

Minutes of a Regular Meeting
of
The Natomas Basin Conservancy

March 4, 2015
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

- Kay Backer
- Mike Bradbury (via conference call)
- David Christophel
- William Edgar
- Kevin McRae
- Davin Norene
- Dan Silva
- Danelle Stylos
- Charee Thurman
- Steven Willey

**STAFF/LEGAL COUNSEL
PRESENT:**

Kim Burns, Valerie Huezo, Jennifer Kelley, Jeremy Lor,
John Roberts, Ed Quinn

GUESTS:

Nick Avdis, Attorney; Mark Young, Westervelt Ecological
Services; Scot Mende, City of Sacramento;
Doug Leslie, ICF International; Brian Halstead, U.S.
Geological Survey; Shannon Skalos, U.S. Geological
Survey; Jim Estep, Estep Environmental Consulting

TAC: None

CALL TO ORDER

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

ANNOUNCEMENTS

Stylos announced a reordering of some agenda items.

ACTION-REGULAR SESSION

Approval of minutes and consent items.

The Board Chair requested approval of the February 4, 2015 Board of Directors meeting minutes and consent items.

¹ Notice of meeting posted on TNBC website.

I		Approval of the Minutes	①	⊕ The Board Chair will request approval of the minutes of the Board of Directors meeting of February 4, 2015.
J		Authorization to amend signature cards and related financial institution authorizations	①	⊕ 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 bank 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, American Century Investments, and T. Rowe Price accounts. (Some accounts are effectively closed, but there is often post-close activity that may require officer signature authority.)

(Res.15.03.01) On a motion by Christophel and a second by Silva, the Board unanimously approved the minutes of the February 4, 2015 Board of Directors meeting and the consent items.

Board members

- Kay Backer
- Mike Bradbury
- David Christophel
- William Edgar
- Kevin McRae

- Davin Norene
- Dan Silva
- Danelle Stylos
- Charee Thurman
- Steven Willey

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

ACTION ITEMS

Authorizing payment to the Natomas Central Mutual Water Company for installation of flow meters on selected Conservancy groundwater wells. The Conservancy Board previously requested staff keep options open for possible participation in the ground water exchange program scheduled for summer 2015. In order to preserve this option, flow meters must be installed on participating Conservancy groundwater wells. The meters must be installed pursuant to water agency specifications and preferably should be done prior to April 20, 2015. The Board was asked to authorize the Executive Director to execute and deliver an agreement with the Natomas Central Mutual Water Company in the amount of \$22,286.35 to install flow meters on seven (7) Conservancy groundwater wells so that the wells will be eligible for participation in future groundwater exchange programs and also for better financial controls with the Conservancy.

(Res.15.03.02) On a motion by Willey and a second by Norene, the Board unanimously voted to authorize its Executive Director to execute and deliver the Agreement with the Natomas Central Mutual Water Company in the amount of \$22,286.35 to install flow meters on the seven (7) Conservancy groundwater wells, in order to be eligible to participate in the groundwater exchange program.

Board members

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|---|--|
| <input checked="" type="checkbox"/> Kay Backer | <input checked="" type="checkbox"/> Davin Norene |
| <input checked="" type="checkbox"/> Mike Bradbury | <input checked="" type="checkbox"/> Dan Silva |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Danelle Stylos |
| <input checked="" type="checkbox"/> William Edgar | <input checked="" type="checkbox"/> Charee Thurman |
| <input checked="" type="checkbox"/> Kevin McRae | <input checked="" type="checkbox"/> Steven Willey |

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Agricultural leases. The Conservancy has farming leases with its farm tenants. In recent years, farm income has been the largest source of revenue for the Conservancy. Even in years when HCP fees are paid, farm income is the second largest source of revenue from the Conservancy.

With the help of legal counsel, the leases have recently been standardized, and with minor exception, the leases all conform. This round of farm leases is proposed for acceptance by the Board as to basic terms, conditions and form, and in most cases, for a three-year term.

There are two types of leases, rice and non-rice:

Rice leases. The rice lease proposed calls for a basic cash rent of \$190.00 per acre with a bonus rent payment based on meeting or exceeding certain price and yield thresholds. For example, the average amount paid per acre by Conservancy rice farming tenants in 2014 was \$320.91 and in 2013 was \$286.07, and in 2012, it was \$284.57. The base rent and the bonus rent amounts are identical to those in the Conservancy's 2014 leases.

Non-rice leases. As to the non-rice leases, the terms and conditions are typically the same as the rice leases, except the payments are generally \$100.00 per acre cash rent for alfalfa and \$50.00 per acre for all other non-rice crops.

Certain exceptions are made to farming contracts. For example, inducements are often made to farmers for planting Swainson's Hawk-friendly crops on soils that typically would not support them. Another example is offering only one-year leases for rice fields targeted for being next in line for conversion to managed marsh (one-year layout is required).

No changes are planned in farm tenants engaged for this round of leases. There are presently six (6) farm tenants in number, not including an occasional livestock tenant.

This item requests that the Board authorize the Executive Director to negotiate the final terms on farm leases for 2015, 2016 and 2017, then execute and deliver on farming contracts for the Conservancy farm tenants in a manner that is substantially consistent with the standardized leases presented with this issue and in the agenda.

Christophel motioned, Backer seconded to authorize the Executive Director to execute and deliver a three year farming contract to all the Conservancy farmers. Roll call vote:

Board members

- | | |
|---|--|
| <input checked="" type="checkbox"/> Kay Backer | <input checked="" type="checkbox"/> Davin Norene |
| <input checked="" type="checkbox"/> Mike Bradbury | <input checked="" type="checkbox"/> Dan Silva |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Danelle Stylos |
| <input checked="" type="checkbox"/> William Edgar | <input checked="" type="checkbox"/> Charee Thurman |
| <input checked="" type="checkbox"/> Kevin McRae | <input checked="" type="checkbox"/> Steven Willey |

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Motion did not pass.

(Res.15.03.02) On a motion by Willey, and second by Thurman, the Board voted for the Executive Director to execute and deliver a standardized one-year farming contract to Conservancy tenant farmers.

Board members

<input type="checkbox"/> Kay Backer	<input checked="" type="checkbox"/> Davin Norene
<input checked="" type="checkbox"/> Mike Bradbury	<input checked="" type="checkbox"/> Dan Silva
<input type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Danelle Stylos
<input type="checkbox"/> William Edgar	<input checked="" type="checkbox"/> Charee Thurman
<input checked="" type="checkbox"/> Kevin McRae	<input checked="" type="checkbox"/> Steven Willey

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Renew the land management agreement with land management contractor. The Conservancy has a land management agreement with Sopwith Farms. Land management includes activities like clearing water control structures for beaver damage, invasive and non-native weed control, managing water control structures to maintain water levels at rates ordered by the Conservancy, fence repair, removal of dead animals and certain property security measures among others.

The total costs for land management the past three years appears as follows:

2012 - \$280,393.00
2013 - \$326,960.00
2014 - \$255,333.00

The amount in the 2015 budget for this line item is \$400,000.00.

This item requests that the Board of Directors authorize its Executive Director to execute and deliver an agreement for 2015 and 2016 or otherwise an extension of the existing agreement for a two-year period to include 2015 and 2016 with Sopwith Farms for selected land management work with the monthly compensation at a rate of \$5,000.00 per month and "additional services" billed on a time and materials basis. "Additional services" are those services requested by Conservancy staff, usually for one-time projects. In no case can the monthly amount exceed \$25,000.00 without the written approval of the Conservancy.

(Res.15.03.03) On a motion by Backer and a second by Edgar, the Board unanimously voted to authorize the Executive Director to execute and deliver an agreement with Sopwith Farms extending the existing agreement for a two-year period to include 2015 and 2016.

Board members

<input checked="" type="checkbox"/> Kay Backer	<input checked="" type="checkbox"/> Davin Norene
<input checked="" type="checkbox"/> Mike Bradbury	<input checked="" type="checkbox"/> Dan Silva
<input checked="" type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Danelle Stylos
<input checked="" type="checkbox"/> William Edgar	<input checked="" type="checkbox"/> Charee Thurman
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McRae and Bradbury left at 7:00 pm.

DISCUSSION

City of Sacramento report. Scot Mende with the City of Sacramento presented to the Board the City's report for 2014, outlook for 2015 and certain procedures employed by the City to guide its NBHCP activities, including its grading protocols.

Financial statement review. Burns provided a financial statement update for the period ended January 31, 2015 (unaudited). Additional financial information was provided.

Conservancy biological monitoring report. The Conservancy's annual biological monitoring report was presented by the Conservancy's biological monitoring contractor, ICF International. Presenters were, Doug Leslie of ICF International along with and Brian Halstead of U.S. Geological Survey and Jim Estep of Estep Environmental Consulting.

PUBLIC COMMENTS

There were no public comments heard.

EXECUTIVE SESSION

Executive Session was held for annual performance review is pursuant to Government Code Section 54957, Employee performance evaluation.

McRae left at 6:30 pm

EXECUTIVE DIRECTOR'S REPORT

ADJOURNMENT

Official adjournment of the meeting.

(Res.15.02.05) On a motion by Christophel and a second by Edgar, the Board unanimously voted to adjourn the meeting at 8:45 pm.

Board members

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| <input checked="" type="checkbox"/> Kay Backer | <input checked="" type="checkbox"/> Davin Norene |
| <input type="checkbox"/> Mike Bradbury | <input checked="" type="checkbox"/> Dan Silva |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Danelle Stylos |
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ATTEST:

David Christophel, Secretary

date