

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

Monday, July 19, 2021 – 1:30 P.M.

In accordance with [Governor Newsom's Executive Order N-25-20 and N-29-20](#), this meeting is being conducted via teleconference/Zoom. Anyone wishing to join the meeting can join via Zoom: **Call in (669) 900-6833, Meeting ID: 974 1628 3904**

To join the Zoom Meeting online: <https://zoom.us/j/97416283904>

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the San Bernardino Valley Water Conservation District office and are available for public review during regular District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request. The San Bernardino Valley Conservation Trust intends to follow California Open Meeting laws and the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the Board meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

CALL TO ORDER

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. APPROVAL OF MINUTES FROM JANUARY 19, 2021.....p. 3

Presenter: Daniel Cozad

Recommendation: Review and approve minutes from January 19, 2021, as presented.

3. DESIGNATE ANNUAL BOARD MEETING DATE

Presenter: Daniel Cozad

Recommendation: Recommend designating October 4, 2021 quarterly Board meeting as Annual Board Meeting to be in compliance with Trust Bylaws.

4. FINANCIAL STATUS UPDATE.....p. 7

Presenter: Daniel Cozad

Recommendation: Review and approve updated 3rd and 4th quarterly financial reports.

5. WASH PLAN IMPLEMENTATION BUDGET FY 21/22.....p. 12

Presenter: Betsy Miller

Recommendation: Receive and discuss FY 21/22 Wash Plan Implementation budget.

6. UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN UPDATE

Presenter: Betsy Miller

Recommendation: Receive update on the USAR HCP.

7. COMMUNITY MITIGATION LAND PROGRAMS

Presenter: Betsy Miller

Recommendation: Receive update on San Bernardino County Transportation Authority and Blossom Trails progress.

8. ADJOURN MEETING

The next regular scheduled Board of Directors Meeting will be on Monday, October 04, 2021 at 1:30 PM, at 1630 W. Redlands Blvd., Redlands, CA. or by teleconference.

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

Tuesday, January 19, 2021 – 1:30 pm

CALL TO ORDER –1:47 p.m. (Via teleconference and Zoom)

ROLL CALL

David E. Raley, SBV Water Conservation District (District)
John Longville, SBV Water Conservation District
Paul Williams, Inland Empire Resource Conservation District (Absent)
T. Milford Harrison, SBV Municipal Water District (Tentative Board Member)

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 OCTOBER 07, 2020

Action: Motion was made by President Raley and seconded by Vice President Longville to approve the meeting minutes from October 07, 2020, as presented. T. Milford Harrison’s qualifications as Director have been recognized pending confirmation by the appointing agency. The motion carried 3-0, with all Board members present voting in the affirmative.

Ayes: Raley, Longville, Harrison

Noes:

Absent: Williams

Abstain:

3. FINANCIAL STATUS UPDATE

Mr. Cozad directed the Board to package pages 8-9. He stated the financial status is as of December 31, 2020. On this date, \$741,560 was held in cash at California Credit Union with \$3.13 million held in investments at US Bank. Accounts receivable are approximately \$8.1 million due from Cemex and Robertson’s related to their mining area. They will likely pay over time unless they decide to permit their mine holdings all at once. Liabilities owed to others include payments owed to the District for issuance/land buy-in costs received from Wash Plan participants. Earned mitigation credits due to the District are for District staff time, consultants, and legal fees incurred related to development interest deposits paid by S-P Deerfield, Highland-Fifth Orange Partners and SB County Transportation Authority. President

Raley inquired as to why the District has not been reimbursed. Mr. Cozad stated the District may request repayment at any time, but interest is earned on District funds that are held by the Trust. It also helps spread the cost of management fees.

Action: Motion was made by Vice President Longville and seconded by Director Harrison to approve the financial status as presented. The motion carried 3-0, with all Board members present voting in the affirmative.

Ayes: Raley, Longville, Harrison

Noes:

Absent: Williams

Abstain:

4. WASH PLAN IMPLEMENTATION UPDATE

Betsy Miller stated under our Incidental Take Permit (ITP) we have a requirement to conduct monitoring for both California gnatcatcher and San Bernardino kangaroo rat (SBKR) this year. Gnatcatcher monitoring is planned and we expect the contract for this work to be completed this month. We are continuing to work with both wildlife agencies, USFW and CDFW, regarding SBKR monitoring, including revising the protocols to be used for Wash Plan implementation. Based on that, we are working to secure appropriate partners in that effort and confirm everyone is comfortable with the direction we are working toward before efforts get underway. Required management actions for 2021 include invasive species management. We have purchased a new gator with a spray attachment, and a new trailer to move it with. This new equipment will allow our field staff to treat invasive species in a much more efficient manner.

IERCD will be supporting some of our management actions as well. We have an existing MOU with IERCD currently and are discussing if we will work under that MOU this year or if another MOU is needed. This will be finalized by month-end. Regarding the BLM land exchange, we expect to see some movement soon. Mr. Cosgrove advised that senior BLM staff are working with their solicitors to 1) clarify exceptions to title and clear those that do not apply and 2) determine the nature of rights-of-way. They need to review and solidify rights-of-way that have been used and exercised over the last hundred years but not necessarily thoroughly documented. Work is still being completed to make sure BLM has everything they need to finalize the exchange. Ms. Miller noted that work to obtain state and waters permits for Wash Plan projects is on-going.

We submitted our application for our California Endangered Species Act (CESA) permits at the end of last year. CDFW has stated they have dedicated staff for at least part of the year to work with us through this process. Project descriptions have been sent out to all Wash Plan participants who need both state and federal waters permits in order for them to confirm, update, or remove their project from the process. Once this list is updated, the permit application process can begin. This item was received and filed.

5. WASH PLAN SUPPORT MOU WITH SB COUNTY FLOOD CONTROL DISTRICT UPDATE

Ms. Miller stated SBCFCD has its own ITP under the Wash Plan, but there is interest to coordinate and support one another during Wash Plan implementation. Mr. Cosgrove has

drafted an agreement to manage conservation easements, funding for conservation activities, and an MOU for the habitat management activities between our two agencies. It will allow the Trust to hold the conservation easements specifically on SBCFCD's lands set aside under their Wash Plan ITP. It also supports integrating our monitoring, land management, and annual reporting as they take place. We should be able to recognize some efficiencies of scale, and it will also support robust data analysis. The agreement allows us to convey the conservation easement, specifies escrow requirements, discusses the review and approval for property title, obligations of the Trust for managing the endowment, invoicing and payment procedures, and an amendment option for non-Wash Plan projects. The District Board reviewed the agreement in December and expects to bring it to the Trust Board at the next meeting. Discussion ensued. This item was received and filed.

6. SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY'S COMMUNITY MITIGATION UPDATE

Ms. Miller advised there is some good news with our coordination with SBCTA. They are purchasing land through our community mitigation program, and they have hired the Trust to support fulfilling the obligations in their state CDFW ITP. We currently have ready for approval our conservation easement, conservation easement transfer agreement, and our endowment agreement. We are waiting on our escrow agreement. We hope to have all these documents together as a package as soon as we have the escrow agreement complete. In parallel, CDFW has to review and approve the exact location of the acreage necessary for this project. We have said we will set aside 4.2 acres "within the lands owned by the District." Since the ITP requires a full biological assessment on this land, which is quite expensive, we are trying to provide only the amount of information CDFW needs to do the assessment at this time. A biological letter report will be used for Blossom Trails, and we will use this as a test run for SBCTA's project. About 44% of the budget for this project has been spent so far, primarily for biological services. Discussion ensued. This item was received and filed.

7. BLOSSOM TRAILS COMMUNITY MITIGATION AGREEMENT UPDATE

Ms. Miller explained, like SBCTA, we are working to define precisely where the acreage is located on the ground for Blossom Trails mitigation. Staff is preparing maps and other items necessary for the process. We have provided comments on two drafts of a biological letter report and hope to get back to the Blossom Trails consultants this week and then to CDFW to get the ball rolling. Mr. Cozad stated one of the elements we are working on from the District's perspective is to help Blossom Trails find a possible way to fund the 20.85 acres they need through Community Facilities District. They are working through the financial proformas. This is new to the District and will be our first test case. They fund development needs, and those values accrue to the development over time. Otherwise, it may be difficult for the developer to support that directly. It would be a note secured by a stream of income from the owners of the homes built there collected on the property tax. This item was received and filed.

8. GRANT OPPORTUNITIES

Ms. Miller stated non-profits have some opportunities for grants that are not available to certain government agencies. Our top priority right now is the first-year Wash Plan roll-out, but we are keeping an eye out for well-fitting grant opportunities. We had one opportunity through the Mt Dew Outdoors program in which we were specifically looking at environmental

education and interpretive opportunities associated with trails in the preserve. Our field supervisor Manuel Colunga assisted in completing the application, but unfortunately, we were not selected. REI and other local stores sometimes provide grant opportunities associated with trails. She requested the Board to advise if they become aware of any opportunities in the future. This item was received and filed.

9. ADJOURN MEETING – 2:23 pm.

Action: A motion was made by Vice President Longville and seconded by President Raley to adjourn the meeting. The next regular Board of Director’s meeting will be held on Monday, April 05, 2021, at 1:30 pm via teleconference and Zoom. The motion carried 2-0, with all Directors present voting in the affirmative.

Ayes: Raley, Longville

Noes:

Absent: Williams, Harrison

Abstain:

Daniel B. Cozad
Secretary/CFO

San Bernardino Valley Conservation Trust

Financial Status as of March 31, 2021

Cash Status-California Credit Union		As of 07/1/20	As of 03/31/21
	7/1/2020 Beginning Balance	709,375.99	
Income:	9/30/2020 Interest Earned (Jul-Sept)		86.28
	12/22/2020 Independent Contribution		25.00
	12/22/2020 Robertson's Issuance Costs/Land Buy-In		159,576.00
	12/22/2020 S-P Deerfield Mitigation deposit		7,764.03
	12/31/2020 Interest Earned (Oct-Dec)		76.91
	1/13/2021 Cemex's Issuance Costs/Land Buy-In		239,364.00
	3/31/2021 Interest Earned (Jan-Mar)		114.17
Expenses:	7/1/2020 SBVWCD Inv 109-Earned Mitigation Credits		(40,236.68)
	8/13/2020 SBVWCD Inv 110-Earned Mitigation Credits		(16,756.03)
	9/30/2020 SBVWCD Inv 111-Earned Mitigation Credits		(75,264.78)
	10/23/2020 RAMS Inv 112-FY 19/20 Audit		(2,000.00)
	11/9/2020 Attorney General's Registry-Trust Registration		(50.00)
	11/24/2020 RAMS Inv 114-FY 19/20 Audit balance		(1,035.00)
	1/25/2021 SBVWCD Inv 142-Earned Mitigation Credits		(17,400.13)
	1/25/2021 SBVWCD Inv 143-Earned Mitigation Credits		(31,041.67)
	2/23/2021 Franchise Tax Board-Form 199 FY 19/20		(20.00)
	2/23/2021 Alliance Member Services-Insurance		(1,351.00)
	BALANCE		931,227.09
Investments-US Bank		As of 07/1/20	As of 03/31/21
	7/1/2020 Beginning Balance	2,647,135.66	
Income:	9/30/2020 Accrued Income, Interest, Dividends (Jul-Sept)		4,998.50
	9/30/2020 Unrealized Gain/Loss (Jul-Sept)		141,479.91
	9/30/2020 Realized Gain/Loss (Jul-Sept)		14,281.04
	12/31/2020 Accrued Income, Interest, Dividends (Oct-Dec)		29,077.04
	12/31/2020 Unrealized Gain/Loss (Oct-Dec)		89,549.69
	12/31/2020 Realized Gain/Loss (Oct-Dec)		211,033.11
	3/31/2021 Accrued Income, Interest, Dividends (Jan-Mar)		3,895.26
	3/31/2021 Unrealized Gain/Loss (Jan-Mar)		93,444.05
	3/31/2021 Realized Gain/Loss (Jan-Mar)		17,295.46
Expenses:	9/30/2020 PFM Advisory & Management Fees (Jul-Sept)		2,237.39
	9/30/2020 US Bank Administrative Trust Fees (Apr-Jun)		875.00
	12/31/2020 PFM Advisory & Management Fees (Oct-Dec)		2,158.61
	12/31/2020 US Bank Administrative Trust Fees (Jul-Sept)		875.00
	3/31/2021 PFM Advisory & Management Fees (Jan-Mar)		2,460.28
	3/31/2021 US Bank Administrative Trust Fees (Oct-Dec)		875.00
	BALANCE		3,242,708.44
Accounts Receivable			
	Cemex/Robertson's-Wash Plan MOU		7,843,563.00
	BALANCE		7,843,563.00
Liabilities			
	Balance at 06/30/20	1,381,882.49	
	Jul-Dec 2020	336,280.47	
	Jan-Mar 2021	131,745.04	
	Due to SBVWCD-Wash Plan (includes \$139,374.06 State Permitting fees)		1,849,908.00
	Due to SBVWCD-Earned Mitigation Credits		22,531.63
	Unearned Mitigation Credit Balance (see back)		210,277.65
	BALANCE		2,082,717.28

San Bernardino Valley Conservation Trust

Mitigation Agreement Balances as of March 31, 2021

Deposit Agreements	Date	Project	Deposits	Staff Time Expenses	Biologist Fees	Legal Fees	Mitigation Credit Balance
1. S-P Deerfield	2/28/2018	Blossom Trails	\$ 26,503.53	\$ 27,953.60	\$ 2,160.00	\$ 1,650.00	\$ (5,260.07)
2. Highland-Fifth Orange Partners	10/17/2018	Woodbridge	\$ 10,000.00	\$ 4,671.92		\$ 400.00	\$ 4,928.08
3. SB County Transportation Authority	3/17/2020	SR 210 Lane Addition	\$ 377,005.03	\$ 39,713.61	\$ 111,077.69	\$ 15,604.09	\$ 210,609.64
Total			\$ 413,508.56	\$ 72,339.13	\$ 111,077.69	\$ 17,254.09	\$ 210,277.65
		Reimbursement Due to SBVWCD		\$ 22,531.63			

San Bernardino Valley Conservation Trust

Financial Status as of June 30, 2021

Cash Status-California Credit Union		As of 07/1/20	As of 06/30/21
	7/1/2020 Beginning Balance	709,375.99	
Revenue:	9/30/2020 Interest Earned (Jul-Sept)		86.28
	12/22/2020 Independent Contribution		25.00
	12/22/2020 Robertson's Issuance Costs/Land Buy-In		159,576.00
	12/22/2020 S-P Deerfield Mitigation deposit		7,764.03
	12/31/2020 Interest Earned (Oct-Dec)		76.91
	1/13/2021 Cemex's Issuance Costs/Land Buy-In		239,364.00
	3/31/2021 Interest Earned (Jan-Mar)		114.17
	6/30/2021 Interest Earned (Apr-Jun)		114.92
Total Revenue:			407,121.31
Expenses:	7/1/2020 SBVWCD Inv 109-Earned Mitigation Credits		(40,236.68)
	8/13/2020 SBVWCD Inv 110-Earned Mitigation Credits		(16,756.03)
	9/30/2020 SBVWCD Inv 111-Earned Mitigation Credits		(75,264.78)
	10/23/2020 RAMS Inv 112-FY 19/20 Audit		(2,000.00)
	11/9/2020 Attorney General's Registry-Trust Registration		(50.00)
	11/24/2020 RAMS Inv 114-FY 19/20 Audit balance		(1,035.00)
	1/25/2021 SBVWCD Inv 142-Earned Mitigation Credits		(17,400.13)
	1/25/2021 SBVWCD Inv 143-Earned Mitigation Credits		(31,041.67)
	2/23/2021 Franchise Tax Board-Form 199 FY 19/20		(20.00)
	2/23/2021 Alliance Member Services-Insurance		(1,351.00)
	4/30/2021 SBVWCD Inv 119-Earned Mitigation Credits		(16,737.77)
	6/30/2021 SBVWCD Inv 120&121-Earned Mitigation Credits		(25,532.43)
Total Expenses:			(227,425.49)
		ENDING BALANCE	889,071.81
Investments-US Bank		As of 07/1/20	As of 03/31/21
	7/1/2020 Beginning Balance	2,647,135.66	
Revenue:	9/30/2020 Accrued Income, Interest, Dividends (Jul-Sept)		4,998.50
	9/30/2020 Unrealized Gain/Loss (Jul-Sept)		141,479.91
	9/30/2020 Realized Gain/Loss (Jul-Sept)		14,281.04
	12/31/2020 Accrued Income, Interest, Dividends (Oct-Dec)		29,077.04
	12/31/2020 Unrealized Gain/Loss (Oct-Dec)		89,549.69
	12/31/2020 Realized Gain/Loss (Oct-Dec)		211,033.11
	3/31/2021 Accrued Income, Interest, Dividends (Jan-Mar)		3,895.26
	3/31/2021 Unrealized Gain/Loss (Jan-Mar)		93,444.05
	3/31/2021 Realized Gain/Loss (Jan-Mar)		17,295.46
	6/30/2021 Accrued Income, Interest, Dividends (Apr-Jun)		11,871.17
	6/30/2021 Unrealized Gain/Loss (Apr-Jun)		180,709.95
	6/30/2021 Realized Gain/Loss (Apr-Jun)		6,660.38
Total Revenue:			804,295.56
Expenses:	9/30/2020 PFM Advisory & Management Fees (Jul-Sept)		(2,237.39)
	9/30/2020 US Bank Administrative Trust Fees (Apr-Jun)		(875.00)
	12/31/2020 PFM Advisory & Management Fees (Oct-Dec)		(2,158.61)
	12/31/2020 US Bank Administrative Trust Fees (Jul-Sept)		(875.00)
	3/31/2021 PFM Advisory & Management Fees (Jan-Mar)		(2,460.28)
	3/31/2021 US Bank Administrative Trust Fees (Oct-Dec)		(875.00)
	6/30/2021 PFM Advisory & Management Fees (Apr-Jun)		(2,562.29)
	6/30/2021 US Bank Administrative Trust Fees (Apr-Jun)		(875.00)
Total Expenses:			(12,918.57)
		ENDING BALANCE	3,438,512.65

San Bernardino Valley Conservation Trust

Financial Status as of June 30, 2021

Accounts Receivable		
Cemex/Robertson's-Wash Plan MOU		7,843,563.00
	BALANCE	7,843,563.00
Liabilities		
Balance at 06/30/20	1,381,882.49	
Jul-Dec 2020	338,685.36	
Jan-Jun 2021	212,566.91	
Due to SBVWCD-Wash Plan (includes \$137,528.36 State Permitting fees)	<u>1,933,134.76</u>	1,933,134.76
Due to SBVWCD-Earned Mitigation Credits		-
Unearned Mitigation Credit Balance (see back)		200,799.14
	BALANCE	2,133,933.90

San Bernardino Valley Conservation Trust

Mitigation Agreement Balances as of June 30, 2021

Deposit Agreements	Date	Project	Deposits	Staff Time Expenses	Biologist Fees	Legal Fees	Mitigation Credit Balance
1. S-P Deerfield	2/28/2018	Blossom Trails	\$ 36,763.59	\$ 29,122.00	\$ 3,131.20	\$ 1,650.00	\$ 2,860.39
2. Highland-Fifth Orange Partners	10/17/2018	Woodbridge	\$ 10,000.00	\$ 4,671.92		\$ 400.00	\$ 4,928.08
3. SB County Transportation Authority	3/17/2020	SR 210 Lane Addition	\$ 377,005.03	\$ 42,689.18	\$ 116,651.09	\$ 24,654.09	\$ 193,010.67
Total			\$ 423,768.62	\$ 76,483.10	\$ 119,782.29	\$ 26,304.09	\$ 200,799.14
		Reimbursement Due to SBVWCD		\$ -			

Wash Plan Year 2 Requirement	Resources	Direct Cost	Admin Cost	Approved FY21 Budget	Projected Annual Costs	Draft FY22 Budget
1) Conserve 200 acres of Jump Start land				\$ 69,500.00	-	\$ 29,500.00
Platt and legal description on portions of APN 029113101, 029114108, and 029707110	Consultant	\$ 10,000.00	\$ 4,500.00			
Title Report	Consultant	\$ 1,000.00	\$ 1,000.00			
Legal review	Legal Counsel	\$ 9,000.00	\$ 2,000.00			
Record Conservation Easement on portions of APN 029113101, 029114108, and 029707110	Staff	\$ 2,000.00	\$ -			
2) Initial clean-up on Jump Start land				\$ 8,000.00	\$ -	\$ 8,000.00
Dump and trash removal on portions of APN 029113101, 029114108, and 029707110	Staff	\$ 8,000.00	\$ -			
3) Invasive grass treatments at spineflower sites				\$ 29,000.00	\$ 30,000.00	\$ 25,000.00
Invasive grass treatment on 20 acres	IERCD	\$ 22,500.00	\$ 2,500.00			
4) Monitor Slender-horned spineflower				\$ -	\$ 4,000.00	\$ 4,000.00
SHSF baseline monitoring - Year 2	Consultant	\$ 3,000.00	\$ 1,000.00			
5) Monitor California gnatcatcher				\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
CAGN baseline monitoring - Year 2	Consultant	\$ 6,500.00	\$ 1,000.00			
6) Monitor San Bernardino kangaroo rat				\$ 28,500.00	\$ 50,000.00	\$ 115,000.00
SBKR baseline monitoring - Year 1	Consultant	\$ 90,000.00	\$ 7,500.00			
Data analysis	Consultant	\$ 15,000.00	\$ 2,500.00			
7) Preserve natural resource management plan				\$ -	\$ -	\$ 34,000.00
Draft natural resource management plan	Staff	\$ 30,000.00	\$ -			
Present to PMC/incorporate comments	Staff	\$ 4,000.00	\$ -			
8) Slender-horned Spineflower Restoration Program				\$ -	\$ -	\$ 94,000.00
Literature review	Consultant	\$ 2,250.00	\$ 500.00			
Comprehensive SHSF survey on Preserve lands	Consultant	\$ 34,750.00	\$ 2,000.00			
Track environmental factors at occupied sites	Consultant	\$ 3,500.00	\$ -			
Pollination study	Consultant	\$ 22,250.00	\$ 500.00			
Seed collection	Consultant	\$ 14,500.00	\$ 500.00			
Germination trials	Consultant	\$ 9,000.00	\$ -			
Seed-bulking	Consultant	\$ 4,250.00	\$ -			
9) Annual report				\$ -	\$ 16,250.00	\$ 16,250.00
Data management and annual reporting	Staff	\$ 16,250.00	\$ -			
10) Vegetation classification				\$ -	\$ -	\$ 30,000.00
Develop Manual of Ca Vegetation classification	Consultant	\$ 25,000.00	\$ 5,000.00			
11) Monitor cactus wren				\$ -	\$ 7,500.00	\$ 15,000.00
Participate in grant-funded TNC project	Staff	\$ -	\$ 15,000.00			
		\$ 332,750.00	\$ 45,500.00			\$ 378,250.00