

**Minutes of Implementation Annual Meeting and Regular Meeting
of
The Natomas Basin Conservancy**

June 7, 2023

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

5:00 p.m.

Notice of meeting posted on Conservancy website.

Regular Meeting of the Board of Directors

1. Executive Session: The Board of Directors Executive Session was held from 4:01 p.m. to 4:43 p.m.

Implementation Annual Meeting of the Board of Directors

2. Implementation Annual Meeting (Implementation Agreement §5.4).

Call to Order. Chilmakuri called the Implementation Annual Meeting to order at 5:01 p.m., noting a quorum was present.

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

Board Members Absent: None.

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

Legal Counsel Present: Ethan Walsh.

A. Approval of minutes. Meeting minutes were contained in the June 7, 2023 Board of Directors meeting agenda.

Request: Approval of the June 1, 2022 Board of Directors Implementation Annual Meeting minutes.

Action: Moved/Seconded: Cohn/Bradbury

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

Passed: Resolution No. IAM 23.06.01.

B. Discussion of Annual Report. None.

C. City of Sacramento Report. Cheryle Hodge with the City of Sacramento expressed congratulatory appreciation for the Conservancy's progress, with particular accolades regarding the Conservancy's 2,500 contiguous acre preserve acquisition.

D. County of Sutter Report. Arwen Wacht expressed the County's enjoyment working with the Conservancy's staff and anticipation to continued cooperation.

E. California Department of Fish and Wildlife Report. Dylan Wood briefly discussed the Implementation Annual Report biological details. Wood mentioned a need for additional

assessment of the Giant garter snake mitigation in the Fisherman's Lake Reserve Area, especially the Anne Rudin Preserve and outlook for action to further GGS habitat there.

F. U.S. Fish and Wildlife Service Report. Not in attendance.

G. Adjournment. Official adjournment of the Implementation Annual Meeting of the Board of Directors.

Request: Meeting adjournment at 5:19 p.m.

Action: Moved/Seconded: Cohn/Christophel

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

Passed: Resolution No. IAM 23.06.02.

Regular Meeting of the Board of Directors (continued)

3. Call to Order. Chilmakuri called the regular meeting to order at 5:19 p.m., noting a quorum was present.

Board Members Present: Melinda Bradbury, Chandra Chilmakuri, David Christophel, Steven Cohn (left at 6:14 p.m.), Michael Johnston, Doug Libby, John Shirey, and Gabrielle Stadem.

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

Legal Counsel Present: Ethan Walsh.

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

Consent Calendar

All items listed under the Consent Calendar, including minutes, are considered and acted upon by one Motion. Any Board member may request an item be removed for separate consideration.

Request: Approval of Consent Items #5, Approval of minutes and #10, Legal services amendment. Item #6, SEP-IRA: Plan amendment, Item #7, Pole barn, Item #8, Vegetation management service agreements, and Item #9, Conservancy corporate credit cards, were pulled from the Consent Calendar for further discussion.

Action: Moved/Seconded: Cohn/Libby

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

5. Approval of minutes. Chilmakuri called for approval of the April 5, 2023 Board of Directors Regular Session minutes. **Action:** Passed **Passed:** Resolution No. RS 23.06.01.

6. SEP-IRA: Plan amendment. At the Conservancy's April 5, 2023 Board meeting, the Board approved changes to the Conservancy's Simplified Employee Pension-Individual Retirement Account (SEP-IRA) arrangement to ensure the plan is compliant with IRS regulations. The SEP-IRA plan as presently implemented calls for a one-year wait period before an employee is eligible to participate. However, when implemented per IRS instructions, the

one-year wait plan can seem unfair to employees and makes compliance with IRS rules awkward. Management inquired with legal counsel on making plan participation that promotes transparency, compliance and fairness. Legal counsel advised that the only way to achieve this would be to change the SEP-IRA plan so that new employees are eligible to participate upon hiring. Shirey requested this item be pulled for discussion and action separate from the remaining Consent Items. Shirey proposed if the IRS regulations allow, to change the minimum age requirement from 21 to 18 years of age.

Request: Board approved changing the Conservancy's SEP-IRA plan so that new employees are eligible to participate in the SEP-IRA plan upon hiring and lowers the age threshold from 21 to 18 if doing so is approved by legal counsel as to compliance with IRS rules and regulations. This action authorizes and directs either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to work with legal counsel and to take all actions deemed necessary or appropriate to implement this change.

Action: Moved/Seconded: Shirey/Bradbury

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

Passed: Resolution No. RS 23.06.02.

7. Pole barn. During one of the January wind storms, the Conservancy's pole barn was reduced to scrap wood and metal, as reported at the February 1, 2023 Board meeting. The pole barn had been a place of refuge out of the elements for staff, hay, contractors, as well as equipment. Conservancy staff requested a \$225,000 project budget to install a replacement pole barn on the Conservancy's Silva tract. Approximately \$165,000 for pole barn, approximately \$20,000 for permitting, approximately \$20,000 for engineering and 10% contingency. Update: Clarification on the bid. Since posting the agenda, the Conservancy received updated bids which will make it necessary to correct the budget for this item on the agenda. The Conservancy staff recommended \$250,000 for the pole barn which will include permitting and engineering with a 10% contingency. Chilmakuri requested that this item be pulled to address the update since agenda posting.

Request: Board approved a \$250,000 budget with a 10% contingency for constructing a new pole barn on the Conservancy's Silva tract. This action authorizes either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to take all actions necessary to execute and deliver on the above-referenced project. This Board action also approves budget adjustment as may be needed for this expenditure.

Action: Moved/Seconded: Johnston/Libby

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

Passed: Resolution No. RS 23.06.03.

8. Vegetation management service agreements. In June 2020 (Resolution #20.06.01), the Board of Directors approved a vegetation management plan for the Alleghany and Cummings tracts as these tracts have had difficulty producing a crop and have limited access to water because of the Natomas Levee Improvement Project construction activity. The goal then became to plant a crop which would benefit the Swainson's hawk by creating a prey-friendly environment. The Conservancy contracted grower Brian Tanaka, who has since been successful

in maintaining a cover crop on the property. Bradbury requested that this item be pulled for clarification.

Request: Board approved a three-year service agreement plus two one-year options to renew with Brian Tanaka for the Alleghany, Cummings and Anne Rudin Preserve upland areas and authorizes either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to execute and deliver on these above-referenced agreements.

Action: Moved/Seconded: Bradbury/Christophel

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

Passed: Resolution No. RS 23.06.04.

9. Conservancy corporate credit cards. The Conservancy currently has two Wells Fargo Bank corporate credit cards, each with a Board-approved \$10,000.00 limit. This item requested opening two Chase Bank corporate credit cards and closing the Wells Fargo Bank corporate credit cards. Closure of the Wells Fargo Bank corporate credit cards was due to a potential conflict between personal and Conservancy account information exposure. The Conservancy's Internal Financial Controls Policy requires Board approval to establish or close any new bank account. Bradbury requested that this item be pulled for discussion on the credit card limits.

Request: Board approve the opening of two Chase Bank corporate credit cards and closure of two Wells Fargo Bank corporate credit cards and authorizes and directs either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to take all actions deemed necessary or appropriate to implement this change.

Action: Moved/Seconded: Bradbury/Stadem

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

Passed: Resolution No. RS 23.06.05.

10. Legal services amendment. The action requested here authorizes either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to execute and deliver an agreement which continues the services of Best, Best & Krieger as Conservancy legal counsel for two years and under the same terms and conditions as the existing agreement. **Action:** Passed **Passed:** Resolution No. RS 23.06.06.

Action Items

11. Proposed insurance renewals. John Bolce with LP Insurance reviewed with the Board the Conservancy's insurance policies that are set to renew on July 1, 2023. The Conservancy presently holds the following policies: auto, crime, cyber, directors and officers (D&O), employee benefits liability, employee practices liability (EPL), flood, general liability, inland marine, pollution, property, workers' compensation, and umbrella (also known as excess). The Conservancy has an umbrella policy that covers: auto, employee benefits liability, general liability, and workers' compensation, with a limit of \$7 million. Those underlying policies have a \$1 million limit. Given the Conservancy's growth in the past several years, management is recommending adding a second umbrella of \$2 million, with an additional annual premium for the second umbrella of \$2,246.00. The Conservancy's Finance Committee reviewed with the Board its recommendations for insurance renewals.

Request: Board of Directors approved: 1) renewing the above-listed insurance policies and 2) adding a second umbrella for auto, employee benefits liability, general liability, and workers' compensation with a \$2 million limit and an additional annual premium of \$2,246.00.

Action: Moved/Seconded: Stadem/Bradbury

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

Absent: Steven Cohn

Passed: Resolution No. RS 23.06.07.

Discussion Items

12. City of Sacramento Report. Cheryle Hodge from the City of Sacramento shared that the general city-wide plan is out for review and mentioned the Airport South industrial project starting in late September to early October.

13. Sutter County Report. Arwen Wacht with the County of Sutter shared that the Sutter Point construction is occurring now to September and the offsite infrastructure sewer line project is to be delayed.

14. Financial Statement Review. Burns reviewed the unaudited financial statement for the period ending April 30, 2023.

Executive Director's Report

15. Executive Director's Report. The Conservancy's Executive Director presented various matters for the Board members' general information.

Adjournment

16. Adjournment. Chilmakuri called for a motion to adjourn the Regular Meeting of the Board of Directors.

Request: Meeting adjournment at 6:30 p.m.

Action: Moved/Seconded: Shirey/Christophel

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

Absent: Steven Cohn

Passed: Resolution No. RS 23.06.08.

Attest:

Steven Cohn, Secretary

Date