

**Minutes of a Regular Meeting
of
The Natomas Basin Conservancy**

February 7, 2018

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
 Michael Johnston
 Jill Leal
 Kevin McRae
 Jeff Norton
 John Shirey
 Anthony Van Ruiten

**STAFF/LEGAL COUNSEL
PRESENT:**

John Roberts, Kim Burns, Valerie Huezo, Jennifer Skupic,
Ed Quinn, Best Best & Krieger

GUESTS:

Nick Avdis, Attorney; Phil Burger, T. Rowe Price; Mat
Conant, Sutter County Board of Supervisors; Scott
Mutnick, Sutter County; Cheryle Hodge, City of
Sacramento; Steve Willey; Patricia Willey

TAC:

None

CALL TO ORDER

Christophel called the Regular Meeting of the Board of Directors to order, noting a quorum was present.

ANNOUNCEMENTS

Roberts reminded all Board members to submit their annual FPPC Form 700 as is required by the HCPs. On agenda item "Silva South pump renovation," Roberts corrected a dollar amount from \$41,000.00 to \$ 41,700.00. Roberts also indicated a possible conflict of interest of one or more Board members on agenda item, "Comment on Northern Precinct EIR."

PUBLIC COMMENTS

There were no public comments.

¹ Notice of meeting posted on TNBC website.

CONSENT AGENDA

Christophel requested a motion to approve December 6, 2017 Board of Directors meeting minutes and consent items.

<p>3</p>		<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>	<p>Consent</p>	<p>⊕ The Board Chair will request approval of the minutes and consent items of the Board of Directors meeting of December 6, 2017.</p>
<p>4</p>		<p>Authorization to amend signature cards and related financial institution authorizations</p>	<p>Consent</p>	<p>⊕ Documents necessary for the Conservancy to conduct business with its financial institutions need to be updated from time-to-time, especially when officers are elected. As has been done in prior years, this action authorizes the Conservancy’s Chair, Vice Chair, Treasurer, Secretary and Assistant Secretary to sign signature cards and related authorizing documents for the Conservancy’s Wells Fargo Bank, Wells Fargo Investments, Wells Fargo Advisors, City of Sacramento Treasurer’s Office, U.S. Bank, and T. Rowe Price accounts.</p>
<p>5</p>		<p>Authorization for Farm Air to utilize landing strip on TNBC’s Bianchi West tract</p>	<p>Consent</p>	<p>⊕ The only remaining agricultural aircraft operator in the Natomas Basin is Farm Air Flying Service, Inc. TNBC and its tenants use Farm Air, and without the firm operating in the Basin, costs would likely rise, and delays in planting crops could also result. (Rice is frequently seeded by air.) Farm Air has requested permission to use TNBC’s Bianchi West tract landing strip for use in serving its customers, including TNBC and its tenants.</p> <p>Before acquiring the Bianchi West tract, TNBC completed Phase One and Phase Two environmental testing on the airstrip. This was done in order to ascertain the level, if any, of toxicants in the soil at the landing strip site. (The studies revealed acceptable levels, so TNBC moved forward with its acquisition of the tract.) With this baseline data, TNBC can keep track of the status of soils on and around the runway.</p> <p>Staff requests authorization to enter into an agreement with Farm Air Flying Service, Inc. to allow it to utilize TNBC’s Bianchi West landing strip. The authorization would include the following restrictions, among others:</p> <p>1.) the authorization terminates December 31, 2018,</p>

				<p>2.) only seed and fertilizer are permitted to be used on the landing strip,</p> <p>3.) no pesticides may be used on the strip without the written authorization of TNBC's Executive Director,</p> <p>4.) only in-Basin sites may be served by Farm Air from the landing strip, and</p> <p>5.) a properly executed agreement must be in TNBC's office prior to Farm Air's use of the landing strip, and that the agreement contain TNBC's standard indemnification, hold harmless protections, and that TNBC be named as an additional insured on the relevant Farm Air insurance policy or policies.</p> <p>The Executive Director expects no authorization request for pesticide use on the landing strip. However, there could be special occasions that might warrant such authorization, but only for the use by TNBC or its contractors and tenants.</p>
6		Sharma/ AKT Native grass planting on SAFCA-owned property	Consent	<p>⊕ Due to the previous aggressive soil mining activities during the construction phase of the Natomas Levee Improvement Project, the SAFCA-owned and TNBC-managed Sharma/ AKT property has proven to be far less productive when in agricultural production than in native grass. Converting these properties to native grass will allow for regular and more reliable habitat for HCP Covered Species.</p> <p>Staff recommends the conversion from cropland to native grass on this tract at a cost of \$11,285.00 by contracting with the existing farmer to prep the field for the planting of native grass in the fall and subsequent on-going maintenance. Costs will be billed to the SAFCA account.</p>
7		RD 1000 Security Contract with Brookman Protection Service, Inc.	Consent	<p>⊕ In cooperation with RD1000, NCMWC and the Conservancy, Brookman Protection Services provides Basin-wide security services where the Conservancy contributes \$18,000.00 per year as its share of security costs, payable to RD1000.</p> <p>Staff requests the Board ratify the 2017 charge and approve the 2018 service in the amount of \$18,000.00.</p>

8		SAFCA Agreement to Enter and Construct	Consent	⊕ SAFCA, in partnership with U.S. Army Corps of Engineers, will construct improvements to the levee system surrounding the Basin. Staff requests approval for a right of entry agreement granting a temporary easement in favor of SAFCA for continued work on the Natomas Levee Improvement Project.
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(Res.18.02.01) On a motion by Cohn and a second by Leal, the Board unanimously approved the December 6, 2017 minutes and consent items.

Board members

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input checked="" type="checkbox"/> Jill Leal |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> Steve Cohn | <input type="checkbox"/> Jeff Norton |
| <input checked="" type="checkbox"/> Jeff Helm | <input type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Michael Johnston | <input type="checkbox"/> Anthony Van Ruiten |

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- ◆ = abstain or recuse

ACTION

Park & Water Bond issue and Conservancy participation. This item requested the Board’s authorization to spend up to \$20,000.00 with Michael Arnold and Associates for the purpose of using the proposed SB5 June 2018 referendum (“California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018”) as a vehicle to begin the process of establishing the Conservancy as a “recognized State Conservancy.” If ultimately successful, the designation would make the Conservancy eligible to receive grants from funding authorizations in future bond initiatives.

The Board is asked to authorize staff to move forward with this effort, including with the engagement of Michael Arnold and Associates.

(Res.18.02.02) On a motion by Chilmakuri and a second by Johnston, the Board unanimously approved and authorized the spending of up to \$20,000.00 with Michael Arnold and Associates for the purpose of attempting to use the proposed SB5 June 2018 referendum (“California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018”) for designation actions which would ultimately make the Conservancy eligible for future grants.

Board members

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input checked="" type="checkbox"/> Jill Leal |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Kevin McRae |
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Comment on Northern Precinct EIR. Roberts advised the acting Board Chair that he would like to pull item #10, Comment on Northern Precinct EIR, from the agenda, because more time was needed to evaluate the matter with respect to conflict of interest. The acting Board Chair

concurrent. Legal counsel was asked a procedural matter with respect to pulling the item from agenda. Legal counsel noted that it was not unusual for management or the Board Chair to pull an item from agenda.

Silva South pump renovation. The Board previously authorized \$32,000.00 in the 2018 budget for the re-installation of improvements necessary to activate the Silva South well. Subsequent research has shown the capacity of the well is much greater than believed, and this item requested the budget amount be increased to \$41,707.00 and further, that the well service expenditure of \$41,707.00 be authorized with Odell's Well and Pump Service so that the well can be up and running by the summer.

(Res.18.02.03) On a motion by Chilmakuri and a second by Cohn, the Board unanimously approved the budget increase from \$32,000.00 to \$41,707.00 and for the expenditures of the funds for the Siva South Pump renovation.

Board members

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input checked="" type="checkbox"/> Jill Leal |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> Steve Cohn | <input type="checkbox"/> Jeff Norton |
| <input checked="" type="checkbox"/> Jeff Helm | <input type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Michael Johnston | <input type="checkbox"/> Anthony Van Ruiten |

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DISCUSSION

Financial statement review. Burns provided financial statements for the period ended December 31, 2017 (unaudited). Additional financial information was provided.

Conservancy endowment funds investment manager. The Conservancy's endowment funds are managed by T. Rowe Price. Representative Phil Burger of T. Rowe Price provided the Board with the 2017 annual report on the Conservancy's endowment funds accounts.

Briefing for the Board, Contracting Practices. Skupic briefed the Board on its internal, operations and administrative practices related to contracting.

EXECUTIVE DIRECTOR'S REPORT

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

EXECUTIVE SESSION

No Executive Session was scheduled.

ADJOURNMENT

Official adjournment of the meeting.

(Res.18.02.04) On a motion by Johnston and a second by Chilmakuri the Board unanimously voted to adjourn the meeting at 5:43 pm.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Michael Johnston

- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten

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ATTEST:

Chandra Chilmakuri, Secretary

Date