

Minutes of a Regular Meeting¹
of
The Natomas Basin Conservancy

June 5, 2019

Offices of the Natomas Basin Conservancy
2150 River Plaza Drive
Sacramento, CA
4:00 p.m.

**BOARD MEMBERS
PRESENT:**

= attended
 = did not attend

Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Jeff Helm
 Michael Johnston
 Jill Leal
 Kevin McRae
 Jeff Norton
 John Shirey
 Anthony Van Ruiten

**STAFF/LEGAL
COUNSEL PRESENT:**

John Roberts, Kim Burns, Jennifer Skupic
Ed Quinn, Kara Ueda, and Laura Fowler, Best Best &
Krieger

GUESTS:

Nick Avdis, Kellie Berry, John Bolce, Amy Callahan, Lily
Douglas, Jim Estep, Brian Halstead, Cheryle Hodge, Doug
Leslie, Dylan Wood and unidentified guest

TAC:

None

CALL TO ORDER

Shirey called the Regular Meeting of the Board of Directors to order, noting a quorum was present. Shirey informed the Board that Helm, Leal and Van Ruiten would not be attending.

PUBLIC COMMENTS

No public comments.

¹ Notice of meeting posted on TNBC website.

IMPLEMENTATION ANNUAL MEETING (Implementation Agreement §5.4)

- A. Meeting minutes were included for the June 6, 2018 Board of Directors meeting minutes, previously made available to the Board and approved by the Board.

(Res.19.06.01) On a motion by Christophel and a second by Norton, the Board unanimously approved the 2018 Implementation Annual Meeting minutes.

Board members

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input type="checkbox"/> Jill Leal |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> Steve Cohn | <input checked="" type="checkbox"/> Jeff Norton |
| <input type="checkbox"/> Jeff Helm | <input checked="" type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Michael Johnston | <input type="checkbox"/> Anthony Van Ruiten |

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- = abstain or recuse

- B. Discussion of Implementation Annual Report. Concerns, comments, recommendations.
- C. City of Sacramento comments.
- D. County of Sutter comments.
- E. California Department of Fish and Wildlife comments.
- F. U.S. Fish and Wildlife Service comments.
- G. Adjourn Implementation Annual Meeting.

Cheryle Hodge, City of Sacramento, expressed concern about the cost of managed marsh and the possibility of the Conservancy exceeding 25% at any time. Shirey acknowledged her concern and noted that the 25% managed marsh was a requirement in the NBHCP and while it is expensive to acquire, build, maintain and monitor, the Conservancy is required to do so. Dylan Wood, California Department of Fish and Wildlife (CDFW) introduced himself as overseeing the NBHCP on behalf of the CDFW, he had no comments at that time. Kellie Berry, U.S. Fish and Wildlife, introduced Lily Douglas as new to her position. L. Douglas inquired about accounting for the new Verona property and how it was recorded. Roberts explained that Conservancy auditors determined that at year-end, the land transaction involving the Verona tract had not been consummated, but rather was in process, and the conservation easement on the tract was a security device, but not the final outcome of the transaction. Therefore, its official recordation will most likely happen in 2019.

Shirey called for a motion to adjourn the Implementation Annual Meeting.

(Res.19.06.02) On a motion by Johnston and a second by Cohn, the Board unanimously adjourned the 2019 Implementation Annual Meeting.

Board members

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chandra Chilmakuri | <input type="checkbox"/> Jill Leal |
| <input checked="" type="checkbox"/> David Christophel | <input checked="" type="checkbox"/> Kevin McRae |
| <input checked="" type="checkbox"/> Steve Cohn | <input checked="" type="checkbox"/> Jeff Norton |
| <input type="checkbox"/> Jeff Helm | <input checked="" type="checkbox"/> John Shirey |
| <input checked="" type="checkbox"/> Michael Johnston | <input type="checkbox"/> Anthony Van Ruiten |

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- = abstain or recuse

Official adjournment of the Implementation Annual meeting was at 4:22 pm.



CONSENT AGENDA

Shirey requested a motion to approve the April 3, 2019 Board meeting minutes.

(Res.19.06.03) On a motion by Norton and a second by Christophel, the Board unanimously approved the April 3, 2019 Board meeting minutes.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Michael Johnston

- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- = abstain or recuse

Shirey requested a motion to approve the legal services agreement. Quinn amended the agreement presented originally showing his billing rate at \$515/hour to \$415/hour.

(Res.19.06.04) On a motion by Cohn and a second by Johnston, the Board unanimously approved the legal services agreement with Quinn's amendment to his billing rate.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Michael Johnston

- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- = abstain or recuse

ACTION

Insurance presentation. John Bolce with LP Insurance reviewed with the Board the Conservancy's recently renewed insurance policies. The Conservancy presently holds the following policies: Directors & Officer, employee practices liability, package policy includes; general liability, property, non-owned and hired auto, inland marine, and crime. The Conservancy also carries workers' compensation, pollution, umbrella and flood insurance. Management sought Board approval of all policy coverage limits and premiums. The Board asked staff to investigate insurance for computer-related risk and determine if such a policy needed to be secured.

(Res.19.06.05) On a motion by Chilmakuri and a second by Johnston, the Board unanimously accepted the insurance policies and limits as presented.

Board members

<input checked="" type="checkbox"/> Chandra Chilmakuri	<input type="checkbox"/> Jill Leal
<input checked="" type="checkbox"/> David Christophel	<input checked="" type="checkbox"/> Kevin McRae
<input checked="" type="checkbox"/> Steve Cohn	<input checked="" type="checkbox"/> Jeff Norton
<input type="checkbox"/> Jeff Helm	<input checked="" type="checkbox"/> John Shirey
<input checked="" type="checkbox"/> Michael Johnston	<input type="checkbox"/> Anthony Van Ruiten

Vote symbols

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

DISCUSSION

City of Sacramento report. Hodge provided a brief update for the Board.

Financial statement review. Burns provided financial statements for the period ended April 30, 2019 (unaudited). Additional financial information was provided.

Biological Effectiveness Monitoring Report for 2018. Leslie with ICF International, Halstead with U.S. Geological Survey and Estep with Estep Environmental Consulting presented the Conservancy's biological effectiveness monitoring report for 2018. They also entertained questions from the Board.

EXECUTIVE DIRECTOR'S REPORT

Various matters for Board members' general information were presented by the Conservancy's Executive Director.

EXECUTIVE SESSION

Executive Session for performance evaluation was held.

McRae left the meeting at 6:30 pm.

ACTION

Board went back into open session at 7:24 pm.

Amending the Employment Agreement between the Conservancy and its Executive Director. Chilmakuri made a motion to the following changes in the seventeenth amendment of the Employment Agreement between the Conservancy and its Executive Director:

1. Pursuant to the Seventeenth Amendment to the Agreement, the term of the Agreement runs through April 30, 2020.
2. Employee's compensation is increased in the amount of 2.4% percent pursuant to the cost of living provisions of the Agreement and 0.5% percent pursuant to the merit pay provisions of the Agreement, effective March 15, 2019.
3. If no action is taken by either party the Employment Agreement continues month to month.

4. Except as amended herein, the Agreement and its Amendments remain unmodified and in full force and effect.

(Res.19.06.06) On a motion by Chilmakuri and a second by Johnston, the Board unanimously approved of the above noted changes to seventeenth amendment of the Employment Agreement between the Conservancy and its Executive Director.

Board members

Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Jeff Helm
 Michael Johnston

Jill Leal
 Kevin McRae
 Jeff Norton
 John Shirey
 Anthony Van Ruiten

Vote symbols

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

Adjustments to the Executive Director compensation. The Compensation and Governance Committee recommended the Board adjust the Executive Director's compensation beginning March 15, 2019 as follows: a cost-of-living adjustment of 2.4% and a merit increase of 0.5%.

(Res.19.06.07) On a motion by Johnston and a second by Chilmakuri, the Board unanimously approved of the Executive Director's compensation adjustment of cost-of-living adjustment of 2.4% and a merit increase of 0.5%.

Board members

Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Jeff Helm
 Michael Johnston

Jill Leal
 Kevin McRae
 Jeff Norton
 John Shirey
 Anthony Van Ruiten

Vote symbols

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

"Just and reasonable" determination for the Executive Director. The Board is required to determine that changes to an officer's compensation, including the term 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. This item requested the Board declare that the "just and reasonable" test had been met for the Executive Director.

(Res.19.06.08) On a motion by Chilmakuri and a second by Johnston, the Board unanimously approved that declaration of “just and reasonable” test has been met for the Executive Director.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Michael Johnston

- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

EXECUTIVE SESSION

Executive Session for real estate was held.

Norton recused and left the meeting at 7:30 pm.

ADJOURNMENT

Official adjournment of the meeting.

(Res.19.06.09) On a motion by Christophel and a second by Chilmakuri the Board unanimously voted to adjourn the meeting at 8:16 pm.

Board members

- Chandra Chilmakuri
- David Christophel
- Steve Cohn
- Jeff Helm
- Michael Johnston

- Jill Leal
- Kevin McRae
- Jeff Norton
- John Shirey
- Anthony Van Ruiten

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

ATTEST:



Chandra Chilmakuri, Secretary

8/7/19

Date