

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

April 6, 2022

Offices of the Natomas Basin Conservancy
(Meeting held via Zoom)

5:30 p.m.

Notice of meeting posted on Conservancy website.

Call to Order

Shirey called the regular meeting to order at 6:06 p.m., noting a quorum was present.

Board Members Present: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, Chair, and Gabrielle Stadem.

Board Members Absent: Steve Cohn and Chris Norem.

Staff Present: John Roberts, Kim Burns, Jennifer Skupic, Yvonne Melkonian and Spencer Rees, IT consultant.

Legal Counsel Present: Ethan Walsh and Laura Fowler.

Executive Session

Executive Session was held from 4:03 p.m. to 5:55 p.m. Following adjournment of the Executive Session, the Board reconvened into Regular Session.

Public Comments

Shirey called for public comments. None were heard.

Action items

Approval of minutes and Consent items. The minutes of the February 2, 2022, Board of Directors regular meeting were presented to the Board.

Request: Approval of the minutes of the February 2, 2022, Board of Directors regular meeting.

Action: Moved/Seconded: Chilmakuri/Christophel

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem.

Passed: Resolution No. RS 22.04.01.

Emergency well repair contingency. Given the severe drought, Conservancy management wanted to be prepared for possible well repair expense. Staff requested authorization from the Board for up to \$50,000 in groundwater well/pump repairs.

Request: Approval of up to \$50,000 in emergency groundwater well/pump repairs.

Action: Moved/Seconded: Johnston/Chilmakuri

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem.

Passed: Resolution No. RS 22.04.02.

Elverta tract incorporation into mitigation properties. With the acquisition of Elverta tract in 2021, this presents the Conservancy with an option to create an additional access point to the BKS tract. Management proposed, 1.) enhancing the road along the Elverta tract's eastern boundary, and 2.) enhance the water conveyance along the eastern boundary using Restoration and Enhancement Funds.

Request: Approval of the following: authorize the Executive Director or Chief Financial Officer to execute and deliver contracts and/or agreements that facilitate design, permitting, and engineering drawings on the proposed project, and then preparation of a bidding package for construction and construction management, up to \$30,000.

Action: Moved/Seconded: Johnston/Stadem

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.04.03.

Proposed changes to the Employee Handbook. The vacation policy in the Conservancy's Employee Handbook allows employees to accrue up to 170 hours of vacation leave. The change proposed and presented to the Board was a tiered system whereby employees with one through five years of service may accrue up to 170 hours of vacation time (therefore, no change at this level), employees with six through 15 years of service may accrue up to 225 hours of vacation time, and employees with 16 or more years of service may accrue up to 300 hours of vacation time.

The Compensation and Governance Committee previously reviewed the proposal and recommended Board approval.

Request: Approval of updated vacation leave policy as follows: employees with one through five years of service may accrue up to 170 hours of vacation time (therefore, no change at this level), employees with six through 15 years of service may accrue up to 225 hours of vacation time, and employees with 16 or more years of service may accrue up to 300 hours of vacation time.

Action: Moved/Seconded: Chilmakuri/Bradbury

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.04.04.

Accept the Conservancy's December 31, 2021 audited financial statements. The Audit Committee reviewed the audit report of the December 31, 2021, financial statements with the Conservancy's auditor, Gilbert & Associates (Gilbert). Gilbert issued a clean opinion on the Conservancy's 2021 financial statements. The Audit Committee presented its report to the Board of Directors.

Request: Acceptance of the Conservancy's December 31, 2021 audited financial statements.

Action: Moved/Seconded: Christophel/Johnston

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.04.05.

Amending the Employment Agreement between the Conservancy and its Executive Director and Executive Director Compensation. The Compensation and Governance Committee met to review the Executive Director's performance evaluation with the Board and recommended the following with regards the Executive Director's Employment Agreement and compensation for 2022:

- An update to the Employment Agreement would be effective January 1, 2022, with a term through March 15, 2025.
- The vacation leave cap would be 800 hours, including allowing for accrual of hours that would have been lost due to the cap in place during 2021.
- A three percent merit increase in compensation would be made effective March 15, 2022.
- The mandatory Cost of Living Adjustment ("COLA") clause would be eliminated.

Request: Approval of the above-mentioned changes to the Executive Director's Employment Agreement and compensation for 2022.

Action: Moved/Seconded: Chilmakuri/Johnston

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.04.06.

"Just and reasonable" determination for the Executive Director and Chief Financial Officer. The Board is required to determine that changes to a chief executive officer's and chief financial officer's compensation, including the terms of an employment agreement, are "just and reasonable." See excerpt from California Government Code, Section 12586(g):

The board of directors of a charitable corporation or unincorporated association, or an authorized committee of the board, and the trustee or trustees of a charitable trust shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.

The Conservancy's Compensation and Governance Committee believes this standard has been met and recommends the Board make a declaration that the "just and reasonable" test has been met for the Executive Director and Chief Financial Officer.

Request: Board declaration that the “just and reasonable” test has been met for the Executive Director and Chief Financial Officer.

Action: Moved/Seconded: Chilmakuri/Johnston

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.04.07.

Discussion

City of Sacramento report. Cheryle Hodge with the City of Sacramento reported on the City of Sacramento general plan process.

County of Sutter Report. Steve Geiger reported on County of Sutter activities.

Financial statement review. Burns presented the draft unaudited February 28, 2022, financial statements.

Review 2021 IRS Form 990. The Board had an opportunity to review and comment on the Conservancy’s IRS Form 990.

Water outlook for 2022. Brett Gray, General Manager of the Natomas Central Mutual Water Company, discussed with the Board the severe drought likely to impact the Natomas Basin in 2022.

Executive Director’s Report. Roberts reviewed the Executive Director’s Report with the Board.

Adjournment

Request: Meeting adjournment at 7:13 p.m.

Action: Moved/Seconded: Christophel/Johnston

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Michael Johnston, John Shirey, and Gabrielle Stadem.

Passed: Resolution No. RS 22.04.08

Attest:

Chandra Chilmakuri, Secretary

Date