

Minutes of a Regular Meeting
of
The Natomas Basin Conservancy

June 7, 2017
Offices of the Natomas Basin Conservancy
2150 River Plaza Drive, Suite 460
Sacramento, CA
4:00 p.m.

**BOARD MEMBERS
PRESENT:**

= attended
 = did not attend

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Jill Leal
- Kevin McRae
- Davin Norene
- Jeff Norton
- John Shirey
- Steven Willey

**STAFF/LEGAL COUNSEL
PRESENT:**

John Roberts, Kim Burns, Valerie Huezo, and Jeremy Lor
Kara Ueda and Laura Fowler, Best Best & Krieger

GUESTS:

City of Sacramento Former Mayor Heather Fargo; City of
Sacramento Councilmember Angelique Ashby; Nick
Avdis, Thomas Law Group; Drew Kusnick, Integral
Communities; Doug Leslie, ICF International; Brian
Halstead, U.S Geological Survey; Jonathan Rose, U.S
Geological Survey; Jim Estep, Estep Environmental
Consulting; Tom Ramos, Ramco Enterprises; John Bolce,
LP Insurance Services; Jude Lamar; Jim Pahl and
unknown others.

TAC:

None

CALL TO ORDER

In the absence of Board Chair Norene, the Board's Vice Chair, Steve Willey, called the Regular Meeting of the Board of Directors to order, noting a quorum was present.

ANNOUNCEMENTS

Roberts announced new City of Sacramento Board appointee, Steve Cohn and Sutter County appointee Jeff Helm. Willey changed the order of the agenda to accommodate guest speakers.

¹ Notice of meeting posted on TNBC website.

IMPLEMENTATION ANNUAL MEETING (Implementation Agreement §5.4)

- A. Meeting notes were included in the June 1, 2016 Board of Directors meeting minutes, previously made available to the Board and approved by the Board.
- B. Discussion of Implementation Annual Report. Concerns, comments, recommendations.
- C. City of Sacramento issues.
- D. County of Sutter issues.
- E. California Department of Fish and Wildlife issues.
- G. Adjourn Implementation Annual Meeting.

No parties were present at the meeting.

Official adjournment of the Implementation Annual meeting.

(Res.17.06.01) On a motion by Christophel and a second by Chilmakuri the Board unanimously voted to adjourn the Implementation Annual meeting at 4:05 p.m.

Board members

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| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> David Christophel | <input type="checkbox"/> Davin Norene |
| <input checked="" type="checkbox"/> Steve Cohn | <input checked="" type="checkbox"/> Jeff Norton |
| <input checked="" type="checkbox"/> Jeff Helm | <input checked="" type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Jill Leal | <input checked="" type="checkbox"/> Steven Willey |

Vote symbols

- = "aye" vote
- = "no" vote
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- ◆ = abstain or recuse

PUBLIC COMMENTS

City Council member Angelique Ashby addressed the Conservancy's Board about the Greenbriar development project.

ACTION-REGULAR SESSION

Willey requested a motion to approve the April 5, 2017 Board of Directors meeting minutes and consent items.

4		<p>Approval of the minutes</p> <p><i>All items listed under the Consent Agenda, including minutes, are considered and acted upon by one motion. Any Board member may request an item be removed for separate consideration.</i></p>	Consent	<p>⊕ The Board Chair will request approval of the minutes of the Board of Directors meeting of April 5, 2017.</p>
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5		Pump and repair maintenance	Consent	⊕ On April 5 th , this Board approved repairs to five Conservancy pumps to improve pumping efficiency. Upon removal of the Natomas Farms pump it was noted that 28 bearings needed to be replaced. The cost for the additional repairs to this pump is \$3,533.38. This item requests ratification of this expenditure.
6		SAFCA Implementation Agreement #8	Consent	⊕ SAFCA would like to add Implementation Agreement #8 to the Master Agreement for a marsh management contract at SAFCA's Natomas Farms, Sharma & AKT marsh complexes. This would obligate the Conservancy to manage SAFCA's managed marsh complexes. The expected start date is September 1, 2017. Substantial adjustments are expected to the Conservancy's budget for this service. Costs are expected to be approximately \$60,000.00 (annual) and revenue is expected to match or exceed this amount.
7		SAFCA Wetlands Monitoring Agreement – Amendment #3	Consent	⊕ SAFCA has requested additional biological monitoring to SAFCA properties. This amendment would increase the SAFCA monitoring budget by \$12,161.00.
8		PG&E ratification	Consent	⊕ After extensive negotiations and discussion with the state and federal Wildlife Agencies, Sutter County and PG&E (and others), the Conservancy agreed on a less-than-50-acre mitigation with PG&E for its high-pressure underground gas pipeline running roughly parallel to the Sacramento-Sutter County line in Sutter County. The project involves 28 acres of mitigation land. PG&E has settled with the federal and state Wildlife Agencies on a one-to-one mitigation ratio rather than a one-half-to-one ratio. The fee paid to the Conservancy was \$1,769,600.00. The deadline for acceptance was Friday, June 2, 2017.

(Res.17.06.02) On a motion by Shirey and a second by Norton, the Board unanimously approved the April 5, 2017 minutes and consent items.

Board members

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| <input checked="" type="checkbox"/> David Christophel | <input type="checkbox"/> Davin Norene |
| <input checked="" type="checkbox"/> Steve Cohn | <input checked="" type="checkbox"/> Jeff Norton |
| <input checked="" type="checkbox"/> Jeff Helm | <input checked="" type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Jill Leal | <input checked="" type="checkbox"/> Steven Willey |

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ACTION

2017 Budget Adjustment. There have been several factors that have caused the Conservancy staff to present a mid-year budget revision for the Board to consider.

When the 2017 Budget was proposed by staff in late 2016, Board and staff shared that there were many variables in the 2017 budget, and should any of these or other events be realized, a mid-year budget revision would be proposed. Since the Conservancy's auditors check year-end financials against budget as a measure of financial discipline and control, it is important to maintain Board oversight of the budget (budget approval and oversight is one of the three primary functions and duties of a Board member).

The key issues necessitating this proposed budget revision include:

- 1.) an expected decrease in revenue from HCP fees from the City of Sacramento,
- 2.) an expected decrease in revenue from HCP fees from the Metro Air Park,
- 3.) an increase in revenue from non-HCP fees for PG&E for a pipeline easement,
- 4.) an expected decrease in revenue from farm rent due to market conditions,
- 5.) an increase in office equipment for cyber security and equipment, and
- 6.) legal expenses in excess of approved budget.

Staff recommended that the 2017 mid-year budget revision be adopted by the Board of Directors.

(Res.17.06.03) On a motion by Shirey and a second by Chilmakuri, the Board unanimously approved the 2017 Budget adjustment.

Board members

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Insurance review. John Bolce from LP Insurance reviewed the Conservancy's recently renewed policies. Conservancy presently holds the following policies; Directors & Officers, non-hired auto, workers' compensation, employee practices liability, general liability, umbrella and flood insurance. Management sought approval of all the policies coverage limits.

(Res.17.06.03) On a motion by Shirey and a second by Cohn, the Board unanimously approved the policies coverage limits.

Board members

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DISCUSSION

Financial statement review. Burns provided financial statements for the period ended April 30, 2017 (unaudited). Additional financial information was provided.

Biological effectiveness monitoring report for 2016. The Conservancy's annual biological monitoring report was presented by the Conservancy's biological monitoring contractor, ICF International. Doug Leslie, along with Brian Halstead, U.S. Geological Survey and Jim Estep, Estep Environmental Consulting, delivered the 2016 report and entertained questions from the Board.

Biological Effectiveness Monitoring Program Document revision. Leslie updated the Board on the progress in completing the Biological Effectiveness Monitoring Program Document. This document is the basis for annual biological effectiveness monitoring work for compliance with the NBHCP and MAPHCP. The work is being done prior to releasing a Request for Proposals to conduct biological monitoring work in future years.

EXECUTIVE DIRECTOR'S REPORT

Various matters for Board members' general information were presented by the Conservancy's Executive Director.

EXECUTIVE SESSION

Executive Session was held for real estate matters.

EXECUTIVE SESSION

Executive Session was held for evaluation of the Executive Director's performance, pursuant to Government Code Section 54957, Employee performance evaluation.

The Board reported that a performance evaluation of the Executive Director was discussed.

The Board reported that various real estate matters were discussed.

ACTION

Amending the Employment Agreement between the Conservancy and its Executive Director. The Conservancy Board authorized the Board Chair, Vice Chair or Secretary to execute and deliver an amendment to the existing employment agreement between the Conservancy and its Executive Director, renewing for a period of three years, beginning at the anniversary date of the employment agreement, March 15, 2017. The Board authorized a cost of living adjustment in the amount of 3.04% for the Executive Director.

The Board is required to determine that changes to a chief executive officer's compensation, including the term of an employment agreement, are "just and reasonable." See excerpt from California Government Code, Section 12586(g):

The board of directors of a charitable corporation or unincorporated association, or an authorized committee of the board, and the trustee or trustees of a charitable trust shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the

officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

This item requests the Board declare that the "just and reasonable" test has been met. This action also determines that the compensation for the Chief Financial Officer, Kimberli Burns, meets the "just and reasonable" test as well.

(Res.17.06.04) On a motion by Shirey and a second by Norton, the Board unanimously approved:

- 1) amending the employment agreement between the Conservancy and its Executive Director extending to March 15, 2020,
- 2) a cost of living adjustment of 3.04% for the Executive Director,
- 3) declaration of "just and reasonable" test has been met for the Executive Director, and
- 4) declaration of "just and reasonable" test has been met for the Chief Financial Officer.

Board members

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ADJOURNMENT

Official adjournment of the meeting.

(Res.17.06.05) On a motion by Chilmakuri and a second by Shirey the Board unanimously voted to adjourn the meeting at 9:45 pm.

Board members

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ATTEST:

Chandra Chilmakuri, Secretary

Date