

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

October 4, 2017

8701 E. Levee Road
Elverta, CA 95626
4:00 p.m.

**BOARD MEMBERS
PRESENT:**

= attended
 = did not attend

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm (arrived 4:20 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
and Jeremy Lor, Ed Quinn, Best Best & Krieger

GUESTS:

Nick Avdis, Thomas Law Group; Doug Leslie, ICF
International

TAC:

None

CALL TO ORDER

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

ANNOUNCEMENTS

There were no announcements made.

PUBLIC COMMENTS

There were no public comments.

¹ Notice of meeting posted on TNBC website.

CONSENT AGENDA

Several requests were made to pull items off the consent agenda, so the Chair took each consent agenda item separately.

Acceptance of the minutes. The Board reviewed the minutes of the August 2, 2017 meeting.

(Res.17.10.01) On a motion by Cohn and a second by Shirey, the Board unanimously approved the August 2, 2017 minutes.

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

Charters and policies review and update. The Compensation and Governance Committee reviewed the following charters and policy documents:

- Audit Committee Charter
- Finance Committee Charter
- Travel and Other Reimbursement Policy
- Internal Financial Controls Policy
- Employee Handbook

The committee recommended the Board approve these minor updates and improvements to the above listed charters and policies.

(Res.17.10.02) On a motion by Christophel and a second by Chilmakuri, the Board unanimously approved the updates to the above listed charters and policies.

Board members

Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Jeff Helm
 Jill Leal

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 Jeff Norton
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Health Premium Reimbursement Plan. An employee can save the Conservancy many thousands of dollars each year by leaving the Conservancy's group health insurance plan. In order to facilitate this, legal counsel has advised that an Affordable Care Act (ACA) – Compatible Health Premium Reimbursement Plan (also known as a Health Reimbursement Arrangement or HRA) must be adopted.

There is no on-going cost to the Conservancy in maintaining such a program. Its intention is to conform with the ACA where health insurance premiums are reimbursed to an employee at a savings to the Conservancy. There is no new or additional benefit to the employee other than, along with the Conservancy, being in compliance with the ACA.

The Compensation & Governance Committee reviewed and recommended the Board authorize adoption of proposed Health Premium Reimbursement Plan.

(Res.17.10.03) On a motion by Shirey and a second by Leal, the Board unanimously approved the authorization and adoption of proposed Health Premium Reimbursement Plan.

Board members

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

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Determination of "just and reasonable" for the CFO. At the request of the Executive Director, the Board of Directors is asked to make a "just and reasonable" declaration of a one-time compensation incentive of \$5,000.00 for Conservancy CFO Kim Burns.

(Res.17.10.04) On a motion by Leal and a second by Christophel, the Board unanimously approved the authorization of a one-time compensation incentive of \$5,000 for Conservancy CFO Kim Burns.

Board members

- | | |
|--|--|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input checked="" type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> David Christophel | <input type="checkbox"/> Jeff Norton |
| <input checked="" type="checkbox"/> Steve Cohn | <input checked="" type="checkbox"/> John Shirey |
| <input type="checkbox"/> Jeff Helm | <input checked="" 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 4:20 pm

Board assessment and self-evaluation. Former Compensation & Governance Committee Chair Kay Backer worked extensively on a Board assessment and self-evaluation to be used periodically so that the Board employs good corporate governance practices. The Compensation & Governance Committee reviewed the evaluation form and recommended Board approval.

As a whole, the Board agreed that conducting a periodic Board evaluation was a good governance practice but sent it back to the committee for further refinement.

(Res.17.10.05) On a motion by Shirey and a second by Leal, the Board unanimously approved direction to staff to further refine the draft Board assessment & self-evaluation form and re-submit it to the Compensation & Governance Committee for review and recommendation.

Board members

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

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4:29 pm Christophel recused himself before the next agenda item.

RD 1000 Election ballots. From time to time, Reclamation District 1000 (RD 1000) holds an election for directors. As has been the Conservancy Board’s practice, this item authorizes the Executive Director, after consultation with the Board Chair, to cast ballots for RD 1000 Board of Directors election and do so in what he believes is in the Conservancy’s interest.

(Res.17.10.06) On a motion by Shirey and a second by Chilmakuri, the Board unanimously approved for the Executive Director to cast ballots for RD 1000 Board of Directors election.

Board members

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

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- Jeff Norton
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Christophel returned to meeting.

SAFCA Implementation Agreement #8 – management of SAFCA’s Natomas Farms, Sharma & AKT marsh complex. This item was previously approved by the Board of Directors at the June 7, 2017 meeting and is being presented as a ratification item. After Board approval, but prior to signing, SAFCA delivered a different version of the agreement which included reimbursement for expenses such as SMUD and NCMWC water delivery charges in addition to the Land Management contract funding with HRS. The original agreement amount was \$100,450 and the revised funding amount is \$199,859, which covers all SAFCA expenditures related to this agreement with no out-of-pocket costs to the Conservancy. Staff recommends ratification of this item to further efforts with SAFCA.

(Res.17.10.07) On a motion by Shirey and a second by Chilmakuri, the Board unanimously approved the SAFCA Implementation Agreement #8 – management of SAFCA’s Natomas Farms, Sharma & AKT marsh complex ratification of this Agreement.

Board members

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ACTION

RFP – Biological Effectiveness Monitoring acceptance. Current biological effectiveness monitoring activities conclude on December 31, 2017. ICF International delivers its final report for the 2017 calendar year on April 1, 2018. With Board approval, Conservancy staff circulated a Request for Proposals (“RFP”) to conduct biological monitoring for a three-year period with two one-year options to renew. A total of 12 firms were invited to respond. Two responses were received. Skupic presented the responses of the two firms and recommended ICF International for the Board’s consideration.

This item requested the Board’s approval for the Executive Director to execute and deliver an agreement with ICF International for Biological Effectiveness Monitoring covering a three-year period with two one-year extensions.

(Res.17.10.08) On a motion by Christophel and a second by Shirey, the Board unanimously approved the Executive Director to execute and deliver an agreement with ICF International for biological effectiveness monitoring for a three-year period and two one-year extensions.

Board members

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RFP – Land Management and Maintenance acceptance. December 31, 2017 marks the end of the existing land management and maintenance contract between the Conservancy and Sopwith Farms. With Board approval, Conservancy staff circulated a Request for Proposals ("RFP") for land management and maintenance work for a three-year period with two one-year options to renew. A total of 11 firms were invited to respond, including those recommended by Board members. Two responded. Skupic presented the responses of the two firms and recommended Sopwith Farms for the Board's consideration.

This item requested the Board's approval for the Executive Director to execute and deliver an agreement with Sopwith Farms for a three-year period with two one-year extensions plus a 10% contingency.

(Res.17.10.09) On a motion by Christophel and a second by Chilmakuri, the Board unanimously approved the Executive Director to execute and deliver an agreement with Sopwith Farms for land management and maintenance for a three-year period and two one-year extensions plus a 10% contingency.

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DISCUSSION

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

Draft 2018 Budget. Burns discussed with the Board the Draft 2018 Budget. The submitted draft was for familiarization and review by the Board. The final 2018 Budget will be included with the NBHCP Finance Model update and presented to the Board at its December 6, 2017 regular meeting.

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.

EXECUTIVE SESSION

Executive Session was held for Executive Director performance evaluation.

Nothing was reported out of Executive Session.

ADJOURNMENT

Official adjournment of the meeting.

(Res.17.10.10) On a motion by Christophel and a second by Leal the Board unanimously voted to adjourn the meeting at 7:20 pm.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
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ATTEST:

Chandra Chilmakuri, Secretary

Date