

**MINUTES FOR MEETING OF BOARD OF DIRECTORS OF
SAN BERNARDINO VALLEY CONSERVATION TRUST,
a California Nonprofit Public Benefit Corporation
Monday, March 02, 2020 – 10:00 a.m.**

CALL TO ORDER – 10:00 a.m.

ROLL CALL

David E. Raley, SBV Water Conservation District (District)
Paul Williams, IE Resource Conservation District
John Longville, SBV Water Conservation District (Absent)
Gil Navarro, SBV Municipal Water District
Daniel Cozad, SBV Water Conservation District
Betsy Miller, SBV Water Conservation District (Absent)
Angie Quiroga, SBV Water Conservation District
David Cosgrove, Rutan & Tucker, LLP

1. PUBLIC PARTICIPATION -None
2. APPROVAL OF MINUTES FROM OCTOBER 10, 2019

It was moved by Director Navarro and seconded by Vice President Williams to approve the meeting minutes from October 10, 2019, as presented. The motion carried 3-0.

**Ayes: Raley, Williams, Navarro
Noes:
Absent: Longville
Abstain:**

3. FINANCIAL STATUS UPDATE

Mr. Cozad directed the Board to package page 7. He reviewed each section of the financial report. He stated Robertson's and Cemex are expected to pay their portion of the endowment when the Wash Plan Incidental Take Permit (ITP) is issued. He reminded the Board of the Trust's liability related to the loan from the District to complete the Wash Plan processing. Certificates of Inclusion costs are include this liability. The District can request payment at any time. Discussion ensued.

It was moved by Vice President Williams and seconded by Director Navarro to approve the Financial Status Update as presented. The motion carried 3-0 with all Directors present voting in the affirmative.

**Ayes: Raley, Williams, Navarro
Noes:
Absent: Longville**

Abstain:

4. LEGAL COUNSEL FEE INCREASE FOR DEVELOPERS

Mr. Cozad stated he and Mr. Cosgrove have worked with several developers who wish to obtain mitigation from the Trust for their projects noted on package page 9. They determined this reimbursement should be charged Mr. Cosgrove's commercial rate and that it is inappropriate to use the preferred rate that is provided to the District. Mr. Cosgrove sent a letter proposing the standard commercial rate of \$500/hour to be charged for the work the Trust does for others. These fees will be reimbursable to the District under the Deposit Agreements with the developers. The legal fees are strictly pass-through payments billed against their deposits. If there is inadequate remaining deposit to continue work, additional deposit funds are requested. Director Navarro sought a budgeted line item to keep track of these reimbursed fees. Mr. Cozad indicated staff planned to include these items in the FY 20-21 budget when more steady work likely occurs. President Raley agreed he would like to see a report of deposits and expenses. Mr. Cozad noted these deposits would be itemized on future community mitigation request spreadsheets. The Board concurred.

It was moved by Director Navarro and seconded by Vice President Williams to approve the Legal Counsel Fee Increase for Developers as presented. The motion carried 3-0 with all Directors present voting in the affirmative.

Ayes: Raley, Williams, Navarro

Noes:

Absent: Longville

Abstain:

5. WASH PLAN PROGRESS UPDATE

Mr. Cozad reported for Ms. Miller in her absence. Staff is currently working through 167 public comments on the EIR/EIS. Significant public comments were received from US EPA, Center for Biological Diversity, FAA, and City of Redlands related to the Redlands airport. A plan for responses has been discussed with the City of Redlands. Water supply, water quality, air quality, children's health, and biology comments from EPA have been addressed. District counsel is working through the legal aspects of the responses. An additional mitigation measure for air quality is likely at full mining production. It will take a couple of weeks for the USFWS solicitor to review responses to these comments. During this time, changes to the final EIR will be made and reviewed. A briefing will likely occur in April with the Secretary of the Department of the Interior for approval and publishing in the Federal Register. Draft documents (Biological Opinion (BO) and Record of Decision (ROD)) for USFWS will be prepared concurrently. We are moving forward with a multi-party 2081 permit with CDFW to permit Wash Plan Covered Activities. The application and permit will look much like the Wash Plan permitting but in a State version. Additionally, if there is ever a Natural Community Conservation Plan (NCCP), this permit could be rolled into the effort for a broad regional plan. Staff is hoping the 2081 permit will be received a few months after the HCP is approved. Mitigation ratios and quality were developed to meet the State of California's fully mitigate standard. President Raley inquired as to when the Trust will have

to start paying for mitigation. Mr. Cozad stated if the ROD and ITP are issued in July that will begin implementation. We will likely begin paying for mitigation in July. The percentage of income earned at that point from our endowment will provide the Management Preserve Committee the amount available to expend in the budget which will run in our next fiscal year. Director Navarro thanked District staff for the field tour he attended. He stated it really gave him a better understanding of what the challenges and objectives that the District are implementing to ensure there is water. This item was received and filed.

6. COMMUNITY MITIGATION

Mr. Cozad directed the Board to package page 9. He reviewed the deposit agreements the Trust has currently for Blossom Trails and Woodbridge Residential projects. Blossom Trails seems to be moving forward. The Woodbridge project has not renewed their map with the City of Highland. Their site appears to have high quality habitat which is costlier to mitigate. They have indicated that they want to maintain their deposit agreement at this time. The Trust will likely provide three or so acres of mitigation through the District to the cities of Highland and Redlands for the Orange Street Bike Trail. They are going through WSPA and their impacts are greater than they expected in the Wash Plan, so there is a residual need for mitigation.

The most active project is SBCTA for the 210 Freeway widening. CDFW is requiring additional mitigation and approximately \$400,000 for a much more detailed translocation plan for San Bernardino Kangaroo rats as well as tagging and monitoring their movement. SBCTA has asked the Trust to be the consultant to complete this work. A proposal has been put together which includes an estimate from IERCD and field biologist Mike Romich as well as estimated Trust overhead and staff time costs that will be billed as a reimbursable project. It would occur over about an eighteen month timeframe. The Trust would be the turnkey provider of the mitigation SBCTA needs, the improvement to the mitigation land and the translocation planning and implementation. Mr. Cozad clarified that these proposals would be issued for the Trust and if there were agreements those would be presented to the Board at their next meeting or a special meeting would be called.

Mr. Cozad and Ms. Miller are firmly in support of taking this project on to learn more about moving SBKR, keeping them alive, and to managing them for future projects more efficiently. They feel it is in the long-term benefit of the Trust. Mr. Cozad continued on with the list of mitigation requests. He stated the remaining list of projects is relatively dormant. A meeting is scheduled with Larry Mainez with the City of Highland to discuss what TREH Partners plan to do with the portion of land they have split off from the original project site. The River HCP is our largest agreement, and SBVMWD has paid half of its obligation to the District. Funds will come to the Trust for their conservation easement and endowment once SBVMWD receives their ITP. This spreadsheet helps to keep track of the mitigation lands we have available, and ensure we are not obligating lands we don't have. Mr. Cozad reviewed the map on package page 10. Discussion ensued. This item was received and filed.

7. ADJOURN MEETING – 10:44 a.m.

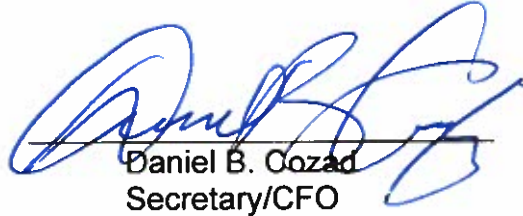
Action: Motion was made by Director Navarro and seconded by Vice President Williams to adjourn the meeting. The motion carried 3-0 with all Directors present voting in the affirmative.

Ayes: Raley, Williams, Navarro

Noes:

Absent: Longville

Abstain:



Daniel B. Cozad
Secretary/CFO