

**Minutes of a Regular Meeting¹
of
The Natomas Basin Conservancy**

March 2, 2016
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
- David Christophel
- William Edgar
- Kevin McRae (arrived at 4:45 pm)
- Davin Norene
- Jeff Norton
- Dan Silva
- Charee Thurman
- Steven Willey

STAFF/LEGAL COUNSEL

PRESENT:

John Roberts, Kim Burns, Valerie Huezo, Jeremy Lor, and Ed Quinn

GUESTS:

Nick Avdis, Attorney; Doug Leslie, ICF International;

TAC:

None

CALL TO ORDER

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

ANNOUNCEMENTS

Norene acknowledged former Board member, Michael Bradbury, and thanked him for his service to the Board. Roberts announced guest speaker: Doug Leslie, ICF International, who will present to the Board.

Request to add item 9a. Authorization to amend signature cards and related financial institution authorizations to the consent agenda.

(Res.16.03.01) On a motion by Edgar and second by Willey, the Board unanimously approved the adding of item 9a. authorization to amend signature cards and related financial institution authorizations to the consent agenda.

¹ Notice of meeting posted on TNBC website.

<u>Board members</u>		<u>Vote symbols</u>
<input checked="" type="checkbox"/> Kay Backer	<input checked="" type="checkbox"/> Davin Norene	<input checked="" type="checkbox"/> = "aye" vote
<input checked="" type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Jeff Norton	<input type="checkbox"/> = "no" vote
<input checked="" type="checkbox"/> William Edgar	<input type="checkbox"/> Dan Silva	<input type="checkbox"/> = not present
<input type="checkbox"/> Kevin McRae	<input type="checkbox"/> Charee Thurman	<input type="checkbox"/> = abstain or recuse
	<input checked="" type="checkbox"/> Steven Willey	

PUBLIC COMMENTS

There were no public comments heard.

ACTION-REGULAR SESSION

Norene requested approval of the February 3, 2016 Board of Directors meeting minutes.

(Res.16.03.02) On a motion by Edgar and a second by Willey, the Board unanimously approved the February 2, 2016 minutes.

<u>Board members</u>		<u>Vote symbols</u>
<input checked="" type="checkbox"/> Kay Backer	<input checked="" type="checkbox"/> Davin Norene	<input checked="" type="checkbox"/> = "aye" vote
<input checked="" type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Jeff Norton	<input type="checkbox"/> = "no" vote
<input checked="" type="checkbox"/> William Edgar	<input type="checkbox"/> Dan Silva	<input type="checkbox"/> = not present
<input type="checkbox"/> Kevin McRae	<input type="checkbox"/> Charee Thurman	<input type="checkbox"/> = abstain or recuse
	<input checked="" type="checkbox"/> Steven Willey	

9a. Authorization to amend signature cards and related financial institution authorizations.

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, PayPal, American Century Investments, U.S. Bank, and T. Rowe Price accounts.

(Res.16.03.03) On a motion by Backer and second by Willey, the Board unanimously approved authorization to amend signature cards and related financial institution authorizations for 2016 slate of officers.

<u>Board members</u>		<u>Vote symbols</u>
<input checked="" type="checkbox"/> Kay Backer	<input checked="" type="checkbox"/> Davin Norene	<input checked="" type="checkbox"/> = "aye" vote
<input checked="" type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Jeff Norton	<input type="checkbox"/> = "no" vote
<input checked="" type="checkbox"/> William Edgar	<input type="checkbox"/> Dan Silva	<input type="checkbox"/> = not present
<input checked="" type="checkbox"/> Kevin McRae	<input type="checkbox"/> Charee Thurman	<input type="checkbox"/> = abstain or recuse
	<input checked="" type="checkbox"/> Steven Willey	

DISCUSSION

Financial statement review. Burns provided a financial statement update for the period ended January 31, 2016 (unaudited). Additional financial information was provided.

Farm leases. Board members have inquired about the Conservancy's rice lease strategies and pricing. Roberts shared this information with the entire Board.

Funding for the Natomas Levee Improvement Program. The Board was advised of the President's budget proposal and funding to continue the Natomas Levee Improvement Project.

Revised Draft Recovery Plan for Giant Garter Snake. Roberts briefed the Board on responses to the call for comments on the Revised Draft Recovery Plan for Giant Garter Snake. Guidance was sought on what further staff effort should be made in this regard.

Conservancy biological monitoring criteria. The Conservancy's annual biological monitoring report will be presented next month by the Conservancy's biological monitoring contractor, ICF International. At this meeting, a related issue was discussed. The issue pertains to how criteria are applied to the biological monitoring effort.

At the June 3, 2015 Board meeting, the Board authorized staff (Resolution #15.06.04) to engage ICF International to re-examine the biological monitoring criteria in preparation for the Conservancy's release of a Request for Proposal (RFP) seeking a biological monitoring contractor for a five-year period.

Doug Leslie with ICF International updated the Board on the progress of this project, and also discussed some of the key elements and decisions necessary in making a final recommendation and report.

Update on 2015 Groundwater Exchange Program groundwater recovery metrics. Board members requested that the Board be kept apprised of groundwater recovery metrics with respect to Conservancy groundwater wells that participated in the 2015 Groundwater Exchange Program. Roberts provided updates on groundwater recovery in the Natomas Basin with specific reference to the 2015 Groundwater Exchange Program and the Conservancy's participating groundwater wells.

Briefing on proposed 2016 Groundwater Exchange Program. The Natomas Central Mutual Water Company (NCMWC) has advised that a potential buyer has surfaced this year for participation in a program consistent with 2015's Groundwater Exchange Program. The initial offer is \$550 per acre-foot. This compared with \$665 per acre-foot that was in the 2015 program.

These are gross numbers, and reductions and deductions bring the net to the Conservancy down. For example, in 2015, the net to the Conservancy was \$432.25 an acre-foot.

Roberts asked for guidance from the Board as to general intent with respect to participation in a 2016 groundwater exchange program so that if and when the NCMWC extends an offer of participation, staff will be prepared to propose the most favorable conditions and terms to the Board for its consideration.

Additionally, the NCMWC Board of Directors will be considering the split between the NCMWC and the groundwater producers. Roberts asked for guidance from the Board as to whether to hold to the established Conservancy position or amend it in this regard as well.

Panhandle development proposal. Roberts briefed the Board on a substantial proposed development that could be significant in the overall operations of the Conservancy. The project, variously called the Krumenacher or Panhandle project, is proposed at 589.4 acre.

Update on State of California Board of Equalization letter regarding assessment methodology and County of Sutter's property tax assessments; County of Sutter Assessor. Burns updated the Board on progress in the matter of the County of Sutter Assessor's compliance with instructions from the State of California Board of Equalization in its letter and action pursuant to that letter and property tax relief for the Conservancy.

Corporate structure and strategic issues. The Board's Compensation and Governance Committee has discussed a number of issues having to do with looking forward as regards the Conservancy's business model, the corporate structure of the Conservancy, the range of business initiatives that could be engaged in given the Conservancy's declared and approved "exempt purpose," and related issues. Roberts shared with the Board thoughts on these matters so that Board and staff can familiarize themselves with various views and strategies, as well as better prepare for the future.

PUBLIC COMMENTS

There were no public comments heard.

EXECUTIVE DIRECTOR'S REPORT

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

McRae left the meeting at 6:40 pm

EXECUTIVE SESSION

Executive Session was held for performance review and evaluation of the Executive Director. Executive Session for the performance review is pursuant to Government Code Section 54957, Employee performance evaluation for 2015.

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

ADJOURNMENT

Official adjournment of the meeting.

(Res.16.03.04) On a motion by Edgar and a second by Backer the Board unanimously voted to adjourn the meeting at 7:15 pm.

Board of Directors Regular Meeting Minutes

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Board members

Kay Backer
 David Christophel
 William Edgar
 Kevin McRae

Davin Norene
 Jeff Norton
 Dan Silva
 Charee Thurman
 Steven Willey

Vote symbols

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ATTEST:

David Christophel, Secretary

date