be received in time for the regular June Board meeting and whether it would actually be available in advance of that meeting. **Heidi Tschudin** responded that would be unlikely but she will look more closely at the schedule.

Board Member Provenza moved and **Board Member Ledesma** seconded a motion to approve the work schedule, coordinate with the agencies to refine the schedule, and directed staff to report back with a 5-month strategy for discussion of substantive issues. The motion was passed unanimously.

11. Steering Advisory Committee update

SAC member, **Glen Holstein** and **Board Members Provenza and Denny** reported on the December 11 SAC meeting. The SAC had an extended discussion regarding the schedule for completion. They also discussed the need to expand the membership of the SAC to include more members from the Farm Bureau and farming community, as well as from the development community. Finally, they recommended that they be considered as a source of information on the substantive issues that need to be resolved. The first issue that they feel should be addressed is the Agricultural conservation strategy.

Board Member Ledesma: It is not crucial to approve the roster for the SAC. It would be helpful to get the perspective of the SAC on the hierarchy of the issues. They would also like to have an “HCP 101” briefing.

Board Chair Saylor: We would like to have a set roster and have it operate under JPA oversight.

Board Member Denny will serve as a liaison from the JPA Board to the SAC. Their next meeting is set for January 22.

12. Approve support for federal Cooperative Endangered Species Fund

Petrea Marchand reported that Section 6 money is decreasing. A debate over the level of funding is underway. A coalition has been formed to request the highest amount of funding possible.

Board Member Frerichs: How are these funds prioritized when they get to California?

Petrea Marchand responded that the Department of Fish & Game lays a role in setting priorities. They have communicated to us what is the best way to structure a request. Awards are announced in June or July, but we can't start spending the funds until December 2013. We may have to ask the Wildlife Conservation Board for an additional grant to bridge the funding gap.

We would like to send a letter from the JPA Board to our congressional representatives. Board members are also encouraged to reach out individually with letters.

Board Member Frerichs moved and **Board Member Denny** seconded a motion to support a request for this fund. The motion passed unanimously.

13. Executive Director report

The Wildlife Conservation Board approved our grant on November 29. We can start billing to this grant, but will first use funds from the State Ecosystem Restoration grant. Reimbursement requests for EPP are almost ready to submit.

We have received feedback on the Section 6 grant from the DFG, but not as much interest from the FWS in coordinating with us.

We will be tracking expenditures on a spreadsheet in January.

14. Board member updates

None

15. Board direction, set January meeting date, adjourn

Board Member Frerichs: I would like to request that we estimate times for each item on the agenda in the future.

The Board also requested that agendas for the SAC meeting be sent to JPA Board members.

The meeting was adjourned at 7:55 p.m. The next meeting is scheduled for January 24, 2013.



Don Saylor, Chair
Board of Directors

To: Don Saylor, Chair
Members of the Board, Yolo Habitat JPA

From: Petrea Marchand, Executive Director

RE: Expenditure Authority Increase

Date: January 24, 2013

REQUESTED ACTIONS

- 1) Per the recommendation of the Management Committee, allow the Executive Director to approve expenditures up to \$5,000 per item.

BACKGROUND

On December 17th, the Board approved an expenditure authority limit for the Executive Director of \$1,000 per item. To allow the Executive Director to approve work necessary to move the plan forward efficiently, the Management Committee recommends increasing the expenditure authority limit to \$5,000 per item.

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

January 24, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Sean Denny, City of Woodland
Lucas Frerichs, City of Davis
Jim Provenza, Yolo County

JPA Board Alternates present:

None

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

S. Barrett, Citizen and landowner
Paul Hofmann, California Department of Fish & Wildlife
Glen Holstein, Advisory Committee member
Cori Mustin, US Fish & Wildlife Service
Monica Parisi, CDFW
Lynnel Pollock, Executive Director, Cache Creek Conservancy
Catherine Portman, Burrowing Owl Preservation Society
Mike Thomas, USFWS
Charles Tyson, Reynier Fund
Kathryn Tyson, Reynier Fund

1. Chair Saylor called the meeting to order at 5:40 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda order was changed to move item #8 before #6 and #7.

Moved: Denny Seconded: Provenza Passed: 4/0

3. Public Comment:

Advisory Committee member Glen Holstein (who represents the California Native Plant Society) informed the Board of his concerns related to the County's approval of the Environmental Education and Sustainability Park, which includes a solar energy farm, located at Grasslands Park. Dr. Holstein expressed concern about inadequate

environmental impact analysis undertaken for the project, including plant surveys, public notice, and coordination with prior JPA staff.

Catherine Portman, representing the Burrowing Owls Preservation Society, added that a letter from the USFWS to the Department of the Interior stated the surveys conducted to date at the site were inadequate.

Board Chair Saylor responded with his understanding the JPA has no approval authority over this project that was approved several months ago by the County.

JPA Legal Counsel Pogledich indicated that the County will be responding on this matter in two weeks and he can inform the JPA of that response.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

- a) Approve November 2012 and December 2012 meeting minutes
- b) Receive monthly financial report
- c) Approve Estep Consulting consultant contract (\$5,000)
- d) Receive update on grant tracking
- e) Increase Executive Director expenditure authority from \$1,000 to \$5,000

The consent calendar was approved unanimously.

Moved: Provenza Seconded: Denny Passed: 4/0

8. Approve Advisory Committee appointments, composition, and name change

[See *Attachment A*, Agenda Item 8 and *Advisory Committee Applications* packet]

Petrea Marchand requested the JPA reappoint existing members listed on the attached roster, plus two new members, Chris Scheuring and Steve Thompson for two-year terms on the Advisory Committee. She also requested approval to change the name from "Steering Advisory Committee" to "Advisory Committee". She reported that some additional changes will come in the next meeting, including appointment of representatives from the development community. The goal is to focus development representative appointments on the City of West Sacramento and the Dunnigan area, but in response to a question from **Board Member Provenza**, she pointed out that members could come from any area of the County.

Moved: Provenza Seconded: Denny Passed 4/0

9. Approve schedule and topics for next five JPA Board and Steering Committee meetings

[See *Attachment* for Agenda Item 9]

Petrea Marchand presented a schedule of JPA Board meetings through June 2013 for approval with the topics of each meeting as follows:

Feb 22 (special mtg) Agricultural Conservation Strategy
March 18 Swainson's hawk

April 15 Giant garter snake; BDCP
May 20 Follow up on hawk; local conservation vision
June 17 Mitigation v. conservation; implementation costs and funding

The draft plan is expected to be released on July 1, 2013, presented to the JPA Board on July 15, with decision by the JPA on whether to continue with the HCP/NCCP process by August 12.

The main topic for each meeting is a specific issue that has remained unresolved between the Yolo HCP/NCCP and the agencies over many years. Advisory Committee meetings are scheduled prior to the JPA Board and address the same topics. The Advisory Committee will receive a draft "issue paper" for each major issue and have an opportunity to review and comment. A revised draft of the issue paper will then come before the JPA Board at their next meeting.

The process started at the Advisory Committee meeting on January 22 with a draft paper on the Agricultural Conservation Strategy. The Advisory Committee was invited to identify additional information needed as background that will lead to a productive solution and to verify the summary of the Agricultural Conservation Strategy in the issue paper. Comments from the Advisory Committee will then be used to prepare a final version to present to the JPA Board at their meeting in February.

The focus is on providing useful and relevant information about the subject, not on resolving disagreements at this stage. The goal of the issue paper is to ensure that all parties are on the same page with regard to information and outstanding concerns, so that the issue can be resolved after the first administrative draft is available in June.

Moved: Provenza Seconded: Frerichs Passed 4/0

6. HCP/NCCP "101" Presentations by wildlife agencies

The HCP Process

Cori Mustin, Liaison to the Yolo HCP/NCCP from the US Fish & Wildlife Service presented an Introduction and Overview of the Habitat Conservation Plan regulatory framework and process (see copy of PPT presentation).

Discussion points included a review of the regulations that underlie the HCP (i.e. the Endangered Species Act and associated provisions in Section 10). She reviewed the 5-point Policy that guides the HCP process:

1. Establishing biological goals and objectives for the plan
2. Monitoring compliance and effectiveness of the plan when it is implemented
3. Using adaptive management based on feedback from monitoring to ensure the plan's effectiveness under changing conditions
4. Determining the duration of the permit
5. Ensuring public participation in the process through scoping meetings, public comment, and involvement of the public in all stages of planning and implementation

She pointed out that the “no surprises assurance” (which guarantees that no substantive changes in requirements will be made in the future) applies only to properly implemented HCPs that are adequately covering species in the plan.

The Yolo HCP/NCCP is a regional plan (as contrasted with plans that are more local), which allows conservation planning to take place at the landscape level and allow for coordinated decision making for actions that support biodiversity and provide long-term protection. An additional advantage of regional plans comes from associated regulatory streamlining of various federal and state requirements (i.e. CESA, FESA, CEQA, etc.).

The Section 10 Process under the ESA encompasses HCP planning and has three phases: development; formal permit processing, and post-issuance actions. In the development phase, an HCP is required to have a high level of specificity with regard to covered species, covered activities, impacts analysis, avoidance and minimization measures, and a conservation strategy that includes monitoring and adaptive management components. It also needs to address cost and funding of the proposed plan.

The formal permit process includes a Biological Opinion from the USFWS that addresses statutory issuance criteria; including assurance that any taking of covered species will be incidental and the applicant will minimize and mitigate the impacts of such taking. Assurance is also required that any permitted taking will not reduce the survival and recovery of the species. The post-issuance phase includes establishment of management and governance entities designed to implement the HCP, monitoring and adaptive management actions, periodic meetings with the permitting agencies, and preparation and issuance of an annual report on the status of the HCP.

The length of time for completing the HCP process depends on a number of factors relating to the availability of information, the complexity of the issues to be addressed, funding availability, and local support of the process. Lessons learned from previous HCP processes are: keep it simple, be realistic, stay engaged, and demonstrate progress.

The NCCP Process

Monica Parisi, liaison to the Yolo HCP/NCCP from the California Department of Fish & Wildlife, presented an Introduction and Overview of the Natural Community Conservation Plans framework and process (see copy of PPT presentation).. She was supported by her colleague, *Paul Hofmann*.

The milestones in the NCCP process are similar to those in the HCP, but differ in some respects. The regulatory regime underlying the NCCP process is the Natural Community Conservation Planning Act. The goals of the NCCP are to protect and recover biological diversity, to prevent future species from becoming listed as endangered, and to allow compatible and appropriate use.

The NCCP is by definition a regional or ecosystem-based approach to conservation, generally with a broad geographic scope. The NCCP can cover non-listed species (HCPs cover only listed species) that are anticipated to become listed. The major difference between the HCP and NCCP process is the focus of the NCCP on large ecosystem functions and connectivity across landscapes rather than only mitigation.

DISCUSSION

In response to questions about comparison of the Yolo HCP/NCCP with others in the nation and in California, **Cori Mustin** responded that there are 600 permitted HCPs in the US, 400 of those are in California, most in Southern California. Most of the permitted HCPs are on a smaller scale (not regional HCPs). The San Diego Plan, however, has over 100 covered species. There are also some single species HCPs.

In this region, the East Contra Costa County HCP is permitted, but is smaller than the Yolo HCP/NCCP; Santa Clara is nearing completion and covers 18 species. South Sacramento is not yet permitted. She agreed to send out a link to the HCP data base.

Monica Parisi responded that there are 26 active HCP/NCCPs in California; 8 are approved and permitted; 18 are in the planning phase.

Petrea Marchand commented that in the case of the Yolo HCP/NCCP, the planning area is an entire county, not specific properties. Conservation efforts will focus on areas of important habitat. Some credit towards habitat connectivity will be sought through agricultural lands in Yolo County. Many critical issues remain to be resolved. We haven't started on the funding chapter and funding assurances are a requirement for approval of the plan.

Board Member Denny asked if the plan can be added to or amended after it is implemented.

Cori Mustin replied that there is a process for amending the plan, but it essentially involves started over. **Monica Parisi** pointed out that changes are possible.

Board Member Provenza asked for a definition of "adaptive management."

Cori Mustin replied that it refers to changing or revising specific management actions based on changed circumstances.

7. Approve California Department of Fish & Wildlife Coordinating Principles [See *Attachment A*, Agenda Item 7]

The CDFW Coordinating Principles as contained in the Attachment A were approved.

Moved: Provenza Seconded: Denny Passed: 4/0

10. Receive mid-year budget report and approved revised budget for FY 2012-13) [See *Attachment* for Agenda item 10]

Petrea Marchand presented the revised 2012-13 Budget for approval. She provided highlights of the budget, including \$850,000 in state grant revenue. She pointed out that \$228,000 is reimbursement for expenditures in a previous fiscal year from the Mitigation Trust Account, so a portion will be returned to the Mitigation Trust Account pending Board action in February. She recommended that the JPA use a portion of this grant reimbursement for cash flow over the next 6 months. Marchand also pointed out that this budget includes payment of unpaid invoices from 2012, which is unusual.

Board Member Frerichs asked about the approximately \$6,000 credit from the County and expressed appreciation for the County's support.

Petrea Marchand responded the County agreed to allow the JPA keep approximately \$10,700 in grant reimbursement for her time when she was still working for the County, but the County has asked for a credit of approximately \$6,000 of this amount against future member contributions. This unanticipated revenue is extremely helpful because JPA staff missed \$22,000 in expenditures from the first four months of the fiscal year when developing the original "keep the lights on" budget presented to the Board in November 2012. With the unanticipated revenue and the recommended appropriation of \$11,439 from contingency, the JPA will stay on budget and no further member agency contributions will be required.

Board Member Denny asked if the member agencies contributed money to pay these bills and whether there were any other options?

Petrea Marchand responded that although the grant side of the budget is healthy, the non-reimbursable component (administrative costs) is very tight. Member contributions are the only way currently available to pay administrative costs.

Petrea Marchand noted that in the future, the revised 2012-13 budget is a tool for tracking expenditures.

Board Chair Saylor asked to see the original budget and the revised budget side by side. In the monthly expenditure report.

The budget was approved.

Moved: Frerichs Seconded: Provenza Passed: 4/0

11. Executive Director's report

[See *Attachment* for Agenda Item 1]

Section 6 Grant

Petrea Marchand discussed the application for Section 6 grant funds for 2013. The JPA applied for the maximum of approximately \$1 million, \$650,000 of which would be available in 2014 for development of the first public review draft and the initial drafts of the EIR/EIS (the rest of the grant is to fund CDFW participation in the planning process). The Wildlife Conservation Board has expressed an interest in considering an application for funding to cover the requirement of 25% matching funds. The JPA has a funding gap for the 2nd draft of the plan, however. If the JPA continues with the NCCP, the JPA is eligible to apply for another WCB planning grant for the 2nd draft. If the JPA decides to drop the NCCP portion of the plan, however, the JPA is no longer eligible for these funds.

Monica Parisi commented that this year there has not been a lot of competition for Sec. 6 planning funds, so the outlook for Yolo HCP/NCCP application is favorable.

Easements

Two landowners (the Romingers and the Tysons) have deposited funds to pay for JPA help in pursuing habitat conservation easements on their property.

Consultant Contracts

Petrea Marchand stated she expected to have SAIC under contract to start work on the plan by February 1. Other contracts are in negotiation and we expect to complete them soon.

Revised Schedule

The attached revised schedule includes changes made in response to comments from the agencies about the feasibility of their response time. We will need to reevaluate the schedule as we move forward and the agencies provide more realistic estimates of their capability. For example, in steps 19 and 20 (which involve agency review and response to drafts), and steps 25 and 28 (which involve agency action), agency staff have indicated that significantly more time may need to be allocated. In some cases, their estimates would add up to 2 years to the proposed schedule! We are not changing our 36-month estimate at this time, however.

GIS Revisions

Thanks to Marcus Neuvert and agency staff, Petrea Marchand stated the JPA is moving quickly on correcting and revising the GIS database that underlies the plan. It is expected that a new database will be ready to provide to SAIC for preparing the administrative draft of the plan by January 31.

12. Advisory Committee update

Advisory Committee Member Glen Holstein reported that the Advisory Committee is pleased with the new management of the Yolo HCP/NCCP, as well as with the prompt work to revise and correct the GIS database. At their meeting on February 22, they also welcomed the presentations by agency staff on the HCP/NCCP process. The Committee engaged in a preliminary discussion of the Agricultural Conservation Strategy and plans to review the draft issue paper and provide comments in the next 2 weeks.

Board Member Provenza attended the Advisory Committee meeting and remarked that there was a good discussion of the Agricultural Conservation Strategy.

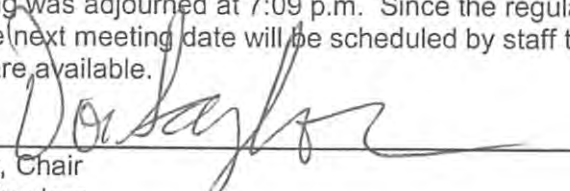
Board Chair Saylor expressed the Board's appreciation for the work of the Advisory Committee and asked for notice of their meetings to be sent to all the JPA Board members in the future.

13. Board member updates

None

14. Board direction, set January meeting date, adjourn

The meeting was adjourned at 7:09 p.m. Since the regular meeting date in February is a holiday, the next meeting date will be scheduled by staff through an e-mail to ensure members are available.



Don Saylor, Chair
Board of Directors



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

To: Don Saylor, Chair
Members of the Board

From: Phil Pogledich
Counsel to the Habitat JPA

Re: Revisions to Memorandum of Understanding with the Yolo County Auditor-Controller
Regarding Accounting and Related Services

Date: May 20, 2013

REQUESTED ACTIONS:

Authorize Chair Saylor to sign the attached revised Memorandum of Understanding ("MOU") between the Habitat JPA and the County Auditor for accounting and related services.

BACKGROUND:

On April 8, 2013, the Board of Directors approved an MOU with the County Auditor for an additional level of accounting and other financial services. On behalf of the County Auditor, the Office of the County Counsel (Assistant County Counsel Dan Cederborg) subsequently requested certain changes to Section 6 (Indemnity) of the MOU. The changes reallocate certain potential liabilities between the parties. Consequently, Habitat JPA Counsel determined that the Board of Directors should evaluate the proposed changes and reauthorize execution of the MOU (or direct other action, as appropriate).

The proposed changes are as follows (added text underlined, deleted text struck out):

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts ~~or otherwise perform its duties under any contract or obligation owed to a third party,~~ to the Habitat JPA's breach of any duty imposed on the Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by the County under this Agreement.

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's ~~failure to comply with applicable state and federal laws in performing the services contemplated under these Terms and Conditions, as well as claims and~~

625 Court Street, Room 201, Woodland, Ca 95695 • Phone: 530-406-6672 • Fax: 530-668-1801

www.yoloconservationplan.org

liabilities that may arise due to data input errors breach of any duty expressly assumed by County in this MOU

As revised, Section 6 will thus read as follows:

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU.

JPA counsel recommends approval of the MOU with these changes. The changes to the indemnity provision mirror with the parties' duties under the MOU, and represent a fair allocation of responsibility between the Habitat JPA and the County. The Yolo County Board of Supervisors is expected to approve the MOU at its May 21, 2013 meeting.

Finally, the annual cost to the Habitat JPA of the MOU is difficult to estimate. The Auditor-Controller estimates that it will cost about \$1,600 per year to provide the basic accounting and financial services, with additional time billed at an hourly rate of \$58. Due to a lack of comparable experience with other special districts, the Auditor-Controller is reluctant to provide an estimate of the amount of additional time that may be necessary to fully implement the MOU. Of course, the Habitat JPA can terminate or propose an amendment to the MOU at any time to reduce the level of services provided.

Attachment—Revised MOU

Agreement No. __ - ____

Memorandum of Understanding Between the Yolo County Auditor-Controller and Treasurer-Tax Collector and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Regarding Accounting and Related Services

This Memorandum of Understanding (“MOU”) is entered into this __ day of _____, 2013 by and between the Yolo County Auditor-Controller and Treasurer-Tax Collector (“County Auditor”), and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency (“Habitat JPA”).

RECITALS

WHEREAS, pursuant to Sections 2.5 and 2.6 of its First Amended Joint Powers Agreement, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency; and

WHEREAS, the purpose of this MOU is to create a defined framework for the provision of various services and advice to the Habitat JPA by the County Auditor; and

WHEREAS, to enhance fiscal oversight and accountability, this MOU includes provisions intended to ensure that the Habitat JPA is subject to the same financial controls as County departments, and that the County Auditor provides essentially the same level of services to the Habitat JPA that it provides to County departments;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

AGREEMENT

1. **Scope of Services.** As recited above, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency. Consistent with this designation, the County Auditor will provide the following services to the Habitat JPA:

A. **General Accounting Services.** Government Code Section 6505 requires strict accountability of all Habitat JPA funds and reports of all receipts and disbursements. Consistent with this requirement, the County Auditor will process the accounting records, entries, items and transactions for the Habitat JPA in the same manner as it processes them for County departments. This includes, but is not limited to, the following services:

- i. Process payments to external vendors
- ii. Process journal entries and internal billings
- iii. Process credit memos
- iv. Process wire transfers
- v. Record annual budget
- vi. Process budget amendments
- vii. Process deposits received by County Treasurer

- viii. Process capital asset purchases
- ix. Maintain capital asset schedule
- x. Process debt payments
- xi. Maintain debt service schedule

B. General Ledger Maintenance.

- i. The County Auditor shall add funds, budget units, cost centers, programs and accounts as required by the Habitat JPA within the County Auditor's existing account structure.
- ii. The County Auditor shall establish and maintain files for each Habitat JPA vendor so long as the Habitat JPA provides the County Auditor with a copy of Form W-9. The County Auditor will maintain the original Form W-9 and prepare and submit 1099 forms to the Internal Revenue Service.
- iii. The County Auditor shall grant general ledger access to Habitat JPA staff.

C. Monthly General Ledger Reporting. The County Auditor will provide the Habitat JPA with the following reports at the same time such reports are provided to County departments:

- i. Trial Balance;
- ii. General Ledger;
- iii. Appropriations Ledger; and Addenda
- iv. Revenue Ledger.

D. Budgets. That Habitat JPA is responsible for developing and monitoring its own budget. The Habitat JPA is also responsible for adopting budget policies in consultation with the County Auditor, which will provide general County budget policies to the Habitat JPA for consideration as a potential template. Subject to the availability of adequate staffing, the County Auditor will also provide guidance and advice on budget matters within its expertise when requested by the Habitat JPA.

E. Annual Reporting and Auditing. In addition to the foregoing, the County Auditor will also provide the following services:

- i. The Auditor Controller will annually or biannually (if the Board of Directors opts for a two-year audit in accordance with Government Code Section 6505(f)) conduct or contract for an independent audit in accordance with Government Code Section 6505 unless the Habitat JPA elects, at its sole option, to contract for such audits itself in consultation with the County Auditor. The audit shall meet the minimum requirements prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. If the independent auditor does not present the audit report and present it to the Board of Directors, the County Auditor will review and present the audit report. The Habitat JPA will provide the audit report to

each of its member agencies for retention pursuant to Government Code Section 6505(c).

- ii. The County Auditor will store Habitat JPA financial documents in accordance with State Controller Guidelines.
- iii. The County Auditor will close the accounts of the Habitat JPA and provide reports in accordance with State of California reporting requirements, including but not limited to annual special district financial transaction reports required to be submitted to the State Controller (Government Code Sections 53891-53895.7). The County Auditor will annually present these reports to the Board of Directors in coordination with the Executive Director of the Habitat JPA.
- iv. Subject to the availability of staff, when requested by the Executive Director of the Habitat JPA, the County Auditor will help JPA staff to prepare cash flow projections and any other information relating to anticipated future revenues, expenses, and related financial information.
- v. The County Auditor may propose to provide, or the Habitat JPA may request, other services that suit the needs of the Habitat JPA. Any such proposal or request may be added to this Terms and Conditions document through the amendment procedure described in Section 5.B, below.

F. Contact with Board of Directors. If the County Auditor becomes aware of any significant deviations from established cash handling and grant management practices, or of any other irregular activities on the part of the Executive Director or Habitat JPA staff that cause a concern about fiscal responsibility, the Auditor Controller is authorized and encouraged to raise such concerns directly with the Chair of the Board of Directors or with individual members of the Board.

G. Treasury. The treasury will provide the same services to the Habitat JPA that it provides to County departments, including but not limited to accepting and recording cash deposits, clearing warrants, and reconciling cash balances.

2. Agency Obligations.

A. Administrative Procedures Manual. The Habitat JPA shall comply with applicable County policies set forth in the Yolo County Administrative Procedures Manual, as may be revised from time to time. The Habitat JPA shall also comply with various financial policies and procedures as may be issued from time to time by the County Auditor. Any deviation or exception from these policies must be authorized by the JPA Board of Directors.

B. Special District Financial Manual. The Habitat JPA shall follow the cash management and reserves policy described in the Yolo County Special District Financial Manual. This policy is as follows:

- i. The Habitat JPA is responsible for monitoring its cash balances and cash flows and must maintain a positive balance for the total of all of its cash

funds in the County Treasury. If cash balances draw near zero, the County Auditor will cease processing claims for the Habitat JPA (except in emergencies or for public safety reasons) to prevent cash from being overdrawn, unless prior arrangements are made to mitigate the overdraft.

- ii. The Board of Directors is responsible for establishing the necessary reserves to provide for contingencies and emergencies, as well as for large and probable expenditures. A general reserve is normally established and maintained to cover unpredictable emergency expenditures. It can be drawn from only during the annual budget process or when there is a publicly declared emergency.
- iii. The Board of Directors should consider setting the general reserve at a sufficient level to ensure adequate liquidity during dry periods.

C. Records. The Habitat JPA will maintain all source financial records according to the adopted County records retention policy, as may be amended from time to time. Among other things, the Habitat JPA shall retain records needed for grant audits, contract documents, invoices, consultant progress reports, and other matters not customarily retained by the County Auditor. Such records shall be retained for the then-current year and at least five prior years.

3. Payments.

A. Annual Estimate of Costs. The County Auditor shall provide an estimate of the total annual cost for services under these Terms and Conditions based on the countywide cost allocation plan at least two months prior to the beginning of the Habitat JPA's fiscal year.

B. Payment for Services. The County Auditor shall be paid its estimated actual cost for all services duly provided to the Habitat JPA in accordance with these Terms and Conditions. The County Auditor shall also be reimbursed for its actual costs incurred in performing any additional services not covered by its estimate of actual costs, which may include costs associated with audits pursuant to Government Code Section 6505(e).

The County Auditor shall submit invoices for the estimated actual cost of its services and any other costs recoverable under these terms and conditions to the Habitat JPA on an annual basis unless otherwise agreed by the County Auditor and the Executive Director of the Habitat JPA. The Habitat JPA will review invoices submitted by the County Auditor and either approve payment or advise the County Auditor of any concerns within 30 days after receiving each invoice. If payment is approved, it shall be made from the Habitat JPA's unrestricted funds within 30 days of approval.

4. Term and Termination.

A. Term. These terms and conditions will apply to services provided by the County Auditor commencing July 1, 2013. The Executive Director may request that the expanded level of services described herein commence prior to July 1, 2013, so long as

an estimated cost for such additional services is provided by the County Auditor and accepted by the Executive Director. Once in effect, the terms and conditions apply until they are revised by the parties or until either party advises the other of its desire to cease receiving or providing such services, as the case may be.

B. Termination. Any termination of services shall not be effective until at least 60 days after notice is provided to the other party, unless the parties mutually agree to an earlier termination date.

5. **Annual Meetings; Amendments.**

A. Annual Meeting. On at least an annual basis, the Executive Director of the Habitat JPA and the County Auditor shall meet to discuss the services provided under these Terms and Conditions. This meeting is an opportunity to review whether any changes are necessary or desirable, and to discuss all other issues within the scope of these Terms and Conditions.

B. Amendments. If the Executive Director and the County Auditor elect to make any changes, whether as a result of an annual meeting or otherwise, they may amend these Terms and Conditions by executing a written amendment signed by both parties.

C. Notice to Board of Directors. The Executive Director shall advise the Board of Directors of the Habitat JPA of any such amendment at the next public meeting of the Habitat JPA. If the Habitat JPA Board of Directors disagrees with the amendment, it may direct the Executive Director to terminate the amendment by providing notice to the County Auditor of its decision. The amendment shall be terminated immediately upon the County Auditor's receipt of such notice.

6. **Indemnity.**

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU. .

7. **Governing Law.** This MOU has been made and delivered within the State of California, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with California law.

8. **Notices.** All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the parties, as follows:

Yolo County Auditor-Controller
County of Yolo
625 Court Street, Room 102
Woodland, CA 95695
Tel: (530) 666-8625
Fax: (530) 668-8708

Yolo County Habitat/Natural Community
Conservation Plan Joint Powers Agency
625 Court Street, Room 201
Woodland, CA 95695
Tel: (530) 666-8172
Fax: (530) 666-8279

9. **Termination.** Either party may terminate this MOU, with or without cause, by giving thirty days prior written notice to the other party.

10. **Severability.** Should any paragraph, clause or provision of this MOU be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this MOU, which shall remain in force.

11. **Entire Agreement.** This MOU is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each party has cooperated in the drafting and preparation of this MOU, and this MOU shall not be construed against any party on the basis of drafting.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed this MOU on the date first set forth above.

COUNTY OF YOLO

HABITAT JPA

By _____
Duane Chamberlain, Chairman
Board of Supervisors

By _____
Don Saylor, Chair
Board of Directors

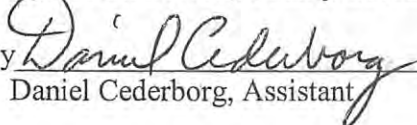
Attest:
Julie Dachtler, Deputy Clerk
Board of Supervisors

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By _____
Deputy (Seal)

By  _____
Philip J. Pogledich, Senior Deputy
Counsel to the Habitat JPA

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By  _____
Daniel Cederborg, Assistant

MAY 29 2013

Agreement No. 13-54BY Rupita Ramirez
DEPUTY CLERK OF THE BOARD

**Memorandum of Understanding Between the Yolo County Auditor-Controller and
Treasurer-Tax Collector and the Yolo County Habitat/Natural Community Conservation
Plan Joint Powers Agency Regarding Accounting and Related Services**

This Memorandum of Understanding ("MOU") is entered into this 21st day of May, 2013 by and between the Yolo County Auditor-Controller and Treasurer-Tax Collector ("County Auditor"), and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency ("Habitat JPA").

RECITALS

WHEREAS, pursuant to Sections 2.5 and 2.6 of its First Amended Joint Powers Agreement, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency; and

WHEREAS, the purpose of this MOU is to create a defined framework for the provision of various services and advice to the Habitat JPA by the County Auditor; and

WHEREAS, to enhance fiscal oversight and accountability, this MOU includes provisions intended to ensure that the Habitat JPA is subject to the same financial controls as County departments, and that the County Auditor provides essentially the same level of services to the Habitat JPA that it provides to County departments;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

AGREEMENT

1. Scope of Services. As recited above, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency. Consistent with this designation, the County Auditor will provide the following services to the Habitat JPA:

A. General Accounting Services. Government Code Section 6505 requires strict accountability of all Habitat JPA funds and reports of all receipts and disbursements. Consistent with this requirement, the County Auditor will process the accounting records, entries, items and transactions for the Habitat JPA in the same manner as it processes them for County departments. This includes, but is not limited to, the following services:

- i. Process payments to external vendors
- ii. Process journal entries and internal billings
- iii. Process credit memos
- iv. Process wire transfers
- v. Record annual budget
- vi. Process budget amendments
- vii. Process deposits received by County Treasurer

- viii. Process capital asset purchases
- ix. Maintain capital asset schedule
- x. Process debt payments
- xi. Maintain debt service schedule

B. General Ledger Maintenance.

- i. The County Auditor shall add funds, budget units, cost centers, programs and accounts as required by the Habitat JPA within the County Auditor's existing account structure.
- ii. The County Auditor shall establish and maintain files for each Habitat JPA vendor so long as the Habitat JPA provides the County Auditor with a copy of Form W-9. The County Auditor will maintain the original Form W-9 and prepare and submit 1099 forms to the Internal Revenue Service.
- iii. The County Auditor shall grant general ledger access to Habitat JPA staff.

C. Monthly General Ledger Reporting. The County Auditor will provide the Habitat JPA with the following reports at the same time such reports are provided to County departments:

- i. Trial Balance;
- ii. General Ledger;
- iii. Appropriations Ledger; and Addenda
- iv. Revenue Ledger.

D. Budgets. That Habitat JPA is responsible for developing and monitoring its own budget. The Habitat JPA is also responsible for adopting budget policies in consultation with the County Auditor, which will provide general County budget policies to the Habitat JPA for consideration as a potential template. Subject to the availability of adequate staffing, the County Auditor will also provide guidance and advice on budget matters within its expertise when requested by the Habitat JPA.

E. Annual Reporting and Auditing. In addition to the foregoing, the County Auditor will also provide the following services:

- i. The Auditor Controller will annually or biannually (if the Board of Directors opts for a two-year audit in accordance with Government Code Section 6505(f)) conduct or contract for an independent audit in accordance with Government Code Section 6505 unless the Habitat JPA elects, at its sole option, to contract for such audits itself in consultation with the County Auditor. The audit shall meet the minimum requirements prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. If the independent auditor does not present the audit report and present it to the Board of Directors, the County Auditor will review and present the audit report. The Habitat JPA will provide the audit report to

- each of its member agencies for retention pursuant to Government Code Section 6505(c).
- ii. The County Auditor will store Habitat JPA financial documents in accordance with State Controller Guidelines.
 - iii. The County Auditor will close the accounts of the Habitat JPA and provide reports in accordance with State of California reporting requirements, including but not limited to annual special district financial transaction reports required to be submitted to the State Controller (Government Code Sections 53891-53895.7). The County Auditor will annually present these reports to the Board of Directors in coordination with the Executive Director of the Habitat JPA.
 - iv. Subject to the availability of staff, when requested by the Executive Director of the Habitat JPA, the County Auditor will help JPA staff to prepare cash flow projections and any other information relating to anticipated future revenues, expenses, and related financial information.
 - v. The County Auditor may propose to provide, or the Habitat JPA may request, other services that suit the needs of the Habitat JPA. Any such proposal or request may be added to this Terms and Conditions document through the amendment procedure described in Section 5.B, below.

F. Contact with Board of Directors. If the County Auditor becomes aware of any significant deviations from established cash handling and grant management practices, or of any other irregular activities on the part of the Executive Director or Habitat JPA staff that cause a concern about fiscal responsibility, the Auditor Controller is authorized and encouraged to raise such concerns directly with the Chair of the Board of Directors or with individual members of the Board.

G. Treasury. The treasury will provide the same services to the Habitat JPA that it provides to County departments, including but not limited to accepting and recording cash deposits, clearing warrants, and reconciling cash balances.

2. Agency Obligations.

A. Administrative Procedures Manual. The Habitat JPA shall comply with applicable County policies set forth in the Yolo County Administrative Procedures Manual, as may be revised from time to time. The Habitat JPA shall also comply with various financial policies and procedures as may be issued from time to time by the County Auditor. Any deviation or exception from these policies must be authorized by the JPA Board of Directors.

B. Special District Financial Manual. The Habitat JPA shall follow the cash management and reserves policy described in the Yolo County Special District Financial Manual. This policy is as follows:

- i. The Habitat JPA is responsible for monitoring its cash balances and cash flows and must maintain a positive balance for the total of all of its cash

- funds in the County Treasury. If cash balances draw near zero, the County Auditor will cease processing claims for the Habitat JPA (except in emergencies or for public safety reasons) to prevent cash from being overdrawn, unless prior arrangements are made to mitigate the overdraft.
- ii. The Board of Directors is responsible for establishing the necessary reserves to provide for contingencies and emergencies, as well as for large and probable expenditures. A general reserve is normally established and maintained to cover unpredictable emergency expenditures. It can be drawn from only during the annual budget process or when there is a publicly declared emergency.
 - iii. The Board of Directors should consider setting the general reserve at a sufficient level to ensure adequate liquidity during dry periods.

C. Records. The Habitat JPA will maintain all source financial records according to the adopted County records retention policy, as may be amended from time to time. Among other things, the Habitat JPA shall retain records needed for grant audits, contract documents, invoices, consultant progress reports, and other matters not customarily retained by the County Auditor. Such records shall be retained for the then-current year and at least five prior years.

3. Payments.

A. Annual Estimate of Costs. The County Auditor shall provide an estimate of the total annual cost for services under these Terms and Conditions based on the countywide cost allocation plan at least two months prior to the beginning of the Habitat JPA's fiscal year.

B. Payment for Services. The County Auditor shall be paid its estimated actual cost for all services duly provided to the Habitat JPA in accordance with these Terms and Conditions. The County Auditor shall also be reimbursed for its actual costs incurred in performing any additional services not covered by its estimate of actual costs, which may include costs associated with audits pursuant to Government Code Section 6505(e).

The County Auditor shall submit invoices for the estimated actual cost of its services and any other costs recoverable under these terms and conditions to the Habitat JPA on an annual basis unless otherwise agreed by the County Auditor and the Executive Director of the Habitat JPA. The Habitat JPA will review invoices submitted by the County Auditor and either approve payment or advise the County Auditor of any concerns within 30 days after receiving each invoice. If payment is approved, it shall be made from the Habitat JPA's unrestricted funds within 30 days of approval.

4. Term and Termination.

A. Term. These terms and conditions will apply to services provided by the County Auditor commencing July 1, 2013. The Executive Director may request that the expanded level of services described herein commence prior to July 1, 2013, so long as

an estimated cost for such additional services is provided by the County Auditor and accepted by the Executive Director. Once in effect, the terms and conditions apply until they are revised by the parties or until either party advises the other of its desire to cease receiving or providing such services, as the case may be.

B. Termination. Any termination of services shall not be effective until at least 60 days after notice is provided to the other party, unless the parties mutually agree to an earlier termination date.

5. Annual Meetings; Amendments.

A. Annual Meeting. On at least an annual basis, the Executive Director of the Habitat JPA and the County Auditor shall meet to discuss the services provided under these Terms and Conditions. This meeting is an opportunity to review whether any changes are necessary or desirable, and to discuss all other issues within the scope of these Terms and Conditions.

B. Amendments. If the Executive Director and the County Auditor elect to make any changes, whether as a result of an annual meeting or otherwise, they may amend these Terms and Conditions by executing a written amendment signed by both parties.

C. Notice to Board of Directors. The Executive Director shall advise the Board of Directors of the Habitat JPA of any such amendment at the next public meeting of the Habitat JPA. If the Habitat JPA Board of Directors disagrees with the amendment, it may direct the Executive Director to terminate the amendment by providing notice to the County Auditor of its decision. The amendment shall be terminated immediately upon the County Auditor's receipt of such notice.

6. Indemnity.

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU. .

7. Governing Law. This MOU has been made and delivered within the State of California, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with California law.

8. Notices. All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the parties, as follows:

Yolo County Auditor-Controller
County of Yolo
625 Court Street, Room 102
Woodland, CA 95695
Tel: (530) 666-8625
Fax: (530) 668-8708

Yolo County Habitat/Natural Community
Conservation Plan Joint Powers Agency
625 Court Street, Room 201
Woodland, CA 95695
Tel: (530) 666-8172
Fax: (530) 666-8279

9. **Termination.** Either party may terminate this MOU, with or without cause, by giving thirty days prior written notice to the other party.

10. **Severability.** Should any paragraph, clause or provision of this MOU be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this MOU, which shall remain in force.

11. **Entire Agreement.** This MOU is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each party has cooperated in the drafting and preparation of this MOU, and this MOU shall not be construed against any party on the basis of drafting.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed this MOU on the date first set forth above.

COUNTY OF YOLO

By *Duane Chamberlain*
Duane Chamberlain, Chairman
Board of Supervisors

Attest:
Julie Pachter, Deputy Clerk
Board of Supervisors

By *[Signature]*
Deputy Clerk

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By *Daniel Cederborg*
Daniel Cederborg, Assistant

HABITAT JPA
By *Don Saylor*
Don Saylor, Chair
Board of Directors

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By *[Signature]*
Philip J. Pogledich, Senior Deputy
Counsel to the Habitat JPA

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

May 20, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Lucas Frerichs, City of Davis
Jim Provenza, Yolo County
Sean Denny, City of Woodland
Woody Fridae, City of Winters
Marjorie Dickinson, UC Davis

JPA Board Alternates present:

Bruce Guelden, City of Winters

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

Paul Hofmann, California Department of Fish & Wildlife
Robert Mazalewski, Yolo County resident/horticulturist
Steve Greco, UC Davis/Advisory Committee member
Glen Holstein, California Native Plant Society/Advisory Committee member
John Hopkins, IEH/ Advisory Committee member

1. Call meeting to order

Chair Saylor called the meeting to order at 5:30 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda order was approved.

Moved: Provenza Seconded: Denny Passed: 4/0

3. Public Comment:

No public comment.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

a. Approve April 2013 meeting minutes

b. Approve revised MOU for financial and related services with Yolo County Auditor-Controller

Consent calendar was approved.

Moved: Provenza Seconded: Denny Passed: 4/0

Regular Agenda

6. Receive monthly financial report and grant summary

[See attachment for Agenda Item 6]

Petrea Marchand: At the request of the Board at the last meeting, I put the monthly financial statement on the regular agenda to demonstrate its use as an oversight tool. A second column showing the budget you adopted in January has been added to the spreadsheet.

If you look under "Professional and Specialized Services" – FY 2012-2013 – "Amended Budget", for example, you can see all the money that has been spent. We are coming in under budget because the first draft didn't cost as much as we expected. But what is not included in the costs shown here are the bills to consultants that were just paid in May. These expenditures are only through April.

If you go back to "Salaries and Benefits", the total for FY 12-13 is getting close to the entire amount budgeted for the entire year. It is likely we will exceed our budgeted amount, but not by very much. When Kate started working half-time for us and half-time with County Counsel, it was two months before the County Counsel began paying their share. They owe us some money for that time.

Second, the furlough settlement cost us unanticipated money in salary and benefits.

The good news is that we are getting lots of reimbursement for work from grants. You can see these on the revenue side of the spreadsheet – you can see grant reimbursements coming in.

"Revenue" has 3 lines: Sec 6, WCB, ERP.

Member contributions: "Intergovt revenue"

Board Member Dickinson: Do we expect to get all the grant money in this fiscal year?

Petrea Marchand: No. We will seek reimbursement for some expenditures in June and receive the checks in July or August. You will see additional deposits in future months. Also, some of our grants budgeted for expenditure in this fiscal year are now reserved for the second draft in the next fiscal year. We should end up about \$100,000 under budget. We could apply that to the second draft if the Board decides to move forward. We expect to send out the reimbursements for everything in this fiscal year as part of the process to "close the books" at the end of the year.

We are moving all our consultants over to billing to the WCB grant because the ERP grant is almost used up. We are keeping a contingency fund for non-reimbursable expenses.

Board Member Provenza: What is in the category "personal services"?

Petrea Marchand: Just JPA staff: Phil, Susan and Kate (all with the County).

Board Member Dickinson: What is the "other costs" category?

Petrea Marchand: Maria's vacation payout

Woody Fridae: I think there is a mistake with the % realized and % expended formulas.

Petrea Marchand: You are right. We will fix it for the next financial statement.

7. Receive update on status of October/December Board action items

[See Attachment for Agenda Item 7]

Petrea Marchand: This is a table for tracking Board actions over the course of the year. It has been updated to reflect all actions to date.

Board Member Denny: Are there any future grants we could go after?

Petrea Marchand: One is listed on your agenda: "Apply for new Sec. 6 grant". We'll hear about this in October. If awarded, the JPA would receive approximately \$600,000.

8. Receive and direct staff to utilize BDCP interface issue paper

[See attachment for Agenda Item 8]

Petrea Marchand: The issue papers are designed to summarize remaining issues but not to resolve them at this time. They are intended to provide everyone important baseline information and an understanding of the issue prior to resolution later this year.

This paper is about a unique issue: The overlap of the Yolo HCP/NCCP with the BDCP HCP/NCCP. The BDCP is the largest HCP/NCCP ever undertaken in California. The main purpose is to recover species in the plan area in perpetuity – including fish and terrestrial species.

The BDCP area is the “legal Delta”. It includes Clarksburg and the Yolo Bypass in Yolo County. They also expanded the boundary to include some additional areas for GGS habitat outside of the Yolo Bypass and south of I-80. There is some overlap in species that we both cover. It is not clear yet how the two plans will be integrated on the issue of conservation of species. If there are two plans that have as their goal conserving the same species, how do you work this out? DFW has to advise us on this.

I presented information from the BDCP draft plan that was released on April 23, 2013. DFW staff have communicated to me, however, that there are some changes that will be made in the next BDCP draft.

Board Member Denny: The Advisory Committee has indicated that it is a complex issue.

Paul Hofmann: This isn't the only plan that BDCP overlaps with and it will be difficult to get the overlap actions right.

Petrea Marchand: All the issues are interrelated. The agency regulatory findings are complex, especially in overlapping areas.

Board Member Provenza: We have to solve this problem.

Board Chair Saylor: Can you provide us with a snapshot of each of these issues?

Petrea Marchand:

Issue 1: The mechanism for achieving the joint conservation objectives

As discussed, this is not yet worked out.

Issue 2: Mitigation for BDCP impacts outside of Yolo County within Yolo County (and vice versa).

How does that work? It has to be determined.

Issue 3: Assurances regarding Yolo HCP/NCCP permit commitments.

If BDCP is actively pursuing properties here for conservation and mitigation, we need some assurances that they will not damage our ability to achieve our own objectives (particularly if they are approved ahead of us).

Issue 4: Consistency of BDCP and Yolo HCP/NCCP Implementation actions

There are covered species for BDCP that are not covered by our plan (e.g. salmon) but if they flood the Bypass too late in the spring, it could limit our conservation opportunities for GGS habitat since giant garter snake utilize rice fields.

Issue 5: Land cost increases or other impacts resulting from competition

The conservation plans are driving up the value of row crop land that could lead to significant increases in the price of easements. We may be in competition with BDCP. It may increase our costs.

Board Member Denny: That's not coming out of our pocket.

Petrea Marchand: The HCP and NCCP are different. HCP covers development over 50 years for permits for development. The cost of acquiring mitigation land would increase our costs and would increase the fees.

The NCCP requires conservation in the plan area. That could be paid for by grants. However, there is an expectation that there is a local contribution component to achieving that conservation standard.

Board Member Dickinson: It would be helpful to understand who is who and what's what. There is a lot of overlap and talk about "them" and "us". What role do the local jurisdictions have? I feel like we're talking to ourselves and in conflict with ourselves.

Petrea Marchand: That is a good question, but it's complicated to answer.

Board Member Provenza: We have a proposal on the table to place local governments on an equal footing with the BDCP.

Petrea Marchand: The Department of Water Resources (DWR) and the Bureau of Reclamation are developing the BDCP. They are applying to the state DFW and the U.S. Fish and Wildlife Service for a permit. So essentially state and federal agencies are asking other state and federal agencies for approval of their plan. Department staff are participating on both sides in some cases – helping to develop the plan and recommending permit issuance.

Board Chair Saylor: I think we need some additional "glossary" information to sort this out.

Petrea Marchand: We just got permission from BDCP to access their GIS layer. It will show which conservation targets overlap.

Board Chair Saylor: Is there any public comment?

John Hopkins: There will be some comment in the Advisory Committee report.

Paul Hofmann: I may be going out on a limb here, but the Delta NCCP monies at the WCB could be considered a "local contribution" and not a state and federal contribution. That could help the JPA meet its local share. As far as the problem of agencies competing for properties, there is experience on the Sacramento River with various

agencies. We had an MOU (FWS, CDFW, BLM, TNC, etc.) and as properties came up, we decided which entity would deal with that landowner. It wasn't competition.

Petrea Marchand: Monica said she expected everything to be worked out with the BDCP through an MOU.

Steve Greco: Could we codify this idea into the issue paper? Some kind of committee would decide?

Petrea Marchand: That's a great idea.

Board Member Fridae: That reminds me that for us to be encouraged to consider certain crops in designing our plan, the market for that crop is unpredictable. I think that sort of fits into this. We can't quite predict how a lot of things will play out on each other in the future. There are a lot of unknowns and many variables. We have to assume that we will work out these problems along the way. Otherwise we would just give up.

Petrea Marchand: The BDCP conservation template needs to be the same as ours. It does link back to seeking resolution of these issues.

Board Member Provenza: That comes later in the plan after we get past the first draft.

Board Member Frerichs: Can you give any update on the discussion between the Yolo HCP and the BDCP on funding Bypass issues?

Petrea Marchand: This is a question for the County, not for the JPA. We do not cover fish species.

Board Member Provenza: The County is talking about an MOU that includes the state and federal governments also signing on. The goal is to reach an agreement about how to move forward with Bypass proposals. Also there is the question of inundation periods for juvenile salmon, and what is the least impact on agricultural land. I have a question about the map. BDCP has been expanded—does that show up on the map?

Petrea Marchand: It's on the map but we don't have a "before" and "after". The expansion is immediately south of Highway 80. On the very back of the draft paper is the GGS habitat. The little yellow dots are recent sightings. There are some wetland habitat and sightings in that area.

Board Chair Saylor: It would be interesting to have pictures of these species.

Petrea Marchand: In the plan every species has a "species account" with a picture.

8. Authorize Chair and Executive Director to submit planning grant to the Wildlife Conservation Board

[See attachment for Agenda Item 9]

Petrea Marchand: A proposal is being prepared for a \$700,000 grant application to provide funds through completion of the third draft, including the EIR/EIS in September 2014. Funds could be returned to the WCB if we do not go forward, but this would give us the ability to work on the plan through the summer of 2014.

My recommendation is to seek the entire amount and bring it down to a lower number if necessary.

Board Member Frerichs: The total cost is \$2.6 million. There's hopefully an ability to winnow down the costs. Where would the remainder of the funds come from?

Petrea Marchand: They would come from the WCB grant that year. At that point, we will have exhausted the Section 6 grant and would be within a year of completing the final plan.

Board member Frerichs: In the proposed budget for 2013-2014. "Public Outreach and Contingency" shows \$250,000 with significant amount coming from WCB. How much is Outreach and how much is Contingency?

Petrea Marchand: If I had to guess, I think \$100,000 would be contingency and \$150,000 would be outreach.

Board Chair Saylor: Is this standard?

Petrea Marchand: It was the same in our original application. But funds can be moved to different categories through a letter to the WCB.

Board Member Fridae: \$2.8 or \$2.858 or \$2.838? I believe the correct amount is \$2.858, please correct this in the document. Thank you for being proactive and bringing this grant opportunity to our attention. It's exactly what we should be doing.

Board Member Denny: The real value is having the EIR/EIS in place. This gives added value to the plan.

Heidi Tschudin: I think you'll get value from both.

Board Member Dickinson: Don't the EIR/EIS processes require some specific public outreach elements? Have you taken that into account?

Heidi Tschudin: Actually the EIR/EIS doesn't require much additional outreach. In this case, the money allocated will get us through the internal draft, but not to the point where it is ready to be released to the public. But the public outreach part for the plan itself is different from the EIR/EIS. That process started earlier, and would be resumed. We will look at restarting this in conjunction with the second draft.

Petrea Marchand: We have allocated funding in the Section 6 grant to public outreach – these funds cannot be spent for any other purpose.

Board Member Provenza: The emphasis in WCB grants is on recreation etc., right?

Petrea Marchand: The truth is that WCB doesn't give planning grants. So we made our grant request fit on their standard template.

Board Member Provenza: Will they ask us to do some other things with hunting and fishing?

Petrea Marchand: No. This is exactly the same grant application we used last time.

Steve Greco: Note that there are not "hundreds of millions" of people in California (p.3)

Petrea Marchand: I will correct that.

Board Member Frerichs made a motion to authorize the Chair to submit an application to the WCB with the identified corrections.

Moved: Frerichs Seconded: Denny Passed: 6/0

9. Executive Director's report

[See attachment for Agenda Item 10]

1. Status of Draft Plan/Staff Review of draft plan

The consultants completed the draft for Heidi and me to review. We have reviewed it and returned it to them with comments. The last item we are waiting for is Chapter 8: Costs and Implementation. We're getting that draft this Friday.

I did want to give you a sneak preview. It will be a lot to absorb at the July meeting.

We are doing an HCP which entails mitigation for impacts over a period of 50 years. It includes public projects as well as development activities. There are approximately 19,000 acres of impacts to habitat, resulting in approximately 16,000 acres of mitigation. Heidi did an analysis of benefits and listed out some of these statistics in her report last November. Some of these have changed due to revisions to the GIS data base.

On the NCCP side, the commitment is to preserve habitat for 32 species in the plan area. The first draft proposes an additional 60,000 acres of conservation. That will be challenging to achieve. We need to have a discussion with the agencies about potential state and federal funding, as well as what Paul referred to in the discussion of the BDCP. We also anticipate making modifications to the next draft that would reduce the amount of required conserved acres.

Some of the possibilities for scaling down the plan include the following:

- Dropping the NCCP portion of the plan
- Dropping some covered species
- Reducing the amount of conservation necessary for ecological corridors
- Reaching an agreement with the BDCP which helps us reach our conservation goals

JPA Staff will write a cover memo to accompany the released draft to highlight the important issues.

There is a lot of great information in this plan. You really do get a good understanding of what is proposed and how the program would work.

2. Grant reimbursement

We are up to date with our invoices through March. The agencies are trying to expedite reimbursement.

3. Audit

There are no real surprises in the audit. The auditors will present their findings at the June Board meeting. They have issued a "Disclaimer opinion" – that means they cannot validate our accounts for two years because of transfers from the mitigation account and lack of state agency reimbursement requests.

I am drafting management responses to all their comments. I am getting advice from managers and from Phil.

The good news is that all findings are addressed in this fiscal year and will fix the majority of the items raised by the auditors. There is a good chance that the JPA will receive an "unqualified" audit opinion for FY 2012-2013. We will get the audit done on time next year.

The Management Committee has recommended that we keep this audit firm.

Board Member Denny: What does this audit opinion mean?

Petrea Marchand: There is no evidence of any fraud. The mitigation trust account issue is that since there was \$1.6 million transferred without Board approval, they could not decide which year to put those in.

The second issue relates to the grant invoices that we submitted to the state agencies. There was no evidence of how she came up with the amounts.

There are no surprises. Everything is described in the audit.

4. Interim Project Review Process

In the JPA Planning Agreement with the USFWS and the CDFW, we agreed that projects, actions, and activities proposed within our planning area during the preparation of our plan won't compromise our plan. We agreed to establish a process to review these "interim projects". We had a conversation with the agencies last month. They are requesting that we institute a more formal process. They also authorized that our grants can pay for this work. An additional task for JPA staff requires that as projects are proposed by Planning Departments in the County and cities, we need to comment and also bring them to the agencies' attention.

I don't have a perfect sense yet of what the process will be, but we will work with the Wildlife Agencies to devise an appropriate process. Development is picking up in Yolo County and we are receiving more project notices.

5. *Early implementation projects*

The WCB has \$19.5 million available for Delta NCCPs, but the Legislature is debating how much to allocate this year as discussed at previous meetings. We have some projects to propose that would be appropriate for these funds. For applications to the WCB, the NCCP serves as the application. If you do not have an NCCP, then you have to complete a land-use evaluation. The WCB is waiting to know whether the JPA will continue with an NCCP before awarding any funds for early implementation projects. Paul Hofmann advises the WCB on easement applications.

Paul Hofmann: I wanted to emphasize that it is a significant benefit that your NCCP serves as the application to the WCB for projects. Land use evaluations are required if you do not have an NCCP – these evaluations are time-consuming and expensive.

6. *Wildlife Agency Leadership Meeting*

Chair Saylor and JPA staff met with the leadership of the wildlife agencies. The agencies expressed their willingness to help with important questions related to the first draft of the plan. We also discussed the loss of Cori Mustin as staff to our project. Cay Goude will read some of the draft chapters and provide comments before the August 12th meeting.

Board Member Provenza: What about the Davis Communications Site?

Petrea Marchand: That is a property called out specifically in the plan.

Phil Pogledich: Grasslands Park has a quit-claim deed from the Federal Government. The County has been going through a process for years to acquire it from the federal government, but we don't have title to it – it is still owned by the National Park Service. We are involved in negotiations. There may be a conservation easement or a declaration of covenants and restrictions (like CCNRs). The balance of the property would be restricted in some ways, e.g. preserving habitat for Swainson's hawk. Since the easement is required, we cannot seek funding to put an easement on the property. This limits our options to raise money for management of the property.

Board Member Provenza: Is there some possibility for an interim project?

Petrea Marchand: I have been talking to the County about the Davis Communications Site. We have met with the WCB about the property before, but they did not think they would find value. Related to that is the work we are doing with Steinberg to help increase funds Delta NCCPs. If there is more funding, there is a better chance of funding this project. At the very least, we have advocates. The City of Davis, Open Space Protection Program, has suggested three properties as well.

10. **Advisory Committee Report**

John Hopkins reported that the Committee discussed the BDCP paper and issues related to flooding and agricultural impacts. There was an article in the Davis Enterprise

about baby salmon in a rice farm in the Delta. You can evidently successfully have some winter flooding for salmon without a big impact on the rice growers.

We also got into difficulties understanding the amount of conservation we have to do to meet the BDCP and Delta standard. What logically should happen is that we need to meet conservation standards to be an NCCP. Some of those species would involve land partially within the BDCP area. If they are also covered by the BDCP plan, then they would help us meeting our conservation standard. Hopefully, we will get assistance from BDCP for the amount of conservation we have to do.

Steve Greco has prepared a draft issue paper on the "Local Conservation Vision" and "species of local concern. Some of these are CEQA species, but they are not covered by the HCP permits. What we will need to determine is whether or not the HCP provides adequate conservation for these species. To the extent that it doesn't, we'll have to add additional conservation actions. That conservation won't be permitted by the wildlife agencies, so we will have to find other funding sources for this aspect of our plan. We will discuss this at our next meeting and then you will get the draft issue paper.

11. Board member updates

Board Member Fridae: I understand that Petrea will come to our City Council meeting and update us on the program.

The Board adjourned to closed session at 7:05 pm.

12. CLOSED SESSION

**Public Employee Performance Evaluation
Government Code Section 54957
Title: Executive Director**

**Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section
54956.9(b)
1 case**

13. Board Direction and Adjournment

The next meeting is scheduled for June 17, 2013



Don Saylor, Chair
Board of Directors



Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Chris Ledesma, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Receive update and approve revisions to October and December 2012 Board Actions

Date: August 18, 2014

REQUESTED ACTIONS:

1. Approve revisions to October and December 2012 Board Actions as described in this staff report.

BACKGROUND:

At the October 17, 2012 and December 17, 2012 Board meetings, the Board approved a series of actions to help with JPA financial oversight and development of the Yolo HCP/NCCP. Attachment A lists these items along with subsequent related actions. Ongoing actions have been incorporated into JPA policies, which JPA staff update regularly as the Board takes additional actions that guide JPA activities. JPA staff will provide the JPA Board with a full update on all JPA policies at the October Board meeting.

The original actions taken to provide financial oversight and control are still in effect today. Monthly and annual financial updates are provided to the Board and regular updates to city managers and the CAO of Yolo County. These reports include accounting on Fund 366 (Administration) and Fund 364 (Mitigation Trust Account), annual reports on Fund 369 (Easement Endowments), and annual audit findings by the JPA's outside auditor. Grant reimbursements are completed in a timely manner to maintain JPA cash flow. The JPA's MOU with the Yolo County Auditor-Controller's Office provides additional financial oversight. Additionally, JPA staff are following Board actions, including the adopted schedule and budget, to ensure progress on development of the Second Administrative Draft.

As the JPA advances with the Second Administrative Draft and continues towards implementation of the Yolo HCP/NCCP, some of the original Board actions require changes to reflect the current progress of the plan and our organization. Recommended revisions include:

- Presentations by the DFW & USFWS are coordinated as needed instead of quarterly presentations.

- The Finance Team, composed of city managers and the County Administrator, reviews the annual draft budget. A budget analyst from the Chair's jurisdiction also reviews the draft annual budget. The Board receives monthly financial updates. This process replaces the item "Institute regular review of monthly and other reports by a Finance Team composed of staff from the cities and the County."
- The Chair approves the Executive Director and project manager invoices and the Executive Director approves all other invoices. The Board receives a monthly update of expenditures, as well as quarterly updates on grant expenditures. This replaces the policy, "Chair and Executive Director both approve consultant invoices."
- Grant reimbursements are submitted with 45 days of receiving all invoices rather than the original 30 days. This allows staff additional time to prepare accurate grant invoices.

In addition to the necessary revisions above, additional policies enacted by the Board have been added to the JPA Policy binder and are included in the revised table in Attachment A.

ATTACHMENTS:

Attachment A- Updated October and December 2012 Board Actions

UPDATED OCTOBER AND DECEMBER 2012 BOARD ACTIONS (updated July 21, 2014)

PLAN DEVELOPMENT

Actions taken in October & December 2012		Status as of July 2013	Status as of July 2014
A	Develop a budget and timeline that corresponds to available grant revenue	Adopted revised 2012-13 budget 1/24/13. Adopted 2013-14 budget on 6/17/13.	Adopted 2014-15 budget on 5/19/14.
B	Research alternatives to current approach including an HCP/NCCP focused on a smaller suite of species/natural communities and other options	Research ongoing.	Research presented to Board on 1/27/14. Board selected an HCP/NCCP.
C	Unless otherwise authorized by subsequent Board action, rely exclusively on sources of funding other than the Mitigation Trust Account	Adopted 2012-13 and 2013-14 budgets do not rely on Mitigation Trust Account revenue. Board approved use of some grant reimbursement funds for cash flow, but also directed the return of these funds to the Mitigation Trust Account as part of closing the books on the 2012-13 fiscal year.	Complete. Plan development is funded by a 2014 WCB grant and a Section 6 grant is in the final stages of execution.
D	Negotiate payment of unpaid invoices with consultants	Invoices were reduced and paid.	N/A
E	Negotiate new consultant contracts for ongoing work based on anticipated funding and include performance measures	New contracts written and signed 2/8/13.	New contracts pursued as needed.
F	Extend existing Section 6 grant	Complete.	N/A
G	Amend existing state ERP grant to cover project management costs and change deliverables to appropriately reflect plan status	Complete.	N/A
H	Pursue Wildlife Conservation Board planning grant	Received \$600,000 planning grant.	Received 2nd \$700,00 WCB planning grant in February 2014. Completed \$600,000 2012 WCB grant in April 2014.
I	Apply for new Section 6 grant in December 2012	Complete.	New Section 6 grant is in final stages of execution.
J	Institute regular schedule of Steering Committee meetings, including city staff, to involve member agencies and other stakeholders in key plan development activities	Advisory Committee meets monthly to review and comment on papers prepared by staff to describe remaining substantive issues with the plan. (The Board voted to change the name Steering Committee to Advisory Committee at 1/24/13 Board meeting.)	Advisory Committee meets every month. The Board voted to approve new advisory committee appointments at the 2/27/13 & 4/8/13 Board meetings.
K	Return to Board in November/December 2012 with options to continue HCP/NCCP, including the option to dissolve the JPA and the liabilities of attendant to that action	Board voted to continue the JPA until August 12, 2013 and reassess at that time.	Board voted to proceed with an HCP/NCCP for the 2nd Administrative Draft at 1/27/14 Board meeting.
L	Obtain written statement from state and federal wildlife agencies outlining their commitment to facilitate the completion of the plan, how they will accommodate delays caused by their personnel, and problem-solving procedures.	State Department of Fish and Wildlife signed written "coordinating principles." The U.S. Fish and Wildlife Service verbally committed to attend meetings and otherwise participate at a high level, but a recent staff departure and the hiring freeze resulting from the federal budget sequester may change this commitment.	N/A

JPA ADMINISTRATION

Action		Status as of July 2013	Status as of July 2014
A	Unless otherwise authorized by subsequent Board action, do not rely in the long term on the Mitigation Trust Account for salaries and administrative costs. This does not include funds necessary for easement acquisitions consistent with the purpose of the account.	The revised 2012-13 and adopted 2013-14 budget do not rely on the Mitigation Trust Account for salaries or administrative and plan development costs. These costs are paid from contributions from the member agencies.	Complete. FY2014-15 budget does not rely on Mitigation Trust Account for salaries or administrative costs.
B	Require developers or other project proponents to pay for staff costs associated with Swainson's Hawk mitigation measure compliance imposed as part of project approvals. In general, this will consist of staff time devoted to advising developers on conservation easement terms and related issues associated with project impacting more than 40 acres of habitat.	There are limited projects moving forward right now because of the recession, but the JPA has received reimbursement for JPA staff time for the Putah Creek Mitigation Project recently approved by the Board. In addition, landowners pursuing easement funding from the state in coordination with the JPA are required to place deposits with the JPA to pay for staff time. Two landowners have placed such deposits with the JPA.	Fees for staff costs associated with development of mitigation receiving sites pending.
C	Return to the Board in November/December 2012 with options to reduce administrative costs	2012-13 revised budget adopted with costs cut across the board, including reducing administrative assistant to 1/2 time.	Complete. As agency workload grows, will need to revisit this issue.

FINANCIAL OVERSIGHT

Action		Status as of July 2013	Status as of July 2014
October 2012			
A	Present monthly updates to the Board, the CAO of Yolo County, and each city manager on revenues, expenditures and grant reimbursements.	The monthly financial report is a regular item on Board agendas. The Executive Director shares detailed financial information with the JPA Finance Team, appointed by the city managers, on a regular basis.	Monthly financials are presented to the Board and financial updates are periodically provided to the city managers and CAO. If a Board meeting does not occur in a given month, financial statement will be distributed. City managers will receive a monthly financial update in the future from the Assistant to the Director.
B	Present annual report to the Board, the CAO of Yolo County, and each city manager on easement endowments, including monitoring activity.	Presented to Board 11/15/12.	Endowment report presented to Board 6/16/14 and presented to city managers 7/14/14.
C	Coordinate timely annual outside audits, the results of which are presented to the Board by an outside firm, with copies to the CAO of Yolo County and each city manager.	2010-11 and 2011-12 audits complete. Contract in process for 2012-13 audit. Audit presented to Board in June 2013.	FY2012-13 audit findings presented to Board 1/27/14. FY2013-14 audit is scheduled for December 2014.
D	Coordinate annual presentation to the Board by Auditor-Controller's office of State Controllers report on YNHP finances	Final MOU approved by Board in May 2013.	FY2012-13 State Controllers report presented to Board 1/27/14.
E	Coordinate quarterly presentations to the Board from the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service on plan activity, including grant status.	DFW & USFWS presented to the Board 1/24/13.	Presentations from DFW & USFWS are coordinated as needed. Scheduled to present at August 18, 2014 Board meeting.
F	Institute regular review of monthly and other reports by a Finance Team composed of staff from the cities and the county.	The Finance Team has received three email updates from the Executive Director with detailed information about JPA finances, including grant tracking and reimbursement.	Finance Team is composed of city managers. They receive regular monthly status report emails at their request and were briefed on the proposed 2014-15 budget. In addition, staff from the Chair's jurisdiction reviewed the draft 2014-15 budget.

G	Complete a performance audit by the Yolo County Auditor-Controller's Office or other qualified entity as soon as possible.	Based on a recommendation from the Yolo County CAO and affirmed by the County Auditor-Controller, Executive Director expanded the outside audit to include a review of internal controls. This audit is complete and was presented to the Board in June.	FY2012-13 audit findings on internal controls presented to Board on 1/27/14. Multi-year auditing contract signed with VTD through December 31, 2016.
December 2012			
A	Return to the Board with a cash flow analysis to determine amount of grant reimbursement necessary for cash flow purposes.	Board approved keeping full amount of grant reimbursement for cash flow in 2012-13, but will submit invoices monthly in 2013-14 to minimize cash flow requirements.	Complete.
B	Revisit use of grant reimbursement funds for cash flow in July 2013.	At the 6/17/13 Board meeting, the Board directed staff to return grant reimbursement funds to the Mitigation Trust Account, and to use the cash float available from the County Treasury as needed to pay invoices reimbursable to grants.	The cash flow policies created in June 2013 are still effective.
C	Require consultants to submit invoices to the JPA by the 7th of the following month or the first work day following the 7th.	Consultants are aware of this requirement and submit by the appropriate date.	Consultants are aware of this requirement and usually submit by the appropriate date.
D	Submit grant reimbursements within 30 days of receiving all invoices.	Staff are completely caught up with grant reimbursement. Staff have submitted and received reimbursement for expenditures from May 2011 to March 2013. Staff will start a monthly reimbursement schedule in the 2013-14 fiscal year.	Staff usually submit grant reimbursements within 45 days of receiving invoices. Staff recommend changing this to 60 days because consultants do not always submit invoices by the 7th.
E	Develop an MOU with the Auditor-Controller's office for accounting services that will allow the Auditor-Controller to contact the Board if accepted cash and grant management standards are not followed.	MOU adopted by Board in May 2013.	Complete.
F	Follow all Yolo County Administrative Procedure Manual policies, including cash handling, travel, personnel, and purchasing.	JPA is following these policies.	JPA is following these policies.
G	Provide Board with budget status and appropriations status reports from GenLed on a monthly basis.	Staff creates monthly status reports from GenLed and includes them in board packets.	Staff recommend changing this requirement to rely only on monthly financial statements produced by JPA staff for Board meetings.
H	Chair and Executive Director both approve consultant invoices.	Chair and Executive Director approve all invoices, with the exception of the Executive Director, which is only approved by the Chair.	Chair approves Executive Director and Project Manager invoices. All other invoices approved by Executive Director. All invoices appear in monthly status reports, which are presented to the Board.
I	Authorize Executive Director to approve no more than \$1,000 in expenditures.	Board changed this amount to \$5,000 in January 2013.	Complete.

YOLO COUNTY YOLO COUNTY HABITAT/NATURAL COMMUNITY CONSERVATION PLAN JOINT POWERS AGENCY

August 18, 2014

MINUTES

The Yolo County Habitat Natural Community Conservation Plan Joint Powers Agency Board met on the 18th day of August 2014, starting at 5:30 p.m. in regular session in the Board of Supervisors' Chambers in the Erwin W. Meier Administration Building, Woodland, California.

Present: Jim Provenza
Don Saylor
Lucas Frerichs
Chris Ledesma
Sean Denny
Marjorie Dickinson

Absent: Woody Fridae

Staff Present: Petrea Marchand, Executive Director
Heidi Tschudin, Project Manager
Phil Pogledich, Senior Deputy County Counsel
Susan Garbini, Research Associate

5:30 P.M. CALL TO ORDER

1. Approval of the Agenda Order

Minute Order No. 14-20: Approved agenda order.

MOTION: Frerichs. SECOND: Denny. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

2. Public Comment: This is time reserved for the public to address the JPA Board on matters not on the agenda.

There was no public comment.

3. Board Correspondence

CONSENT CALENDAR

Minute Order No. 14-21: Approved Consent Agenda Item Nos. 4-9.

MOTION: Saylor. SECOND: Frerichs. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

4. Approved June 16, 2014 meeting minutes.
5. Received monthly financial statement.
6. Approve contract amendment for Alford Environmental
7. Approved revisions to October and December 2012 Board actions related to financial and administrative matters.
8. Approved resolution accepting 2013 Section 6 grant in the amount of \$999,000.

Approved acceptance of grant funding from Cooperative Endangered Species Conservation Fund by **Resolution No. 14-03**.

9. Authorized Executive Director to pay up to \$1,400 per month for ongoing office costs and incur up to \$7,000 in one-time moving costs with approval from the Management Committee.

REGULAR AGENDA

10. Approved fee structure for JPA staff costs related to mitigation receiving sites/conservation easements and received and filed revisions to Science & Technical Advisory Committee operational guidelines.

Minute Order No. 14-22: Approved recommended action and directed staff to return to the Board with feedback on future operational guidelines, changes or additions, and directed counsel to return to the Board to provide an evaluation of requirements for the Form 700 pertaining to the STAC members.

MOTION: Provenza. SECOND: Denny. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor
ABSENT: Fridae.

11. Provided direction to staff regarding proposed framework to resolve remaining Second Administrative Draft issues, including permit term, easement template, and enrolled lands.

Minute Order No. 14-23: Approved recommended actions.

MOTION: Saylor. SECOND: Provenza. AYES: Denny, Frerichs, Ledesma, Provenza, Saylor.
ABSENT: Fridae.

12. Received presentation from the U.S. Fish and Wildlife Service and California Department of Fish and Wildlife on Second Administrative Draft Progress.
13. Received Advisory Committee update.

Chad Roberts commented.

14. Received Executive Director report.
1. Received and filed JPA comments on the public review draft of the Bay Delta Conservation Plan.
 2. Received update on 2013-14 closing of the books.
 3. Received update on Management Committee actions, including update on water bond HCP/NCCP funding.

CLOSED SESSION

15. Public Employee Performance Evaluation
Government code Section 54957
Title: Executive Director

No report out of closed session.

ADJOURNMENT

Next meeting scheduled for: October 20, 2014



Chris Ledesma, Chair
Yolo County Habitat/NCCP JPA

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand
Interim Executive Director, Yolo Habitat JPA

RE: Options for Yolo Natural Heritage Program (HCP/NCCP)

Date: November 15, 2012

REQUESTED ACTIONS:

Adopt the following overall strategy for continuing the HCP/NCCP process:

1. Approve payment of the existing JPA debt and non-reimbursable administrative costs of \$667,733 (including \$15,000 contingency), subject to receipt of member contributions based on the formula described in this memo and consistent with necessary City Council and Board of Supervisors action;
2. Restart the planning process in January 2013;
3. Complete a first draft of the HCP/NCCP by June 2013;
4. Include a fee to recover plan development costs in the plan;
5. Evaluate plan options beginning in July 2013;
6. Request commitments from the wildlife agencies to ensure a successful planning process for consideration at the December Board meeting, prior to implementation of the Board's decision to move forward with actions (2) through (5); and
7. Provide comments on proposed revisions to 2012-13 budget and direct staff to return in December with a final budget resolution.

Background

A. Existing Debt

On October 15th, JPA staff presented the Board with a summary of the existing shortfall in the JPA's 2012-13 budget totaling approximately \$670,000. Staff have since revised this estimate to also cover the total amount of non-reimbursable expenses needed to complete a first draft of the plan by June 2013. As a result of negotiations with consultants (not yet complete) and additional flexibility from the agencies for grant reimbursement, the amount of debt and non-reimbursable expenses is now \$667,733. (See also attached budget summary.) Please note that if the JPA dissolves, the JPA will

still owe approximately \$637, 491. The JPA will save some administrative costs by dissolving the JPA, but the consultants are unlikely to partially forgive their unpaid invoices. The following is a list of changes since the October 15th Board meeting.

- Partial consultant forgiveness of unpaid invoices – \$15,758¹
- Additional grant reimbursement flexibility (lower Executive Director and Project Manager costs in November and December) -- \$16,500

In addition, staff have identified the following new expenditures:

- Contingency for non-reimbursable expenses -- \$7,500 to \$15,000
- JPA Counsel - \$6,500 in non-reimbursable expenses from January to June 2013.
- 2013 performance audit -- \$5,000
- Non-reimbursable administrative costs from 1/13 to 6/13 -- \$15,000

It is highly unlikely that JPA staff can reduce this debt further.

B. Grants to complete the HCP/NCCP

Staff estimate it will cost \$2.8 million to complete the HCP/NCCP and take 36 months. (Please note that other agencies have completed their plans with less money and in less time. This estimate is conservative given new staff do not have a full grasp on the quality of the existing planning documents.) The JPA is especially fortunate that Yolo is one of two counties that can access \$24 million for Delta NCCPs at the Wildlife Conservation Board for both planning and implementation of HCP/NCCPs. Although the WCB cannot provide assurances that Yolo County will receive grant funding from WCB to complete the plan (therefore significantly reducing the need for member contributions), staff believe sufficient grants to complete the plan are highly likely if the JPA delivers quality products on schedule. This is unusual -- most HCP/NCCPs in the region rely on significant member contributions and are not eligible for such generous grant funding.

As reported on October 15th, the state and federal agencies are committed to funding the development of the HCP/NCCP with grants in the future. The following is a summary of \$960,500 in confirmed or highly likely grants:

- Section 6 extension - \$88,500
- ERP amendment and extension - \$272,000
- WCB - \$600,000

The Section 6 grant extension is pending approval from the U.S. Fish and Wildlife Service, but agency staff have indicated we can expect approval. The ERP grant amendment has been approved. Wildlife Conservation Board staff have officially recommended approval of the \$600,000 planning grant at their November 29th meeting.

¹ This includes \$12,000 from SAIC, \$3,113 from EMS, and \$645 from the Tschudin Consulting Group.

U.S. Fish and Wildlife Service staff also are encouraging the JPA to apply for a new Section 6 grant in the amount of approximately \$771,875. (This includes a local match of \$154,375. The Wildlife Conservation Board has offered to consider a 2nd grant in 2013 to cover this match requirement.) Applications are due November 30, 2012. If all of the grants described above are awarded, the JPA would need an additional \$1.1 million to complete the plan or would need to reduce the costs of completion. Staff believe it is highly likely the JPA could cover these remaining costs with future grants if the JPA produces quality drafts of the plan on schedule.

Options

The options below focus on completing a first draft by June 2013. JPA staff assume member agencies will revisit options in summer 2013 if the JPA decides to move forward with the HCP/NCCP in December. As described earlier in the memo, staff recommend moving forward with development of a first draft with certain conditions and paying for the debt and non-reimbursable administrative expenses with member contributions.

(1) Member contributions for full amount of 2012-13 costs that are not reimbursable by grants using 95%-5% formula (see budget attachment)

Pros – Clears JPA debt immediately
 95%-5% formula allocates 95% of responsibility equally among the City of Woodland, City of Davis, City of West Sacramento, and Yolo County, with 5% for the City of Winters

Cons – Limited funding availability because 2012-13 member agency budgets final
 Member agencies will have less money for other priorities

(2) Dissolve (or indefinitely suspend) the JPA

Pros – No risk of ongoing expenditures

Cons – No administrative draft of HCP/NCCP
 JPA (but in all likelihood, not member agencies) maintains debt obligation unless discharged through bankruptcy
 If JPA is dissolved, need agency or qualified non-profit organization to maintain existing easements and endowments
 Potential loss of efficiencies inherent in multi-jurisdictional approach to Swainson’s Hawk mitigation (i.e. pooling of funds for easement acquisitions)
 Loss of WCB Yolo/Contra Costa funds for land preservation and conservation planning, which are available only as long as an NCCP is actively pursued
 Consultants will not partially forgive invoices

(3) Loan from YCPARMIA

Pros – Divides member contributions into three fiscal years starting in 2013-14; first payment due in July 2013 (approval by YCPARMIA Board required)
 Low interest rate of approximately .5%

Results in a first draft HCP/NCCP to guide future decisions

- Cons – Less money available for other member agency priorities over multiple years
 - Only covers unpaid invoices and 2011-12 negative fund balance (approximately \$549,027), not administrative costs (approximately \$134,464)
 - Repayment must be guaranteed by JPA members, not JPA

(4) Use Mitigation Trust Account

Pros – Avoids member contributions

- Cons – Reduces funds available for easements
 - Inconsistent with existing JPA policies
 - Department of Fish and Game asserts legal authority to approve use of funds
 - Department of Fish and Game asserts “will not remain silent” on use of funds
 - City attorneys and JPA Counsel need to evaluate legal risk

Formula

Staff recommend that the City of Woodland, City of West Sacramento, City of Davis, and Yolo County split 95% of the costs of the debt and non-reimbursable expenses equally. The City of Winters would pay the remaining 5%. The member contributions are summarized below.

Member Contributions Based on 95/5 Split		
Davis	23.75%	\$158,586.59
West Sac	23.75%	\$158,586.59
Winters	5%	\$33,386.65
Woodland	23.75%	\$158,586.59
Yolo County	23.75%	\$158,586.59

Attachment: Proposed Yolo JPA 2012-13 budget

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

Meeting Minutes: November 15, 2012

Prepared by: Staff

JPA Board Members present:

Sean Denny, City of Woodland
Woody Fridae, City of Winters
Chris Ledesma, City of West Sacramento
Jim Provenza, Yolo County
Don Saylor, Yolo County
Lucas Frerichs, City of Davis (arrived 5:37)

JPA Board Alternates present: None

Staff present:

Petrea Marchand, Interim Executive Director
Philip Pogledich, JPA legal counsel
Heidi Tschudin, Project Manger
Kate Montieth, Assistant to the Director

Minutes

1. **Chair Saylor** called the meeting to order at 5:30 p.m.
2. **Approval of Agenda Order**
Upon recommendation of Counselor **Pogledich**, the agenda order was changed to:
 - 1) move the closed session of the agenda to follow agenda item 15
 - 2) add Public Employee Appointment to the closed session

- (**Ledesma** moved and **Denny** seconded: (5-0)
3. **Public Comment** – Chair **Saylor** invited the public to comment on any item not on the agenda at this time, and said he would invite further comments on any action item before a vote was taken. There were no comments.
4. **Board Correspondence** – the Board received one letter from Jeanette Wrynski, Executive Director of Yolo County Resource Conservation District, in support of completing the HCP/NCCP plan.
5. **Closed Session**

* * *
6. **CONSENT CALENDAR**
 - a) Approve JPA Board minutes – October 15, 2012

- b) Authorize the Chair of the Board to sign a Fourth Amendment to the Agreement with Tschudin Consulting Group (\$20,000)
- c) Authorize the Chair of the Board to sign a contract with Petrea Marchand (Consero Solutions) for Executive Director services.
- d) Authorize the Chair of the Board to sign a resolution authorizing the Interim Director to sign a Section 6 grant application and take all related actions.

At the request of Counselor **Pogledich**, item c was pulled from the consent calendar. The remainder of the calendar was approved as submitted - **Ledesma** moved, **Provenza** seconded: (5-0)

* * *

REGULAR AGENDA

- 7. **Introduction of staff from US FWS and DFG** – from the US FWS, Cay Goude, Assistant Field Supervisor, **Eric Tattersall** Deputy Assistant Field Supervisor, from the DFG: **Brenda Johnson**, HCP/NCCP Program Manager, **Paul Hofmann**, Staff Environmental Scientist, **Monica Parisi**, Habitat Planning Branch. Ms. **Goude** announced that Washington DC had approved the Sec 6 grant extension. Formal notification would be forthcoming. Interim Director **Marchand** expressed her thanks to the agencies for their time and help in obtaining modifications and extensions for the JPA's current grants.
- 8. **Receive report on October 15th Board actions and monthly financial statement** – Director **Marchand** explained that no invoice had been submitted for the ERP grant. She's identified \$228,000 for invoicing and will submit soon. She recommends that those funds be redeposited in the mitigation account.

WCB grant has been expedited and is on the WCB agenda for approval on Nov 26th. Director **Marchand** recommended that a JPA board presence is important to express appreciation for the WCB's work on our behalf. **Sean Denny** volunteered to attend. She also recommended that the Board write letters of thanks for their help.

The current Sec 6 grant has been extended for a total \$88499. The new Section 6 grant application due in two weeks. Funding from this grant would be available to the JPA in September or October of 2013.

Denny asked that the board be kept apprised of grant balance by task. **Marchand** agreed to add it to the monthly financial report. She introduced the monthly financial report, explaining it was a template that would be updated each month. She recommended current revenue (\$44,000) in the Administrative Fund 366 be transferred to the Mitigation Trust Account, Fund 364.

- 9. **Receive report from Yolo County Auditor-Controller** - Mark **Krummenacker** introduced the booklet, *Special District Accounting*. He explained his function was to receive funds and disperse as requested and monitor cash availability. **Provenza** asked why the County Auditor-Controller was not designated as the JPA's auditor. He also asked how the Auditor-Controller's office missed the lack of audits at the JPA. Why not use county auditors instead of outside auditor? **Krummenacker** replied that he did not know why the audits had

been missed, but it was the JPA's responsibility to fulfill this requirement. He said the Auditor-Controller should be designated as the JPA's auditor, then the Auditor-Controller would make sure outside audits occurred because the audit division puts agencies and special districts on a cycle. The County does not conduct these annual financial audits because otherwise the County would be auditing its own work. **Marchand** added the County Auditor-Controller's office will complete a performance audit to find ways to improve audit control. She will work with the County Auditor's office to work out new procedures, plan an annual audit, and initiate procedures that require board authorization for fund transfers. She will develop initial interim procedures in December and have others in place in January. **Krummenacker** explained that using program codes and cost centers will enable the JPA to track grant expenditures more easily. **Provenza** also asked staff to add controls that would ensure inappropriate transfers of funds did not occur in the future. **Frerichs** asked how long the performance audit would take. **Marchand** said she would get back to him.

10. **Receive report on JPA easements – Montieth** shared a table summarizing basic information on current easements. Most easements were obtained during the years 2005-2008, using funds in the Mitigation Trust Account. **Denny** asked about the current balance of the Mitigation Trust Account. **Montieth** will check with the Auditor's Office for a current balance and bring that information to the next meeting. **Frerichs** would like to see the account balances for the easements and mitigation funds added to the monthly financial report.

Public comment: **Charles Tyson** noted that funds for stewardship of mitigation receiving sites are to be kept in perpetuity. **Michele Clark**, Yolo Land Trust, noted that it was important to keep track of mitigation credits so as not to over sell. She feels it should be a goal to maintain the stewardship fund's principal.

11. **Receive report on other HCP/NCCP efforts – Marchand** shared a table comparing funding information of five other HCPs with Yolo County. The years and costs are comparable. Yolo stands out because it has received so many grants to fund the planning process, whereas other plans rely on member contributions. **Cay Goude** pointed out that the length of time involved in some of the other plans was due to the HCP's shutting down their planning efforts for a period of time.
12. **Receive overview of HCP/NCCP benefits - Marchand** summarized Heidi **Tschudin's** memo, explaining it was based on review of the draft Plan, assessing the value of the Plan document and the value of completing it. **Tschudin** reported that the plan is approximately 90% complete, with the exception of Chapter 8, which is focused on implementation and costs. She feels the Plan document alone has considerable value to any future planning efforts and other EIR plans. It is her conclusion that there are significant benefits to completing it because it gives Yolo County a regulatory position and would assist in coordination with BDCP, DWR, CalTrans and other agencies, as well as benefit local conservation efforts.

Board discussion:

Fridae: The City of Winters needed to be added to Statistical Summary of the Plan (page 4).

Provenza: What is the quality of the plan to date? **Tschudin:** Agencies are critical of GIS database and have had discussions with prior JPA staff about accuracy. She believes the point can be resolved. **Provenza:** recognizes the value of completing the draft document, if not the plan. What is the cost of implementation? **Tschudin:** Plan could be paid through mitigation fees and grants. **Cay Goude:** grants are not to be used for mitigation, only conservation. **Denny:** What would be the costs to the cities? **Marchand:** Unknown for now. **Denny:** Could the other HCP plans tell us? **Goude:** Santa Clara uses no general funds for their plan. They rely on mitigation for city projects. **Frerichs:** Thanked Tschudin for information. **Saylor:** The Yolo plan of blending sustainable agriculture with habitat conservation has economic value statewide.

13. **Approve recommended option for completion of first draft of HCP/NCCP** Marchand thanked the Steering Committee, state and federal agencies, consulting teams, member jurisdictions, city managers, City Councils for their hard work. The consultants are forgiving a percentage of the JPA's debt. She reviewed the strategy for continuing the HCP/NCCP process: including:

- Approve payment of existing JPA debt using member contributions
- Restart the planning process January 2013
- Complete a first draft by June 2013
- Initiate a fee to recover plan development costs in plan
- Evaluate Plan options July 2013
- Request commitment from wildlife agencies
- Provide comments on proposed revision of 2012-13 budget, direct staff to return in December with a final budget resolution

Public Comments:

John **Donlevy**, City of Winters: It's a tight budget. It will be important to keep consultants on task, evaluate the plan. Paul **Navazio**, City of Woodland: Consultant contracts need to be performance and outcome based. **Goude**: FWS has already demonstrated their commitment to completing the plan a letter is moot. Will have more timely conclusion if the number of covered species is reduced. Need to review the agricultural strategy. They can't issue take permits with there is not permanent mitigation. Paul **Hofmann**: DFG is committed to seeing the process to completion. Would like to see more JPA Board participation. Brenda **Johnson**: DFG headquarters wants to be engaged. John **Hopkins**: Strongly supports continuing. Local experts can assist. Steve **Greco**: the consequences of not completing will result in loss of coordination of conservation efforts and a lower quality plan. Having a plan in place will allow Yolo County to direct BDCP efforts, not vice versa.

Moved: **Provenza** 2nd: **Ledesma, Denny** passed 6/0

14. **Approve support for legislation to exempt Delta HCP/NCCPs from the Delta Plan**

Moved: **Provenza** 2nd: **Fridae, Frerichs** passed 6/0

15. **Board member reports**

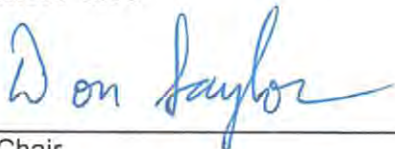
Provenza reported on his meeting with John **Hopkins** and Charles **Tyson**. They feel the Steering Committee is not functioning as it should be, and would like to see a Board liaison attending the SAC meetings.

Closed session

Public report: Negotiated an agreement between Petrea **Marchand** and the JPA. Her contract as Executive Director was executed.

16. **Board direction and adjournment**

Adjourned: 8:05



Don Saylor, Chair
Board of Directors

To: Don Saylor, Chair
Members of the Board, Yolo Habitat JPA

From: Petrea Marchand, Executive Director

RE: Advisory Committee

Date: January 24, 2013

REQUESTED ACTIONS

- 1) Re-appoint existing members listed on the attached roster (Attachment A)
- 2) Appoint Chris Scheuring as a new member of the Advisory Committee for two-year term
- 3) Appoint Steve Thompson as a new member of the Advisory Committee for a two-year term
- 4) Approve changing the name of the "Steering Advisory Committee to the "Advisory Committee"
- 5) Continue to seek representatives from the development community to serve on the Advisory Committee

BACKGROUND

Per the direction of the Board on December 17th and input from the Advisory Committee, staff recommend re-appointing the following members:

Steve Greco
Chad Roberts
Glenn Holstein
Yvonee LeMaitre
Kent Lang
Jeanette Wrynski
Vinton Hawkins
John Hopkins

In addition, Attachment A provides an updated list of city, county and wildlife agency staff members who are currently members of the Advisory Committee.

2013 Yolo Habitat JPA Advisory Committee

Category	Member	Organization
Environment	Steve Greco	UC Davis
Environment	Chad Roberts	Yolo Audubon Society
Environment	Glenn Holstein	Calif. Native Plant Society/Ti
Agriculture	Chris Scheuring	Yolo County Farm Bureau
Agriculture	Yvonee LeMaitre	Yolo County Farm Bureau
Agriculture	Kent Lang	Farmer
Agriculture	Jeanette Wrysinski	Yolo Resource Conservation
HCP/NCCP	John Hopkins	Institute for Ecological Healt
City of West Sacramento	Charline Hamilton	City of West Sacramento
City of Davis	John McNerney/Ken Hiatt	City of Davis
City of Winters	John Donlevy	City of Winters
City of Woodland	Cindy Norris	City of Woodland
County of Yolo	TBD	County of Yolo
Landowner	Steve Thompson	Conaway Ranch
Development	Vinton Hawkins	Sierra Holdings
Development	Vacant	N/A
Development	Vacant	N/A
USFWS	Cori Mustin	USFWS
USFWS	Mike Thomas	USFWS
USFWS	Eric Tattersall	USFWS
CDFW	Jeff Drongesen	CDFW
CDFW	Paul Hofmann	CDFW
CDFW	Monica Parisi	CDFW

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

January 24, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Sean Denny, City of Woodland
Lucas Frerichs, City of Davis
Jim Provenza, Yolo County

JPA Board Alternates present:

None

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

S. Barrett, Citizen and landowner
Paul Hofmann, California Department of Fish & Wildlife
Glen Holstein, Advisory Committee member
Cori Mustin, US Fish & Wildlife Service
Monica Parisi, CDFW
Lynnel Pollock, Executive Director, Cache Creek Conservancy
Catherine Portman, Burrowing Owl Preservation Society
Mike Thomas, USFWS
Charles Tyson, Reynier Fund
Kathryn Tyson, Reynier Fund

1. Chair Saylor called the meeting to order at 5:40 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda order was changed to move item #8 before #6 and #7.

Moved: Denny Seconded: Provenza Passed: 4/0

3. Public Comment:

Advisory Committee member Glen Holstein (who represents the California Native Plant Society) informed the Board of his concerns related to the County's approval of the Environmental Education and Sustainability Park, which includes a solar energy farm, located at Grasslands Park. Dr. Holstein expressed concern about inadequate

environmental impact analysis undertaken for the project, including plant surveys, public notice, and coordination with prior JPA staff.

Catherine Portman, representing the Burrowing Owls Preservation Society, added that a letter from the USFWS to the Department of the Interior stated the surveys conducted to date at the site were inadequate.

Board Chair Saylor responded with his understanding the JPA has no approval authority over this project that was approved several months ago by the County.

JPA Legal Counsel Pogledich indicated that the County will be responding on this matter in two weeks and he can inform the JPA of that response.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

- a) Approve November 2012 and December 2012 meeting minutes
- b) Receive monthly financial report
- c) Approve Estep Consulting consultant contract (\$5,000)
- d) Receive update on grant tracking
- e) Increase Executive Director expenditure authority from \$1,000 to \$5,000

The consent calendar was approved unanimously.

Moved: Provenza Seconded: Denny Passed: 4/0

8. Approve Advisory Committee appointments, composition, and name change

[See *Attachment A*, Agenda Item 8 and *Advisory Committee Applications* packet]

Petrea Marchand requested the JPA reappoint existing members listed on the attached roster, plus two new members, Chris Scheuring and Steve Thompson for two-year terms on the Advisory Committee. She also requested approval to change the name from "Steering Advisory Committee" to "Advisory Committee". She reported that some additional changes will come in the next meeting, including appointment of representatives from the development community. The goal is to focus development representative appointments on the City of West Sacramento and the Dunnigan area, but in response to a question from **Board Member Provenza**, she pointed out that members could come from any area of the County.

Moved: Provenza Seconded: Denny Passed 4/0

9. Approve schedule and topics for next five JPA Board and Steering Committee meetings

[See *Attachment* for Agenda Item 9]

Petrea Marchand presented a schedule of JPA Board meetings through June 2013 for approval with the topics of each meeting as follows:

Feb 22 (special mtg) Agricultural Conservation Strategy
March 18 Swainson's hawk

April 15	Giant garter snake; BDCP
May 20	Follow up on hawk; local conservation vision
June 17	Mitigation v. conservation; implementation costs and funding

The draft plan is expected to be released on July 1, 2013, presented to the JPA Board on July 15, with decision by the JPA on whether to continue with the HCP/NCCP process by August 12.

The main topic for each meeting is a specific issue that has remained unresolved between the Yolo HCP/NCCP and the agencies over many years. Advisory Committee meetings are scheduled prior to the JPA Board and address the same topics. The Advisory Committee will receive a draft "issue paper" for each major issue and have an opportunity to review and comment. A revised draft of the issue paper will then come before the JPA Board at their next meeting.

The process started at the Advisory Committee meeting on January 22 with a draft paper on the Agricultural Conservation Strategy. The Advisory Committee was invited to identify additional information needed as background that will lead to a productive solution and to verify the summary of the Agricultural Conservation Strategy in the issue paper. Comments from the Advisory Committee will then be used to prepare a final version to present to the JPA Board at their meeting in February.

The focus is on providing useful and relevant information about the subject, not on resolving disagreements at this stage. The goal of the issue paper is to ensure that all parties are on the same page with regard to information and outstanding concerns, so that the issue can be resolved after the first administrative draft is available in June.

Moved: Provenza Seconded: Frerichs Passed 4/0

6. HCP/NCCP "101" Presentations by wildlife agencies

The HCP Process

Cori Mustin, Liaison to the Yolo HCP/NCCP from the US Fish & Wildlife Service presented an Introduction and Overview of the Habitat Conservation Plan regulatory framework and process (see copy of PPT presentation).

Discussion points included a review of the regulations that underlie the HCP (i.e. the Endangered Species Act and associated provisions in Section 10). She reviewed the 5-point Policy that guides the HCP process:

1. Establishing biological goals and objectives for the plan
2. Monitoring compliance and effectiveness of the plan when it is implemented
3. Using adaptive management based on feedback from monitoring to ensure the plan's effectiveness under changing conditions
4. Determining the duration of the permit
5. Ensuring public participation in the process through scoping meetings, public comment, and involvement of the public in all stages of planning and implementation

She pointed out that the “no surprises assurance” (which guarantees that no substantive changes in requirements will be made in the future) applies only to properly implemented HCPs that are adequately covering species in the plan.

The Yolo HCP/NCCP is a regional plan (as contrasted with plans that are more local), which allows conservation planning to take place at the landscape level and allow for coordinated decision making for actions that support biodiversity and provide long-term protection. An additional advantage of regional plans comes from associated regulatory streamlining of various federal and state requirements (i.e. CESA, FESA, CEQA, etc.).

The Section 10 Process under the ESA encompasses HCP planning and has three phases: development; formal permit processing, and post-issuance actions. In the development phase, an HCP is required to have a high level of specificity with regard to covered species, covered activities, impacts analysis, avoidance and minimization measures, and a conservation strategy that includes monitoring and adaptive management components. It also needs to address cost and funding of the proposed plan.

The formal permit process includes a Biological Opinion from the USFWS that addresses statutory issuance criteria; including assurance that any taking of covered species will be incidental and the applicant will minimize and mitigate the impacts of such taking. Assurance is also required that any permitted taking will not reduce the survival and recovery of the species. The post-issuance phase includes establishment of management and governance entities designed to implement the HCP, monitoring and adaptive management actions, periodic meetings with the permitting agencies, and preparation and issuance of an annual report on the status of the HCP.

The length of time for completing the HCP process depends on a number of factors relating to the availability of information, the complexity of the issues to be addressed, funding availability, and local support of the process. Lessons learned from previous HCP processes are: keep it simple, be realistic, stay engaged, and demonstrate progress.

The NCCP Process

Monica Parisi, liaison to the Yolo HCP/NCCP from the California Department of Fish & Wildlife, presented an Introduction and Overview of the Natural Community Conservation Plans framework and process (see copy of PPT presentation).. She was supported by her colleague, *Paul Hofmann*.

The milestones in the NCCP process are similar to those in the HCP, but differ in some respects. The regulatory regime underlying the NCCP process is the Natural Community Conservation Planning Act. The goals of the NCCP are to protect and recover biological diversity, to prevent future species from becoming listed as endangered, and to allow compatible and appropriate use.

The NCCP is by definition a regional or ecosystem-based approach to conservation, generally with a broad geographic scope. The NCCP can cover non-listed species (HCPs cover only listed species) that are anticipated to become listed. The major difference between the HCP and NCCP process is the focus of the NCCP on large ecosystem functions and connectivity across landscapes rather than only mitigation.

DISCUSSION

In response to questions about comparison of the Yolo HCP/NCCP with others in the nation and in California, **Cori Mustin** responded that there are 600 permitted HCPs in the US, 400 of those are in California, most in Southern California. Most of the permitted HCPs are on a smaller scale (not regional HCPs). The San Diego Plan, however, has over 100 covered species. There are also some single species HCPs.

In this region, the East Contra Costa County HCP is permitted, but is smaller than the Yolo HCP/NCCP; Santa Clara is nearing completion and covers 18 species. South Sacramento is not yet permitted. She agreed to send out a link to the HCP data base.

Monica Parisi responded that there are 26 active HCP/NCCPs in California; 8 are approved and permitted; 18 are in the planning phase.

Petrea Marchand commented that in the case of the Yolo HCP/NCCP, the planning area is an entire county, not specific properties. Conservation efforts will focus on areas of important habitat. Some credit towards habitat connectivity will be sought through agricultural lands in Yolo County. Many critical issues remain to be resolved. We haven't started on the funding chapter and funding assurances are a requirement for approval of the plan.

Board Member Denny asked if the plan can be added to or amended after it is implemented.

Cori Mustin replied that there is a process for amending the plan, but it essentially involves started over. **Monica Parisi** pointed out that changes are possible.

Board Member Provenza asked for a definition of "adaptive management."

Cori Mustin replied that it refers to changing or revising specific management actions based on changed circumstances.

7. Approve California Department of Fish & Wildlife Coordinating Principles

[See *Attachment A*, Agenda Item 7]

The CDFW Coordinating Principles as contained in the Attachment A were approved.

Moved: Provenza Seconded: Denny Passed: 4/0

10. Receive mid-year budget report and approved revised budget for FY 2012-13)

[See *Attachment* for Agenda item 10]

Petrea Marchand presented the revised 2012-13 Budget for approval. She provided highlights of the budget, including \$850,000 in state grant revenue. She pointed out that \$228,000 is reimbursement for expenditures in a previous fiscal year from the Mitigation Trust Account, so a portion will be returned to the Mitigation Trust Account pending Board action in February. She recommended that the JPA use a portion of this grant reimbursement for cash flow over the next 6 months. Marchand also pointed out that this budget includes payment of unpaid invoices from 2012, which is unusual.

Board Member Frerichs asked about the approximately \$6,000 credit from the County and expressed appreciation for the County's support.

Petrea Marchand responded the County agreed to allow the JPA keep approximately \$10,700 in grant reimbursement for her time when she was still working for the County, but the County has asked for a credit of approximately \$6,000 of this amount against future member contributions. This unanticipated revenue is extremely helpful because JPA staff missed \$22,000 in expenditures from the first four months of the fiscal year when developing the original "keep the lights on" budget presented to the Board in November 2012. With the unanticipated revenue and the recommended appropriation of \$11,439 from contingency, the JPA will stay on budget and no further member agency contributions will be required.

Board Member Denny asked if the member agencies contributed money to pay these bills and whether there were any other options?

Petrea Marchand responded that although the grant side of the budget is healthy, the non-reimbursable component (administrative costs) is very tight. Member contributions are the only way currently available to pay administrative costs.

Petrea Marchand noted that in the future, the revised 2012-13 budget is a tool for tracking expenditures.

Board Chair Saylor asked to see the original budget and the revised budget side by side. In the monthly expenditure report.

The budget was approved.

Moved: Frerichs Seconded: Provenza Passed: 4/0

11. Executive Director's report

[See *Attachment* for Agenda Item 1]

Section 6 Grant

Petrea Marchand discussed the application for Section 6 grant funds for 2013. The JPA applied for the maximum of approximately \$1 million, \$650,000 of which would be available in 2014 for development of the first public review draft and the initial drafts of the EIR/EIS (the rest of the grant is to fund CDFW participation in the planning process). The Wildlife Conservation Board has expressed an interest in considering an application for funding to cover the requirement of 25% matching funds. The JPA has a funding gap for the 2nd draft of the plan, however. If the JPA continues with the NCCP, the JPA is eligible to apply for another WCB planning grant for the 2nd draft. If the JPA decides to drop the NCCP portion of the plan, however, the JPA is no longer eligible for these funds.

Monica Parisi commented that this year there has not been a lot of competition for Sec. 6 planning funds, so the outlook for Yolo HCP/NCCP application is favorable.

Easements

Two landowners (the Romingers and the Tysons) have deposited funds to pay for JPA help in pursuing habitat conservation easements on their property.

Consultant Contracts

Petrea Marchand stated she expected to have SAIC under contract to start work on the plan by February 1. Other contracts are in negotiation and we expect to complete them soon.

Revised Schedule

The attached revised schedule includes changes made in response to comments from the agencies about the feasibility of their response time. We will need to reevaluate the schedule as we move forward and the agencies provide more realistic estimates of their capability. For example, in steps 19 and 20 (which involve agency review and response to drafts), and steps 25 and 28 (which involve agency action), agency staff have indicated that significantly more time may need to be allocated. In some cases, their estimates would add up to 2 years to the proposed schedule! We are not changing our 36-month estimate at this time, however.

GIS Revisions

Thanks to Marcus Neuvert and agency staff, Petrea Marchand stated the JPA is moving quickly on correcting and revising the GIS database that underlies the plan. It is expected that a new database will be ready to provide to SAIC for preparing the administrative draft of the plan by January 31.

12. Advisory Committee update

Advisory Committee Member Glen Holstein reported that the Advisory Committee is pleased with the new management of the Yolo HCP/NCCP, as well as with the prompt work to revise and correct the GIS database. At their meeting on February 22, they also welcomed the presentations by agency staff on the HCP/NCCP process. The Committee engaged in a preliminary discussion of the Agricultural Conservation Strategy and plans to review the draft issue paper and provide comments in the next 2 weeks.

Board Member Provenza attended the Advisory Committee meeting and remarked that there was a good discussion of the Agricultural Conservation Strategy.

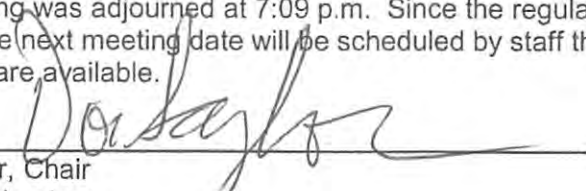
Board Chair Saylor expressed the Board's appreciation for the work of the Advisory Committee and asked for notice of their meetings to be sent to all the JPA Board members in the future.

13. Board member updates

None

14. Board direction, set January meeting date, adjourn

The meeting was adjourned at 7:09 p.m. Since the regular meeting date in February is a holiday, the next meeting date will be scheduled by staff through an e-mail to ensure members are available.



Don Saylor, Chair
Board of Directors



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Approve new Advisory Committee appointments

Date: February 27, 2013

REQUESTED ACTIONS:

1. Appoint Charles Tyson to the Advisory Committee as a landowner representative
2. Appoint David Stroud to the Advisory Committee as a development representative
3. Appoint Eric Paulsen to the Advisory Committee as an agriculture representative, with Denise Sagara as his alternate

BACKGROUND:

At the January 24, 2013 meeting, the Board officially appointed the 2013 Advisory Committee, including reappointing existing members. To fill remaining vacancies, staff recommend the appointment of Charles Tyson and David Stroud. Their applications to the JPA are attached to this report. The Advisory Committee still has two remaining vacancies for development representatives. Staff continue to seek volunteers to fill these spots. A full roster of Advisory Committee members (Attachment A) is attached to this staff report.

In addition, the County has appointed Jeff Anderson, Senior Planner from the Planning and Public Works Department, to the Advisory Committee. The City of Davis has appointed Ken Hiatt, director of the Community Development Department, with John McNerney as an alternate.

2013 Yolo Habitat JPA Advisory Committee

2013 Yolo Habitat JPA Advisory Committee	Member	Organization
Environment	Steve Greco	UC Davis
Environment	Chad Roberts	Yolo Audubon Society
Environment	Glenn Holstein	Calif. Native Plant Society/TI
Agriculture	Eric Paulsen/Denise Sagara	Yolo County Farm Bureau
Agriculture	Chris Scheuring	Farmer
Agriculture	Yvonne LeMaitre	Farmer (on medical leave)
Agriculture	Kent Lang	Farmer
Agriculture	Jeanette Wrynski	Yolo Resource Conservation
Landowner	Steve Thompson	Conaway Ranch
Landowner	Charles Tyson	Chickahominy Ranch
Development	David Stroud	ASB Properties, West Sacrar
Development	Vacant	
Development	Vacant	
HCP/NCCP	John Hopkins	Institute for Ecological Healt
Local Government	Charline Hamilton	City of West Sacramento
Local Government	John McNerney/Ken Hiatt	City of Davis
Local Government	John Donlevy	City of Winters
Local Government	Cindy Norris	City of Woodland
Local Government	Jeff Anderson	County of Yolo
Federal Agency	Cori Mustin	USFWS
Federal Agency	Mike Thomas	USFWS
Federal Agency	Eric Tattersall	USFWS
State Agency	Jeff Drongesen	CDFW
State Agency	Paul Hofmann	CDFW
State Agency	Monica Parisi	CDFW
JPA Board Liaison	Sean Denny/Jim Provenza	JPA Board



Yolo Habitat/Natural Community Conservation Plan, Joint Powers Agency
YOLO NATURAL HERITAGE PROGRAM

~Partnering for Conservation~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

**YOLO NATURAL HERITAGE PROGRAM
JOINT POWERS AGENCY
APPLICATION FOR APPOINTMENT
ADVISORY COMMITTEE**

PLEASE PRINT OR TYPE:

Date of Application: 15 January 2013

Community or Organizational affiliation: _____

Incumbent? Yes No

Name:

Tyson Last Charles P. First

Residence Address 34284 Corcoran Hill Lane, Davis, CA 95616 Zip Code

Mailing Address: Same Zip Code

Do you live within an incorporated city? No Which city? _____

Phone Number: HOME: 530.758.4628 WORK: 916.716.3900 FAX: 530.758.0009

CELL: 916.716.3900

Time(s) available to attend meetings (days, evenings, etc.) Flexible

RELEVANT EDUCATION/EXPERIENCE: *A resume may be attached containing this and any other information that would be helpful to the Board in evaluating your application.*

Education: Bachelor of Arts, Stanford University

Employment Experience: See attached.

Community Experience and Affiliations: See attached.

Other Boards/Commissions/Committees on which you have served: Director, President's Export Council; Chairman, San Diego Gaslamp Area Committee; President, San Diego's Project Area Committee; Director, Diego Historical Society; President, San Diego Ducks Unlimited and Honorary National Trustee Ducks Unlimited; President, National Amateur Retriever Association; President, CRTA; Crocker Art Gallery Land Acquisition; Director, Yolo Land Trust

Other experience you feel would be helpful to the JPA Board in making this appointment: See attached.

Do you or any member of your immediate family work for the Yolo Habitat Joint Powers Agency or hold a position that might conflict with your duties for this committee? If yes, please explain:

NO

REFERENCES: Please list three references with telephone numbers:

Rich Marovich 530.902.1794

Phil Hogan 530.662.2037 ex111

John Carbahal 530.758.8111

SIGNATURE: _____



DATE: 15 January 2013

PLEASE RETURN APPLICATIONS TO:

Yolo Natural Heritage Program
Attn: Kate Montieth
625 Court Street, Suite 201
Woodland, CA 95695

You may also email your application to Kate Montieth at kate.montieth@yolocounty.org.

If you have any questions, please call or email Petrea Marchand, Executive Director of the Yolo Habitat JPA, at (916) 505-7191 or petrea@conserosolutions.com.

Application for Yolo Natural Heritage Program

Experience: Community Leadership

I was the initial creator and a founder of "The San Diego Gaslamp Quarter" and served as its' first president. In the process of establishing the 16 square block formal historic district I led city planners, police, worked with the Mayor and City Council, the local population and landowners, special interest groups and led public forums in efforts to reach our goal.

I restored two Gaslamp buildings of importance to San Diego history and placed them on the National Register of Historic Places. I was given the Progress in Preservation Award by the Mayor and The Environmental Awareness Program award for "outstanding design in the built environment" by public nomination.

Experience: Restoration of the Outside Environment

I have practiced habitat restoration since the 1980s both as a principal and a consultant. I purchase farms or ranches that have potential for good ecosystems and then build a healthier environment. In most cases my goal is to sell the restored property after placing it into perpetual easements that prohibit taking the land out of open space use and preserves natural habitat. In Yolo County I have several projects underway including Chickahominy Creek Ranch. This land was an old working farm that had been clean farmed, sloughs had been straightened and turned into ditches and irrigation was unimaginatively applied. Chickahominy is in its' year fifth of restoration work. My consulting work includes projects with public and private entities in The Central Valley, Suisun Marsh, Placer County and Sacramento County.



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency
YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

**YOLO NATURAL HERITAGE PROGRAM
JOINT POWERS AGENCY
APPLICATION FOR APPOINTMENT
ADVISORY COMMITTEE**

PLEASE PRINT OR TYPE:

Date of Application: February 6, 2013

Community or Organizational affiliation: West Sacramento

Incumbent? Yes No

Name: Stroud David
Last First

Residence 2627 Napoli Court, Carmichael, CA. 95608
Address

Mailing Address: 1420 Merkley Avenue, #3, West Sacramento, CA. 95691
Zip Code

Do you live within an incorporated city? No Which city? 916-376-9425 916-371-5683
916-376-9425 916-371-5683

Phone Number: HOME: _____ WORK: _____ FAX: _____

CELL: 916-849-5010

Time(s) available to attend meetings (days, evenings, etc.) flexible

RELEVANT EDUCATION/EXPERIENCE: *A resume may be attached containing this and any other information that would be helpful to the Board in evaluating your application.*

Education:

Arkansas State University/Business

Employment Experience: **30 + years in the land and real estate
development industry**

Community Experience and Affiliations: **City of West Sacramento, City of Dixon, City of Fairfield. Past President and Board Member of West Sacramento Chamber of Commerce.**

Other Boards/Commissions/Committees on which you have served: **Chair/Rising Tide Foundation of West Sacramento. Past Board Member of Solano Economic Development Corporation**

Other experience you feel would be helpful to the JPA Board in making this appointment:

Do you or any member of your immediate family work for the Yolo Habitat Joint Powers Agency or hold a position that might conflict with your duties for this committee? If yes, please explain:

NO

REFERENCES: Please list three references with telephone numbers:

Christopher Cabaldon	916-617-4500	_____
Denise Seals	916-371-7042	_____
Bryan Turner	916-371-6915	_____

SIGNATURE: _____

DATE: 2/8/13

PLEASE RETURN APPLICATIONS TO:

Yolo Natural Heritage Program
Attn: Kate Montieth
625 Court Street, Suite 201
Woodland, CA 95695

You may also email your application to Kate Montieth at kate.montieth@yolocounty.org.

If you have any questions, please call or email Petrea Marchand, Executive Director of the Yolo Habitat JPA, at (916) 505-7191 or petrea@conserosolutions.com.



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency
YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

**YOLO NATURAL HERITAGE PROGRAM
JOINT POWERS AGENCY
APPLICATION FOR APPOINTMENT
ADVISORY COMMITTEE**

PLEASE PRINT OR TYPE:

Date of Application: Jan 24, 2013

Community or Organizational affiliation: Yolo County Farm Bureau

Incumbent? Yes No

Name:

Paulsen Last Eric First

Residence Address 202 Rancho Way, Woodland 95695 Zip Code

Mailing Address: same Zip Code

Do you live within an incorporated city? Y No Which city? Woodland

Phone Number: HOME: _____ WORK: _____ FAX: _____

CELL: 916.804.8644

Time(s) available to attend meetings (days, evenings, etc.) late afternoon

RELEVANT EDUCATION/EXPERIENCE: *A resume may be attached containing this and any other information that would be helpful to the Board in evaluating your application.*

Education: BA from UC Irvine

Employment Experience: Self-employed

Community Experience and Affiliations:
President of the Yolo County Farm Bureau
Board member of Woodland Memorial Hospital
Board member of Sutter Davis Hospital

Other Boards/Commissions/Committees on which you have served:
See above

Other experience you feel would be helpful to the JPA Board in making this appointment:
Experience with agriculture

Do you or any member of your immediate family work for the Yolo Habitat Joint Powers Agency or hold a position that might conflict with your duties for this committee? If yes, please explain: no

REFERENCES: Please list three references with telephone numbers:

<u>Duane Chamberlain</u>	<u>530.662.2620</u>
<u>Ute Turner, First Northern Bank</u>	<u>530.570.0531</u>
<u>Jeff Merwin</u>	<u>916.799.1699</u>

SIGNATURE: 

DATE: Jan 24, 2013

PLEASE RETURN APPLICATIONS TO:

Yolo Natural Heritage Program
Attn: Kate Montieth
625 Court Street, Suite 201
Woodland, CA 95695

You may also email your application to Kate Montieth at kate.montieth@yolocounty.org.

If you have any questions, please call or email Petrea Marchand, Executive Director of the Yolo Habitat JPA, at (916) 505-7191 or petrea@conserosolutions.com.

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

February 27, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Lucas Frerichs, City of Davis
Woody Fridae, City of Winters
Chris Ledesma, City of West Sacramento

JPA Board Alternates present:

Tom Stallard, City of Woodland

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

Tina Bartlett, California Department of Fish & Wildlife
Paul Hofmann, California Department of Fish & Wildlife
John Hopkins, Advisory Committee Chair
Kathryn Tyson, Reynier Fund

1. Chair Saylor called the meeting to order at 6:37 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda was changed to add an item to the agenda for discussion (new item #5e, "Approve Audit"). It was learned on Monday that the auditing firm wants to start the audit sooner than originally planned for scheduling reasons.

Moved: Stallard Seconded: Ledesma Passed: 5/0

The agenda order was approved with the new addition to be discussed separately.

Moved: Fridae Seconded: Frerichs Passed: 5/0

3. Public Comment:

No public comment.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

- a. **Approve January 2013 meeting minutes**
- b. **Receive monthly financial report**
- c. **Receive update on October and December Board actions**
- d. **Approve updated Advisory Committee membership**

Items 5a-5d on the consent calendar were approved unanimously.

Moved: Frerichs Seconded: Fridae Passed: 5/0

- e. Approve audit (new item 5e)

Discussion

The Board asked for up-to-date financial audit for 2010-11 and 2011-2012, including a review of internal controls by the JPA. The outside auditor has offered to perform both functions and staff are preparing a contract for them to do both these tasks. They request that the process start immediately because of other scheduling conflicts. Staff plan to bring the results back to the Board when they are available. The auditors will come in person to the Board meeting to present their findings. There are funds in the current budget to fund these tasks; authorization is requested to spend the funds now.

Moved: Fridae Seconded: Ledesma Passed: 5/0

6. Approve cash flow analysis and recommendation regarding use of grant reimbursement for cash

[See *Attachment* for Agenda Item 6]

At the December Board meeting, the Board directed staff to prepare a cash flow analysis and recommendation regarding the amount of money to return to the Mitigation Trust Account. Staff recommends maintaining the entire \$272,000 in available grant reimbursement for cash flow in 2012-13. Staff proposes to return \$150,000 in August 2013 after the JPA has received grant reimbursement for completion of the first draft. Based on the cash flow analysis (see attachment 6), it is anticipated that there will be large consultant costs until June in order to complete the Administrative Draft Plan on schedule.

The cash flow analysis and recommendation were approved.

Moved: Frerichs Seconded: Ledesma Passed: 5/0

7. Approve agricultural conservation strategy issue paper

[See *Attachment* for Agenda Item 7]

At the January meeting of the Board, **Petrea Marchand** presented a schedule of JPA Board meetings and topics through June 2013 as follows:

Feb 22 (special mtg)	Agricultural Conservation Strategy
March 18	Swainson's hawk
April 15	Giant garter snake; BDCP
May 20	Follow up on hawk; local conservation vision
June 17	Mitigation v. conservation; implementation costs and funding

The main topic for each meeting is a specific issue that has remained unresolved between the Yolo HCP/NCCP and the agencies over many years. The Advisory Committee is scheduled to review a particular issue paper prior to the JPA Board meeting. A revised draft of the issue paper will then be prepared to bring before the JPA Board.

The process started at the Advisory Committee meeting on January 22 with a draft paper on the Agricultural Conservation Strategy. The Advisory Committee was invited to identify additional information needed as background that will lead to a productive solution. Comments from the Advisory Committee (and from review by agency liaisons and consultants) were used to prepare the final version presented to the JPA Board at this meeting.

The focus is on providing useful and relevant information about the subject, not on resolving disagreements at this stage. The goal of the background issue paper is to ensure that all parties are on the same page with regard to information and outstanding concerns, so that the issue can be resolved after the first administrative draft is available in June. The next paper (to be presented to the Board at their March meeting) will be on Swainson's hawk conservation issues.

Petrea Marchand briefly reviewed the issue paper and outlined the remaining issues with the JPA's proposed agricultural conservation strategy.

Board Chair Saylor asked when the remaining issues need to be resolved.

Project Manager Heidi Tschudin replied the issues will need to be resolved as soon as possible, preferably before the second draft is begun, since they have substantial implications for how the overall agricultural conservation strategy is developed and implemented.

Board Alternate Tom Stallard asked whether we have enough easements at present to meet conservation requirements and whether the costs of easements and other approaches are different.

Heidi Tschudin responded that although the costs of management are the same, permanent easements can change the landscape and have a number of long-term implications.

Petrea Marchand added that a lot of work needs to be done to reach agreement on these major issues.

Board member Fridae asked if the requirements will be revised in the future or will they be identified once at the beginning of the process?

Petrea Marchand responded that with a 50-year permit, amendments are possible, but very difficult. In general, targets will be established at the beginning.

Heidi Tschudin commented that the mitigation component is estimated at the beginning but is only triggered as projects occur; the conservation actions are agreed to in total at the beginning and must be implemented at an agreed pace throughout the course of the permit.

Board member Fridae asked if there could be a hybrid solution to these issues.

Heidi Tschudin responded that anything is possible at this stage.

Petrea Marchand pointed out that in June the JPA will see the numbers of acres and the amount of the costs for the first time. It would be wise to have some options in advance for how to reduce costs if we discover that costs are more than expected.

Heidi Tschudin responded that even if the JPA makes a decision, it has to be accepted and approved by the agencies.

Petrea Marchand clarified that the HCP is mitigation for activities (such as development) and therefore has real benefits for County and the cities as growth and development occur. The NCCP entails "contribution to the recovery of listed species" and may not be perceived as worthwhile by some stakeholders if such a standard carries too high a cost to local jurisdictions.

Board member Frerichs asked why the agencies have suggested that the only crops of value for meeting the conservation and permit requirements as habitat are alfalfa and rice – why not other crops?

Petrea Marchand responded that alfalfa provides multiple opportunities for foraging and other significant benefits for the flagship species for the Yolo County HCP/NCCP – Swainson's hawk. Rice is the main crop of value for habitat for the Giant garter snake, another significant species in the plan. The current template does allow rotation of these crops as needed to maintain agricultural viability, but emphasizes the importance of maintaining a strong matrix of alfalfa and rice in perpetuity. The issue of whether to limit ag-related conservation activities to rice and alfalfa is an ongoing conversation with the wildlife agencies.

Board member Ledesma asked whether there are funding sources for the JPA to pay farmers to maintain certain crops. He commented that this is different from easements, where there are other funding sources.

Board member Frerichs asked how we ended up with so many other species covered by the plan (32).

Advisory Committee Chair John Hopkins responded that there are a number of categories for species that are included in the plan: federally listed, state listed, those deemed likely to be listed in the future, encounters by developers with certain species.

Petrea Marchand pointed out that Ch 8 (which is now being drafted) will give us estimates of costs. It will be easier to get funding if the wildlife agencies support our plan.

Some foundations are interested in wildlife-friendly agriculture and could be approached for funding of the agricultural strategy component if it was separate. These foundations recognize the benefits from this approach to the conservation of habitat for key species.

Board member Frerichs asked whether climate change and adaptation strategies are being considered in the Plan. Water use, temperature, changes, etc. will lead to changing patterns of agriculture.

Heidi Tschudin responded that the County has adopted a climate action plan, which will provide some coverage of these issues for our plan. Consideration of climate change issues is required as part of the environmental review for the plan. Tina Barlette indicated that DFW has prepared analysis of the effects of climate change for species of special concern in California.

Board member Frerichs commented that if it is determined that we need more alfalfa to be grown in the County, we could use easements to encourage alfalfa production. But if climate or market conditions change, are we going to be responsible for the decline of this crop? We would be tweaking the market if we support this crop artificially.

Petrea Marchand responded that these are issues that need to be explored. Most farmers would not commit to “in perpetuity” arrangements; it is tough to agree to this type of a commitment. There are many options still left to be explored and discussed. In addition, the strategies for conservation of Swainson’s hawk and giant garter snake are related to the ag conservation strategy, but will be treated as separate issues in future papers to be presented to the Advisory Committee and to the JPA Board. There will be more discussions on this issue in the future.

Paul Hofmann, liaison to the Yolo HCP/NCCP from the state DFW, stated that from a regulatory agency viewpoint, the biggest issue in the discussion of agriculture as part of the conservation strategy is how the agency can provide permits without guaranteed assurances that valuable landscape will be there in 50 years. Traditionally, it is through an easement – an interest in property in perpetuity – that the wildlife agencies get assurances that meet the requirements for species and habitat protection. He also assured the group that the requirements are not a “moving target” but are formalized in a contractual agreement that is very difficult to alter once it is agreed upon and implemented.

Tina Bartlett, Regional Director of the California Department of Fish & Wildlife, commented that many agricultural producers and ranchers are contacting the Wildlife Conservation Board, hoping to sell a conservation easement to protect the use of the land for agricultural or rangeland. The demand for easements appears to be growing.

Board Alternate Stallard pointed out that when we reduce the productivity of agriculture in a region, then the supportive industries fade away and we lose the infrastructure for agriculture for the future.

The Agricultural Conservation Strategy Issue paper as presented was received with minor edits and the Board directed staff to utilize the paper in the planning process.

Moved: Fridae Seconded: Frerichs Passed: 5/0

8. Advisory Committee Update

Advisory Committee Chair John Hopkins reported that the Advisory Committee met on February 26 and engaged in an extensive discussion of the revised Agricultural Conservation Strategy issue paper, as well as a preliminary discussion of the draft Swainson's hawk Conservation Strategy issue paper. The discussion included a number of members of the agricultural community who expressed their views. In general, the farming community feels uncomfortable with agreements that are in perpetuity. Only corporate agricultural operations (like Conaway Ranch) are willing to commit future generations to a restrictive set of practices regarding crop patterns (e.g. requirements to plant 50% of land in alfalfa).

The Bay Delta Conservation Plan (BDCP) is also seeking such easements for alfalfa and it remains to be seen if they will be successful. Alfalfa is a world market commodity influenced by world economic forces. Therefore there is a lot of uncertainty about the future.

Swainson's hawk biology is relevant to the importance of alfalfa at various times of the year. (e.g. in the spring for nesting after migration). Other crops, such as winter wheat, can provide a short-term food source for fledglings, or fuel for the migration (e.g. tomatoes harvested in August and September). This is a complicated and dynamic process in which the temporal matrix is important. The system has worked for 100+ years in Yolo County, but we need to help keep it working for the future.

Regarding the question about the number of species covered by the plan, it would be acceptable to decrease the number of species if it would contribute to getting the plan through the approval system faster, but you may still need as many acres, even with fewer species. The way to reduce costs is to drop a suite of species.

We need a mixture of strategies such as in perpetuity conservation and long-term contracts. We need to negotiate these with the wildlife agencies. With regard to funding the plan once it is in the implementation phase, there are a number of other revenue sources on the horizon, e.g. the "Cap and Trade" revenue associated with AB 32.

Board Chair Saylor commented that he attended the Advisory Committee meeting on February 26 and expressed the Board's appreciation for their work.

9. Executive Director Update

[See *Attachment* for Agenda Item 9]

Petrea Marchand reported that all contracts have been signed consistent with the Board's direction. The contract with consultants (SAIC) is a firm fixed price contract, which means no additional payment if they miss the deadline. There also will be a \$1,000/day penalty if the final product is not available at the deadline.

Heidi Tschudin reported that the GIS data base issues have been resolved. Marcus Neuvert from the Yolo County IT Division significantly modified the data to address concerns of the wildlife agencies. They have now agreed on the database, and the modeling is underway.

Petrea Marchand reported that a request for grant reimbursement for expenditures between May 2011 and June 2012 has been submitted. Staff will then submit for reimbursement for the period July 2012-December 2012. Staff will submit for reimbursement going forward on a monthly basis.

There is the possibility of applying for a second WCB grant in June after the decision on whether to go forward with the Plan has been made. The JPA has reserved \$250,000 of the original WCB grant for the 2013-14 fiscal year and the 2nd draft of the plan. Expenses not reimbursable from grants and administrative costs for the JPA run out at the end of June. A relatively small amount of funds are needed for JPA administration. A proposal will be submitted in March or April and will include recommendations for member contributions.

Board member Frerichs pointed out the appropriate WCB meeting to apply for a grant is August 2013.

Board Alternate Stallard pointed out that municipalities are budgeting now for the next fiscal year.

Board Chair Saylor added that they need to receive requests as soon as possible.

Board member Frerichs reported that the Davis City Council approved JPA funding from the last request at their last meeting.

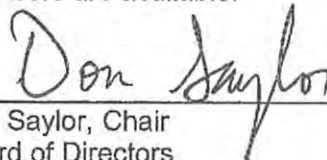
Board member Ledesma thanked the staff for providing a review of substantive issues.

10. Board member updates

Board Chair Saylor reminded Board members to update city councils on our progress and to provide a "heads up" on the funding request that is coming.

11. Board direction and adjournment

The meeting was adjourned at 8:00 p.m. The next meeting will be held on March 18. Since many of the Board members will not be available for the regular meeting date in April, the April meeting date will be scheduled by staff through an e-mail to ensure that members are available.



Don Saylor, Chair
Board of Directors



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Approve new Advisory Committee appointments

Date: April 8, 2013

REQUESTED ACTION:

Appoint Price Walker to the Advisory Committee as a development representative

BACKGROUND:

At the January 24, 2013 meeting, the Board officially appointed the 2013 Advisory Committee, including reappointing existing members. To fill remaining vacancies, additional appointees (Charles Tyson and David Stroud) were approved on February 27. To complete the membership, staff recommends appointment of Price Walker from Elliott Homes, West Sacramento. Mr. Walker's application to the JPA is attached to this report.



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency
YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

YOLO NATURAL HERITAGE PROGRAM
JOINT POWERS AGENCY
APPLICATION FOR APPOINTMENT
ADVISORY COMMITTEE

PLEASE PRINT OR TYPE:

Date of Application: 3/22/13

Community or Organizational affiliation: Dunnigan Landowners Group

Incumbent? Yes No

Name: Walker Price
Last First

Residence Address PO Box 6308 Folsom, CA 95763

* Mailing Address: Elliott Homes 340 Palladio Parkway, Suite 521 Folsom, CA
Zip Code 95620

Do you live within an incorporated city? _____ Which city? _____
Zip Code 95620

Phone Number: HOME: _____ WORK: _____ FAX: _____

CELL: 916-600-8427

Time(s) available to attend meetings (days, evenings, etc.) YES

RELEVANT EDUCATION/EXPERIENCE: A resume may be attached containing this and any other information that would be helpful to the Board in evaluating your application.

Education: BS in Urban Planning
San Francisco State University

Employment Experience: state office Planning & Research
Sacramento City Planning
Elliott Homes, Inc - last 22 years.

Community Experience and Affiliations:

Other Boards/Commissions/Committees on which you have served:

Folsom Parks and Recreation 2006-2012

Other experience you feel would be helpful to the JPA Board in making this appointment:

long history of development experience
Applicant for Dunnigan Specific Plan

Do you or any member of your immediate family work for the Yolo Habitat Joint Powers Agency or hold a position that might conflict with your duties for this committee? If yes, please explain:

NO

REFERENCES: Please list three references with telephone numbers:

Heidi Tschudin - Planning Consultant	916 447 1809
Greg Forest - Land Use Attorney	916 925 6620
David Miller - Folsom Planning Director	916 355 7224

SIGNATURE: Petrea Marchand

DATE: 3/22/13

PLEASE RETURN APPLICATIONS TO:

Yolo Natural Heritage Program
Attn: Kate Montieth
625 Court Street, Suite 201
Woodland, CA 95695

You may also email your application to Kate Montieth at kate.montieth@yolocounty.org.

If you have any questions, please call or email Petrea Marchand, Executive Director of the Yolo Habitat JPA, at (916) 505-7191 or petrea@conserosolutions.com.



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Don Saylor, Chair
Members of the Board

From: Phil Pogledich
Counsel to the Habitat JPA

Re: Memorandum of Understanding with the Yolo County Auditor-Controller Regarding
Accounting and Related Services

Date: April 8, 2013

REQUESTED ACTIONS:

(A) Appoint the Yolo County Auditor-Controller and Treasurer-Tax Collector ("County Auditor") as the Auditor and Treasurer of the Habitat JPA, pursuant to Sections 2.5 and 2.6 of the First Amended Joint Powers Agreement; and

(B) Authorize Chair Saylor to sign the attached Memorandum of Understanding ("MOU") between the Habitat JPA and the County Auditor for accounting and related services, subject to any minor corrections or changes that may be requested by the County in connection with its approval of the MOU; and

(C) Provide direction regarding the commencement date of the services covered by the MOU.

BACKGROUND:

This item responds to previous Board direction regarding the negotiation of an MOU with the County Auditor for an additional level of accounting and other financial services. Overall, the MOU is intended to ensure that the Habitat JPA receives essentially the same level of services and oversight as a County department. Some key provisions of the MOU include:

- An extensive list of services to be provided by the County Auditor, including general accounting services, general ledger maintenance, monthly general ledger reporting, budgeting assistance, and close involvement in annual reporting and auditing (Section 1.A-E).

- Language authorizing and encouraging the County Auditor to contact the Board of Directors if it becomes aware of any significant deviations from established cash handling and grant management practices or of any other irregular practices (Section 1.F).
- Requirements for the Habitat JPA to follow regarding contracting, cash management, and other matters described in the County Administrative Policies and Procedures Manual and the Special Districts Financial Manual (Section 2.A-B). Record keeping requirements are also included in the MOU (Section 2.C).
- Requirements regarding payment for the services provided by the County Auditor, based primarily on an annual estimate of costs that will be provided during the budget process for each Habitat JPA fiscal year (Section 3).

In addition to the foregoing, provisions of the MOU relating to (1) the effective date of services and (2) amendments require some explanation (and potentially guidance from the Board of Directors).

First, the services covered by the MOU are to commence on July 1, 2013 unless the Executive Director (pursuant to Board direction) requests that they begin earlier and agrees to pay any related costs. The County Auditor is currently estimating the cost for services during the JPA's next (2013-14) fiscal year. However, as of the date of preparation of this staff report, neither that estimate nor an estimated cost for services during the remainder of this fiscal year is available. The Board of Directors may thus either (a) accept the July 1, 2013 commencement date, (b) authorize the Executive Director to request services as soon as possible, so long as the services to not exceed an amount to be determined (e.g., \$2,500), or (c) direct the Executive Director to advise the Executive Committee of the estimated amount of services for the remainder of this fiscal year and allow the Committee to determine whether services should commence prior to July 1.

Second, Section 5 describes a procedure for amending the MOU from time to time to ensure that both sides are satisfied with the arrangements described therein. The procedure is intended to minimize the time and procedural burden of processing amendments, particularly for the County. It allows the County Auditor and the Executive Director to amend the MOU through written amendments that do not require approval of their respective governing boards. However, any such amendment signed by the Executive Director must be presented to the Habitat JPA Board of Directors at its next meeting. If the Board disapproves the amendment, it terminates automatically upon notice to the County Auditor.

Staff will provide a short presentation on the MOU at the Habitat JPA Board meeting. The MOU is concurrently being reviewed by the Office of the County Counsel and will be submitted to the Board of Supervisors for consideration at a future meeting.

Agreement No. __ - ____

**Memorandum of Understanding Between the Yolo County Auditor-Controller and
Treasurer-Tax Collector and the Yolo County Habitat/Natural Community Conservation
Plan Joint Powers Agency Regarding Accounting and Related Services**

This Memorandum of Understanding ("MOU") is entered into this __ day of _____, 2013 by and between the Yolo County Auditor-Controller and Treasurer-Tax Collector ("County Auditor"), and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency ("Habitat JPA").

RECITALS

WHEREAS, pursuant to Sections 2.5 and 2.6 of its First Amended Joint Powers Agreement, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency; and

WHEREAS, the purpose of this MOU is to create a defined framework for the provision of various services and advice to the Habitat JPA by the County Auditor; and

WHEREAS, to enhance fiscal oversight and accountability, this MOU includes provisions intended to ensure that the Habitat JPA is subject to the same financial controls as County departments, and that the County Auditor provides essentially the same level of services to the Habitat JPA that it provides to County departments;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

AGREEMENT

1. Scope of Services. As recited above, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency. Consistent with this designation, the County Auditor will provide the following services to the Habitat JPA:

A. General Accounting Services. Government Code Section 6505 requires strict accountability of all Habitat JPA funds and reports of all receipts and disbursements. Consistent with this requirement, the County Auditor will process the accounting records, entries, items and transactions for the Habitat JPA in the same manner as it processes them for County departments. This includes, but is not limited to, the following services:

- i. Process payments to external vendors
- ii. Process journal entries and internal billings
- iii. Process credit memos
- iv. Process wire transfers
- v. Record annual budget
- vi. Process budget amendments
- vii. Process deposits received by County Treasurer

- viii. Process capital asset purchases
- ix. Maintain capital asset schedule
- x. Process debt payments
- xi. Maintain debt service schedule

B. General Ledger Maintenance.

- i. The County Auditor shall add funds, budget units, cost centers, programs and accounts as required by the Habitat JPA within the County Auditor's existing account structure.
- ii. The County Auditor shall establish and maintain files for each Habitat JPA vendor so long as the Habitat JPA provides the County Auditor with a copy of Form W-9. The County Auditor will maintain the original Form W-9 and prepare and submit 1099 forms to the Internal Revenue Service.
- iii. The County Auditor shall grant general ledger access to Habitat JPA staff.

C. Monthly General Ledger Reporting. The County Auditor will provide the Habitat JPA with the following reports at the same time such reports are provided to County departments:

- i. Trial Balance;
- ii. General Ledger;
- iii. Appropriations Ledger; and Addenda
- iv. Revenue Ledger.

D. Budgets. That Habitat JPA is responsible for developing and monitoring its own budget. The Habitat JPA is also responsible for adopting budget policies in consultation with the County Auditor, which will provide general County budget policies to the Habitat JPA for consideration as a potential template. Subject to the availability of adequate staffing, the County Auditor will also provide guidance and advice on budget matters within its expertise when requested by the Habitat JPA.

E. Annual Reporting and Auditing. In addition to the foregoing, the County Auditor will also provide the following services:

- i. The Auditor Controller will annually or biannually (if the Board of Directors opts for a two-year audit in accordance with Government Code Section 6505(f)) conduct or contract for an independent audit in accordance with Government Code Section 6505 unless the Habitat JPA elects, at its sole option, to contract for such audits itself in consultation with the County Auditor. The audit shall meet the minimum requirements prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. If the independent auditor does not present the audit report and present it to the Board of Directors, the County Auditor will review and present the audit report. The Habitat JPA will provide the audit report to

- ii. The County Auditor will store Habitat JPA financial documents in accordance with State Controller Guidelines.
- iii. The County Auditor will close the accounts of the Habitat JPA and provide reports in accordance with State of California reporting requirements, including but not limited to annual special district financial transaction reports required to be submitted to the State Controller (Government Code Sections 53891-53895.7). The County Auditor will annually present these reports to the Board of Directors in coordination with the Executive Director of the Habitat JPA.
- iv. Subject to the availability of staff, when requested by the Executive Director of the Habitat JPA, the County Auditor will help JPA staff to prepare cash flow projections and any other information relating to anticipated future revenues, expenses, and related financial information.
- v. The County Auditor may propose to provide, or the Habitat JPA may request, other services that suit the needs of the Habitat JPA. Any such proposal or request may be added to this Terms and Conditions document through the amendment procedure described in Section 5.B, below.

F. Contact with Board of Directors. If the County Auditor becomes aware of any significant deviations from established cash handling and grant management practices, or of any other irregular activities on the part of the Executive Director or Habitat JPA staff that cause a concern about fiscal responsibility, the Auditor Controller is authorized and encouraged to raise such concerns directly with the Chair of the Board of Directors or with individual members of the Board.

G. Treasury. The treasury will provide the same services to the Habitat JPA that it provides to County departments, including but not limited to accepting and recording cash deposits, clearing warrants, and reconciling cash balances.

2. Agency Obligations.

A. Administrative Procedures Manual. The Habitat JPA shall comply with applicable County policies set forth in the Yolo County Administrative Procedures Manual, as may be revised from time to time. The Habitat JPA shall also comply with various financial policies and procedures as may be issued from time to time by the County Auditor. Any deviation or exception from these policies must be authorized by the JPA Board of Directors.

B. Special District Financial Manual. The Habitat JPA shall follow the cash management and reserves policy described in the Yolo County Special District Financial Manual. This policy is as follows:

- i. The Habitat JPA is responsible for monitoring its cash balances and cash flows and must maintain a positive balance for the total of all of its cash

- ii. The Board of Directors is responsible for establishing the necessary reserves to provide for contingencies and emergencies, as well as for large and probable expenditures. A general reserve is normally established and maintained to cover unpredictable emergency expenditures. It can be drawn from only during the annual budget process or when there is a publicly declared emergency.
- iii. The Board of Directors should consider setting the general reserve at a sufficient level to ensure adequate liquidity during dry periods.

C. Records. The Habitat JPA will maintain all source financial records according to the adopted County records retention policy, as may be amended from time to time. Among other things, the Habitat JPA shall retain records needed for grant audits, contract documents, invoices, consultant progress reports, and other matters not customarily retained by the County Auditor. Such records shall be retained for the then-current year and at least five prior years.

3. **Payments.**

A. Annual Estimate of Costs. The County Auditor shall provide an estimate of the total annual cost for services under these Terms and Conditions based on the countywide cost allocation plan at least two months prior to the beginning of the Habitat JPA's fiscal year.

B. Payment for Services. The County Auditor shall be paid its estimated actual cost for all services duly provided to the Habitat JPA in accordance with these Terms and Conditions. The County Auditor shall also be reimbursed for its actual costs incurred in performing any additional services not covered by its estimate of actual costs, which may include costs associated with audits pursuant to Government Code Section 6505(e).

The County Auditor shall submit invoices for the estimated actual cost of its services and any other costs recoverable under these terms and conditions to the Habitat JPA on an annual basis unless otherwise agreed by the County Auditor and the Executive Director of the Habitat JPA. The Habitat JPA will review invoices submitted by the County Auditor and either approve payment or advise the County Auditor of any concerns within 30 days after receiving each invoice. If payment is approved, it shall be made from the Habitat JPA's unrestricted funds within 30 days of approval.

4. **Term and Termination.**

A. Term. These terms and conditions will apply to services provided by the County Auditor commencing July 1, 2013. The Executive Director may request that the expanded level of services described herein commence prior to July 1, 2013, so long as

an estimated cost for such additional services is provided by the County Auditor and accepted by the Executive Director. Once in effect, the terms and conditions apply until they are revised by the parties or until either party advises the other of its desire to cease receiving or providing such services, as the case may be.

B. Termination. Any termination of services shall not be effective until at least 60 days after notice is provided to the other party, unless the parties mutually agree to an earlier termination date.

5. **Annual Meetings; Amendments.**

A. Annual Meeting. On at least an annual basis, the Executive Director of the Habitat JPA and the County Auditor shall meet to discuss the services provided under these Terms and Conditions. This meeting is an opportunity to review whether any changes are necessary or desirable, and to discuss all other issues within the scope of these Terms and Conditions.

B. Amendments. If the Executive Director and the County Auditor elect to make any changes, whether as a result of an annual meeting or otherwise, they may amend these Terms and Conditions by executing a written amendment signed by both parties.

C. Notice to Board of Directors. The Executive Director shall advise the Board of Directors of the Habitat JPA of any such amendment at the next public meeting of the Habitat JPA. If the Habitat JPA Board of Directors disagrees with the amendment, it may direct the Executive Director to terminate the amendment by providing notice to the County Auditor of its decision. The amendment shall be terminated immediately upon the County Auditor's receipt of such notice.

6. **Indemnity.**

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts or otherwise perform its duties under any contract or obligation owed to a third party.

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's failure to comply with applicable state and federal laws in performing the services contemplated under these Terms in Conditions, as well as claims and liabilities that may arise due to data input errors.

7. **Governing Law**. This MOU has been made and delivered within the State of California, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with California law.

8. **Notices.** All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the parties, as follows:

Yolo County Auditor-Controller
County of Yolo
625 Court Street, Room 102
Woodland, CA 95695
Tel: (530) 666-8625
Fax: (530) 668-8708

Yolo County Habitat/Natural Community
Conservation Plan Joint Powers Agency
625 Court Street, Room 201
Woodland, CA 95695
Tel: (530) 406-6672
Fax: (530) 666-8279

9. **Termination.** Either party may terminate this MOU, with or without cause, by giving thirty days prior written notice to the other party.

10. **Severability.** Should any paragraph, clause or provision of this MOU be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this MOU, which shall remain in force.

11. **Entire Agreement.** This MOU is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each party has cooperated in the drafting and preparation of this MOU, and this MOU shall not be construed against any party on the basis of drafting.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed this MOU on the date first set forth above.

COUNTY OF YOLO

HABITAT JPA

By _____
Duane Chamberlain, Chairman
Board of Supervisors

By _____
Don Saylor, Chair
Board of Directors

Attest:
Julie Dachtler, Deputy Clerk
Board of Supervisors

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By _____
Deputy (Seal)

By _____
Philip J. Pogledich, Senior Deputy
Counsel to the Habitat JPA

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By _____
Daniel Cederborg, Assistant

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY

April 8, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Lucas Frerichs, City of Davis
Chris Ledesma, City of West Sacramento
Jim Provenza, Yolo County
Sean Denny, City of Woodland

JPA Board Alternates present:

Bruce Guelden, City of Winters

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

Paul Hofmann, California Department of Fish & Wildlife
Robert Mazalewski, Yolo County resident/horticulturist
Charles Tyson, Advisory Committee/Reynier Fund

1. Call meeting to order

Chair Saylor called the meeting to order at 5:37 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda order was approved.

Moved: Ledesma Seconded: Denny Passed: 4/0

3. Public Comment:

No public comment.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

a. Approve March 2013 meeting minutes

- b. Receive monthly financial report
- c. Advisory Committee appointment

Items 5a-5c on the consent calendar were approved unanimously.

Moved: Guelden Seconded: Denny Passed: 4/0

6. Memorandum of Understanding with Yolo County Auditor-Controller
[See attachment for Agenda Item 6]

- a. **Appoint the Yolo County Auditor-Controller and Treasurer-Tax Collector as Auditor and Treasurer of the Habitat JPA**

Phil Pogledich: Note that there is some missing text at the bottom of p. 3 and top of p. 4. A corrected version will be provided.

The goal of the MOU is to put the JPA in the same status as other County departments. The range of services provided to the JPA under this MOU is essentially the same as the services that are provided to other County departments.

The MOU requires the JPA to follow County Administrative Policies and Procedures as directed by the Board previously.

The MOU also authorizes the Auditor to contact the Board directly about any concerns about financial matters. There will not be a need to go to the Executive Director. This is also standard procedure.

This agreement will require approval by the County Board of Supervisors as well. It is undergoing review in my office (County Counsel), but we do not anticipate any substantive changes. If there are any changes, we'll present them to you.

- b. **Authorize the Chair to sign the Memorandum of Understanding**

The requested action is to authorize the JPA Habitat Board Chair to sign the MOU.

- c. **Provide direction regarding the commencement date for the MOU**

Staff are developing a list of estimated cost of services. We don't have that estimate yet, but it should be available soon. Different options are provided to the Board. We recommend that the management committee authorize services to begin before the end of this fiscal year if the cost is acceptable. This fiscal year ends on June 30.

Petrea Marchand: This is separate from an audit. This is for services that are regularly provided to other agencies. This would give auditor-controller authority to oversee any transfers, provide notification, put into specific agreement all the financial oversight we discussed previously.

Board Member Sean Denny: Is this a new arrangement?

Phil Pogledich: Yes, but the Auditor-Controller is willing to do this.

Board Member Ledesma: The reason we wanted to start this relationship was because we wanted to be notified if any transfers are made, e.g. from the Swainson's hawk fund.

Phil Pogledich: This is covered on p. 3, subsection F ("Contact with Board Directors").

Board Member Ledesma: I like that paragraph, but part of the previous procedures was a transfer from a trust to an administrative account. They evidently thought that was an acceptable action because the Executive Director said it was. How will they flag "irregular activities" in the future?

Petrea Marchand: All of these actions now require Board approval before the Auditor-Controller can make the transfer.

Phil Pogledich: Transfer from one account to another always requires Board approval in County agencies.

Board Member Ledesma: We need to make sure that issue is covered.

Board Member Denny: We would like notice so we can be aware.

Petrea Marchand: In addition to the requirement for Board approval, you also have information in your monthly financial statement. It shows transfers in and transfers out. Staff also provides the actual reports from the General Ledger every month that show you expenditures and revenue. You can look at the summary that we have created and the actual ledger statement to verify whether any inappropriate transfers have occurred.

Board Member Denny: But it is hard to see it sometimes.

Board Chair Saylor: Perhaps we'll take that off the consent and have a presentation to the Board about it. What about the commencement period?

Petrea Marchand: My recommendation is that the Board give authorization to the Management Committee to decide when to commence once they see the actual estimated costs.

Moved: Ledesma

Seconded: Provenza

Passed: 6/0

7. Review and confirm assumptions for reimbursable consultant costs for 2013-14 budget [See attachment for Agenda Item 7]

Heidi Tschudin: The attachment provides clarification and a review of assumptions used to estimate consultant costs for 2013-14. We are looking for approval of the entire content of the memo (not just the section titled "assumptions") as assumptions for moving forward.

We are well on the way to production of the first draft of the plan. It will be released on July 1. This will allow the Board and the wildlife agencies to review it in its entirety for the

first time. Action on whether to continue the planning process will be before the Board on August 12.

We have looked at the costs also associated with July and August so we can estimate the costs if we shut down the program.

Assumptions

- The list of projected tasks through June 2014 is provided.
- A separate RFP and contracting process for a new plan consultant will not be conducted.
- A limited solicitation for new special counsel will be conducted.
- A contract for EIS/EIR is sole-sourced to ICF.
- Actual work necessary can be performed by Executive Director and Project Manager.
- A 36-month target schedule is maintained.

A detailed description of tasks, month by month, from July 2013 – June 2014 is provided.

July/August: If the vote is to continue, there will be a lot of work on resolution of issues. Some additional issues will be the focus in September.

Board Member Denny: Are we allocating enough time to look at the draft plan? We still have to make that deadline.

Heidi Tschudin: Yes, we do. The loss of USFWS staff could affect our time frame. Petrea will discuss that later. We feel we can do this and the pieces are falling into place. It is really important that we be ready for each step in the process.

September – January: During this time frame, a public outreach program will be developed and implemented. We will in essence “take it on the road”. We will, at the same time, complete the *Second Administrative Draft Plan*. This draft will be released for review by agencies and all local interested parties. It will be posted on the JPA website. There will be a formal review period and consideration of comments. This will be the first version to represent the input and work of this Board and this staff.

January - June 2014: The *Third Draft* will be in preparation during this period. The EIS/EIR process will be resumed with this draft. That will be the last major piece of work in that fiscal year.

I have prepared some working definitions of these drafts so we can be consistent.

First “Administrative” Draft Plan (July): This is an interim work product. It is not a public document, but will be available to the public upon request. This draft represents everything up to the reorganization. That document will not necessarily represent the views of the Board and the staff on how negotiations should take place on some of the issues, but it will have all the information available to date.

Second "Administrative" Draft Plan (January 2014): This is the first "independent" work product of the JPA since reorganization. It will represent the recommendations and internal comments to date.

Third "Public Review" Draft Plan: This is a more refined draft upon which the EIS/EIR review will be based. It will be noticed in the Federal Register and other formal review sites. It is the version that would be the subject of the formal JPA applications for take permits.

FINAL PLAN: This will be the final document to be adopted by the JPA and member agencies. This is the version on which all final actions and decisions will be based.

See table listing "Reimbursable Consultant Cost Estimates for FY 2013-2014".

All these costs are reimbursable through the grants.

Petrea Marchand: We have a better understanding now of what the costs are. The budget we issued previously (in January) is generally holding true.

Board Chair Saylor: Is the action that you are requesting to ask questions, and confirm that we accept the basis for this approach and budget?

Board Member Provenza: How do we plan to acquire counsel?

Heidi Tschudin: We will issue an RFP.

Petrea Marchand: We may solicit a select number of bids from qualified attorneys. We will discuss next steps with the Management Committee.

Board Member Denny: Will we be within 90% of being done after we expend these funds?

Heidi Tschudin: I haven't done the actual calculation, but we will have completed a huge part of the task. We would be at the 50% point of being done.

Board Member Frerichs: Clarification?

Petrea Marchand: These are the reimbursable costs – all are covered by grants. Last time was non-reimbursable costs.

Board Member Frerichs: Apparently, there are some funds left over. Would they be applied moving forward? Would that reduce member contributions?

Petrea Marchand: The member contributions won't change for 2013-2014 because they cover the non-reimbursable costs. If we continue to come in under budget, that would then reduce the amount of money we would need to request from a second WCB grant. The amount that we've applied for from the 2013 Section 6 Grant is set, since we have already applied. We are also targeted to come in on budget for the membership contributions. But that is tight.

The motion was made to confirm the assumptions for the reimbursable consultant costs.

Moved: Provenza Seconded: Frerichs Passed: 6/0

Petrea Marchand: One more thing I forgot to mention – if staff can begin working on resolving issues in July-August (with funds covered by existing grants), we could be ahead on these items. There will be a tight window in the second draft (January 14) to find resolution to these issues, so it would be good to get a head start. At the same time, the Board will not yet have decided whether to continue, so working to resolve issues in the first draft may not be appropriate.

Board Member Denny: Do you want approval now?

Phil Pogledich: No – later. We are just providing a heads up that this is an issue that will need a Board decision eventually.

Board Chair Saylor: Let's discuss this issue again in June.

8. Review and direct staff to utilize draft budget to prepare the final 2013-2014 budget by June 2013. [See attachment for Agenda item 8]

Petrea Marchand: We had a longer discussion about non-reimbursable costs at the last meeting. Tonight I am presenting you with estimates for reimbursable costs in 2013-14. This item is before you to receive direction that will allow me to prepare the final budget.

Board Chair Saylor: What about the City Councils and the City Managers?

Petrea Marchand: I have sent the draft budget to the city managers – I think they are discussing at their next meeting.

Board Member Ledesma: What is the action here? Are we adopting a budget?

Petrea Marchand: The action that is requested tonight is that member agencies approve a budget for the full fiscal year, but only provide payment for the first fiscal quarter.

Moved: Denny Seconded: Ledesma Passed: 6/0

Action: Review and accept the draft budget to prepare the final budget

Board Member Ledesma: I assume that is already approved in the previous motion.

Board Chair Saylor: Let the record show.

Board Member Ledesma: City managers will be asked to approve this budget amount. But will only submit payment to the JPA for the first quarter.

Board Chair Saylor: The point is to make City Managers aware of these issues so they won't be surprised.

9. Approve revised issue paper and meeting schedule.

[See attachment for Agenda item 9]

Petrea Marchand: We made some changes in the schedule and topics for future meetings of the Board and Advisory Committee based on staff time and available information. All topics and changes in dates are summarized in the attached table. I have removed two issues from the schedule: the review of "mitigation vs. conservation" and "implementation costs and funding" previously scheduled for the June 17 Board meeting. This is primarily because of a lack of information prior to the release of the first draft to fully research these topics.

Board Member Ledesma: In our discussions in July and August, will we have that information as part of what we need to make a decision?

Heidi Tschudin: Yes – but you won't have it until then. Chapter 8 is the chapter that deals with implementation costs. There is no prior draft of that chapter from which we could prepare an issue paper. The chapter is being drafted now and it will be included in the draft plan document you receive on July 1.

Board Member Ledesma: For clarification, I want to make sure we will have it in the report that is released, since we need it.

Heidi Tschudin: Yes, you will have this information on July 1 and a summary from staff in August. We had originally planned to write an issue paper on costs and funding. We can't write an issue paper, but we will have the chapter in the on July 1st draft plan document.

Board Member Denny: Is this the cost of doing the plan or of implementing the plan.

Heidi Tschudin: Chapter 8 will represent the cost of implementing the conservation and mitigation actions in the first draft. We expect that first draft plan to materially change, so eventually Chapter 8 will change as well.

Moved: Provenza Second: Denny Passed: 6/0

Board Member Frerichs: Is "coordination w/BDCP" a realistic description?

Petrea Marchand: It is an optimistic phrasing.

Moved: Provenza Seconded: Denny Passed: 6/0

10. Receive and direct staff to utilize Giant Garter Snake issue paper

Petrea Marchand: The issue paper on the Giant Garter Snake Conservation Strategy has some of the same themes as the Swainson's hawk conservation strategy. Issues include whether to manage rice fields for giant garter snake or restore wetlands for giant garter snake habitat. Another issue is whether the JPA should commit to a target rice acreage. The wildlife agencies indicate that we should focus on rice fields and wetlands

for conservation of giant garter snake. Our current proposal provides restoration of wetlands, as well as rice lands.

Board Member Denny: There were conflicts about these issues in the Advisory Committee discussion with the expert (Eric Hansen).

Petrea Marchand: Yolo County grows a significant amount of rice. But there are problems related to future prospects vis-à-vis preserving rice acreage. The wildlife agencies want the JPA to commit to permanently protecting a specific amount of rice acreage. How would we maintain this, e.g. if the market collapses would we subsidize rice growing? The agencies need some type of assurance, however, that a targeted amount of rice will be grown in the future.

Paul Hofmann: The giant garter snake doesn't have to have rice. You can create a managed wetland habitat for them that is better than rice. Although rice has value for giant garter snake, it is not the best habitat all year – it is mainly good in July-September. Before and after that, it is not so good. Giant garter snake must have what it needs on the ground for the entire year. If your intent is to keep as much rice as possible in the County, you must also have some permanent habitat nearby.

Board Member Denny: My understanding is that some soil is only suitable for rice. I think we will always grow rice in Yolo County.

Board Member Provenza: You need other habitat near the rice.

Paul Hofmann: A mix of rice and managed wetlands is ideal. Seasonal wetlands are drawing down now; rice fields are getting ready to be flooded. Sometimes they work in a cooperative way, especially when they are adjacent to each other. Giant garter snake cannot move long distances, but they can move to a nearby habitat.

Board Member Denny: Additional habitat can be produced in the agricultural environment.

Petrea Marchand: The third issue relates to coordination with BDCP (*Consistency with the BDCP conservation strategy*). The BDCP proposes 1,400 acres of giant garter snake habitat in Yolo County. BDCP has also expanded some of its area into Yolo County, outside of the Bypass, to allow for conservation of giant garter snake habitat. Also BDCP proposals to increase frequency and duration of flooding (for salmon) in the Yolo Bypass could potentially take rice out of production and therefore affect giant garter snake habitat.

There are also opportunities for working out some way of sharing conservation actions and getting credit in our plans for the type of conservation that is needed in both plans. As long as we are providing the habitat necessary to the species, there could be some advantages to us in cooperating with the BDCP.

Board Member Denny: What about fish?

Petrea Marchand: No fish are covered in our plan.

Paul Hofmann: The Bypass is not all the same. The east side is different from the west side. The west side of the Bypass is definitely better snake habitat than the east side.

Board Alternate Guelden: Swainson's hawk like to dine on giant garter snake! I'm sure these aren't going to be taken separately. But if we approach them separately, then we have a problem: 40,000 acres of alfalfa in perpetuity; 1,400 acres of rice for giant garter snake. The farmers are tending to go right now towards walnuts, olives, and vineyards. How can you take an agricultural county like Yolo and dictate what the farmers should grow? If it doesn't work out financially, then the taxpayer must subsidize it.

Rice requires a lot of water. Water for agriculture is restricted water. The farmer could be caught with an obligation to grow rice and not have enough water. It seems like a real mess to me.

Board Chair Saylor: We are all in agreement that there are a lot of contradictions and problems.

Board Member Provenza: Is anyone looking at the big picture? We will have to do that with our BDCP cooperation.

Board Member Denny: There has to be land that fits perfectly for habitat. Some ground will never have trees or olives, or vineyards.

Board Chair Saylor: Our charge is to thread the needle.

Board Alternate Guelden: I would never say there will "always be rice" or "alfalfa".

Board Member Denny: There is always diversity, flexibility. Maybe not as much on the west side of the Valley.

Board Alternate Guelden: Winters was once peaches and apricots and now there is nothing left of these crops. Alfalfa may be a dead crop in 50 years. The government should not be telling people what crops to grow. It makes me nervous to see these rigidities on paper.

Petrea Marchand: The JPA has not committed to anything in the plan yet. Staff are just laying out the remaining issues for the Board. We have not made any final decisions, obviously. These issue papers just lay out the remaining issues that need to be addressed during future discussions with the wildlife agencies. Also, to clarify the point about alfalfa acreage -- the estimate of 40,000 acres of alfalfa proposed by the BDCP is the total acreage for the five Delta counties.

Motion to receive and direct staff to utilize GGS issue paper:

Moved: Denny Seconded: Ledesma Passed: 5/1 (Guelden opposed)

11. Executive Director Report

Petrea Marchand: The Management Committee and I recently met with Director Bonham (California Dept. of Fish & Wildlife) to discuss our program. It was a good

meeting and the Director expressed support for our program and encouraged us to submit another planning grant to the WCB.

Cori Mustin, who has been staff from the U.S. Fish & Wildlife Service to our program for many years, is leaving to take another job. As a result of the federal hiring freeze, it is not clear how they will staff the Yolo Plan. The big issue is that when we release the draft at the end of June, we want both CDFW and USFWS staff to review it. We don't know yet who will review it and that is a concern to us in terms of staying on our proposed schedule.

Board Chair Saylor: Perhaps a phone call to the Regional Director of the USFWS to alert him to our problem with regard to staff would be helpful.

12. Advisory Committee update

Advisory Committee Member Charles Tyson: We had a good representation of both Advisory Committee members and interested parties at the meeting on March 26 to discuss the paper on Giant Garter Snake Conservation Strategy. We have had excellent cooperation and turnout by the agencies – we appreciate their taking time to participate.

The Advisory Committee will draft the "LOCAL CONSERVATION VISION" issue paper. Steve Greco heads a subcommittee that will take on this task.

13. Board member updates

Board Chair Saylor: Are there any issues that we should discuss during the upcoming Cap to Cap trip?

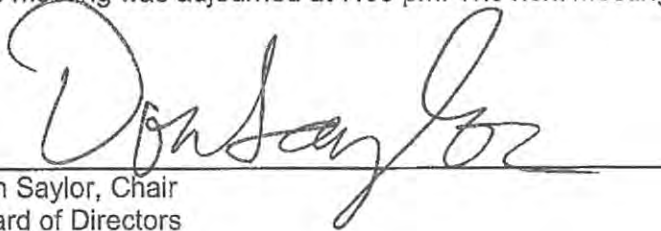
Petrea Marchand: We are supporting requests for Section 6 planning funds.

Board Member Provenza: Can we post the issue papers on the website?

Susan Garbini: We could create a category on the YNHP home page for these papers.

14. Board direction and adjournment

The meeting was adjourned at 7:00 pm. The next meeting is scheduled for May 20.



Don Saylor, Chair
Board of Directors



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •

University of California, Davis

To: Don Saylor, Chair
Members of the Board

From: Phil Pogledich
Counsel to the Habitat JPA

Re: Revisions to Memorandum of Understanding with the Yolo County Auditor-Controller
Regarding Accounting and Related Services

Date: May 20, 2013

REQUESTED ACTIONS:

Authorize Chair Saylor to sign the attached revised Memorandum of Understanding (“MOU”) between the Habitat JPA and the County Auditor for accounting and related services.

BACKGROUND:

On April 8, 2013, the Board of Directors approved an MOU with the County Auditor for an additional level of accounting and other financial services. On behalf of the County Auditor, the Office of the County Counsel (Assistant County Counsel Dan Cederborg) subsequently requested certain changes to Section 6 (Indemnity) of the MOU. The changes reallocate certain potential liabilities between the parties. Consequently, Habitat JPA Counsel determined that the Board of Directors should evaluate the proposed changes and reauthorize execution of the MOU (or direct other action, as appropriate).

The proposed changes are as follows (added text underlined, deleted text struck out):

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA’s failure to pay its debts ~~or otherwise perform its duties under any contract or obligation owed to a third party,~~ to the Habitat JPA’s breach of any duty imposed on the Habitat JPA by this MOU, or to the Habitat JPA’s breach of any other duty not expressly assumed by the County under this Agreement.

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County’s ~~failure to comply with applicable state and federal laws in performing the services contemplated under these Terms and Conditions, as well as claims and~~

625 Court Street, Room 201, Woodland, Ca 95695 • Phone: 530-406-6672 • Fax: 530-668-1801

www.yoloconservationplan.org

liabilities that may arise due to data input errors-breach of any duty expressly assumed by County in this MOU

As revised, Section 6 will thus read as follows:

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU.

JPA counsel recommends approval of the MOU with these changes. The changes to the indemnity provision mirror with the parties' duties under the MOU, and represent a fair allocation of responsibility between the Habitat JPA and the County. The Yolo County Board of Supervisors is expected to approve the MOU at its May 21, 2013 meeting.

Finally, the annual cost to the Habitat JPA of the MOU is difficult to estimate. The Auditor-Controller estimates that it will cost about \$1,600 per year to provide the basic accounting and financial services, with additional time billed at an hourly rate of \$58. Due to a lack of comparable experience with other special districts, the Auditor-Controller is reluctant to provide an estimate of the amount of additional time that may be necessary to fully implement the MOU. Of course, the Habitat JPA can terminate or propose an amendment to the MOU at any time to reduce the level of services provided.

Attachment—Revised MOU

Agreement No. __ - ____

Memorandum of Understanding Between the Yolo County Auditor-Controller and Treasurer-Tax Collector and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Regarding Accounting and Related Services

This Memorandum of Understanding ("MOU") is entered into this __ day of _____, 2013 by and between the Yolo County Auditor-Controller and Treasurer-Tax Collector ("County Auditor"), and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency ("Habitat JPA").

RECITALS

WHEREAS, pursuant to Sections 2.5 and 2.6 of its First Amended Joint Powers Agreement, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency; and

WHEREAS, the purpose of this MOU is to create a defined framework for the provision of various services and advice to the Habitat JPA by the County Auditor; and

WHEREAS, to enhance fiscal oversight and accountability, this MOU includes provisions intended to ensure that the Habitat JPA is subject to the same financial controls as County departments, and that the County Auditor provides essentially the same level of services to the Habitat JPA that it provides to County departments;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

AGREEMENT

1. Scope of Services. As recited above, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency. Consistent with this designation, the County Auditor will provide the following services to the Habitat JPA:

A. General Accounting Services. Government Code Section 6505 requires strict accountability of all Habitat JPA funds and reports of all receipts and disbursements. Consistent with this requirement, the County Auditor will process the accounting records, entries, items and transactions for the Habitat JPA in the same manner as it processes them for County departments. This includes, but is not limited to, the following services:

- i. Process payments to external vendors
- ii. Process journal entries and internal billings
- iii. Process credit memos
- iv. Process wire transfers
- v. Record annual budget
- vi. Process budget amendments
- vii. Process deposits received by County Treasurer

- viii. Process capital asset purchases
- ix. Maintain capital asset schedule
- x. Process debt payments
- xi. Maintain debt service schedule

B. General Ledger Maintenance.

- i. The County Auditor shall add funds, budget units, cost centers, programs and accounts as required by the Habitat JPA within the County Auditor's existing account structure.
- ii. The County Auditor shall establish and maintain files for each Habitat JPA vendor so long as the Habitat JPA provides the County Auditor with a copy of Form W-9. The County Auditor will maintain the original Form W-9 and prepare and submit 1099 forms to the Internal Revenue Service.
- iii. The County Auditor shall grant general ledger access to Habitat JPA staff.

C. Monthly General Ledger Reporting. The County Auditor will provide the Habitat JPA with the following reports at the same time such reports are provided to County departments:

- i. Trial Balance;
- ii. General Ledger;
- iii. Appropriations Ledger; and Addenda
- iv. Revenue Ledger.

D. Budgets. That Habitat JPA is responsible for developing and monitoring its own budget. The Habitat JPA is also responsible for adopting budget policies in consultation with the County Auditor, which will provide general County budget policies to the Habitat JPA for consideration as a potential template. Subject to the availability of adequate staffing, the County Auditor will also provide guidance and advice on budget matters within its expertise when requested by the Habitat JPA.

E. Annual Reporting and Auditing. In addition to the foregoing, the County Auditor will also provide the following services:

- i. The Auditor Controller will annually or biannually (if the Board of Directors opts for a two-year audit in accordance with Government Code Section 6505(f)) conduct or contract for an independent audit in accordance with Government Code Section 6505 unless the Habitat JPA elects, at its sole option, to contract for such audits itself in consultation with the County Auditor. The audit shall meet the minimum requirements prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. If the independent auditor does not present the audit report and present it to the Board of Directors, the County Auditor will review and present the audit report. The Habitat JPA will provide the audit report to

each of its member agencies for retention pursuant to Government Code Section 6505(c).

- ii. The County Auditor will store Habitat JPA financial documents in accordance with State Controller Guidelines.
- iii. The County Auditor will close the accounts of the Habitat JPA and provide reports in accordance with State of California reporting requirements, including but not limited to annual special district financial transaction reports required to be submitted to the State Controller (Government Code Sections 53891-53895.7). The County Auditor will annually present these reports to the Board of Directors in coordination with the Executive Director of the Habitat JPA.
- iv. Subject to the availability of staff, when requested by the Executive Director of the Habitat JPA, the County Auditor will help JPA staff to prepare cash flow projections and any other information relating to anticipated future revenues, expenses, and related financial information.
- v. The County Auditor may propose to provide, or the Habitat JPA may request, other services that suit the needs of the Habitat JPA. Any such proposal or request may be added to this Terms and Conditions document through the amendment procedure described in Section 5.B, below.

F. Contact with Board of Directors. If the County Auditor becomes aware of any significant deviations from established cash handling and grant management practices, or of any other irregular activities on the part of the Executive Director or Habitat JPA staff that cause a concern about fiscal responsibility, the Auditor Controller is authorized and encouraged to raise such concerns directly with the Chair of the Board of Directors or with individual members of the Board.

G. Treasury. The treasury will provide the same services to the Habitat JPA that it provides to County departments, including but not limited to accepting and recording cash deposits, clearing warrants, and reconciling cash balances.

2. Agency Obligations.

A. Administrative Procedures Manual. The Habitat JPA shall comply with applicable County policies set forth in the Yolo County Administrative Procedures Manual, as may be revised from time to time. The Habitat JPA shall also comply with various financial policies and procedures as may be issued from time to time by the County Auditor. Any deviation or exception from these policies must be authorized by the JPA Board of Directors.

B. Special District Financial Manual. The Habitat JPA shall follow the cash management and reserves policy described in the Yolo County Special District Financial Manual. This policy is as follows:

- i. The Habitat JPA is responsible for monitoring its cash balances and cash flows and must maintain a positive balance for the total of all of its cash

funds in the County Treasury. If cash balances draw near zero, the County Auditor will cease processing claims for the Habitat JPA (except in emergencies or for public safety reasons) to prevent cash from being overdrawn, unless prior arrangements are made to mitigate the overdraft.

- ii. The Board of Directors is responsible for establishing the necessary reserves to provide for contingencies and emergencies, as well as for large and probable expenditures. A general reserve is normally established and maintained to cover unpredictable emergency expenditures. It can be drawn from only during the annual budget process or when there is a publicly declared emergency.
- iii. The Board of Directors should consider setting the general reserve at a sufficient level to ensure adequate liquidity during dry periods.

C. Records. The Habitat JPA will maintain all source financial records according to the adopted County records retention policy, as may be amended from time to time. Among other things, the Habitat JPA shall retain records needed for grant audits, contract documents, invoices, consultant progress reports, and other matters not customarily retained by the County Auditor. Such records shall be retained for the then-current year and at least five prior years.

3. Payments.

A. Annual Estimate of Costs. The County Auditor shall provide an estimate of the total annual cost for services under these Terms and Conditions based on the countywide cost allocation plan at least two months prior to the beginning of the Habitat JPA's fiscal year.

B. Payment for Services. The County Auditor shall be paid its estimated actual cost for all services duly provided to the Habitat JPA in accordance with these Terms and Conditions. The County Auditor shall also be reimbursed for its actual costs incurred in performing any additional services not covered by its estimate of actual costs, which may include costs associated with audits pursuant to Government Code Section 6505(e).

The County Auditor shall submit invoices for the estimated actual cost of its services and any other costs recoverable under these terms and conditions to the Habitat JPA on an annual basis unless otherwise agreed by the County Auditor and the Executive Director of the Habitat JPA. The Habitat JPA will review invoices submitted by the County Auditor and either approve payment or advise the County Auditor of any concerns within 30 days after receiving each invoice. If payment is approved, it shall be made from the Habitat JPA's unrestricted funds within 30 days of approval.

4. Term and Termination.

A. Term. These terms and conditions will apply to services provided by the County Auditor commencing July 1, 2013. The Executive Director may request that the expanded level of services described herein commence prior to July 1, 2013, so long as

an estimated cost for such additional services is provided by the County Auditor and accepted by the Executive Director. Once in effect, the terms and conditions apply until they are revised by the parties or until either party advises the other of its desire to cease receiving or providing such services, as the case may be.

B. Termination. Any termination of services shall not be effective until at least 60 days after notice is provided to the other party, unless the parties mutually agree to an earlier termination date.

5. Annual Meetings; Amendments.

A. Annual Meeting. On at least an annual basis, the Executive Director of the Habitat JPA and the County Auditor shall meet to discuss the services provided under these Terms and Conditions. This meeting is an opportunity to review whether any changes are necessary or desirable, and to discuss all other issues within the scope of these Terms and Conditions.

B. Amendments. If the Executive Director and the County Auditor elect to make any changes, whether as a result of an annual meeting or otherwise, they may amend these Terms and Conditions by executing a written amendment signed by both parties.

C. Notice to Board of Directors. The Executive Director shall advise the Board of Directors of the Habitat JPA of any such amendment at the next public meeting of the Habitat JPA. If the Habitat JPA Board of Directors disagrees with the amendment, it may direct the Executive Director to terminate the amendment by providing notice to the County Auditor of its decision. The amendment shall be terminated immediately upon the County Auditor's receipt of such notice.

6. Indemnity.

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU. .

7. Governing Law. This MOU has been made and delivered within the State of California, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with California law.

8. Notices. All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the parties, as follows:

Yolo County Auditor-Controller
County of Yolo
625 Court Street, Room 102
Woodland, CA 95695
Tel: (530) 666-8625
Fax: (530) 668-8708

Yolo County Habitat/Natural Community
Conservation Plan Joint Powers Agency
625 Court Street, Room 201
Woodland, CA 95695
Tel: (530) 666-8172
Fax: (530) 666-8279

9. **Termination.** Either party may terminate this MOU, with or without cause, by giving thirty days prior written notice to the other party.

10. **Severability.** Should any paragraph, clause or provision of this MOU be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this MOU, which shall remain in force.

11. **Entire Agreement.** This MOU is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each party has cooperated in the drafting and preparation of this MOU, and this MOU shall not be construed against any party on the basis of drafting.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed this MOU on the date first set forth above.

COUNTY OF YOLO

HABITAT JPA


By _____
Duane Chamberlain, Chairman
Board of Supervisors

By _____
Don Saylor, Chair
Board of Directors


Attest:
Julie Dachtler, Deputy Clerk
Board of Supervisors

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By _____
Deputy (Seal)

By  _____
Philip J. Pogledich, Senior Deputy
Counsel to the Habitat JPA

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By  _____
Daniel Cederborg, Assistant

MAY 29 2013

Agreement No. 13-54BY Rupita Ramirez
DEPUTY CLERK OF THE BOARD

**Memorandum of Understanding Between the Yolo County Auditor-Controller and
Treasurer-Tax Collector and the Yolo County Habitat/Natural Community Conservation
Plan Joint Powers Agency Regarding Accounting and Related Services**

This Memorandum of Understanding ("MOU") is entered into this 21st day of May, 2013 by and between the Yolo County Auditor-Controller and Treasurer-Tax Collector ("County Auditor"), and the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency ("Habitat JPA").

RECITALS

WHEREAS, pursuant to Sections 2.5 and 2.6 of its First Amended Joint Powers Agreement, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency; and

WHEREAS, the purpose of this MOU is to create a defined framework for the provision of various services and advice to the Habitat JPA by the County Auditor; and

WHEREAS, to enhance fiscal oversight and accountability, this MOU includes provisions intended to ensure that the Habitat JPA is subject to the same financial controls as County departments, and that the County Auditor provides essentially the same level of services to the Habitat JPA that it provides to County departments;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

AGREEMENT

1. Scope of Services. As recited above, the Board of Directors of the Habitat JPA has designated the County Auditor as the Auditor and Treasurer of the agency. Consistent with this designation, the County Auditor will provide the following services to the Habitat JPA:

A. General Accounting Services. Government Code Section 6505 requires strict accountability of all Habitat JPA funds and reports of all receipts and disbursements. Consistent with this requirement, the County Auditor will process the accounting records, entries, items and transactions for the Habitat JPA in the same manner as it processes them for County departments. This includes, but is not limited to, the following services:

- i. Process payments to external vendors
- ii. Process journal entries and internal billings
- iii. Process credit memos
- iv. Process wire transfers
- v. Record annual budget
- vi. Process budget amendments
- vii. Process deposits received by County Treasurer

- viii. Process capital asset purchases
- ix. Maintain capital asset schedule
- x. Process debt payments
- xi. Maintain debt service schedule

B. General Ledger Maintenance.

- i. The County Auditor shall add funds, budget units, cost centers, programs and accounts as required by the Habitat JPA within the County Auditor's existing account structure.
- ii. The County Auditor shall establish and maintain files for each Habitat JPA vendor so long as the Habitat JPA provides the County Auditor with a copy of Form W-9. The County Auditor will maintain the original Form W-9 and prepare and submit 1099 forms to the Internal Revenue Service.
- iii. The County Auditor shall grant general ledger access to Habitat JPA staff.

C. Monthly General Ledger Reporting. The County Auditor will provide the Habitat JPA with the following reports at the same time such reports are provided to County departments:

- i. Trial Balance;
- ii. General Ledger;
- iii. Appropriations Ledger; and Addenda
- iv. Revenue Ledger.

D. Budgets. That Habitat JPA is responsible for developing and monitoring its own budget. The Habitat JPA is also responsible for adopting budget policies in consultation with the County Auditor, which will provide general County budget policies to the Habitat JPA for consideration as a potential template. Subject to the availability of adequate staffing, the County Auditor will also provide guidance and advice on budget matters within its expertise when requested by the Habitat JPA.

E. Annual Reporting and Auditing. In addition to the foregoing, the County Auditor will also provide the following services:

- i. The Auditor Controller will annually or biannually (if the Board of Directors opts for a two-year audit in accordance with Government Code Section 6505(f)) conduct or contract for an independent audit in accordance with Government Code Section 6505 unless the Habitat JPA elects, at its sole option, to contract for such audits itself in consultation with the County Auditor. The audit shall meet the minimum requirements prescribed by the State Controller for special districts under Government Code Section 26909 and shall conform to generally accepted accounting standards. If the independent auditor does not present the audit report and present it to the Board of Directors, the County Auditor will review and present the audit report. The Habitat JPA will provide the audit report to

each of its member agencies for retention pursuant to Government Code Section 6505(c).

- ii. The County Auditor will store Habitat JPA financial documents in accordance with State Controller Guidelines.
- iii. The County Auditor will close the accounts of the Habitat JPA and provide reports in accordance with State of California reporting requirements, including but not limited to annual special district financial transaction reports required to be submitted to the State Controller (Government Code Sections 53891-53895.7). The County Auditor will annually present these reports to the Board of Directors in coordination with the Executive Director of the Habitat JPA.
- iv. Subject to the availability of staff, when requested by the Executive Director of the Habitat JPA, the County Auditor will help JPA staff to prepare cash flow projections and any other information relating to anticipated future revenues, expenses, and related financial information.
- v. The County Auditor may propose to provide, or the Habitat JPA may request, other services that suit the needs of the Habitat JPA. Any such proposal or request may be added to this Terms and Conditions document through the amendment procedure described in Section 5.B, below.

F. Contact with Board of Directors. If the County Auditor becomes aware of any significant deviations from established cash handling and grant management practices, or of any other irregular activities on the part of the Executive Director or Habitat JPA staff that cause a concern about fiscal responsibility, the Auditor Controller is authorized and encouraged to raise such concerns directly with the Chair of the Board of Directors or with individual members of the Board.

G. Treasury. The treasury will provide the same services to the Habitat JPA that it provides to County departments, including but not limited to accepting and recording cash deposits, clearing warrants, and reconciling cash balances.

2. Agency Obligations.

A. Administrative Procedures Manual. The Habitat JPA shall comply with applicable County policies set forth in the Yolo County Administrative Procedures Manual, as may be revised from time to time. The Habitat JPA shall also comply with various financial policies and procedures as may be issued from time to time by the County Auditor. Any deviation or exception from these policies must be authorized by the JPA Board of Directors.

B. Special District Financial Manual. The Habitat JPA shall follow the cash management and reserves policy described in the Yolo County Special District Financial Manual. This policy is as follows:

- i. The Habitat JPA is responsible for monitoring its cash balances and cash flows and must maintain a positive balance for the total of all of its cash

funds in the County Treasury. If cash balances draw near zero, the County Auditor will cease processing claims for the Habitat JPA (except in emergencies or for public safety reasons) to prevent cash from being overdrawn, unless prior arrangements are made to mitigate the overdraft.

- ii. The Board of Directors is responsible for establishing the necessary reserves to provide for contingencies and emergencies, as well as for large and probable expenditures. A general reserve is normally established and maintained to cover unpredictable emergency expenditures. It can be drawn from only during the annual budget process or when there is a publicly declared emergency.
- iii. The Board of Directors should consider setting the general reserve at a sufficient level to ensure adequate liquidity during dry periods.

C. Records. The Habitat JPA will maintain all source financial records according to the adopted County records retention policy, as may be amended from time to time. Among other things, the Habitat JPA shall retain records needed for grant audits, contract documents, invoices, consultant progress reports, and other matters not customarily retained by the County Auditor. Such records shall be retained for the then-current year and at least five prior years.

3. Payments.

A. Annual Estimate of Costs. The County Auditor shall provide an estimate of the total annual cost for services under these Terms and Conditions based on the countywide cost allocation plan at least two months prior to the beginning of the Habitat JPA's fiscal year.

B. Payment for Services. The County Auditor shall be paid its estimated actual cost for all services duly provided to the Habitat JPA in accordance with these Terms and Conditions. The County Auditor shall also be reimbursed for its actual costs incurred in performing any additional services not covered by its estimate of actual costs, which may include costs associated with audits pursuant to Government Code Section 6505(e).

The County Auditor shall submit invoices for the estimated actual cost of its services and any other costs recoverable under these terms and conditions to the Habitat JPA on an annual basis unless otherwise agreed by the County Auditor and the Executive Director of the Habitat JPA. The Habitat JPA will review invoices submitted by the County Auditor and either approve payment or advise the County Auditor of any concerns within 30 days after receiving each invoice. If payment is approved, it shall be made from the Habitat JPA's unrestricted funds within 30 days of approval.

4. Term and Termination.

A. Term. These terms and conditions will apply to services provided by the County Auditor commencing July 1, 2013. The Executive Director may request that the expanded level of services described herein commence prior to July 1, 2013, so long as

an estimated cost for such additional services is provided by the County Auditor and accepted by the Executive Director. Once in effect, the terms and conditions apply until they are revised by the parties or until either party advises the other of its desire to cease receiving or providing such services, as the case may be.

B. Termination. Any termination of services shall not be effective until at least 60 days after notice is provided to the other party, unless the parties mutually agree to an earlier termination date.

5. **Annual Meetings; Amendments.**

A. Annual Meeting. On at least an annual basis, the Executive Director of the Habitat JPA and the County Auditor shall meet to discuss the services provided under these Terms and Conditions. This meeting is an opportunity to review whether any changes are necessary or desirable, and to discuss all other issues within the scope of these Terms and Conditions.

B. Amendments. If the Executive Director and the County Auditor elect to make any changes, whether as a result of an annual meeting or otherwise, they may amend these Terms and Conditions by executing a written amendment signed by both parties.

C. Notice to Board of Directors. The Executive Director shall advise the Board of Directors of the Habitat JPA of any such amendment at the next public meeting of the Habitat JPA. If the Habitat JPA Board of Directors disagrees with the amendment, it may direct the Executive Director to terminate the amendment by providing notice to the County Auditor of its decision. The amendment shall be terminated immediately upon the County Auditor's receipt of such notice.

6. **Indemnity.**

A. By the Habitat JPA. The Habitat JPA shall indemnify, defend, and hold the County harmless from and against any and all claims and liabilities that may arise due to the Habitat JPA's failure to pay its debts, to the Habitat JPA's breach of any duty imposed on Habitat JPA by this MOU, or to the Habitat JPA's breach of any other duty not expressly assumed by County under this Agreement. .

B. By the County. The County shall indemnify, defend, and hold the Habitat JPA harmless from and against any and all claims and liabilities that may arise due to the County's breach of any duty expressly assumed by County in this MOU. .

7. **Governing Law**. This MOU has been made and delivered within the State of California, and the rights and obligations of the parties hereto shall be construed and enforced in accordance with California law.

8. **Notices**. All notices shall be deemed to have been given when made in writing and delivered or mailed to the respective representatives of the parties, as follows:

Yolo County Auditor-Controller
County of Yolo
625 Court Street, Room 102
Woodland, CA 95695
Tel: (530) 666-8625
Fax: (530) 668-8708

Yolo County Habitat/Natural Community
Conservation Plan Joint Powers Agency
625 Court Street, Room 201
Woodland, CA 95695
Tel: (530) 666-8172
Fax: (530) 666-8279

9. **Termination.** Either party may terminate this MOU, with or without cause, by giving thirty days prior written notice to the other party.

10. **Severability.** Should any paragraph, clause or provision of this MOU be construed to be against public policy or determined by a court of competent jurisdiction to be void, invalid or unenforceable, such construction and decisions shall affect only those paragraphs, clauses or provisions so construed or interpreted, and shall in no event affect the remaining paragraphs, clauses or provisions of this MOU, which shall remain in force.

11. **Entire Agreement.** This MOU is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each party has cooperated in the drafting and preparation of this MOU, and this MOU shall not be construed against any party on the basis of drafting.

IN WITNESS WHEREOF, the parties through their authorized representatives have executed this MOU on the date first set forth above.

COUNTY OF YOLO

By *Duane Chamberlain*
Duane Chamberlain, Chairman
Board of Supervisors

Attest:
Julie Dachtler, Deputy Clerk
Board of Supervisors

By *[Signature]*
Deputy

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By *Daniel Cederborg*
Daniel Cederborg, Assistant

HABITAT JPA

By *Don Saylor*
Don Saylor, Chair
Board of Directors

Approved as to Form:
Robyn Truitt Drivon, County Counsel

By *[Signature]*
Philip J. Pogledich, Senior Deputy
Counsel to the Habitat JPA

YOLO COUNTY HABITAT JOINT POWERS AGENCY
YOLO NATURAL HERITAGE PROGRAM

JPA BOARD MEETING SUMMARY
May 20, 2013

Prepared by: Staff

JPA Board Members present:

Don Saylor, Yolo County, Chair
Lucas Frerichs, City of Davis
Jim Provenza, Yolo County
Sean Denny, City of Woodland
Woody Fridae, City of Winters
Marjorie Dickinson, UC Davis

JPA Board Alternates present:

Bruce Guelden, City of Winters

Staff present:

Petrea Marchand, Executive Director
Kate Montieth, Assistant to the Director
Susan Garbini, Research Associate
Heidi Tschudin, Project Manager
Philip Pogledich, JPA legal counsel

Visitors

Paul Hofmann, California Department of Fish & Wildlife
Robert Mazalewski, Yolo County resident/horticulturist
Steve Greco, UC Davis/Advisory Committee member
Glen Holstein, California Native Plant Society/Advisory Committee member
John Hopkins, IEH/ Advisory Committee member

1. Call meeting to order

Chair Saylor called the meeting to order at 5:30 p.m. **Assistant Kate Montieth** called the roll to establish that a quorum was present. All those present at the meeting introduced themselves.

2. Approval of Agenda Order:

Agenda order was approved.

Moved: Provenza Seconded: Denny Passed: 4/0

3. Public Comment:

No public comment.

4. Board Correspondence: None

5. Consent Calendar

[See attachments for Agenda Item 5]

a. Approve April 2013 meeting minutes

b. Approve revised MOU for financial and related services with Yolo County Auditor-Controller

Consent calendar was approved.

Moved: Provenza Seconded: Denny Passed: 4/0

Regular Agenda

6. Receive monthly financial report and grant summary

[See attachment for Agenda Item 6]

Petrea Marchand: At the request of the Board at the last meeting, I put the monthly financial statement on the regular agenda to demonstrate its use as an oversight tool. A second column showing the budget you adopted in January has been added to the spreadsheet.

If you look under "Professional and Specialized Services" – FY 2012-2013 – "Amended Budget", for example, you can see all the money that has been spent. We are coming in under budget because the first draft didn't cost as much as we expected. But what is not included in the costs shown here are the bills to consultants that were just paid in May. These expenditures are only through April.

If you go back to "Salaries and Benefits", the total for FY 12-13 is getting close to the entire amount budgeted for the entire year. It is likely we will exceed our budgeted amount, but not by very much. When Kate started working half-time for us and half-time with County Counsel, it was two months before the County Counsel began paying their share. They owe us some money for that time.

Second, the furlough settlement cost us unanticipated money in salary and benefits.

The good news is that we are getting lots of reimbursement for work from grants. You can see these on the revenue side of the spreadsheet – you can see grant reimbursements coming in.

"Revenue" has 3 lines: Sec 6, WCB, ERP.

Member contributions: "Intergovt revenue"

Board Member Dickinson: Do we expect to get all the grant money in this fiscal year?

Petrea Marchand: No. We will seek reimbursement for some expenditures in June and receive the checks in July or August. You will see additional deposits in future months. Also, some of our grants budgeted for expenditure in this fiscal year are now reserved for the second draft in the next fiscal year. We should end up about \$100,000 under budget. We could apply that to the second draft if the Board decides to move forward. We expect to send out the reimbursements for everything in this fiscal year as part of the process to “close the books” at the end of the year.

We are moving all our consultants over to billing to the WCB grant because the ERP grant is almost used up. We are keeping a contingency fund for non-reimbursable expenses.

Board Member Provenza: What is in the category “personal services”?

Petrea Marchand: Just JPA staff: Phil, Susan and Kate (all with the County).

Board Member Dickinson: What is the “other costs” category?

Petrea Marchand: Maria’s vacation payout

Woody Fridae: I think there is a mistake with the % realized and % expended formulas.

Petrea Marchand: You are right. We will fix it for the next financial statement.

7. Receive update on status of October/December Board action items

[See Attachment for Agenda Item 7]

Petrea Marchand: This is a table for tracking Board actions over the course of the year. It has been updated to reflect all actions to date.

Board Member Denny: Are there any future grants we could go after?

Petrea Marchand: One is listed on your agenda: “Apply for new Sec. 6 grant”. We’ll hear about this in October. If awarded, the JPA would receive approximately \$600,000.

8. Receive and direct staff to utilize BDCP interface issue paper

[See attachment for Agenda Item 8]

Petrea Marchand: The issue papers are designed to summarize remaining issues but not to resolve them at this time. They are intended to provide everyone important baseline information and an understanding of the issue prior to resolution later this year.

This paper is about a unique issue: The overlap of the Yolo HCP/NCCP with the BDCP HCP/NCCP. The BDCP is the largest HCP/NCCP ever undertaken in California. The main purpose is to recover species in the plan area in perpetuity – including fish and terrestrial species.

The BDCP area is the “legal Delta”. It includes Clarksburg and the Yolo Bypass in Yolo County. They also expanded the boundary to include some additional areas for GGS habitat outside of the Yolo Bypass and south of I-80. There is some overlap in species that we both cover. It is not clear yet how the two plans will be integrated on the issue of conservation of species. If there are two plans that have as their goal conserving the same species, how do you work this out? DFW has to advise us on this.

I presented information from the BDCP draft plan that was released on April 23, 2013. DFW staff have communicated to me, however, that there are some changes that will be made in the next BDCP draft.

Board Member Denny: The Advisory Committee has indicated that it is a complex issue.

Paul Hofmann: This isn't the only plan that BDCP overlaps with and it will be difficult to get the overlap actions right.

Petrea Marchand: All the issues are interrelated. The agency regulatory findings are complex, especially in overlapping areas.

Board Member Provenza: We have to solve this problem.

Board Chair Saylor: Can you provide us with a snapshot of each of these issues?

Petrea Marchand:

Issue 1: The mechanism for achieving the joint conservation objectives

As discussed, this is not yet worked out.

Issue 2: Mitigation for BDCP impacts outside of Yolo County within Yolo County (and vice versa).

How does that work? It has to be determined.

Issue 3: Assurances regarding Yolo HCP/NCCP permit commitments.

If BDCP is actively pursuing properties here for conservation and mitigation, we need some assurances that they will not damage our ability to achieve our own objectives (particularly if they are approved ahead of us).

Issue 4: Consistency of BDCP and Yolo HCP/NCCP Implementation actions

There are covered species for BDCP that are not covered by our plan (e.g. salmon) but if they flood the Bypass too late in the spring, it could limit our conservation opportunities for GGS habitat since giant garter snake utilize rice fields.

Issue 5: Land cost increases or other impacts resulting from competition

The conservation plans are driving up the value of row crop land that could lead to significant increases in the price of easements. We may be in competition with BDCP. It may increase our costs.

Board Member Denny: That's not coming out of our pocket.

Petrea Marchand: The HCP and NCCP are different. HCP covers development over 50 years for permits for development. The cost of acquiring mitigation land would increase our costs and would increase the fees.

The NCCP requires conservation in the plan area. That could be paid for by grants. However, there is an expectation that there is a local contribution component to achieving that conservation standard.

Board Member Dickinson: It would be helpful to understand who is who and what's what. There is a lot of overlap and talk about "them" and "us". What role do the local jurisdictions have? I feel like we're talking to ourselves and in conflict with ourselves.

Petrea Marchand: That is a good question, but it's complicated to answer.

Board Member Provenza: We have a proposal on the table to place local governments on an equal footing with the BDCP.

Petrea Marchand: The Department of Water Resources (DWR) and the Bureau of Reclamation are developing the BDCP. They are applying to the state DFW and the U.S. Fish and Wildlife Service for a permit. So essentially state and federal agencies are asking other state and federal agencies for approval of their plan. Department staff are participating on both sides in some cases – helping to develop the plan and recommending permit issuance.

Board Chair Saylor: I think we need some additional "glossary" information to sort this out.

Petrea Marchand: We just got permission from BDCP to access their GIS layer. It will show which conservation targets overlap.

Board Chair Saylor: Is there any public comment?

John Hopkins: There will be some comment in the Advisory Committee report.

Paul Hofmann: I may be going out on a limb here, but the Delta NCCP monies at the WCB could be considered a "local contribution" and not a state and federal contribution. That could help the JPA meet its local share. As far as the problem of agencies competing for properties, there is experience on the Sacramento River with various

agencies. We had an MOU (FWS, CDFW, BLM, TNC, etc.) and as properties came up, we decided which entity would deal with that landowner. It wasn't competition.

Petrea Marchand: Monica said she expected everything to be worked out with the BDCP through an MOU.

Steve Greco: Could we codify this idea into the issue paper? Some kind of committee would decide?

Petrea Marchand: That's a great idea.

Board Member Fridae: That reminds me that for us to be encouraged to consider certain crops in designing our plan, the market for that crop is unpredictable. I think that sort of fits into this. We can't quite predict how a lot of things will play out on each other in the future. There are a lot of unknowns and many variables. We have to assume that we will work out these problems along the way. Otherwise we would just give up.

Petrea Marchand: The BDCP conservation template needs to be the same as ours. It does link back to seeking resolution of these issues.

Board Member Provenza: That comes later in the plan after we get past the first draft.

Board Member Frerichs: Can you give any update on the discussion between the Yolo HCP and the BDCP on funding Bypass issues?

Petrea Marchand: This is a question for the County, not for the JPA. We do not cover fish species.

Board Member Provenza: The County is talking about an MOU that includes the state and federal governments also signing on. The goal is to reach an agreement about how to move forward with Bypass proposals. Also there is the question of inundation periods for juvenile salmon, and what is the least impact on agricultural land. I have a question about the map. BDCP has been expanded—does that show up on the map?

Petrea Marchand: It's on the map but we don't have a "before" and "after". The expansion is immediately south of Highway 80. On the very back of the draft paper is the GGS habitat. The little yellow dots are recent sightings. There are some wetland habitat and sightings in that area.

Board Chair Saylor: It would be interesting to have pictures of these species.

Petrea Marchand: In the plan every species has a "species account" with a picture.

8. Authorize Chair and Executive Director to submit planning grant to the Wildlife Conservation Board

[See attachment for Agenda Item 9]

Petrea Marchand: A proposal is being prepared for a \$700,000 grant application to provide funds through completion of the third draft, including the EIR/EIS in September 2014. Funds could be returned to the WCB if we do not go forward, but this would give us the ability to work on the plan through the summer of 2014.

My recommendation is to seek the entire amount and bring it down to a lower number if necessary.

Board Member Frerichs: The total cost is \$2.6 million. There's hopefully an ability to winnow down the costs. Where would the remainder of the funds come from?

Petrea Marchand: They would come from the WCB grant that year. At that point, we will have exhausted the Section 6 grant and would be within a year of completing the final plan.

Board member Frerichs: In the proposed budget for 2013-2014. "Public Outreach and Contingency" shows \$250,000 with significant amount coming from WCB. How much is Outreach and how much is Contingency?

Petrea Marchand: If I had to guess, I think \$100,000 would be contingency and \$150,000 would be outreach.

Board Chair Saylor: Is this standard?

Petrea Marchand: It was the same in our original application. But funds can be moved to different categories through a letter to the WCB.

Board Member Fridae: \$2.8 or \$2.858 or \$2.838? I believe the correct amount is \$2.858, please correct this in the document. Thank you for being proactive and bringing this grant opportunity to our attention. It's exactly what we should be doing.

Board Member Denny: The real value is having the EIR/EIS in place. This gives added value to the plan.

Heidi Tschudin: I think you'll get value from both.

Board Member Dickinson: Don't the EIR/EIS processes require some specific public outreach elements? Have you taken that into account?

Heidi Tschudin: Actually the EIR/EIS doesn't require much additional outreach. In this case, the money allocated will get us through the internal draft, but not to the point where it is ready to be released to the public. But the public outreach part for the plan itself is different from the EIR/EIS. That process started earlier, and would be resumed. We will look at restarting this in conjunction with the second draft.

Petrea Marchand: We have allocated funding in the Section 6 grant to public outreach – these funds cannot be spent for any other purpose.

Board Member Provenza: The emphasis in WCB grants is on recreation etc., right?

Petrea Marchand: The truth is that WCB doesn't give planning grants. So we made our grant request fit on their standard template.

Board Member Provenza: Will they ask us to do some other things with hunting and fishing?

Petrea Marchand: No. This is exactly the same grant application we used last time.

Steve Greco: Note that there are not “hundreds of millions” of people in California (p.3)

Petrea Marchand: I will correct that.

Board Member Frerichs made a motion to authorize the Chair to submit an application to the WCB with the identified corrections.

Moved: Frerichs Seconded: Denny Passed: 6/0

9. Executive Director’s report

[See attachment for Agenda Item 10]

1. Status of Draft Plan/Staff Review of draft plan

The consultants completed the draft for Heidi and me to review. We have reviewed it and returned it to them with comments. The last item we are waiting for is Chapter 8: Costs and Implementation. We're getting that draft this Friday.

I did want to give you a sneak preview. It will be a lot to absorb at the July meeting.

We are doing an HCP which entails mitigation for impacts over a period of 50 years. It includes public projects as well as development activities. There are approximately 19,000 acres of impacts to habitat, resulting in approximately 16,000 acres of mitigation. Heidi did an analysis of benefits and listed out some of these statistics in her report last November. Some of these have changed due to revisions to the GIS data base.

On the NCCP side, the commitment is to preserve habitat for 32 species in the plan area. The first draft proposes an additional 60,000 acres of conservation. That will be challenging to achieve. We need to have a discussion with the agencies about potential state and federal funding, as well as what Paul referred to in the discussion of the BDCP. We also anticipate making modifications to the next draft that would reduce the amount of required conserved acres.

Some of the possibilities for scaling down the plan include the following:

- Dropping the NCCP portion of the plan
- Dropping some covered species
- Reducing the amount of conservation necessary for ecological corridors
- Reaching an agreement with the BDCP which helps us reach our conservation goals

JPA Staff will write a cover memo to accompany the released draft to highlight the important issues.

There is a lot of great information in this plan. You really do get a good understanding of what is proposed and how the program would work.

2. *Grant reimbursement*

We are up to date with our invoices through March. The agencies are trying to expedite reimbursement.

3. *Audit*

There are no real surprises in the audit. The auditors will present their findings at the June Board meeting. They have issued a "Disclaimer opinion" – that means they cannot validate our accounts for two years because of transfers from the mitigation account and lack of state agency reimbursement requests.

I am drafting management responses to all their comments. I am getting advice from managers and from Phil.

The good news is that all findings are addressed in this fiscal year and will fix the majority of the items raised by the auditors. There is a good chance that the JPA will receive an "unqualified" audit opinion for FY 2012-2013. We will get the audit done on time next year.

The Management Committee has recommended that we keep this audit firm.

Board Member Denny: What does this audit opinion mean?

Petrea Marchand: There is no evidence of any fraud. The mitigation trust account issue is that since there was \$1.6 million transferred without Board approval, they could not decide which year to put those in.

The second issue relates to the grant invoices that we submitted to the state agencies. There was no evidence of how she came up with the amounts.

There are no surprises. Everything is described in the audit.

4. *Interim Project Review Process*

In the JPA Planning Agreement with the USFWS and the CDFW, we agreed that projects, actions, and activities proposed within our planning area during the preparation of our plan won't compromise our plan. We agreed to establish a process to review these "interim projects". We had a conversation with the agencies last month. They are requesting that we institute a more formal process. They also authorized that our grants can pay for this work. An additional task for JPA staff requires that as projects are proposed by Planning Departments in the County and cities, we need to comment and also bring them to the agencies' attention.

I don't have a perfect sense yet of what the process will be, but we will work with the Wildlife Agencies to devise an appropriate process. Development is picking up in Yolo County and we are receiving more project notices.

5. *Early implementation projects*

The WCB has \$19.5 million available for Delta NCCPs, but the Legislature is debating how much to allocate this year as discussed at previous meetings. We have some projects to propose that would be appropriate for these funds. For applications to the WCB, the NCCP serves as the application. If you do not have an NCCP, then you have to complete a land-use evaluation. The WCB is waiting to know whether the JPA will continue with an NCCP before awarding any funds for early implementation projects. Paul Hofmann advises the WCB on easement applications.

Paul Hofmann: I wanted to emphasize that it is a significant benefit that your NCCP serves as the application to the WCB for projects. Land use evaluations are required if you do not have an NCCP – these evaluations are time-consuming and expensive.

6. *Wildlife Agency Leadership Meeting*

Chair Saylor and JPA staff met with the leadership of the wildlife agencies. The agencies expressed their willingness to help with important questions related to the first draft of the plan. We also discussed the loss of Cori Mustin as staff to our project. Cay Goude will read some of the draft chapters and provide comments before the August 12th meeting.

Board Member Provenza: What about the Davis Communications Site?

Petrea Marchand: That is a property called out specifically in the plan.

Phil Pogledich: Grasslands Park has a quit-claim deed from the Federal Government. The County has been going through a process for years to acquire it from the federal government, but we don't have title to it – it is still owned by the National Park Service. We are involved in negotiations. There may be a conservation easement or a declaration of covenants and restrictions (like CCNRs). The balance of the property would be restricted in some ways, e.g. preserving habitat for Swainson's hawk. Since the easement is required, we cannot seek funding to put an easement on the property. This limits our options to raise money for management of the property.

Board Member Provenza: Is there some possibility for an interim project?

Petrea Marchand: I have been talking to the County about the Davis Communications Site. We have met with the WCB about the property before, but they did not think they would find value. Related to that is the work we are doing with Steinberg to help increase funds Delta NCCPs. If there is more funding, there is a better chance of funding this project. At the very least, we have advocates. The City of Davis, Open Space Protection Program, has suggested three properties as well.

10. **Advisory Committee Report**

John Hopkins reported that the Committee discussed the BDCP paper and issues related to flooding and agricultural impacts. There was an article in the Davis Enterprise

about baby salmon in a rice farm in the Delta. You can evidently successfully have some winter flooding for salmon without a big impact on the rice growers.

We also got into difficulties understanding the amount of conservation we have to do to meet the BDCP and Delta standard. What logically should happen is that we need to meet conservation standards to be an NCCP. Some of those species would involve land partially within the BDCP area. If they are also covered by the BDCP plan, then they would help us meeting our conservation standard. Hopefully, we will get assistance from BDCP for the amount of conservation we have to do.

Steve Greco has prepared a draft issue paper on the "Local Conservation Vision" and "species of local concern. Some of these are CEQA species, but they are not covered by the HCP permits. What we will need to determine is whether or not the HCP provides adequate conservation for these species. To the extent that it doesn't, we'll have to add additional conservation actions. That conservation won't be permitted by the wildlife agencies, so we will have to find other funding sources for this aspect of our plan. We will discuss this at our next meeting and then you will get the draft issue paper.

11. Board member updates

Board Member Fridae: I understand that Petrea will come to our City Council meeting and update us on the program.

The Board adjourned to closed session at 7:05 pm.

12. CLOSED SESSION

**Public Employee Performance Evaluation
Government Code Section 54957
Title: Executive Director**

**Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section
54956.9(b)
1 case**

13. Board Direction and Adjournment

The next meeting is scheduled for June 17, 2013



Don Saylor, Chair
Board of Directors



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Adopt 2013-14 budget

Date: June 17, 2013

REQUESTED ACTIONS:

1. Adopt attached resolution adopting the 2013-14 budget for both the Administration Fund and Mitigation Trust Account
2. Approve revised cash flow policy
3. Approve 2013-14 work plan

BACKGROUND:

2013-14 Budget for the Administration Fund

On March 18, 2013, the JPA Board directed staff to develop a 2013-14 budget based on the non-reimbursable funding option entitled "JPA Continuance (Full-time Administrative Assistant and Office Space) totaling \$164,900. On April 8, 2013, the JPA Board reviewed and confirmed assumptions for reimbursable consultant costs in 2013-14, including tasks to complete the second draft of the plan and part of the third draft. Also on April 8, 2013, the JPA Board directed staff to utilize a draft 2013-14 budget to prepare the final 2013-14 budget by June 2013. The final budget before the Board for adoption is consistent with this previous Board direction.

2013-14 Budget for the Mitigation Trust Account

The proposed 2013-14 budget for the Mitigation Trust Account proposes to receive \$150,000 from the Administration Fund for reimbursement for previous plan expenses paid by the Mitigation Trust Account and subsequently reimbursed by grants. This amount may change after staff determines the exact amount of reimbursement. Staff also propose to spend \$350,000 on purchasing Swainson's hawk easements consistent with the purpose of the Account. The remainder of the Mitigation Trust Account funds would stay in the Account to meet cash flow policy objectives as described in this report.

Revised Cash Flow Policy

In December 2012, the JPA Board adopted the following cash flow and invoice policies:

- Use grant reimbursement from the Section 6 and ERP grants for cash flow purposes rather than immediately returning the funds to the Mitigation Trust Account;
- Revisit use of grant reimbursement funds for cash flow in July 2013;
- Develop a cash flow projection with assistance from the Yolo County Auditor-Controller's office and provide to Board;
- Require consultants to submit invoices to the JPA by the 7th of the following month. (If the 7th falls on a weekend, then the consultant should submit the invoice the first work day after the 7th.)
- Submit grant reimbursements monthly and within 30 days of receiving all invoices.

Consistent with the direction to revise the use of grant reimbursement funds for cash flow in July 2013, staff propose the following revised cash flow and invoice policies for the 2013-14 fiscal year:

- Staff will return the \$150,000 in grant reimbursement retained for cash flow purposes to the Mitigation Trust Account (this amount may change once staff estimates the exact amount of the reimbursement);
- Staff will pay invoices that are reimbursable to grants by utilizing the cash float available from the County Treasury, as long as staff repays the County Treasury within 2 months of paying the invoice. (This will require seeking grant reimbursements on a monthly basis or within 30 days of receiving all invoices, which in turn requires hiring extra administrative help as approved by the Board.)
- Maintain at least \$400,000 in the Mitigation Trust Account so our overall cash balance is positive, with the understanding that staff cannot use Mitigation Trust Account funds for planning purposes unless otherwise authorized by subsequent JPA Board action.
- Develop a 2013-14 cash flow projection with assistance from the Yolo County Auditor-Controller's office and provide to Board;
- Continue to require consultants to submit invoices to the JPA by the 7th of the following month. (If the 7th falls on a weekend, then the consultant should submit the invoice the first work day after the 7th.)
- Staff will propose a larger reserve for 2014-15 to minimize the need to rely on the County Treasury, if the JPA continues.

2013-14 Work Plan

In addition to continued effort to purchase Swainson's hawk easements with Mitigation Trust Account funding, staff will undertake the following tasks with respect to developing the plan if the JPA moves forward. The Board provided feedback on this work plan at the April 8th Board meeting.

JULY 2013

- Prepare staff report for July 15 Board meeting
- Presentation of first “administrative” plan to JPA Board
- Meetings with city managers
- Meeting with Advisory Committee
- Negotiate contract extensions for plan consultant, Executive Director, and project manager
- Limited solicitation for new special counsel
- Negotiate new contracts for ICF and special counsel
- Identify a process for and begin resolution of “substantive” issues
 - Agricultural Conservation Strategy
 - Swainson’s Hawk Conservation Strategy
 - Giant Garter Snake Conservation Strategy
 - Local Conservation Vision
 - BDCP Coordination
- Research, cost, and write up plan alternatives
- Secure grant reimbursement

AUGUST 2013

- Prepare staff report for August 12 Board meeting
- Close out 2009 Section 6 grant
- Seek grant reimbursement

If effort is continued:

- Coordinate with permitting agencies, JPA Board, member agency staff, and Advisory Committee regarding comments
- Discuss and resolve substantive issues
- Review comments and determine responses
- Secure WCB grant at August meeting

SEPTEMBER 2013 THROUGH JANUARY 2014

- Identify a process for and begin resolution of other issues
 - covered species
 - riparian strategy
 - reserve design
 - covered activities
 - mitigation v. conservation
 - costs and funding
- Prepare public outreach plan, including update to web site
- Coordinate with permitting agencies, JPA Board, member agency staff, and Advisory Committee regarding modifications to the first draft of the plan
- Coordinate with special counsel and consultants on responses to comments and plan edits
- Prepare complete second “administrative” draft of HCP/NCCP
- Internal review of second administrative draft plan
- Internal meetings with consultant
- Final revisions to second “administrative” draft

- Release of second “administrative” draft of HCP/NCCP for public review by agencies and all (local) interested parties
- Execute new Section 6 contract if awarded
- Execute new Wildlife Conservation Board grant

FEBRUARY THROUGH JUNE 2014

- Local public review of complete second “administrative” draft of plan
- Post to website and solicit comments
- Coordinate with member agencies and interested parties
- Undertake public outreach, hold local public meetings and workshops
- Prepare staff reports
- Coordinate regarding comments
- Prepare third “public review” draft of plan
- Resume EIS/EIR process
- Finalize scoping report
- Draft project description and project alternatives
- Internal review of third “public review” draft
- Internal meetings with consultant
- Final revisions to third “public review” draft
- Develop 2014-15 budget
- Identify additional funding opportunities for planning

MAY AND JUNE 2014

- Release of third “public review” draft of HCP/NCCP
- Post to website and solicit comments
- Undertake public outreach, hold local public meetings and workshops
- Coordinate with member agencies and interested parties
- Prepare staff reports
- Prepare first “internal” draft EIS/EIR for agency review
- Finalize draft Implementing Agreement (IA)
- Review of draft IA by JPA member agency attorneys and agency attorneys
- Draft easement template for review by agencies
- Adopt 2014-15 budget

RESOLUTION NO. __-__

Resolution of the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Board of Directors Adopting the Fiscal Year 2013-14 Budgets and Work Plans

WHEREAS, the Board of Directors ("Board") of the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency (the "Habitat JPA") has heard and considered annual budgets for the FY 2013-14 Administration Fund (Exhibit 1 hereto) and Mitigation Trust Account (Exhibit 2 hereto); and

WHEREAS, the staff report accompanying this Resolution describes the work plans for the Administration Fund and Mitigation Trust Account for FY 2013-14; and

WHEREAS, the recommended budgets for the Administration Fund and Mitigation Trust Account are balanced, with total appropriations equal to total revenues; and

WHEREAS, based on information presented in the accompanying staff report and during the Board's consideration of this item at its June 17, 2013 public meeting, the Board of Directors has determined that it is necessary and appropriate to approve the FY 2013-14 Administration Fund and Mitigation Trust Account budgets and work plans;

NOW, THEREFORE, the Board of Directors of the Habitat JPA hereby resolves as follows:

1. The Board adopts the budgets attached hereto as Exhibits 1 and 2 and approves the appropriations set forth therein.
2. The Board adopts the work plans for the Administration Fund and the Mitigation Trust Account for FY 2013-14, as set forth in the staff report accompanying this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Habitat JPA on June 17, 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Don Saylor, Chair
Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency

Attest:
Kate Montieth, Clerk of the Board

Approved As To Form:
Robyn Truitt Drivon, County Counsel

By: _____
Kate Montieth

By: _____
Philip J. Pogledich, Senior Deputy Counsel to the Habitat JPA

EXHIBIT 1
Yolo Habitat JPA
Proposed 2013-14 Budget (Administration Fund 366)
June 17, 2013

APPROPRIATIONS

FUND 366

Fund	BU	Acct	Account Name	2012-13 Appropriation (January 2013)	Adjusted 2012- 13 Appropriation	Expenditures	2013-14 Proposed Appropriation (June 2013)
366	3661	861101	REGULAR EMPLOYEES	\$ 42,862.00		\$42,442.93	\$ 46,566.00
366	3661	861102	EXTRA HELP	\$ 10,000.00		\$10,324.25	\$ 19,500.00
			OVERTIME	\$ -		\$74.81	\$ 5,000.00
366	3661	861107	PAYOFF	\$ 15,340.07		\$15,528.47	\$ -
366	3661	861201	RETIREMENT	\$ 9,000.00		\$8,510.82	\$ 8,876.00
366	3661	861202	O A S D I	\$ 3,558.00		\$4,304.59	\$ 3,542.00
366	3661	861203	FICA/MEDICARE	\$ 832.00		\$1,006.61	\$ 828.00
366	3661	861300	GROUP INSURANCE	\$ 3,712.76		\$3,712.76	\$ -
366	3661	861400	UNEMPLOYMENT INSURANCE	\$ -		\$0.00	\$ 2,500.00
366	3661	861500	WORKERS COMPENSATION INSURANCE	\$ 2,500.00		\$2,500.00	\$ 2,500.00
366	3661	861600	CO CONT-OTHER FRINGE BENEFITS	\$ 2,147.49		\$6,682.13	\$ 19,788.00
366	3661	8610	Total SALARIES AND EMPLOYEE BENEFITS	\$ 89,952.32	\$ 97,952.32	\$95,087.37	\$ 109,100.00
366	3661	862090	COMMUNICATIONS	\$ 1,000.00		\$834.89	\$ 1,500.00
366	3661	862130	FOOD	\$ 50.00		\$16.38	\$ 200.00
366	3661	862202	INSURANCE-PUBLIC LIABILITY	\$ 2,419.26		\$2,419.26	\$ 2,500.00
366	3661	862271	MAINT-EQUIPMENT	\$ 400.00		\$0.00	\$ 1,000.00
366	3661	862330	MEMBERSHIPS	\$ 1,000.00		\$1,000.00	\$ 750.00
366	3661	862362	PROGRAM SUPPLIES	\$ 200.00		\$78.49	\$ 500.00
366	3661	862390	OFFICE EXPENSE	\$ 500.00		\$358.66	\$ 1,000.00
366	3661	862391	OFFICE EXP-POSTAGE (OPTIONAL)	\$ 100.00		\$155.18	\$ 500.00
366	3661	862392	OFFICE EXP-PRINTING (OPTIONAL)	\$ 200.00		\$161.23	\$ 300.00
366	3661	862421	AUDITING & FISCAL SERVICES	\$ 17,276.00		\$1,022.00	\$ 18,000.00
366	3661	862422	INFORMATION TECHNOLOGY SERVICE	\$ 2,220.00		\$163.84	\$ 2,220.00
366	3661	862423	LEGAL SERVICES	\$ 40,000.00		\$18,596.25	\$ 41,200.00
366	3661	862429	PROFESSIONAL & SPECIALIZED SRV	\$ 988,485.00		\$613,748.61	\$ 1,135,740.00
366	3661	862460	PUBLICATIONS & LEGAL NOTICES	\$ 500.00		\$326.00	\$ 500.00
366	3661	862491	RENTS & LEASES-EQUIPMENT	\$ 900.00		\$0.00	\$ 1,000.00
366	3661	862492	RENTS & LEASE-BLDGS & IMPROVE	\$ -		\$0.00	\$ 3,000.00
366	3661	862548	TRAINING EXPENSE	\$ -		\$0.00	\$ 500.00
366	3661	862610	TRANSPORTATION & TRAVEL	\$ 500.00		\$0.00	\$ 750.00
366	3661	8620	Total SERVICES AND SUPPLIES	\$ 1,055,750.26	\$ 1,055,750.26	\$638,880.79	\$ 1,211,160.00
			OPERATIONAL TRNSFR OUT (BTWN FUNDS)	\$ 150,000.00	\$ 150,000.00	\$0.00	\$ -
			2011-12 DEFICIT	\$ 225,391.71	\$ 225,391.71	\$0.00	\$ -
366	3661		BU Total HABITAT ADM JPA	\$ 1,521,094.29	\$ 1,529,094.29	\$621,747.71	\$ 1,320,260.00
366			FD Total HABITAT ADM JPA	\$ 1,521,094.29			\$ 1,320,260.00

REVENUE

FUND 366

Fund	BU	Account	Account Name	2012-13 Adopted Estimated Revenue	2012-13 Adjusted Estimated Revenue	Revenue Realized	2013-14 Proposed Appropriation
366	3661	822611	FEES & PERMITS	\$0.00	\$0.00	(\$499.50)	\$0.00
366	3661	8220	Total LICENSES,PERMITS & FRANCHISES	\$0.00	\$0.00	(\$499.50)	\$0.00
366	3661	824100	INVESTMENT EARNINGS	\$0.00	(\$469.00)	\$445.13	(\$2,000.00)
366	3661	8240	Total REVENUE FR USE OF MONEY & PROP	\$0.00	(\$469.00)	\$445.13	(\$2,000.00)
366	3661	825490	STATE-OTHER	\$500,000.00	\$850,000.00	(\$488,822.71)	\$825,000.00
366	3661	8250	Total INTERGOVT REVENUE-STATE	\$500,000.00	\$850,000.00	(\$488,822.71)	\$825,000.00
366	3661	825670	FEDERAL-OTHER	\$392,474.00	\$156,208.00	(\$67,609.05)	\$400,000.00
366	3661	8251	Total INTERGOVT REVENUE-FEDERAL	\$392,474.00	\$156,208.00	(\$67,609.05)	\$400,000.00
366	3661	825820	OTHER GOVT AGENCY-OTH CO-CITYS	\$0.00	\$667,733.00	(\$667,733.00)	\$164,900.00
366	3661	8252	Total INTERGOVT REV-OTHER	\$0.00	\$667,733.00	(\$667,733.00)	\$164,900.00
366	3661	827700	OTHER INCOME	\$0.00	\$6,000.00	(\$6,000.00)	\$0.00
366	3661	8270	Total MISCELLANEOUS	\$0.00	\$6,000.00	(\$6,000.00)	\$0.00
366	3661		BU Total HABITAT ADM JPA	\$892,474.00	\$1,679,472.00	(\$1,230,219.13)	\$1,387,900.00

EXHIBIT 2

Yolo Habitat JPA
Proposed 2013-14 Budget (Mitigation Trust Account 364)
June 17, 2013

APPROPRIATIONS

FUND 364

Updated 6/12/13

The balance of the Mitigation Trust Account is \$774,793.92. \$290,997 of this amount is restricted funds for easement endowments. With the addition of the \$150,000 transfer from the Admin Fund, the MTA will have approximately \$634,000 for acquisition of easements.

Fund	BU	Acct	Account Name	Adopted Appropriation (June 2012)	Adjusted Appropriation (June 2013)	2012-13 Expenditures	2013-14 Proposed Appropriation
364	3641	862423	LEGAL SERVICES	\$0.00	\$750.00	\$351.00	\$5,000.00
364	3641	863700	EASEMENT ACQUISITION	\$0.00	\$0.00	\$0.00	\$350,000.00
364	3641	8620	Total SERVICES AND SUPPLIES	\$0.00	\$0.00	\$351.00	\$355,000.00
364			FD Total HABITAT PROGRAM JPA	\$0.00	\$0.00	\$351.00	\$355,000.00

REVENUE

FUND 364

Fund	BU	Account	Account Name	2012-13 Adopted Estimated Revenue	2012-13 Adjusted Estimated Revenue	2012-13 Revenue Realized	2013-14 Proposed Revenue
364	3641	822611	FEES & PERMITS	\$433,000.00	\$433,000.00	\$16,487.00	\$50,000.00
364	3641	8220	Total LICENSES, PERMITS & FRANCHISES	\$433,000.00	\$433,000.00	\$16,487.00	\$50,000.00
364	3641	824100	INVESTMENT EARNINGS	\$0.00	\$0.00	(\$2,847.13)	\$3,000.00
364	3641	824199	INVESTMENT EARNINGS- RESTRICTED	\$0.00	\$0.00	(\$898.60)	\$1,000.00
364	3641	8240	Total REVENUE FROM USE OF MONEY & PROP	\$0.00	\$0.00	(\$3,745.73)	\$4,000.00
364	3641	827700	OTHER INCOME	\$0.00	\$0.00	(\$44,688.52)	\$0.00
364	3641		OPR TRNSFR IN	\$0.00	\$0.00	\$0.00	\$150,000.00
364	3641	8270	Total MISCELLANEOUS	\$0.00	\$0.00	(\$44,688.52)	\$0.00
364			FD Total HABITAT PROGRAM JPA	\$433,000.00	\$433,000.00	(\$31,947.25)	\$204,000.00

**YOLO COUNTY
YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY**

June 17, 2013

MINUTES

The Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Board met on the 17th day of June, 2013, starting at 5:30 p.m. in regular session in the Board of Supervisors' Chambers in the Erwin W. Meier Administration Building, Woodland, California.

Present: Don Saylor
Lucas Frerichs
Chris Ledesma
Woody Fridae
Sean Denny
Marjorie Dickinson

Absent: Jim Provenza

Staff Present: Petrea Marchand, Executive Director
Heidi Tschudin, Project Manager
Phil Pogledich, Senior Deputy County Counsel
Susan Garbini, Research Associate
Kate Montieth, Assistant to Director

5:30 P.M. CALL TO ORDER

1. Approval of the Agenda Order

Minute Order No. 13-01: Approved agenda as submitted.

MOTION: Ledesma. SECOND: Denny. AYES: Denny, Fridae, Ledesma, Saylor. ABSENT: Frerichs, Provenza.

2. Public Comment : This is time reserved for the public to address the JPA Board on matters not on the agenda. There was no public comment.

3. Board Correspondence

CONSENT CALENDAR

Minute Order No. 13-02: Approved Consent agenda item no. 4 a-c.

MOTION: Denny. SECOND: Saylor. AYES: Denny, Fridae, Ledesma, Saylor. ABSENT: Frerichs, Provenza.

4. a. Approve May 2013 Board meeting minutes
b. Receive monthly financial report
c. Approve 2012-13 budget amendment for salaries

Approved 2012-13 budget amendment for salaries by **Resolution No. 13-01**.

REGULAR AGENDA

5. Receive presentation on 2010-11 and 2011-12 audits

Minute Order No. 13-03: Reviewed, Approved and Accepted the FY 2010-2011 and FY 2011-2012 Audit.

MOTION: Fridae. SECOND: Denny. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

6. Approve final 2013-14 budget

Minute Order No. 13-04: Approved Final FY 2013-14 by **Budget Resolution No. 13-02**, with changes as requested.

MOTION: Fridae. SECOND: Frerichs. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

7. Authorize Chair to sign contract extensions

Minute Order No. 13-05: Approved recommended action.

MOTION: Ledesma. SECOND: Denny. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

8. Approve interim project process

Minute Order No. 13-06: Approved recommended action.

MOTION: Frerichs. SECOND: Ledesma. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

9. Received Executive Director's Report
10. Received Advisory Committee update.
11. Received Board member updates.

12. **CLOSED SESSION**

Public Employee Performance Evaluation
Government code Section 54957
Title: Executive Director

Conference with Legal Counsel—Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section
54956.9(b)
1 case

ADJOURNMENT

Next meeting scheduled for: July 15, 2013



Don Saylor, Chair
Yolo County Habitat/NCCP JPA



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Don Saylor, Chair
Members of the Board

From: Petrea Marchand
Executive Director

Re: Approve Interim Project Review Process

Date: June 17, 2013

REQUESTED ACTIONS:

1. Approve interim project review process

BACKGROUND:

As part of the JPA's original planning agreement with the U.S. Fish and Wildlife Service and the state Department of Fish and Wildlife, the JPA and the wildlife agencies agreed that "projects, actions, and activities proposed or implemented within the NCCP/HCP Planning Area during preparation of the NCCP/HCP ("interim projects") should not compromise the NCCP/HCP successful development or implementation." Such interim projects could include development, renewable energy, transportation projects or even habitat restoration projects that must comply with the Federal Endangered Species Act or the California Endangered Species Act. The JPA and the wildlife agencies further agreed to establish an interim process through which projects that meet certain criteria (e.g. potentially impact covered species or conflict with preliminary planning objectives) are reviewed by the state Department of Fish and Wildlife. As part of such review, the Department of Fish and Wildlife will recommend "mitigation measures or project alternatives that would help achieve the preliminary conservation objectives and will not preclude important conservation planning options or connectivity between areas of high habitat value."

The attached proposed interim project review process satisfies this requirement in the planning agreement. JPA staff presented this process to staff from the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife during the June agency coordination call. The agencies were pleased at the speed at which the JPA created the process and did not articulate any major concerns with the process. Staff anticipate the JPA may make minor changes to the process in the future as the staff apply it to projects.

Yolo NCCP/HCP Joint Powers Agency: INTERIM PROJECT REVIEW PROCESS
Draft May 31, 2013

Under the terms of the 2004 Planning Agreement between the Yolo Natural Community Conservation Plan/Habitat Conservation Plan Joint Powers Agency ("JPA"), the U.S. Fish and Wildlife Service, and the California Department of Fish and Wildlife, the JPA agreed to establish a process to ensure projects and activities in the plan area that must comply with federal and state endangered species laws do not compromise the successful development or implementation of the plan. The focus of the interim project review process is activities that may potentially impact covered species or natural communities identified in the Planning Agreement or conflict with preliminary conservation objectives. Although the wildlife agencies separately review such projects as part of the normal environmental review process, this process will engage the wildlife agencies in a process specifically focused on the Yolo NCCP/HCP. To this end, the JPA has developed the following interim project review process.

Information Collection

- The JPA will ensure that all planning departments in Yolo County provide notices of proposed interim projects to the JPA.
- JPA staff will request additional information about interim projects as needed and appropriate.
- The JPA will maintain a list of interim projects and record JPA responses to projects.
- For each project for which there is a potential impact on covered species or natural communities, the JPA will create a map showing land cover types, modeled species habitat, nest sites, location of critical habitat, species occurrences, and other information available from the JPA's GIS database within a 10-mile radius of the project site.
- The JPA will provide information about the project to the relevant planning department, as well as information about consistency with the draft plan if known. The JPA will copy wildlife agency staff on these communications.
- The JPA will regularly update on the JPA Board on the status of the review of interim projects.

Wildlife Agency Coordination

- The JPA will notify the wildlife agencies of pending JPA review of interim projects. The wildlife agencies will designate one person as the lead for the interim project review process. The Executive Director of the JPA will designate one person as the lead for the JPA.
- During monthly agency coordination calls, the JPA will provide an update on interim projects proposed in Yolo County.

- The JPA will respond to reasonable requests for additional information about proposed interim projects.
- Per the planning agreement, the Department of Fish and Wildlife will “recommend mitigation measures or project alternatives that will help achieve the Yolo NCCP/HCP’s preliminary conservation objectives and will not preclude important conservation planning options or connectivity between areas of high habitat value.”
- Per the planning agreement, the JPA and the wildlife agencies shall “consider information developed by the Science Advisors during interim project review.” The wildlife agencies and the JPA will also “periodically confer to determine how input and analysis provided through the science advisory process should be incorporated” into the interim project review process.

YOLO COUNTY YOLO COUNTY HABITAT/NATURAL COMMUNITY CONSERVATION PLAN JOINT POWERS AGENCY

June 17, 2013

MINUTES

The Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Board met on the 17th day of June, 2013, starting at 5:30 p.m. in regular session in the Board of Supervisors' Chambers in the Erwin W. Meier Administration Building, Woodland, California.

Present: Don Saylor
Lucas Frerichs
Chris Ledesma
Woody Fridae
Sean Denny
Marjorie Dickinson

Absent: Jim Provenza

Staff Present: Petrea Marchand, Executive Director
Heidi Tschudin, Project Manager
Phil Pogledich, Senior Deputy County Counsel
Susan Garbini, Research Associate
Kate Montieth, Assistant to Director

5:30 P.M. CALL TO ORDER

1. Approval of the Agenda Order

Minute Order No. 13-01: Approved agenda as submitted.

MOTION: Ledesma. SECOND: Denny. AYES: Denny, Fridae, Ledesma, Saylor. ABSENT: Frerichs, Provenza.

2. Public Comment : This is time reserved for the public to address the JPA Board on matters not on the agenda. There was no public comment.

3. Board Correspondence

CONSENT CALENDAR

Minute Order No. 13-02: Approved Consent agenda item no. 4 a-c.

MOTION: Denny. SECOND: Saylor. AYES: Denny, Fridae, Ledesma, Saylor. ABSENT: Frerichs, Provenza.

4.
 - a. Approve May 2013 Board meeting minutes
 - b. Receive monthly financial report
 - c. Approve 2012-13 budget amendment for salaries

Approved 2012-13 budget amendment for salaries by **Resolution No. 13-01**.

REGULAR AGENDA

5. Receive presentation on 2010-11 and 2011-12 audits

Minute Order No. 13-03: Reviewed, Approved and Accepted the FY 2010-2011 and FY 2011-2012 Audit.

MOTION: Fridae. SECOND: Denny. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

6. Approve final 2013-14 budget

Minute Order No. 13-04: Approved Final FY 2013-14 by **Budget Resolution No. 13-02**, with changes as requested.

MOTION: Fridae. SECOND: Frerichs. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

7. Authorize Chair to sign contract extensions

Minute Order No. 13-05: Approved recommended action.

MOTION: Ledesma. SECOND: Denny. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

8. Approve interim project process

Minute Order No. 13-06: Approved recommended action.

MOTION: Frerichs. SECOND: Ledesma. AYES: Denny, Frerichs, Fridae, Ledesma, Saylor. ABSENT: Provenza.

9. Received Executive Director's Report

10. Received Advisory Committee update.

11. Received Board member updates.

12. **CLOSED SESSION**

Public Employee Performance Evaluation
Government code Section 54957
Title: Executive Director

Conference with Legal Counsel—Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section
54956.9(b)
1 case

ADJOURNMENT

Next meeting scheduled for: July 15, 2013



Don Saylor, Chair
Yolo County Habitat/NCCP JPA



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

To: Don Saylor, Chair
Members of the Board

From: Phil Pogledich
Counsel to the Habitat JPA

Re: Legal Analysis in Response to Finding 2011-09 of the Audit Report for Fiscal Year 2011-12 (Unauthorized Transfers)

Date: July 15, 2013

REQUESTED ACTIONS:

Receive and file this staff report addressing Finding 2011-09 in the audit report for Fiscal Year 2011-12.

DISCUSSION:

The recent audit report for the 2011-12 fiscal year includes a finding (Finding 2011-09) concerning the use Swainson's Hawk Mitigation Trust Account ("Trust Account") funds for HCP/NCCP preparation. The Finding observes that the Habitat JPA used \$3.88 million in Trust Account funds to prepare the HCP/NCCP. It also notes that this expenditure exceeded the \$2 million amount endorsed by former Director Ryan Broddrick of the California Department of Fish and Wildlife ("CDFW") in a June 13, 2006 letter. On this basis, the Finding advises the Board of Directors to seek a legal opinion about whether the Habitat JPA must restore \$1.88 million to the Trust Account.¹

This staff report responds to Finding 2011-09. As set forth below, the Office of the Counsel Counsel (in its capacity as counsel to the Habitat JPA) has concluded that the Habitat JPA has no such legal obligation. The grounds for this opinion are as follows.

¹ As previously noted in other materials provided to the Board of Directors, the Board was not informed prior to the end of the 2011-12 fiscal year that more than \$2 million had been used for HCP/NCCP preparation. The Trust Account has not been used to fund HCP/NCCP preparation since the resignation of the former Executive Director in early August 2012, and the Habitat JPA has since allocated some grant reimbursement funds to the Trust Account. The actual amount at issue is thus somewhat less than \$1.88 million (a precise calculation will be available after the grant reimbursement amount is determined).



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

1. The August 7, 2002 Agreement on Swainson's Hawk Mitigation Does Not Restrict the Use of Funds Collected After its Expiration.

On August 7, 2002, CDFW and the Habitat JPA entered into an agreement concerning the collection and expenditure of fees to mitigate the loss of Swainson's hawk foraging habitat. That agreement expired on December 31, 2003. However, it contains a provision stating that "all provisions of this Agreement governing the handling and expenditure of funds in the Trust Account . . . will survive expiration of this Agreement and continue to bind the Parties[.]"

The survival clause does not expressly address funds collected after expiration of the agreement. The most reasonable interpretation, however, is that CDFW control over Mitigation Trust Account funds was limited to monies on hand when the Mitigation Agreement expired on December 31, 2003. It is unlikely that CDFW and the Habitat JPA intended the survival clause to instead govern the use of funds collected voluntarily by the Habitat JPA into perpetuity. Particularly in the absence of any contractual language clearly expressing such an intent, the agreement cannot reasonably be interpreted to afford CDFW control over Trust Account funds collected after its expiration.

Relevant case law on this issue is sparse, and no published decisions are available. However, in an unpublished decision, one court reached a similar conclusion in evaluating the survival clause in a commercial purchase agreement. Webb Candy, Inc. v. Walmart Stores, Inc., 2010 U.S. Dist. Lexis 55985 (2010). The court rejected arguments that the survival clause applied to transactions "made years, decades, or even centuries after the agreement expired," deeming such an interpretation "highly unlikely" to reflect the parties' original intentions. The court found it "much more plausible" that the survival clause applied only to transactions occurring while the agreement was in effect, and that the parties would have been "much clearer that some provisions of the contract would apply to sales made many years after the contract had expired" if that had been their original intent. *See also* Playa Phase 1 Commercial Land Company, LLC v. PVEMTD Commercial, LLC, 2006 Cal. App. Unpub. Lexis 4162 (2010) (rejecting claims based on the absence of any "clear intent" to extend a survival clause to disputes arriving after the closing of a real estate transaction).

2. Director Brodrick's Concurrence with the Proposed Use of \$2 Million in Trust Account Funds Did Not Create a Binding Agreement.

In a June 13, 2006 letter, Director Ryan Brodrick of CDFW concurred with the Habitat JPA's proposal to use of up to \$2 million in Trust Account funds for HCP/NCCP preparation. In theory, this letter could be interpreted as creating as a binding agreement limiting the use of Trust



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis

Account funds to \$2 million. Such an argument, however, would not be legally tenable for at least the following reasons.

First, the Broddrick letter plainly relates to policy issues of mutual interest to the Habitat JPA and CDFW. This is evident in the terms used in the Broddrick letter. It avoids the use of contractual terms such as "acceptance" or "agreement," instead expressing only that Director Broddrick "concur[s] with" the proposed use of up to \$2 million in Trust Account funds to complete the HCP/NCCP. The letter is thus similar in nature (though less formal) to a non-binding memorandum of understanding between two agencies with a mutual interest in wildlife conservation. Its plain language does not suggest that a binding, enforceable agreement was created or even contemplated by CDFW.

Second, any binding agreement on the use of Trust Account funds would require participation by the Habitat JPA's member agencies. At the time of the Broddrick letter, the member agencies had prohibited the use of Trust Account funds for HCP/NCCP preparation through the Joint Powers Agreement. While the Joint Powers Agreement was later amended to allow such expenditures, the Habitat JPA did not have authority to enter into a binding contract with CDFW to expand the allowable uses of Trust Account funds at the time of the Broddrick letter. The letter should be interpreted in a manner consistent with these limitations on the authority of the Habitat JPA at the time of its preparation.

Third, CDFW lacks legal authority to dictate the mitigation required for projects impacting Swainson's hawk foraging habitat. In its capacity as a "trustee agency" under the California Environmental Quality Act ("CEQA"), CDFW has long offered guidance to CEQA lead agencies (like the Habitat JPA member agencies) on appropriate mitigation strategies.² The final decision on mitigation, however, rests with the lead agency.

This is legally significant. In the absence of legal authority over mitigation, CDFW could not furnish the "consideration" (i.e., the "bargained for exchange" that is a central component of any enforceable agreement) necessary to form a binding agreement. Interpreting the letter as a non-binding concurrence on policy matters is thus consistent with its plain language and these limitations on CDFW's legal authority (and the limitations on the Habitat JPA's authority, as described above).

² As set forth in CEQA Guidelines § 15386, a trustee agency is "a state agency having jurisdiction by law over natural resources affected by a project which are held in trust for the people of the State of California."



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

3. Policy Considerations Supported Preparation of the HCP/NCCP with Trust Account Funds.

Although perhaps not directly germane to the legal conclusions set forth herein, it is useful to briefly revisit the policy grounds that were central to the 2006 decision to use a portion of the Trust Account to fund HCP/NCCP preparation.

As of 2006, the Habitat JPA had made some initial progress in preparing the HCP/NCCP. However, it had nearly exhausted available financial resources (primarily Section 6 grants awarded in 2003 and 2005) and there were concerns that progress could be significantly delayed while the Habitat JPA sought additional funding. The Habitat JPA thus evaluated the use of Trust Account funds in consultation with CDFW and, eventually, each of the member agencies.

As part of this evaluation, the Habitat JPA considered the anticipated benefits of a completed HCP/NCCP to the Swainson's hawk, including:

- An HCP/NCCP would promote a comprehensive, systematic approach to the preservation of Swainson's hawk habitat, far superior to the project-by-project approach characteristic of existing mitigation efforts.
- An HCP/NCCP would include regional conservation strategies that optimize opportunities for recovery of the Swainson's hawk and other sensitive species and that recognize the contribution of working landscapes to species conservation.
- Unlike conventional mitigation, an HCP/NCCP would include an adaptive management program and related monitoring designed to ensure that desired conservation outcomes are achieved.

On these and other grounds, on June 19, 2006, the Habitat JPA determined that using Trust Account funds to help complete the HCP/NCCP would greatly benefit the Swainson's hawk and other sensitive species. Each member agency later approved amendments to the Joint Powers Agreement to authorize the use of Trust Account funds for this purpose.

It is also worth noting that the overall approach to Swainson's hawk mitigation in Yolo County is much improved since 2006. At roughly the same time that the Habitat JPA approved the use of Trust Account funds for HCP/NCCP preparation, it raised the Swainson's hawk mitigation fee and adopted a policy requiring projects that impact more than 40 acres of foraging habitat to directly conserve other lands (rather than pay the fee). The Habitat JPA also closed several



Yolo Habitat/Natural Community Conservation Plan Joint Powers Agency

YOLO NATURAL HERITAGE PROGRAM

~ Partnering for Conservation ~

Member Agencies

*County of Yolo • City of Davis • City of Winters • City of West Sacramento • City of Woodland •
University of California, Davis*

conservation easement transactions in 2008-09 using Trust Account funds. Finally, starting in late-2008, the Habitat JPA worked with interested local landowners to create "mitigation receiving sites" as a means of providing advance mitigation for projects impacting Swainson's hawk foraging habitat.

The combination of acreage-based restrictions on fee payments and the availability of mitigation credit receiving sites has helped ensure that conservation occurs roughly at the same time as foraging habitat impacts. This was a key criticism of the local approach to mitigation prior to 2006, as the member agencies had been collecting (but not expending) mitigation fees since 1993. Consequently, like in many other jurisdictions in the region, an acreage "deficit" had arisen as land costs increased. Completion of the HCP/NCCP remains perhaps the best means of addressing this "deficit," as it will provide for conservation that contributes to recovery of the Swainson's hawk.

CONCLUSION

As set forth above, this office has determined that the Habitat JPA is not legally obligated to repay any funds to the Trust Account. To the extent necessary, this determination will be reviewed in the event additional legal theories relevant to such an obligation are raised for consideration.

**YOLO COUNTY
YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY**

July 15, 2013

MINUTES

The Yolo County Habitat/Natural Community Conservation Plan Joint Powers Agency Board met on the 15th day of July 2013, starting at 5:30 p.m. in regular session in the Board of Supervisors' Chambers in the Erwin W. Meier Administration Building, Woodland, California.

Present: Jim Provenza
Don Saylor
Lucas Frerichs
Chris Ledesma
Woody Fridae

Absent: Sean Denny
Marjorie Dickinson

Staff Present: Petrea Marchand, Executive Director
Heidi Tschudin, Project Manager
Phil Pogledich, Senior Deputy County Counsel
Susan Garbini, Research Associate
Kate Montieth, Assistant to Director

5:30 P.M. CALL TO ORDER

1. Approval of the Agenda Order

Minute Order No. 13-07: Approved Agenda Order.

MOTION: Ledesma. SECOND: Frerichs. AYES: Frerichs, Fridae, Ledesma, Provenza.
ABSENT: Denny, Saylor.

2. Public Comment : This is time reserved for the public to address the JPA Board on matters not on the agenda. There was no public comment.

3. Board Correspondence

CONSENT CALENDAR

Minute Order No. 13-08: Approved Consent Agenda Item Nos. 4a-e.

MOTION: Ledesma. SECOND: Provenza. AYES: Frerichs, Fridae, Ledesma, Saylor, Provenza. ABSENT: Denny.

4.
 - a. Received monthly financial report.
 - b. Received and filed memo regarding identity of property on June 17, 2013 agenda.
 - c. Ratified execution of revised **Resolution No. 13-02** approving the fiscal year 2013-2014 budget.
 - d. Approved resolution for Wildlife Conservation Board grant by **Resolution No. 13-03**.
 - e. Received and filed legal opinion addressing Finding 2011-09 in the fiscal year 2011-12 audit report, relating to the use of Mitigation Trust Account funds

REGULAR AGENDA

5. Election of Chair and Vice Chair

Minute Order No. 13-09: Approved motion to postpone election until September meeting.

MOTION: Provenza. SECOND: Ledesma. AYES: Frerichs, Fridae, Ledesma, Provenza, Saylor. ABSENT: Denny.

6. Receive and direct staff to utilize Species of Local Concern issue paper

Minute Order No. 13-10: Reviewed, Approved and Directed staff to utilize Species of Local Concern issue paper.

MOTION: Ledesma. SECOND: Frerichs. AYES: Frerichs, Fridae, Ledesma, Provenza, Saylor. ABSENT: Denny

7. Received presentation on first administrative draft of the Yolo Natural Heritage Program
8. Executive Director's Report
9. Board member updates
10. Board direction and adjournment

CLOSED SESSION

11. Conference with Legal Counsel—Anticipated Litigation
Significant exposure to litigation pursuant to Government Code Section 54956.9(b)
1 case

ADJOURNMENT

Next meeting scheduled for: August 12, 2013.



Don Saylor, Chair
Yolo County Habitat/NCCP JPA