

**MINUTES FOR MEETING OF BOARD OF DIRECTORS
OF
SAN BERNARDINO VALLEY CONSERVATION TRUST,
a California Nonprofit Public Benefit Corporation**

Wednesday, July 20, 2022 – 2:00 pm

CALL TO ORDER – 2:04 p.m. (Via teleconference and Zoom)

ROLL CALL

David E. Raley, SBV Water Conservation District
John Longville, SBV Water Conservation District (Arrival, approx. 2:30 pm)
T. Milford Harrison, SBV Municipal Water District
Jim Earsom, IE Resource Conservation District

Betsy Miller, SBV Water Conservation District
Angie Quiroga, SBV Water Conservation District
Milan Mitrovich, SBV Water Conservation District
David Cosgrove, SBV Water Conservation District
Joanna Gibson, SBV Municipal Water District

1. PUBLIC PARTICIPATION – None
2. APPROVAL OF MINUTES FROM APRIL 20, 2022

Action: Motion was made by Director Harrison and seconded by President Raley to approve the meeting minutes from April 20, 2022. The motion carried 3-0 with Vice President Longville noted absent from the vote.

President Raley: Yes
Vice President Longville: Absent
Director Harrison: Yes
Director Earsom: Yes

3. DESIGNATE ANNUAL BOARD MEETING DATE

Betsy Miller recommended designating the October 19, 2022, quarterly Board meeting as the Annual Board Meeting in accordance with Trust Bylaws.

Action: Motion was made by Director Harrison and seconded by Director Earsom to approve designating the October 19, 2022, quarterly Board meeting as the Annual Board Meeting. The motion carried 3-0 with Vice President Longville noted absent from the vote.

President Raley: Yes
Vice President Longville: Absent

Director Harrison: Yes
Director Earsom: Yes

4. FINANCIAL STATUS UPDATE

Angie Quiroga provided the financial status update. She advised that audit preparation will begin soon for Fiscal Year 2021/2022 (FY22). A total of \$2,100 donations were received in support of the District's 90th Anniversary celebration which also included recognition of the Trust. These donations offset celebration expenses listed under California Credit Union as seen on package page 9. To date, one \$500 donation has been received to be held for the NHCPC. As previously approved, the Trust will forward these funds to the NHCPC upon receipt of their non-profit status. Significant, unrealized losses in our investment portfolio have occurred due to market volatility. Our investment advisors at PFM Asset Management (PFM) have implemented changes to our portfolio in response to the market at the end of June. They have increased commodities while also maintaining a cash allocation to keep balance. They slightly increased our small and mid-cap stocks which currently have attractive valuations and earning expectations. Exposure with international equities have been reduced and mortgage-backed securities were added to the fixed income allocation. We will be meeting with PFM tomorrow to get further details. Ms. Quiroga continued with the Trust's liabilities: \$2,174,108 is due to the District. An updated calculation of just over \$108,000 will be billed to Wash Plan participants for additional state permitting fees. An invoice was recently received from USGS that will apply to implementation costs. We are reviewing the Wash Plan MOU to verify if other expenses incurred to date should be designated solely as District expenses or should be shared expenses with other participants. On package page 10, she noted that there has been very little change to the deposit agreements. All expenses against these deposits through June 30th have been paid.

Action: Motion was made by Director Harrison and seconded by President Raley to approve the quarterly financial report. The motion carried 3-0 with Vice President Longville noted absent from the vote.

President Raley: Yes
Vice President Longville: Absent
Director Harrison: Yes
Director Earsom: Yes

5. WASH PLAN SPRING 2022 MONITORING UPDATE

Milan Mitrovich provided a PowerPoint presentation. He noted that the funding for the individual projects comes from the Wash Plan Endowment. California gnatcatcher surveys for 2022 are complete, with the final surveys on June 26th. This effort included three rounds of focused protocol breeding surveys, with one survey each in April, May, and June. An estimated nine territories are present in the 300-acre survey area of the Wash Plan preserve with five pairs observed with young. The District has confirmed successful breeding within the Wash in 2021 and 2022 even though both years are recognized as being relatively low rain years which often limits productivity for this species. Similar reproductive activity between these two years suggests stability within the population. Project costs are about \$6,500 each year. Field pictures were provided.

Mr. Mitrovich continued with the status of the Slender-horned Spineflower Restoration Program. He stated seventeen known historic populations were sampled in 2022: Spineflower was detected at seven populations, with population number 13 being the largest with 1,423 individuals recorded.

No other population had more than 100 individuals. With such a dry year, the spineflower plants are very small. Many are no larger than a quarter in diameter. Within two weeks of the close of surveys, over 4,000 seeds were collected from six of the populations. An additional 5,000 seeds collected in 2010 are in cold storage at California Botanic Garden and the District is talking to BLM and the Garden about utilizing the seeds for activities tied to seed bulking and outplanting. The District's contractor, Dudek, has "seed bulked" tens of thousands of seeds of the San Fernando Valley spineflower and we are looking to replicate that success here. The goal is to establish new populations within the Wash Plan Preserve within the next three to five years. The District has successfully implemented a new monitoring protocol for this species and expects it to remain largely unchanged for the next decade or more. The District is in position to initiate seed bulking activities and perform direct seeding beginning this winter. In terms of costs, Dudek's multi-year contract for development of a restoration program is for \$291,547.65. The District has been able to keep costs lower by Conservation District staff supporting the team in the field.

This past spring, the first round of habitat surveys in support of the San Bernardino kangaroo rat (SBKR) monitoring program were completed which were preceded by the Fall 2021 SBKR surveys. Mr. Mitrovich and the interns were able to sample all 101 of the established plots over the course of six weeks working two to three days a week in the field from mid-April through June 1st. Ms. Miller commended Mr. Mitrovich and the interns for the significant effort they put in. Mr. Mitrovich continued that in addition to now having vegetation data that describes the conditions at each plot, soil samples were collected and are scheduled to be sent to BYU in the next month for texture analysis. Additional photos were provided. USGS is an important partner in this effort. The agreement with USGS, providing for a second year of technical support for development of the monitoring program, was fully executed yesterday and the contract to implement a second year of SBKR trapping is on today's agenda. District staff have successfully implemented the new habitat monitoring protocol with results allowing us to better understand the relationship among SBKR presence, soils, and vegetation. The District is scheduled to complete a second year of trapping this fall, allowing for refinement of the estimates of SBKR occupancy and abundance within the Wash Plan Preserve. The monitoring protocol employed by the District has gained favorable recognition by the Wildlife Agencies and may one-day become the standard for the region. The 2021 and 2022 trapping efforts total close to \$75,000. The USGS's new contract is for up to \$60,000, bringing the total funds covering the technical agreements with the USGS to close to \$115,000. The field work performed this Spring was handled entirely in house at a value estimated at close to \$60,000. Ms. Miller added that it was expected for our contracts with the USGS to consistently be \$40,000-\$60,000 per year. However, Mr. Mitrovich has experience doing this same type of work and USGS has agreed to update Mr. Mitrovich with new statistical modeling in order for us to do a good portion of the work in-house, significantly reducing our contracts with USGS in the future. Director Harrison praised both the District's staff and Valley District's staff for the amazing work that is being accomplished between them both.

Mr. Mitrovich stated an early draft of the Natural Resource Management Plan, as required by the Wash Plan HCP, was shared with the Wildlife Agencies on July 12th. This draft came two years following receipt of the ITP from the USFWS. The shared draft discusses the District's general approach and philosophy to land management as well as the framework and organizational structure for getting work done. Over the course of the next couple of months, the plan will be developed further focusing on discussion and analysis of new monitoring data and early results of the District's management activities tied to HCP implementation. The more advanced draft will include mention of the major initiatives we plan to pursue over the course of the next three to five years. This is an important document meant to be a living document. We have successfully initiated a process that will result in a finalized management plan within a year's time that has full buy-in

from the Wildlife Agencies, our partners, and other members of the Preserve Management Committee. Development of the Natural Resource Management Plan is being handled in-house and informed through communication with our partners and the Wildlife Agencies, as well as review of existing planning and monitoring results. Discussion ensued. This item was received and filed.

6. WASH PLAN SAN BERNARDINO KANGAROO RAT 2022 MONITORING PROGRAM PROFESSIONAL SERVICES AGREEMENT

Mr. Mitrovich briefly explained the Professional Services Agreement with Origin Biological for an amount not to exceed \$35,590 of funds from the Wash Plan endowment on package page 11 and requested Board approval. Ms. Miller advised this includes coordination between our team and USGS for our presentation at the National HCP Coalition on this work and how others can utilize this work in their HCP's as well. President Raley inquired if David Cosgrove had reviewed this agreement. Mr. Mitrovich confirmed it has been reviewed by District Counsel.

Action: Motion was made by Director Earsom and seconded by Director Harrison to approve the Wash Plan San Bernardino Kangaroo Rat 2022 Monitoring Program Professional Services Agreement with Origin Biological in an amount not to exceed \$35,590. The motion carried 3-0 with Vice President Longville noted absent from the vote.

President Raley: Yes

Vice President Longville: Absent

Director Harrison: Yes

Director Earsom: Yes

7. COMMUNITY MITIGATION UPDATES

Ms. Miller stated we are continuing to work on documents for the acreage SBCTA is purchasing from us for their project. Unfortunately, from the genesis of this project to the time this requirement came up, CDFW changed their processes. Our previous preapproval at the state level is being reevaluated. We are having to update and repackage a significant number of documents to CDFW for review. Updated Board member resumes may also be requested. One unofficial comment received from CDFW is in regard to Ms. Miller's position and contract as the District's General Manager (GM) which also requires her to serve as the Executive Director (ED) of the Trust. CDFW inquired about the closeness of the two positions especially since the role of the Trust is to serve as an oversight for the District. The former District's GM Daniel Cozad and legal counsel David Cosgrove stated it was intended for the ED to eventually be separated from the District's GM. She requested feedback from the Board as to their preferred timeline and approach to making this change. Ms. Miller believes Mr. Mitrovich would be an excellent ED for the Trust. Director Harrison agreed and requested David Cosgrove's input. Mr. Cosgrove stated he is ambivalent as to whether the Board makes the change now or later. The Trust was always supposed to grow outside of its current status as more funding comes in. The long-term vision is for the Trust to be a semi-autonomous body to manage the habitat preserves. President Raley requested discussing this item again at the next in-person meeting. Ms. Miller stated the Annual Meeting in October is scheduled to be in person. The Board agreed to discuss this item again in October.

8. DR HORTON TRESPASS UPDATE

Ms. Miller advised the Board the understanding was that a verbal agreement had been reached on resolving the Greenspot Road trespassing issue with DR Horton. DR Horton provided a \$50,000 deposit to charge against as we reviewed the issue and indicated they would provide an additional \$200,000 to benefit species and habitat in the Wash as designated by the resource agencies. On June 23rd we received a written message that stated they are no longer comfortable with the original agreement. A written response was sent July 7th. There has been no movement at this time. Mr. Cosgrove added that the nature of their message was they are testing the credibility of the assertions made as to the costs required for reparations. Discussion ensued. This item was received and filed.

9. GRANT STATUS UPDATE

Ms. Miller stated District staff has been working on a pre-application for a Wildlife Conservation Board grant specifically for our Slender-horned Spineflower Restoration Program. A nuance is that it is not really appropriate to apply for grant funding to cover specific requirements of our HCP that we asserted we would utilize our endowment funds to cover. However, there are several additional actions that would significantly improve our ability to develop the spineflower restoration program. Pollinator studies and surveying additional lands beyond the Wash Plan Preserve as well as District lands in addition to the modeling of spineflower locations requirement of the HCP. Mr. Mitrovich stated this project could cost upwards of \$500,000 and to receive matching funds at approximately \$225,000 would be significant. The application is being polished before submitting later this week or early next week. Staff is looking at other approaches to benefitting the species, not required by the HCP, and other grants as well. President Raley commended Staff and is 100% behind applying for grants. Director Harrison agreed. Both Director Harrison and Mr. Cosgrove stated they are available to make any contacts that may be helpful. This item was received and filed.

10. ADJOURN MEETING – 2:50 pm.

Action: A motion was made by Director Earsom and seconded by Director Harrison to adjourn the meeting. The next Annual Board of Director's meeting will be held on Wednesday, October 19, 2022, at 2:00 pm at 1630 W. Redlands Blvd., Redlands, CA or via teleconference and Zoom. The motion carried 3-0 with Vice President Longville noted absent from the vote.

President Raley: Yes
Vice President Longville: Absent
Director Harrison: Yes
Director Earsom: Yes



Betsy Miller
Secretary/CFO