

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

April 5, 2023

Offices of the Natomas Basin Conservancy
(Meeting held in person)

5:00 p.m.

Notice of meeting posted on Conservancy website.

1. Executive Session: The Board of Directors Executive Session was held from 4:01 p.m. to 4:48 p.m.

2. Call to Order. Chilmakuri called the regular meeting to order at 5:02 p.m., noting a quorum was present. Announcements: 1.) Chilmakuri announced a change in the agenda, moving Item #13, Biological Effectiveness Monitoring Report for 2022 to immediately after Item #4, Managed Marsh Construction Planning. 2.) Roberts introduced Doug Libby as a new member of the Board of Directors representing Sutter County.

Board Members Present: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Board Members Absent: Gabrielle Stadem and Chris Norem.

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

Legal Counsel Present: Ethan Walsh.

3. Public Comments. Chilmakuri called for public comments. None were heard.

4. CONSENT ITEM: Approval of the Minutes. Chilmakuri called for approval of the revised December 7, 2022, Board of Directors Regular Session minutes and February 1, 2023, Board of Directors Regular Session minutes.

5. CONSENT ITEM: Managed Marsh Construction Planning. This item proposed to enter into a Service Agreement with Westervelt Ecological Services for the concept and design element of the Bennett North/Nestor, Frazer South, and Elverta marsh development projects. The Board-approved 2023 budget includes \$200,000 for restoration and enhancement expenditures related to permitting and planning activities for projects scheduled in 2024. This item requested Board authorization of \$100,000 of the budgeted \$200,000 to engage landscape architects, surveyors, and engineers to prepare documentation for these 2024 construction projects.

Request: Approval of Consent Items 4 and 5 listed above.

Action: Moved/Seconded: Johnston/Cohn.

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.01.

6. ACTION ITEM: Conservancy Documentation required for Simplified Employee Pension-Individual Retirement Account (SEP-IRA). The Conservancy maintains a Simplified Employee Pension-Individual Retirement Account (SEP-IRA) arrangement for eligible employees. Following a review of the design and operation of the SEP-IRA, the Conservancy was advised by legal counsel (Counsel) that the SEP-IRA required additional and amended documentation to be in full compliance with applicable IRS rules. As a result of this analysis and determination, Counsel has worked with the Conservancy's management to develop a strategy to address the matter so that neither the Conservancy nor its employees suffer adverse tax consequences. This item requested that the Board approve and adopt the following plan of action (Plan of Action): 1.) In accordance with applicable IRS rules, IRS correction programs, and advice of Counsel, the SEP-IRA will be submitted under the IRS's Voluntary Correction Program in order to gain IRS approval that the SEP-IRA remains tax-qualified; and 2.) because certain employees of the Conservancy were added to the SEP-IRA later than they should have been, it will be necessary to contribute additional amounts to their individual IRAs under the SEP-IRA, along with amounts to make up for lost earnings as is required by IRS rules; and current and former employees of the Conservancy (and their beneficiaries) who are affected by these corrections will be located and notified, also as required by applicable IRS rules; and 3.) restating the original SEP-IRA document onto a newer IRS Form 530-SEP. The Conservancy staff has estimated the additional contributions expenditure going back over 20 years will be approximately \$30,000, but would not exceed \$40,000. This item requested the Board approve the above Plan of Action and authorize and direct the Conservancy's Executive Director and Chief Financial Officer to work with Counsel to take all actions deemed necessary or appropriate to implement the Plan of Action.

Request: Approval of the above Plan of Action and authorize and direct the Conservancy's Executive Director, John Roberts, and Chief Financial Officer, Kimberli Burns, to work with Counsel to take all actions deemed necessary or appropriate to implement the Plan of Action.

Action: Moved/Seconded: Shirey/Libby.

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.02.

7. ACTION ITEM: Conservancy mitigation land tract name designation: The Anne Rudin Preserve. This item proposed to assign a new name to a property being tendered by the Sacramento Area Flood Control Agency (SAFCA) to the Conservancy in consideration for multiple other tracts it has or will acquire pursuant to the Natomas Levee Improvement Project (NLIP). The 53.33-acre tract at issue lies in the Conservancy's Fisherman's Lake Reserve Area (FLRA) and is contiguous to the Conservancy's Cummings tract. (At present, SAFCA refers to the subject property as the AKT tract.) SAFCA estimates that title to the property will be conveyed to the Conservancy by this summer.

On this item, the Board of Directors was asked to officially designate this 53.33-acre managed marsh and Swainson's hawk upland property to be named as follows: the Anne Rudin Preserve. This is in recognition of the Conservancy's founding Board Chair, Anne Rudin. Anne was elected Mayor of the City of Sacramento in 1983 and served until 1992. Prior to that, she served as a member of the City Council of the City of Sacramento for 12 years. Anne's distinguished career put her in a perfect position to serve as the Conservancy's first Board Chair. In that capacity, Anne was a staunch advocate for the Conservancy and worked tirelessly on its behalf.

Conservancy staff recommendation: upon receipt of title from SAFCA to the Conservancy of the 53.33-acre tract along Fisherman's Lake and the Garden Highway (Sacramento County Assessor APNs 225-0110-050 and 225-0090-014), Conservancy staff is to designate the property as the Anne Rudin Preserve, and so reflect that name on official documents of the Conservancy, including its maps, site-specific management plans, biological effectiveness monitoring efforts and reports and engineering plans and documents.

Request: This item asked the Board of Directors to officially designate this 53.33-acre managed marsh and Swainson's hawk upland property to be named as follows: the Anne Rudin Preserve.

Action: Moved/Seconded: Cohn/Christophel.

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.03.

8. ACTION ITEM: Conservancy payment on City of Sacramento Line of Credit. In 2020, the Board authorized use of a \$2,000,000 Line of Credit (LOC) loan facility with the City of Sacramento in order to purchase the Lauppe South tract. The 2023 budget approved by the Board of Directors included a line item for a voluntary payment of \$250,000 to the LOC. The Conservancy had sufficient mitigation revenue year in 2022 to make this payment. If the Board authorized this payment, the remaining balance on the LOC would be \$1,561,894.47. This agenda item requested Board authorization for the \$250,000 payment to be made from the Conservancy's Pool A account at the City of Sacramento.

Request: Board authorization for the \$250,000 payment to be made from the Conservancy's Pool A account at the City of Sacramento.

Action: Moved/Seconded: Johnston/Shirey.

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.04.

9. ACTION ITEM: Accept the Conservancy's December 31, 2022 audited financial statements: The Audit Committee met and reviewed the Conservancy's December 31, 2022 audited financial statements with the Conservancy's auditor, Gilbert CPAs (Gilbert). Gilbert issued a clean opinion on the Conservancy's December 31, 2022 audited financial statements. The Audit Committee presented its report to the Board of Directors. The Audit Committee recommended the Board accept the Conservancy's audited financial statements for the year ended December 31, 2022.

Request: Accept the Conservancy's December 31, 2022, audited financial statements.

Action: Moved/Seconded: Christophel/Johnston.

Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Mike Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.05.

10. DISCUSSION ITEM: City of Sacramento Report: Cheryle Hodge from the City of Sacramento shared that the 2023 HCP mitigation fee adjustment had been approved by City Council on February 21, 2023, and is effective April 22, 2023.

11. DISCUSSION ITEM: Sutter County Report: Arwen Wacht with the County of Sutter shared that the fee increase is to be taken to the Board of Supervisors of Sutter County and will become effective July 1, 2023.

12. DISCUSSION ITEM: Financial Statement Review. Burns reviewed the unaudited financial statement for the period ending February 28, 2023.

13. DISCUSSION ITEM: Biological Effectiveness Monitoring Report for 2022: Doug Leslie and Brian Halstead presented the Biological Effectiveness Monitoring Report.

14. DISCUSSION ITEM: Website Update: Skupic shared the updates done to the Conservancy's website in order to comply with Web Content Accessibility Guidelines (WCAG 2.1) and general site clean-up.

15. DISCUSSION ITEM: Review 2022 IRS Form 990: The Board had an opportunity to review and comment on the Conservancy's 2022 IRS Form 990.

16. DISCUSSION ITEM: Executive Director's Report: The Conservancy's Executive Director presented various matters for the Board members' general information.

17. ADJOURNMENT: Official adjournment of the Regular Meeting of the Board of Directors.

Request: Meeting adjournment at 6:54 p.m.

Action: Moved/Seconded: Christophel/Bradbury

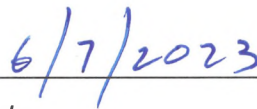
Yes: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn, Michael Johnston, Doug Libby, and John Shirey.

Passed: Resolution No. RS 23.04.06.

Attest:



Steven Cohn, Secretary



Date