

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

June 3, 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
- David Christophel
- William Edgar
- Kevin McRae (left at 5:45 pm)
- Davin Norene
- Dan Silva
- Danelle Stylos
- Charee Thurman
- Steven Willey (left at 5:30 pm)

**STAFF/LEGAL COUNSEL  
PRESENT:**

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

**GUESTS:**

Nick Avdis, Attorney; Tom Ramos, Metro Air Park  
Property Owners Association; Troy Estacio, Buzz Oates  
Enterprises; Cybil Bryant, Buzz Oates Enterprises

**TAC:**

None

**CALL TO ORDER**

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

**ANNOUNCEMENTS**

No announcements were made at this time.

**PUBLIC COMMENTS**

There were no public comments heard.

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<sup>1</sup> Notice of meeting posted on TNBC website.

**IMPLEMENTATION ANNUAL MEETING (Implementation Agreement §5.4)**

- A. Meeting notes were contained in the June 4, 2014 Board of Directors meeting minutes, previously made available to the Board and approved by the Board.
- B. Discussion of Annual Report. Concerns, comments, recommendations.
- C. City of Sacramento issues.
- D. County of Sutter issues.
- E. California Department of Fish and Wildlife issues.
- F. U.S. Fish and Wildlife Service issues.
- G. Adjourn Implementation Annual Meeting.

**ADJOURNMENT OF THE IMPLEMENTATION ANNUAL MEETING**

(Res.15.06.01) On a motion by Willey and a second by Stylos, the Board voted unanimously to adjourn the Implementation Annual Meeting.

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  |


Vote symbols

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

**ACTION-REGULAR SESSION**

Approval of minutes.

The Board Chair requested approval of the April 1, 2015 Board of Directors meeting minutes and consent items.

C		Approval of the minutes	Consent	①	⊕ The Board Chair will request approval of the minutes and consent items of the Board of Directors meeting of April 1, 2015.
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(Res.15.06.02) On a motion by Edgar and a second by Stylos, the Board unanimously approved the minutes of the February 4, 2015 Board of Directors meeting and the consent items.

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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E		Review of Whistleblower Policy	Consent	⊕ At its April 1, 2015 meeting, the Compensation and Governance Committee accepted proposed updates to the Board’s Whistleblower Policy recommended by legal counsel. The Committee recommends that the Board approve and adopt these changes.
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(Res.15.06.03) On a motion by Willey and a second by Backer, the Board unanimously approved and adopted changes made to the Whistleblower Policy.

Board members

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

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

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**ACTION ITEMS**

Request for Proposal for Biological Monitoring Services. This item addresses the required biological monitoring portion of the Conservancy’s budget and program of work.

Staff believes that the best chance for substantive cost reductions would come by doing the following:

1. Extend the biological monitoring agreement with ICF for the 2016 year provided ICF is willing to do the work at a cost not to exceed the costs for 2015,
2. Bring to the Board of Directors a proposal at its August 5, 2015 meeting to engage a third-party contractor to review and amend the Biological Effectiveness Management Plan Document (“BEMP Document”). The purpose of this revision is to make changes with adequate justification to the BEMP Document so that it reduces costs, while also maintaining integrity with previous data collection and compliance with the NBHCP. All annual biological effectiveness monitoring must adhere to this document, and any amendment to the BEMP Document must be approved by the Conservancy’s Board of Directors as well as the state and federal wildlife agencies. In this proposal, the Conservancy staff would recommend an extensive effort be made to restructure the BEMP Document such that substantial cost savings in annual biological monitoring could be realized, and
3. By this time next year, with an amended BEMP Document, staff would propose to the Board that it release an RFP that hopes to yield substantial savings in annual monitoring costs.

(Res.15.06.04) On a motion by Christophel and a second by Willey, the Board unanimously approved the staff recommendation to: 1.) extend the biological monitoring agreement with ICF International for 2016 provided ICF agrees to hold costs to no more than costs under the existing five-year agreement, and 2.) engage ICF to work with Conservancy staff to prepare proposed amendments to the BEMP Program Document so that a planned RFP release for next year can be based upon assumptions that would likely yield lower

proposed costs by respondents to next year's planned RFP release. Both the Board and the Wildlife Agencies must approve any BEMP Program Document before it can be implemented.

Board members

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| <input checked="" type="checkbox"/> Kay Backer        | <input checked="" type="checkbox"/> Davin Norene   |
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Insurance review and acceptance of limits. Nearly all the Conservancy's insurance policies renewed in May. Burns reviewed all the Conservancy's insurance policies and limits with the Board, which include Directors & Officers, non-hired auto, workers' compensation, employee dishonesty, boiler & machinery, general liability, umbrella and flood insurance. Management sought approval of all the policy coverage limits.

(Res.15.06.05) On a motion by Thurman and a second by Bradbury, the Board unanimously approved the insurance coverage limits.

Board members

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|-------------------------------------------------------|----------------------------------------------------|
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## DISCUSSION

City of Sacramento report. There was no report presented.

Financial statement review. Burns provided a financial statement update for the period ended April 30, 2015 (unaudited). Additional financial information was provided.

Statistical Packet. Burns introduced the Board of Directors to a new set of metrics used by staff to track Conservancy conditions. The metrics mostly apply to financial and economic issues.

NCMWC ground water transfer program. Burns updated the Board of Directors on the progress to-date of the groundwater exchange program entered into through the Natomas Central Mutual Water Company.

Mid-year budget correction. Because of a now-expected substantial reduction in water costs attributable to the Natomas Central Mutual Water Company's (NCMWC) participation in a groundwater exchange program, and also because of the Conservancy's participation in the same program, through the NCMWC both expenses and revenue will be substantially impacted in the 2015 budget. Burns briefed the Board on the planned presentation of a mid-year budget correction proposed for the August 5, 2015 Board of Director's meeting.

IRS Form 990. The Board of Directors will have an opportunity to comment on the annual filings with state and federal tax authorities. Form 990 was previously sent to the Board.

Endowment funds analysis. At a Board member's suggestion, Conservancy staff engaged Economic & Planning Systems, Inc. to conduct an analysis of the Conservancy's endowment funds to adequately fund the operations of the Conservancy. The Board requested a revised analysis based on a new set of assumptions advocated by the Board's Finance Committee to be presented to the Board at their August meeting.

Operating cash sufficiency outlook. Many years ago, the Board of Directors requested that the Conservancy staff periodically share with it the internal exercise staff conducted on long-range cash flow analysis, and that one of the runs on the cash flow analysis include a "worst-case scenario." Burns presented this analysis.

SAFCA effort to clarify easements Lucich North, Frazer North. Staff is actively working with the Sacramento Area Flood Control Agency (SAFCA), which is attempting to clarify a complex set of easements on and adjacent to the Conservancy's Lucich North and Frazer North tracts. Staff briefed the Board on the matter and the implications of this activity.

In the interest of full disclosure, Edgar told the Board he serves on the Central Valley Flood Protection Board (Flood Board). If this item returns to the Conservancy Board as an action item, Edgar would rescue himself.

Preview of the new Board agenda page on natomasbasin.org. In an effort to reduce operations costs, and enhance clarity, Conservancy staff has been beta-testing a new agenda presentation format that would reduce costs, reduce the agenda to a single document (instead of two; some Board members preferred the former paper version and some preferred the electronic version), and the single agenda will be available on the Conservancy's web site for both Board members and public alike. Burns briefed the Board on plans to roll out the new agenda starting with the August Board meeting if beta-testing runs smoothly.

Update on property tax research. Burns updated the Board on the progress made in obtaining property tax relief.

## **PUBLIC COMMENTS**

There were no public comments heard.

## **EXECUTIVE SESSION**

The Board reported out that it agreed to accept certain real estate under the "land dedication" process provided all items were resolved to staff and Conservancy legal counsel satisfaction as per the Board's "Land Dedication Checklist."

## **EXECUTIVE DIRECTOR'S REPORT**

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

## **ADJOURNMENT**

Official adjournment of the meeting.

(Res.15.06.06) On a motion by Norene and a second by Edgar, the Board unanimously voted to adjourn the meeting at 7:00 pm.

Board members

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|-------------------------------------------------------|----------------------------------------------------|
| <input checked="" type="checkbox"/> Kay Backer        | <input checked="" type="checkbox"/> Davin Norene   |
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**ATTEST:**

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*David Christophel, Secretary*

\_\_\_\_\_  
*date*