

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

Thursday, October 5, 2017 – 1:30 p.m.

CALL TO ORDER – 1:40 p.m.

ROLL CALL

David E. Raley, SBV Water Conservation District
Paul Williams, Inland Empire Resource Conservation District
John Longville, SBV Water Conservation District
Daniel Cozad, SBV Water Conservation District
Angie Quiroga, SBV Water Conservation District
Jeff Beehler, SBV Water Conservation District
David Cosgrove, Rutan & Tucker, LLP

1. PUBLIC PARTICIPATION - None
2. APPROVAL OF MINUTES FROM JUNE 9, 2017

Action: Motion was made by Director Longville and seconded by Vice President Williams to approve the meeting minutes from June 9, 2017. The motion carried 3-0 with all directors present voting in the affirmative.

Ayes: Raley, Williams, Longville

Noes:

Absent:

Abstain:

3. WASH PLAN STATUS

Jeff Beehler presented an update on the Wash Plan. He stated just three sections of one chapter remain to be completed of the environmental impact report/environmental impact study (EIR/EIS) in order to put the Wash Plan in the Federal Register. Local senior US Fish & Wildlife (FWS) management reduced additional review time of the EIR/EIS by six weeks upon approval of their staff and state level staff's review of the document. Mr. Beehler and Mr. Cozad are meeting tomorrow with Bureau of Land Management (BLM) to review their mark ups on a Memorandum of Understanding (MOU) to do conservation work on their property. This MOU is an important part of implementing the Wash Plan. Mr. Beehler reviewed package page 6 noting all agencies have signed and approved the Wash Plan MOU except the miners. The miners are committed to participating; they just have not formally signed the MOU yet. The City of Redlands will be first to implement a project as soon as Fall 2017. If for some reason the Wash Plan has not been fully approved, there is an agreement with FWS to allow agencies to still use the Wash Plan Habitat Conservation Plan (HCP) to

move forward with their projects. Discussion ensued. This item was received and filed by the Board.

4. FINANCIAL STATUS

Daniel Cozad directed the Board to package page 7 which provides an update to the Trust's financial status as of September 30, 2017. Robertson's and Cemex's will be required to pay the majority of their contribution after the BLM land exchange occurs. We anticipate the City of Redlands will make payment in November or December and Valley District in January once their CEQA for their enhanced recharge project is completed. Mr. Cozad stated we will want our investment advisors to attend our next meeting especially if we have a million or more dollars amassed to invest. Mr. Beehler reminded members there is a phased approach to the Wash Plan. Participant obligations begin the day the biological opinion is signed to make sure adequate funding is in place to accomplish requirements of the Wash Plan HCP. Mr. Cosgrove stated there is about \$235,000 of jump start funding needed; then, we will need to stay 5% ahead of the funding that is attributable to any habitat disturbance. Participants must follow all steps and have contributed financially prior to being issued a Certificate of Inclusion (COI) to begin their projects under this HCP. Discussion ensued. This item was received and filed by the Board.

5. REVIEW CONTRACT FOR THE PROVISION OF ADMINISTRATIVE SERVICES BETWEEN SBVCT AND SBVWCD

Mr. Cosgrove reviewed the Contract for the Provision of Administrative Services between the Trust and San Bernardino Valley Water Conservation District (SBVWCD), provided as a handout. He stated that this is a services agreement in which the SBVWCD, as lead agency of the Wash Plan, will coordinate with the Trust in collecting participant contributions to establish the non-wasting endowment. Mr. Cosgrove highlighted a few paragraphs within the contract relating to reimbursement and protections for the Trust and District. Discussion ensued.

It was moved by Vice President Williams and seconded by Director Longville to approve the Contract for the Provision of Administrative Services between SBVCT and SBVWCD. The motion carried 3-0 with all Directors present voting in the affirmative.

Ayes: Raley, Williams, Longville

Noes:

Absent:

Abstain:

6. SBVWCD REQUESTED CHANGE TO THE CONSERVATION TRUST BYLAWS

Mr. Cosgrove presented this item stating an anomaly exists in the Trust's current bylaws as originally drafted. Policy states no member of the Board may receive compensation. SBVWCD policies allow their Directors to receive a per diem for up to ten meetings a month that benefit the District. SBVWCD has made the judgement that their Directors' services on the Trust's Board provide benefit to the District and SBVWCD is willing to pay a per diem

for their service. In order for SBVWCD Directors to receive this per diem however, an amendment to the Trust's Bylaws must be made. SBVWCD is requesting the following edit shown in italics:

“Section 6. Compensation. Directors and members of committees shall receive no compensation *from the Trust* for their services.”

Discussion ensued.

It was moved by Director Longville and seconded by Vice President Williams to approve the requested amendment to the wording of the Conservation Trust Bylaws as requested. The motion carried 3-0 with all Directors present voting in the affirmative.

Ayes: Raley, Williams, Longville

Noes:

Absent:

Abstain:

7. COMMUNITY MITIGATION SUPPORT

Mr. Beehler explained a potential opportunity for the Trust to hold additional conservation easements. Lands with habitat value that were not needed to cover mitigation for the Wash Plan's proposed projects have been designated as “neutral lands”. FWS, being aware of this land, has approached SBVWCD to provide a conservation easement for SBKR mitigation for a proposed housing project on Greenspot Road in Highland and other developments. For this to take place SBVWCD would have to agree to give a conservation easement to the Trust of behalf or the developer of the housing project and the Trust would have to agree to take the easement and ensure it is adequately funded. FWS and Staff have determined the developer would have to pay for the easement, a habitat improvement or (lift) cost, and pay the long term endowment costs to monitor and maintain the land in perpetuity. Mr. Cozad and Mr. Beehler will meet with the developer next week to discuss this potential opportunity. FWS has stated there is currently about 120 acres of mitigation needed now and the Wash Plan has approximately 250 acres which may be available. Mr. Beehler provided a map of the neutral lands. Staff believes there are advantages of having a housing development on the south side of Greenspot Road. It would provide a barrier to the wash and help eliminate illegal dumping and illegal vehicle use. Discussion ensued. The Trust's Board is unanimous in its support to continue exploring these opportunities providing direction to staff to continue to develop community mitigation on behalf of the trust.

8. LAND TRUST ALLIANCE STANDARDS AND PRACTICES

Mr. Cozad directed the Board to Package page 11: Land Trust Alliance Land Trust Standards and Practices. He stated these are the standards of practice of the industry the Board is in. These standards are not being brought to the Board for approval at this time but Staff would like to get an idea of what the Board would like to do as far as embracing these standards, using them as guidelines or applying for certification at some point in the future. We need a

few more years of audits before we will even qualify for certification. Mr. Cozad reviewed the document discussing areas the Trust has already accomplished and areas that may need improved documentation to become certified. Regarding Financial Oversight on package pg. 20, Mr. Cozad stated once we have a full year of financial information, a yearly audit will be required. An independent auditor can be obtained without a significant cost. Also, Directors and Officers Liability insurance may be needed in the future. It is relatively inexpensive. He estimates between \$1,200 and \$1,500. He anticipates sometime in the Spring Staff will bring these expenses to the Board for approval. Mr. Cosgrove added this insurance will be needed for 503C-tax exempt status, grant funding and Board recruitment.

Mr. Cozad continued reviewing of the document. He stated to meet all of the standards, the Trust needs a year or more of development. One area Staff would like to discuss at the next meeting is what will be acceptable to the Trust regarding conservation easement and stewardship. Standard 11 on package pg. 29 provides standard practices. We would like to further develop a document to list the Trust's standards for easements and stewardship. Mr. Cosgrove asked if the Board would like to conform to these standards and get certified or do they just want to use them as a roadmap for organizational structures and goals within those structures and formalize it later on? Vice President Williams stated he wants to be certain we meet all legal aspects. Mr. Cosgrove stated this is more of a best practices manual than a legal requirements manual. The Board agreed the corporation will review and within six months ask professional staff to come back with further ideas of how these best practices standards might helpfully govern future activity. This item was received and filed.

9. ADJOURN MEETING – 2:40 P.M.

Action: Motion was made by Director Longville and seconded by Vice President Williams to adjourn meeting. The next regular scheduled Board of Directors Meeting will tentatively be early December or mid-January at 1630 W. Redlands Blvd., Redlands, CA. The motion carried 3-0 with all Directors present voting in the affirmative.

Ayes: Raley, Williams, Longville

Noes:

Absent:

Abstain:



Daniel B. Cozad
Secretary/CFO