

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

Wednesday, April 20, 2022 – 2:00 P.M.

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: 883-9949-9337

To join the Zoom Meeting online: <https://us06web.zoom.us/j/88399499337>

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 05, 2022

Presenter: Betsy Miller

Recommendation: Review and approve minutes from January 05, 2022, as presented.

3. FINANCIAL STATUS UPDATE

Presenter: Angie Quiroga

Recommendation: Review and approve quarterly financial report

4. WASH PLAN SBKR MONITORING UPDATE

Presenter: Milan Mitrovich

Recommendation: Receive update on SBKR monitoring.

5. WASH PLAN IMPLEMENTATION CONTRACTS UPDATE

Presenter: Betsy Miller

Recommendation: Receive update on Wash Plan implementation contracts and Trust approval processes.

6. USGS CONTRACT FOR FY 22/23-SBKR MONITORING DATA ANALYSES

Presenter: Betsy Miller

Recommendation: Authorize and direct Betsy Miller to enter into a contract with USGS for SBKR monitoring data analyses upon receipt of an acceptable scope of work and timeline.

7. COMMUNITY MITIGATION UPDATES

Presenter: Betsy Miller

Recommendation: Receive update on Community Mitigation projects

8. COORDINATION WITH THE NATIONAL HABITAT CONSERVATION PLAN COALITION

Presenter: Betsy Miller

Recommendation: Authorize and direct Betsy Miller to enter into an agreement to temporarily accept and hold donations to/for the National Habitat Conservation Planning Coalition.

9. DR HORTON TRESPASS REMEDIATION AND GREENSPOT ROAD LAND OPTIONS

Presenter: Betsy Miller

Recommendation: Receive update on DR Horton trespass remediation and Greenspot Road land options

9. ADJOURN MEETING

The next regular scheduled Board of Directors Meeting will be on Wednesday, July 20, 2022 at 2:00 p.m., at 1630 W. Redlands Blvd., Redlands, CA.

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

Wednesday, January 05, 2022 – 1:30 pm

CALL TO ORDER –1:30 p.m. (Via teleconference and Zoom)

ROLL CALL

David E. Raley, SBV Water Conservation District (District)
John Longville, SBV Water 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, SBV Water Conservation District
Bob Stewart, SBV Water Conservation District
Joanna Gibson, SBV Municipal Water District
Chris Jones, SBV Municipal Water District
Kai Palenscar, SBV Municipal Water District

1. PUBLIC PARTICIPATION -None
2. APPROVAL OF MINUTES FROM OCTOBER 04, 2021

Action: Motion was made by Vice President Longville and seconded by Director Harrison to approve the meeting minutes from October 04, 2021, with correction to page two replacing motion by Director Williams to motion by Director Longville. The motion carried 3-0, with all Board members present voting in the affirmative.

President Raley: Yes
Vice President Longville: Yes
Director Harrison: Yes

3. THANK AND COMMENT ON PAUL WILLIAMS' SERVICE AS A BOARD MEMBER

Daniel Cozad announced that Paul Williams indicated he is withdrawing from his role on the Trust's Board. The District is currently working with IERCD to identify his replacement. IERCD has been a good partner in conservation efforts and with the Trust. Mr. Cozad expressed the Board's appreciation for Mr. Williams' service with the Trust. Mr. Williams provided both his efforts and expertise. The Board wishes to formally acknowledge Mr. Williams' service. Being the Trust's first retiring Board member, the Board directed Staff to

explore acknowledgement options which will become Trust tradition for retiring directors. Discussion ensued as to who would replace Mr. Williams if IERCD doesn't have another candidate. President Raley suggested the Board waits and sees how things develop before bringing on another Board member if IERCD doesn't have a replacement. Mr. Cozad recommended the Board email any suggestions they may come across.

4. FINANCIAL STATUS UPDATE

Angie Quiroga reviewed the financial status report. She advised a few updates were made to the financials as the previous quarter had been estimated due to the timing of the Board meeting. For this quarter, US Bank balance is estimated since the December statement has not yet been released. Expenses included audit fees and work completed against community mitigation deposits. Accounts receivable balance is unchanged. Liabilities include earned mitigation credits due to the District for primarily staff work on community mitigation agreements. President Raley requested District staff time expenses for work done as required by the Wash Plan HCP be listed separately. Mr. Cozad explained there will be both District staff time for the community mitigation agreements and as required to implement the HCP. There are also contracts that are paid through the District for monitoring and maintenance that will be listed. Staff will work to show that breakdown by the next quarterly meeting, if possible.

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

President Raley: Yes
Vice President Longville: Yes
Director Harrison: Yes

5. WASH PLAN YEAR 1 IMPLEMENTATION UPDATE

Betsy Miller provided the Year 1 implementation update stating the required annual monitoring was completed for the slender-horned spineflower. Analysis of existing historic data was conducted which provided information on locations and frequencies of past surveys. There is not enough data to truly understand the trends but the data we have provides a much better understanding of the changes over time of this rare species. Annual monitoring was performed for California gnatcatcher. A minimum of eight nests were detected in the WP preserve which was a big success as initially we were unsure if the gnatcatchers nested in the area. Staff contracted with USGS to develop a protocol, using percent area occupied methodology, for surveying San Bernardino kangaroo rat (SBKR). Compliments to USGS and our consultant Mike Romich for completing the monitoring efforts before the end of the calendar year. USGS is now analyzing the data gained from the twenty-three straight days of surveying. We have executed a contract to develop a vegetation classification and map for the WP preserve along with additional Conservation District-owned property. This contract will be a key aspect of utilizing the results of SBKR monitoring efforts. We have executed a contract with Dudek for a slender-horned spineflower restoration program as required by the Wash Plan. The Kick-off meeting for this project was held in December. The consulting team selected was successful in conducting a similar restoration program for the San Fernando spineflower.

David Cosgrove advised the Board that staff met in the field with the appraisers for their physical inspection of the property in order to certify the appraisal needed for the land exchange. We expect the appraisal to be completed by the end of January. The land values determined by the appraisal will determine the need for use of the equalization parcels and/or an equalization payment as part of the exchange. Director Harrison inquired as to whether the contracts are with the Trust or with the District and if the Trust is part of the vetting process. Mr. Cosgrove explained the contracts go through the District and the Trust reimburses the District for these contracts and for District staff time to serve the Trust. Mr. Cozad added that a budget is set at the beginning of the year for activities needed in accordance with the funds available based on interest earned from the endowment. In most cases, the District does the procurement, negotiates, and awards the contract, and requests reimbursement. Ms. Miller added that the annual WP budget was presented to the Trust and approved. Director Harrison believes the Trust should be made aware of the contracts and amounts prior to obligation for payment. Mr. Cosgrove commented that Director Harrison's point is well made and taken and agreed that at least a notification process before funds are committed should be provided if possible. These are budgeted items, but staff can tie them together better for the Board. This item was received and filed.

6. COMMUNITY MITIGATION UPDATES

Ms. Miller advised there was significant movement last year on one project which was the mitigation sale to SBCTA. In order to move forward with recordation of the conservation easement, staff submitted a detailed list of requirements to CDFW. With the help of Erwin Fogerson, Mr. Cozad and Mr. Cosgrove, we completed the land survey, the phase one environmental assessment, title report and prepared the land easement for submittal to CDFW. We are currently working to respond to some questions from CDFW. Staff does not have additional progress to report on other projects despite efforts to help them move forward. Director Harrison requested some staff time to provide him a little more background on the community mitigation requirements outside of the meeting with no objections by the Board. This item was received and filed.

7. DR HORTON TRESPASS REMEDIATION AND GREENSPOT ROAD LAND OPTIONS

Mr. Cozad reviewed the slides provided in the Board package stating the District has been dealing with an issue that he wanted to bring to the Trust's attention. On Greenspot Road in Highland, there is a water quality pond made to hold runoff from a nearby in-construction land development. District field staff discovered the developer, DR Horton, erroneously graded about 0.3-acre of District property adjacent to this construction area. DR Horton was fairly responsive after the District contacted the City of Highland. An access permit was provided to DR Horton for the area they had illegally trespassed on and they deposited funds for the District to review their plans to restore the land to its original state. Although the graded area did not include significant high-quality habitat, the impacts resulted in removal of the mature landscape as well as large rocks which now allows easy access for vehicles and foot traffic directly onto Wash Plan Preserve lands. Their mitigation plan has taken several months to develop. The District received a draft and expect the final soon which will be forwarded to the resource agencies for review.

The issue for consideration by the Trust is related to DR Horton's proposal to mitigate the habitat issues via the Lytle mitigation bank. It is likely more appropriate to mitigate these

impacts through the Community Mitigation Program, which would result in conservation easements being set aside in the same watershed where the impacts occurred. Once we get a final plan, we will continue discussions about the best path forward.

If mitigated through the CMP, the Trust would hold both the conservation easement and the related endowment funds. Mr. Cozad noted an area depicted in yellow which is the parcel impacted. Discussions with the City of Highland resulted in conversations related to development for housing. This area of land was left out of the preserve configuration because it is frontage to a highly trafficked street and therefore may have more value to the community than to the preserve. Mr. Cozad reviewed challenges and opportunities to future land use alternatives on package page 14, primarily related to possible development of housing. Since the District mission does not include land development, a partnership would be necessary to move forward. Some thought the Trust would be a potential partner for this project and could work to prepare a proposal for the City. The City is looking for development within the area in question and has recently approved high density housing which could result in long-term value to the District and/or Trust. It could also provide access to trail opportunities and associated trailhead parking, as well as a long-term endowment for trails as defined in the WP MOU.

Mr. Cozad asked the Board to consider if the Trust should work to pursue these potential opportunities. Should the Conservation Trust identify potential partners to further develop preliminary plans and concepts, for additional review and analysis? Director Harrison asked for clarification on the parcel and if it would need to be declared as surplus land in order to be able to sell it. Mr. Cosgrove said most likely. One possible alternative would be for the District to transfer some portion of the property to the Trust for some consideration. Possible benefits from development could include avoiding the expense of installing an access barrier along the preserve and utilizing funding or non-monetary resources from DR Horton. The Trust and a selected developer would come to an agreement that the financing aspect is appropriate and development near the adjacent preserve would be conducted in a manner to maintain its integrity. The developer would have to mitigate, although that area is low quality habitat. The District is not statutorily authorized to develop land so we would be dovetailing the interest between the District and the Trust which would in turn could help the City reach their development housing requirements. Staff is looking for a barometric reading from the Board if there is any interest or not because it will take a lot of additional work by staff to ultimately determine if this is an appropriate path forward that provides benefits to the District, Trust, Wash Plan, City, and community. Mr. Cosgrove characterized the District's Board's reaction as skeptical curiosity. Director Harrison inquired about the acreage of the property. Mr. Cozad stated it is about 48 acres, but the development area is expected to be considerably smaller. We would want to use the north half for development and the south half to buffer/expand the WP preserve, which is what the District has recommended to developers along Greenspot Road in the past. This project would attempt to provide an example of environmentally sensitive development that also increases the communities housing opportunities in a financially viable manner. It is an opportunity for us to demonstrate that it can be done. Director Harrison and Vice President Longville both have optimistic curiosity. President Raley agrees but wants to lean on legal counsel to make sure it is legal for the Trust to get involved. Mr. Cosgrove discussed the homework on the legality and viability has not yet been done. Vice President Longville commended Staff for being creative and using a problem to solve other problems which is the way government should work. President Raley stated the Board is interested in having Staff look into this development further. This item was received and filed.

8. ADJOURN MEETING – 2:50 pm.

Action: A motion was made by Vice President Longville and seconded by Director Harrison to adjourn the meeting. The next regular Board of Director’s meeting will be held on Wednesday, April 20, 2022, at 2:00 pm at 1630 W. Redlands Blvd., Redlands, CA or via teleconference and Zoom. The motion carried 3-0 with all Directors present voting in the affirmative.

President Raley: Yes
Vice President Longville: Yes
Director Harrison: Yes

Daniel B. Cozad
Secretary/CFO

San Bernardino Valley Conservation Trust

Financial Status as of March 31, 2022

Cash Status-California Credit Union		As of 07/1/21	As of 03/31/2022
	7/1/2021 Beginning Balance	889,071.81	
Revenue:	7/14/2021 S-P Deerfield Mitigation deposit		10,260.06
	7/14/2021 SBCTA Mitigation deposit		58,250.00
	8/10/2021 CEMEX payment in error		65,511.00
	8/10/2021 Independent Contributions		125.00
	9/30/2021 Interest Earned (Jul-Sept)		121.57
	12/31/2021 Interest Earned (Oct-Dec)		14.43
	3/22/2022 Reimbursement for SI-100 Filing Fee		20.00
	3/31/2022 Interest Earned (Jan-Mar)		-
Total Revenue:			<u>134,302.06</u>
Expenses:	8/13/2021 CEMEX Reimbursement Payment		(65,511.00)
	8/31/2021 RAMS Inv 66672-FY 20/21 Audit Progress payment		(2,250.00)
	9/30/2021 RAMS Inv 66926-FY 20/21 Audit Progress payment		(905.00)
	10/29/2021 SBVWCD-Earned Mitigation Credits thru 09/30/21		(25,986.67)
	11/19/2021 Registry of Charitable Trusts-Annual Fee		(75.00)
	11/30/2021 RAMS Inv 67519-Form 990 filing		(375.00)
	12/15/2021 Secretary of State-SI-100 Filing Fee		(20.00)
	1/26/2022 RAMS Inv 67756		(150.00)
	2/28/2022 SBVWCD-Earned Mitigation Credits thru 12/31/21		(4,025.02)
	3/9/2022 Alliance Member Services-Insurance		(1,351.00)
Total Expenses:			<u>(100,648.69)</u>
		ENDING BALANCE	922,725.18
Investments-US Bank		As of 07/1/21	As of 09/30/21
	7/1/2021 Beginning Balance	3,438,512.65	
Revenue:	9/30/2021 Accrued Income, Interest, Dividends (Jul-Sept)		5,197.31
	9/30/2021 Unrealized Gain/Loss (Jul-Sept)		(52,363.81)
	9/30/2021 Realized Gain/Loss (Jul-Sept)		39,336.35
	12/31/2021 Accrued Income, Interest, Dividends (Oct-Dec)		33,387.99
	12/31/2021 Unrealized Gain/Loss (Oct-Dec)		(117,924.39)
	12/31/2021 Realized Gain/Loss (Oct-Dec)		263,457.12
	3/31/2022 Accrued Income, Interest, Dividends (Jan-Mar)		7,656.04
	3/31/2022 Unrealized Gain/Loss (Jan-Mar)		(237,490.86)
	3/31/2022 Realized Gain/Loss (Jan-Mar)		271.65
Total Revenue:			<u>(58,472.60)</u>
Expenses:	7/31/2021 US Bank Administrative Trust Fees		(875.00)
	7/31/2021 PFM Advisory & Management Fees-May		(932.98)
	9/1/2021 PFM Advisory & Management Fees-June		(920.41)
	9/20/2021 PFM Advisory & Management Fees-July		(949.33)
	10/31/2021 US Bank Administrative Trust Fees		(875.00)
	11/16/2021 PFM Advisory & Management Fees-Aug		(975.79)
	11/29/2021 PFM Advisory & Management Fees-Sept		(849.54)
	12/31/2021 PFM Advisory & Management Fees-Oct		(974.49)
	1/26/2022 US Bank Administrative Trust Fees		(875.00)
	1/31/2022 PFM Advisory & Management Fees-Nov		(897.34)
	2/18/2022 PFM Advisory & Management Fees-Dec		(974.07)
	3/15/2022 PFM Advisory & Management Fees-Jan		(879.47)
Total Expenses:			<u>(10,978.42)</u>
		ESTIMATED ENDING BALANCE	3,369,061.63
Accounts Receivable			
	Cemex/Robertson's-Wash Plan MOU		7,843,563.00
		BALANCE	7,843,563.00
Liabilities			
	Balance at 06/30/21	1,941,550.48	
	Jul-Sept 2021	158,062.33	
	Oct-Dec 2021	98,767.76	
	Jan-Mar 2021	(65,102.52)	
	Due to SBVWCD-Wash Plan (includes \$70,099.25 State Permitting fees)		2,133,278.05
	Due to SBVWCD-Earned Mitigation Credits		688.04
	Unearned Mitigation Credit Balance (see back)		215,166.14
		BALANCE	2,349,132.23

San Bernardino Valley Conservation Trust

Mitigation Agreement Balances as of March 31, 2022

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	\$ 30,778.35	\$ 3,131.20	\$ 1,650.00	\$ 1,204.04
2. Highland-Fifth Orange Partners	10/17/2018	Woodbridge	\$ 10,000.00	\$ 4,737.81	\$ -	\$ 400.00	\$ 4,862.19
3. SB County Transportation Authority	3/17/2020	SR 210 Lane Addition	\$ 435,255.03	\$ 50,144.94	\$144,231.09	\$31,779.09	\$ 209,099.91
Total			\$ 482,018.62	\$ 85,661.10	\$147,362.29	\$33,429.09	\$ 215,166.14
		Reimbursement Due to SBVWCD		\$ 688.04			