

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

June 1, 2022

Offices of the Natomas Basin Conservancy
(Meeting held via in-person and virtually)

5:00 p.m.

Notice of meeting posted on Conservancy website.

Call to Order

Shirey called the regular meeting to order at 5:00 p.m., noting a quorum was present.

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

Board Members Absent: Melinda Bradbury and Chris Norem.

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

Legal Counsel Present: Ethan Walsh.

Executive Session

Executive Session was held from 4:03 p.m. to 4:50 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 April 6, 2022, Board of Directors regular meeting were presented to the Board.

Request: Approval of the minutes of the April 6, 2022, Board of Directors regular meeting.

Action: Moved/Seconded: Cohn/ Johnston

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.01.

Conservancy Investment Policies. At its recent meeting, the Conservancy's Finance Committee reviewed the Conservancy's investment policies. This includes the Corporate Funds Investment Policy, and the Endowment Operations and Maintenance Fund and Supplemental Endowment Fund Investment Policy. Both policies were last reviewed in 2019.

The Committee proposed with a few minor changes to both policies. The

Committee recommended the Board approve the changes to the proposed.

The Corporate Funds Investment Policy was also reviewed. The Finance Committee recommended no changes to it. It was presented to the Board for receive, review and file.

Request: Approval of the proposed changes to the Endowment Operations and Maintenance Fund and Supplemental Endowment Fund Investment Policy and receive, review, and file the Corporate Funds Investment Policy.

Action: Moved/Seconded: Stadem/ Johnston

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS22.06.02.

Conservancy Finance Committee Charter. At its recent meeting, the Conservancy's Finance Committee reviewed the Conservancy's Finance Committee Charter. The charter was last reviewed in 2019.

Request: The Finance Committee recommended no changes. It was presented to the Board for receive review and file.

Action: Moved/Seconded: no action

Approval of employment agreement for Executive Director. The Board reported out from Executive Session regarding the approval of the employment agreement for the Executive Director.

Request: Approval of the employment agreement for the Executive Director with minor change defining "gross mismanagement."

Action: Moved/Seconded: Chilmakuri/Cohn

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.03.

Loan repayment proposal. For the past few years, the Conservancy has been in a land acquisition mode. As such, it has used borrowed funds to purchase some of its land acquisitions. As a result, the Conservancy has two inter-fund loans:

1. an inter-fund loan from the Conservancy's Supplemental Endowment Fund to the Land Acquisition Fund (2020) with a balance of \$1,400,000; and
2. an inter-fund loan from the Conservancy's Supplemental Endowment Fund to the Land Acquisition Fund (2022) with a balance of \$3,013,075.

The Finance Committee reviewed this proposal and recommended the Board to approve the loan repayment practice where inter-fund loans are repaid with future incoming mitigation fees until the two inter-fund loans are fully repaid. Funds coming into the Land Acquisition will be transferred to the Supplemental Endowment Fund.

Request: Board approval of the above-mentioned loans repayment proposal terms.

Action: Moved/Seconded: Stadem/Johnston

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.04.

Emergency well repair contingency. At the April 6, 2022 meeting, the Board of Directors approved an emergency well repair contingency of \$50,000. Since that meeting, a Conservancy well pump has suffered issues resulting in a decreased ability to draw water. This item requested the Board authorize replenishing the \$50,000 for emergency repairs on Conservancy groundwater wells should it be needed. The well in need of repairs will total \$27,534. This authorization expires at the August 3 Board meeting, at which time it may be renewed or canceled by Board of Directors action.

Request: Board authorization to return the Emergency Well Repair Contingency to \$50,000.

Action: Moved/Seconded: Johnston/Christophel

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.05.

Ratification for Natomas Central Mutual Water Company to place the groundwater well on Bolen South tract. This item requested that the Board authorize the Executive Director or Chief Financial Officer to execute and deliver all necessary documents and agreements to engage the NCMWC to install and use a groundwater monitoring well on the Conservancy's Bolen South tract for the purpose of measuring groundwater levels. This is in an area where the Conservancy has multiple groundwater wells. State water authorities now require more sophisticated groundwater monitoring information. Also, groundwater monitoring wells must be provided at a rate of one per three groundwater production wells. There is no outlay of money by the Conservancy in this matter.

Request: Authorization for the Executive Director or Chief Financial Officer to execute and deliver all necessary documents and agreements to engage the NCMWC to install and use a groundwater monitoring well on the Conservancy's Bolen South tract.

Action: Moved/Seconded: Johnston/Cohn

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.06.

Biological effectiveness monitoring- contract extension. Background: Biological Effectiveness Monitoring is required in the HCPs. Four years ago, the Board of Directors initiated a request for proposal (RFP) process to obtain information and pricing about qualified biological monitoring contractors to ensure the Conservancy remains in compliance with the HCP requirements.

Proposal: To successfully achieve a reduction in the level of monitoring required under the HCPs with the approval of the federal and state Wildlife Agencies, changes to the Biological Effectiveness Monitoring Program document must be based on good science and supported by the data and information collected to date under the monitoring program.

Conservancy management believes that given this opportunity to lower costs and yet still retain the confidence of the federal and State Wildlife Agencies (by demonstrating continuing compliance with the Biological Opinion, the NBHCP, and other relevant documents that support the HCPs), the biological monitoring contract between the Conservancy and ICF International should be extended for a period of two years.

Request: Conservancy management requested the Board of Directors approve:

1. offering to ICF International a two-year extension on its current five-year biological effectiveness monitoring contract,
2. requesting ICF International assist the Conservancy in revising the BEMP document in a way that achieves cost reductions while maintaining compliance with the HCPs and the documents,
3. that the costs contained in the existing biological monitoring contract between the Conservancy and ICF International not be increased by ICF International (allowing, however, for the per-acre additional costs provided for in the agreement for additional mitigation lands added to the biological monitoring by the Conservancy), and
4. the Conservancy's Executive Director or Chief Financial Officer be authorized to execute and deliver the two-year extension if approved by the Board of Directors and ICF International.

Action: Moved/Seconded: Johnston/ Christophel

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.07.

SSMP documents for AKT, Elverta, Lauppe North. Site-Specific Management Plans (SSMPs) are required on all Conservancy properties. All SSMPs must receive approval from the NBHCP Technical Advisory Committee or in writing from the State and federal Wildlife Agencies.

Request: Board authorization in the amount of \$59,984 for the preparation of SSMPs for the Conservancy's AKT, Elverta, and Lauppe North properties, the Conservancy's newest acquisitions. Also, Board authorization for the Conservancy's Executive Director or Chief Financial Officer to execute and deliver contracts that engage consulting services to conduct the mapping, engineering, design, biological compliance work and overall preparation of the above-referenced SSMPs.

Action: Moved/Seconded: Chilmakuri/Cohn

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.08.

Approval of Insurance Renewals. John Bolce and Amy Callahan with LP Insurance reviewed with the Board the Conservancy's soon-to-renew insurance policies. The Conservancy presently holds the following policies: Directors and Officers, employee practices liability, crime, pollution, workers' compensation, flood, cyber, umbrella, package policy includes general liability, property, auto, and inland marine. The Conservancy's Finance Committee reviewed and recommended the Board approve the above-listed insurance policies and their coverage limits.

Request: Approval of each above-mentioned insurance policies and their coverage limits, as presented to the Board.

Action: Moved/Seconded: Stadem/Cohn

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem

Passed: Resolution No. RS 22.06.09.

Discussion

City of Sacramento Report. Cheryle Hodge with the City of Sacramento reported on the City of Sacramento general plan process and HCP-related activities.

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

Financial Statement Review. Burns presented the unaudited April 6, 2022, financial statements.

ICF International Biological Effectiveness Monitoring Report. Douglas Leslie and the biological monitoring team presented their Biological Monitoring Report.

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

Adjournment

Request: Meeting adjournment at 7:36 p.m.

Action: Moved/Seconded: Cohn/Christophel

Yes: Chandra Chilmakuri, David Christophel, Steve Cohn, Michael Johnston, John Shirey, and Gabrielle Stadem.

Passed: Resolution No. RS 22.06.10.

Attest:

Chandra Chilmakuri, Secretary

Date