

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

December 6, 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 (arrived 4:45 pm)
- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten
- Steven Willey

**STAFF/LEGAL COUNSEL**  
**PRESENT:**

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

**GUESTS:**

Nick Avdis, Thomas Law Group; Allison Shaffer,  
Economic & Planning Systems; Cheryle Hodge, City of  
Sacramento

**TAC:**

None

**CALL TO ORDER**

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

**ANNOUNCEMENTS**

Roberts introduced Cheryle Hodge, City of Sacramento, to the Board and reminded the Board of the Holiday Appreciation Reception on December 14, 2017. He noted the reception serves as an opportunity to express appreciation to the many contractors to the Conservancy who help the Conservancy fulfill its mission.

**PUBLIC COMMENTS**

There were no public comments.

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

## CONSENT AGENDA

The Board voted separately on each consent item.

Acceptance of the minutes. The Board reviewed the minutes of the October 4, 2017 meeting. Shirey indicated that it would be helpful if on the two Request for Proposals agenda items that the Conservancy include the total number of firms that were invited to respond along with the actual responses.

(Res.17.12.01) On a motion by Shirey and a second by Christophel, the Board unanimously approved the October 4, 2017 minutes with the above listed change for both RFP items.

Board members

Chandra Chilmakuri  
 David Christophel  
 Steve Cohn  
 Jeff Helm  
 Jill Leal

Kevin McRae  
 Jeff Norton  
 John Shirey  
 Anthony Van Ruiten  
 Steven Willey

Vote symbols

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

Sacramento Tree Foundation Contract. The Sacramento Tree Foundation provides annual tree counting services. The services cost the Conservancy \$15,000 per year as part of a two-year agreement.

This item affirmed payment for the 2016-2017 agreement and authorized payment of the 2018-2019 service agreement with the Sacramento Tree Foundation as the work is performed and invoiced.

(Res.17.12.02) On a motion by Leal and a second by Christophel, the Board unanimously approved the Executive Director to execute and deliver the Sacramento Tree Foundation contract for 2018-2019.

Board members

Chandra Chilmakuri  
 David Christophel  
 Steve Cohn  
 Jeff Helm  
 Jill Leal

Kevin McRae  
 Jeff Norton  
 John Shirey  
 Anthony Van Ruiten  
 Steven Willey

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## ACTION

2018 NBHCP Finance Model and 2018 budget. The proposed 2018 Conservancy budget was presented to the Board for adoption. A draft of the 2018 Conservancy budget had previously been shared with the Board at the October 2017 Board of Directors meetings for review and discussion.

The Conservancy 2018 budget is integrated with the NBHCP Finance Model, so that the document submitted for action is one document. The consolidation of the two documents was introduced in 2007 with the intention of reducing the chance of differing budget numbers and because of the consistency it afforded.

The matter of reserves for property taxes has been a substantial issue for the NBHCP Finance Model calculation over the last several years. This year, the Conservancy made no change in the following assumptions with respect to the Williamson Act's impact on Conservancy-held property:

1. The State of California's Williamson Act subventions to counties remains unfunded or largely unfunded in this and future State budgets.
2. Counties with which the Conservancy has Williamson Act contracts (Sacramento and Sutter) make no additional change to existing contracts.
3. Counties permit no newly-acquired properties to be enrolled in Williamson Act contracts and to enjoy the property tax benefits such participation affords.
4. All new properties acquired by the Conservancy for HCP mitigation purposes enjoy no Williamson Act property tax protection and are assessed at their full value at the time of acquisition.
5. Sutter County's Williamson Act contracts are reduced by 10 percent.

The HCP fee is substantially influenced by land prices. The recommended fee, as proposed by Conservancy staff, is supported by work done by Stephen Harrington, MAI, updated for 2018. Harrington estimates the range for mitigation land acquisition in 2018 is \$17,500 to \$23,500 per acre.

The price estimate for future-acquired mitigation land is based on an assumption contained in the NBHCP Finance Model. The NBHCP requires that the Conservancy purchase mitigation land within 12 months of demand. There are no exceptions or extensions provided for. So, the Conservancy's estimate for mitigation land acquisition costs are based on a "looking forward" methodology, while appraisal valuations are typically based on recent historical valuations.

The 2018 Conservancy Budget and NBHCP Finance Model is now submitted for Board acceptance as is a request to the City of Sacramento to adopt the Finance Model's indicated fee as follows:

- Increasing the NBHCP fee to \$33,091 per developed acre, from \$31,600 in 2017.
- Increasing the NBHCP fee with land dedication to \$21,841, from \$20,350 in 2017.

This item requested:

1. approval of the proposed 2018 Conservancy Budget,
2. acceptance of the 2018 NBHCP Finance Model recalculation, and
3. adoption of a resolution to be submitted to the City of Sacramento requesting the above noted NBHCP fee adjustments (see attached resolution).

This item anticipated that should Sutter County express an interest in initiating its use of the NBHCP's Incidental Take Permit acres, an identical resolution is approved for it as well, changing out only the City of Sacramento references to County of Sutter references.

(Res.17.12.03) On a motion by Cohn and a second by Shirey, the Board unanimously; 1) approved the 2018 Conservancy Budget, 2) accepted the 2018 NBHCP Finance Model recalculation, increasing the NBHCP fee to \$33,091 per developed acre, from \$31,600 in 2017 and increasing the NBHCP fee with land dedication to \$21,841, from \$20,350 in 2017, and 3) adopted a resolution to be submitted to the City of Sacramento requesting the above-noted NBHCP fee adjustments.

Board members

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

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Natomas Central Mutual Water Company Annual Meeting of Shareholders. The annual election of Directors of the Natomas Central Mutual Water Company (NCMWC) takes place on February 13, 2018. This action requested authorization for the Conservancy's Executive Director to vote the Conservancy's shares in the Conservancy's interest after consultation with the Conservancy's Board Chair.

(Res.17.12.04) On a motion by Shirey and a second by Christophel, the Board unanimously approved the Executive Director to cast the Conservancy's vote in the 2018 NCMWC election of Directors in the Conservancy's interest after consultation with the Board Chair.

Board members

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

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Helm joined the meeting at 4:45 pm

**DISCUSSION**

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

**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.

Nothing was reported out of Executive Session.

**ADJOURNMENT**

Official adjournment of the meeting.

(Res.17.12.05) On a motion by Shirey and a second by Cohn the Board unanimously voted to adjourn the meeting at 5:05 pm.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Jill Leal

- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten
- Steven Willey

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**ATTEST:**

\_\_\_\_\_  
*Chandra Chilmakuri, Secretary*

\_\_\_\_\_  
*Date*