

**Minutes of a Regular Meeting¹
of
The Natomas Basin Conservancy**

December 1, 2021

**Offices of the Natomas Basin Conservancy
(Meeting held via Zoom)
5:00 p.m.**

BOARD MEMBERS

PRESENT:

☒ = attended

☐ = did not attend

☒ Melinda Bradbury
☒ Chandra Chilmakuri
☒ David Christophel
☒ Steve Cohn
☒ Michael Johnston
☐ Chris Norem
☒ John Shirey
☐ Paul Squires
☒ Gabrielle Stadem

**STAFF/LEGAL
COUNSEL/IT
CONSULTANT**

PRESENT:

John Roberts, Kim Burns, Jennifer Skupic, and Yvonne Melkonian

Ethan Walsh, Best Best & Krieger LLP; and Spencer Rees, iGuys Consulting

GUESTS:

Nick Avdis, Sean Fisher, Michelle Havens, Cheryle Hodge, Doug Libby, Allison Shaffer, and Jasmine Shahbandi

EXECUTIVE SESSION

Executive Session was held for real estate.

CALL TO ORDER

Shirey called the Regular Meeting of the Board of Directors to order at 5:15 p.m., noting a quorum was present. Shirey noted that former Mayor and former Conservancy Board Chair Anne Rudin had passed away and acknowledged her contributions to the Sacramento community as well as to the Conservancy. Other Board members paid tribute to Anne Rudin.

PUBLIC COMMENTS

Shirey called for public comments. One comment was heard from Jasmine Shahbandi with regards to efforts by RD 1000 and U.S. Army Corps of Engineers to remove trees on the landside of the Natomas levee on its southerly boundary. The Chair asked the Executive Director to research the matter and report back.

¹ Notice of meeting posted on TNBC website.

APPROVAL OF MINUTES AND CONSENT ITEMS

Shirey sought approval of the October 6, 2021 Board of Directors meeting minutes.

(Res.21.12.01) On a motion by Christophel and a second by Cohn, the Board unanimously approved the October 6, 2021 Board of Directors meeting minutes.

Board members

☒ Melinda Bradbury
☒ Chandra Chilmakuri
☒ David Christophel
☒ Steve Cohn
☒ Michael Johnston

☐ Chris Norem
☒ John Shirey
☐ Paul Squires
☒ Gabrielle Stadem

Vote symbols

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

ACTION

Proposed changes to the Internal Financial Controls Policy. In addition to the changes made previously to the Internal Financial Controls Policy, a clean-up matter was proposed for Board acceptance. The Compensation & Governance Committee recommended moving from \$10,000 to \$25,000 the Executive Director's authority signing for contracts. There were also some other minor clean-ups. The committee also recommended staff include a contracts summary in the financial statements presented in Board packets so that Board members can track all contracts.

(Res.21.12.02) On a motion by Chilmakuri and a second by Cohn, the Board approved the change in the Internal Financial Controls Policy, adjusting the Executive Director's signing authority on contracts from \$10,000 to \$25,000. This also recommends staff include a contracts summary in the financial statements presented in Board packets so that Board members can track all contracts.

Board members

☒ Melinda Bradbury
☒ Chandra Chilmakuri
☒ David Christophel
☒ Steve Cohn
☐ Michael Johnston

☐ Chris Norem
☒ John Shirey
☐ Paul Squires
☒ Gabrielle Stadem

Vote symbols

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

2022 NBHCP Finance Model and 2022 budget. The proposed 2022 Conservancy budget was presented to the Board for adoption. A draft of the budget was shared with the Board at the October 6, 2021 Board of Directors meetings for review and discussion.

The Conservancy's proposed 2022 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 2022. Harrington estimates the range for mitigation land acquisition in 2022 is \$30,000 to \$33,000 per acre. The NBHCP Finance Model presented assumes mitigation land acquisition at \$32,500 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 is based on a "looking forward" methodology.

The 2022 Conservancy Budget and NBHCP Finance Model was submitted for Board acceptance, as was a request to the City of Sacramento and County of Sutter to adopt the Finance Model's indicated fee as follows:

- The NBHCP mitigation fee for 2022 is recommended to increase from \$40,032 per developed acre to \$43,968 per developed acre.
- The NBHCP mitigation fee with land dedication for 2022 is recommended to increase from \$25,032 per developed acre in 2021 to \$27,718 per developed acre.

The Board was asked to:

1. approve the proposed 2022 Conservancy Budget,
2. accept the 2022 NBHCP Finance Model recalculation,
3. adoption of a resolution to be submitted to the City of Sacramento requesting the above noted changes to the mitigation fees, and
4. adoption of a resolution to be submitted to the County of Sutter requesting the above noted changes to the mitigation fees.

(Res.21.12.03) On a motion by Johnston and a second by Chilmakuri, the Board unanimously approved: 1) the 2022 Conservancy budget, 2) the 2022 NBHCP Finance Model, 3) adoption of a resolution to be submitted to the City of Sacramento requesting the above noted changes to the NBHCP fees, and 4) adoption

of a resolution to be submitted to the County of Sutter requesting the above noted changes to the NBHCP fees.

Board members

☒ Melinda Bradbury
☒ Chandra Chilmakuri
☒ David Christophel
☒ Steve Cohn
☒ Michael Johnston

☐ Chris Norem
☒ John Shirey
☐ Paul Squires
☒ Gabrielle Stadem

Vote symbols

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

M. Johnston left the meeting at 6:00 pm.

DISCUSSION

City of Sacramento report. Cheryle Hodge with the City of Sacramento had nothing to report.

County of Sutter Report. Doug Libby reported in County activities.

Financial statement review. Burns presented unaudited October 31, 2021, financial statements.

Executive Director's Report. Roberts indicated he had nothing to report.

ADJOURNMENT

Official adjournment of the meeting.

(Res.21.12.04) On a motion by Cohn and a second by Christophel the Board unanimously voted to adjourn the meeting in honor of former Mayor and former Conservancy Chair Anne Rudin at 6:21 p.m.

Board members

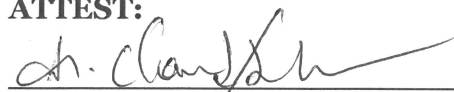
☒ Melinda Bradbury
☒ Chandra Chilmakuri
☒ David Christophel
☒ Steve Cohn
☐ Michael Johnston

☐ Chris Norem
☒ John Shirey
☐ Paul Squires
☒ Gabrielle Stadem

Vote symbols

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

ATTEST:


Chandra Chilmakuri, Secretary

2/18/22
Date