

Originally, the agreement envisioned regular invoicing and 30-day repayment terms. However, as permitting for the Wash Plan became more protracted, staff determined it was more practical for the Trust to hold the funds, given that it could earn higher interest rates than the District. This arrangement, while reflected transparently in financial reports, had not been formalized. In early 2024, the District requested repayment, and the Trust responded by paying \$1.125 million in principal and an additional \$160,466.23 in March to cover the interest the District would have earned on the principal, ensuring the District was made whole. The Trust, by earning higher interest rates, retained an additional \$58,418 in interest, benefiting its financial position. The proposed Interest Sharing Agreement formalizes these past transactions and establishes a mechanism to repeat this process in the future, should a similar need arise.

A motion was made by Director Earsom and seconded by Vice President Corneille to approve and authorize the Board President to execute the Interest Sharing Agreement between the San Bernadino Trust and the San Bernadino Valley Water Conservation District, ratifying and formalizing the entities' prior informal agreement re the forbearance by the District on behalf of the Trust which will permit payment to the District of an equivalent amount of interest the District would otherwise have realized from the average return on District investments over that time period and permit the Trust to retain any interest above this amount, upon mutual agreement by District and Trust. In addition, the Interest Sharing Agreement ratifies prior practice by both the Trust and District consistent with this arrangement. The motion carried 3-0-1 with all Directors present voting in the affirmative.

**President Longville: Yes
Vice President Corneille: Yes
Director Earsom: Yes
Director Kielhold: Absent**

9. ADJOURN MEETING –3:01 pm.

A motion was made by Director Earsom and seconded by Vice President Longville to adjourn the meeting. The motion carried 3-0-1 with all Directors present voting in the affirmative.

**Director Longville: Yes
Director Earson: Yes
Director Corneille: Yes
Director Kielhold: Absent**

The next Conservation Trust Board of Director's meeting will be held on Wednesday, January 15, 2025, at 2:00 pm at 1630 W. Redlands Blvd., Redlands, CA, via teleconference and Zoom.

Milan Mitrovich
Executive Officer/Secretary

