

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

Monday, July 19, 2021 – 1:30 pm

CALL TO ORDER –1:36 p.m. (Via teleconference and Zoom)

ROLL CALL

David E. Raley, SBV Water Conservation District (District)
John Longville, SBV Water Conservation District (Arrived 1:44 p.m.)
Paul Williams, Inland Empire Resource Conservation District
T. Milford Harrison, SBV Municipal Water District

Daniel Cozad, SBV Water Conservation District
Betsy Miller, SBV Water Conservation District
Angie Quiroga, SBV Water Conservation District
David Cosgrove, Rutan & Tucker, LLP

1. PUBLIC PARTICIPATION -None
2. APPROVAL OF MINUTES FROM JANUARY 19, 2021

President Raley inquired about the agreement with Flood Control District (SBCFCD), the IERCD MOU, if California Endangered Species Act (CESA) permits had been approved and status of the conservation easement for the SB County Transportation Authority (SBCTA) as discussed in the January minutes. Mr. Cosgrove advised SBCFCD is looking at some structural issues and we are waiting on a response so no action has been taken. Mr. Cozad stated a new MOU with IERCD is not needed but we did do some contract work with them that supports the Trust and that Ms. Miller will be reporting on the CESA permits during the Wash Plan update. Mr. Cosgrove stated the Conservation Easement documents have been finalized. We are awaiting approval of the specific mitigation area from the California Department of Fish and Wildlife prior to recordation.

Action: Motion was made by Director Harrison and seconded by President Raley to approve the meeting minutes from January 19, 2021, as presented. The motion carried 3-0-1 with all Board members present voting in the affirmative.

Ayes: Raley, Williams, Harrison

Noes:

Absent: Longville

Abstain:

3. DESIGNATE ANNUAL BOARD MEETING DATE

Mr. Cozad advised that the Annual Meeting requires advanced notice and October 4th is the recommended date if there is no disapproval from the Board. Being none, President Raley designated October 4, 2021, as the next Annual Meeting date.

4. FINANCIAL STATUS UPDATE

Mr. Cozad directed the Board to package page 7 which contains the March 31, 2021, updated status report and then to package page 9 for the financial status through June 30, 2021. He briefly reviewed revenue and expenses, stating expenses are primarily for work related to SBCTA mitigation. Mr. Cozad clarified that the SBVWCD invoices under expenses are for reimbursement of District staff time, as well as consultant and legal fees billed to the District, for work on the Trust's mitigation agreements. Trust investments, managed by PFM, have earned a 16.8% return over the last fiscal year. Mr. Cozad discussed the accounts receivable due from Cemex and Robertson's for their portion of the endowment. He reminded the Board that Cemex and Robertson's may pay all at once or in payments as permits are approved and certificates of inclusion are finalized, and as they begin mining sections of their approved areas. Per the Wash Plan MOU, they are required to pay the principal and interest that would have been earned by the Trust. The decision as to when and how they pay may also be affected by USFWS requirements related to timing for at least the clearing and grubbing portion of their work. The financial liabilities for the District are listed. Director Harrison inquired as to why Cemex and Robertson's are listed together. Mr. Cozad explained they were always permitted together. Once the mine plan is finalized, we will know exactly how the receivable will be split between them. This item was received and filed.

5. WASH PLAN IMPLEMENTATION BUDGET FY 21/22

Mr. Cozad stated with completion of the Wash Plan, we are able to provide a budget for implementation. Ms. Miller discussed the year 2 budget which includes required tasks per the approved HCP. To prepare this budget, we have compared the estimated budget in Chapter 7 of the HCP to the actual Year 1 implementation costs and the anticipated costs for this year. This includes conserving 200 acres of Jump Start land which is owned by the District. Costs are associated with legal review and preparation of a platt and legal description, clean-up, invasive species treatment, and monitoring for several different species. There are also one-time costs such as a drafting and presenting a Wash Plan Preserve Natural Resource Management Plan, a Spineflower Restoration Plan and an Annual Report. We are collaborating with The Nature Conservancy to monitor cactus wren. We have found areas of cost savings over what were expected which will free up some funds for any unexpected future costs. The Wash Plan requires us to conserve 200 acres within the first year of implementation; however, we don't want to finalize record this easement until we have a permits under the California Endangered Species Act, which will allow us to "count" this acreage as mitigation for both permits. The Federal government is comfortable with this plan. Ms. Miller advised this budget is based on receiving an average or greater annual rainfall. If there is not enough rain, some activities cannot be completed which would result in lowered annual costs. President Raley inquired if there is enough investment revenue to cover these costs. Ms. Miller stated because we don't have the full endowment yet from our mining participants, a loan was requested from the District to cover these one-time tasks that must be completed. In the following years, we plan to use 4% interest from the endowment. Even if we earn more than 4%, our goal is to never use more than that 4%.

Action: Motion was made by Director Williams and seconded by Vice President Longville to approve the Wash Plan Implementation Budget FY 21/22 as presented. The motion carried 4-0 with all Board members present voting in the affirmative.

Ayes: Raley, Longville, Williams, Harrison

Noes:

Absent:

Abstain:

6. UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN UPDATE

Ms. Miller provided an update on the progress of the Upper Santa Ana River HCP (River HCP). She commended Valley District's team for doing an amazing job of getting the public review draft of the HCP out along with first draft of their EIR. The Trust is envisioned to hold the conservation easements for the River HCP as well as the Wash Plan. This was discussed in the early development stages of the River HCP, and the Board expressed support for this approach at that time. Staff supports the Trust assisting more partners across the region, and seeks feedback from the Board. Director Harrison commented that this effort is a further demonstration/illustration of the strong relationship between our two agencies. This kind of cooperation is a tremendous value and he hopes we all work toward maintaining it. This item was received and filed.

7. COMMUNITY MITIGATION LAND PROGRAMS

Ms. Miller stated a major step forward has been made with the San Bernardino County Transportation Authority (SBCTA) with getting CDFW's official approval of a specific land area for their mitigation needs. This is key for the Trust to be able to sell future conservation easements as well as taking the next steps with implementation of the incidental take permit for SBCTA. An RFP for a surveyor was done concurrently so we are now able to finalize the surveyor's agreement. Once the surveyor completes the platt and legal descriptions, we can submit SBCTA's conservation easement documents to CDFW for their legal review. We have also been coordinating with the Blossom Trails team regarding the land they wish to purchase. With CDFW's land approval area for SBCTA, we are able to follow that same path to determine what is needed for approval of Blossom Trails. We have provided several different pieces of information to Blossom Trails while seeking to limit expenditures at this stage of the process. We are on hold waiting for direction from their team at this time. President Raley asked if the permits have been applied for and received. Ms. Miller explained the four state permits have been applied for but not yet received. We are hopeful we may see some of them in the Fall/Winter. Discussion ensued. This item was received and filed.

8. ADJOURN MEETING – 2:12 pm.

Action: A motion was made by Director Harrison and seconded by Vice President Longville to adjourn the meeting. The next regular Board of Director's meeting will be held on Monday, October 04, 2021, at 1:30 pm via teleconference and Zoom. The motion carried 4-0 with all Directors present voting in the affirmative.

Ayes: Raley, Longville, Williams, Harrison

Noes:

Absent:
Abstain:

A handwritten signature in black ink, consisting of several large, overlapping loops and curves, positioned above a horizontal line.

Daniel B. Cozad
Secretary/CFO