

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

February 7, 2024

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

4:45 p.m.

Notice of meeting posted on Conservancy website.

Agenda Amendment

Emergency Item: Request direction on storm-damaged barn.

Request: The Board was asked to approve Emergency Item: Request direction on storm-damaged barn to be added to the agenda after the February 2, 2024 posting in event of the February 3, and February 4, 2024 storms.

Action: Moved/Seconded: Johnston/Libby

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.02.01.

Regular Meeting of the Board of Directors

Item 1: Executive Session through Item 9: Adjournment of the Annual Meeting of the Corporation can be found in the February 7, 2024 Executive Session and Annual Meeting minutes.

Regular session was called to order at 4:47 p.m. after Executive Session was adjourned. Phil Burger of T. Rowe Price presented from 4:47 p.m. to 5:37 p.m. The Annual meeting was held from 5:37 p.m. to 6:10 p.m.

Chilmakuri reconvened the Regular Meeting of the Board of Directors at 6:10 p.m. immediately following the adjournment of the Annual Meeting.

The Board recognized former Board Chair John Shirey for his service to the Conservancy. Board Chair Chilmakuri introduced new Board members Patrick Huber, Sean Minard, and Ethan Valburg.

Roberts announced the deadline for the Board to submit Form 700s. He also inquired if the Board would like a Giant garter snake presentation, similar to the Swainson's hawk presentation last fall. The Board responded with interest.

Board Members Present: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Board Members Absent: Michael Critchfield and Gabrielle Stadem

Staff Present: John Roberts, Kimberli Burns, Jennifer Skupic, Jeremy Lor, Yvonne Melkonian, Paulina Lu, Celeste Ingvaldsen, and Spencer Rees, IT consultant.

Legal Counsel Present: Ethan Walsh

10. 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: Board Approval of Consent Items #11, Approval of the minutes, #12, Authorization to amend signature cards and related financial institution authorizations, #13, Audit of December 31, 2023 Financial Statements, increased expense ratification, Item #14, 2024 Finance Model recalculation, increased expense ratification, Item #15, Office renovation budget, increased expense ratification, Item #16 Habitat land management contract additions, and Item #17 BEMP document extension.

Chilmakuri called for approval of the Consent Calendar.

Action: Moved/Seconded: Cohn/Johnston

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

11. Approval of the minutes. Action: Passed **Resolution No. RS 24.02.02.** December 6, 2023 Board of Directors Regular Meeting minutes.

12. Authorization to amend signature cards and related financial institution authorizations. Action: Passed **Resolution No. RS 24.02.03.** Documents necessary for the Conservancy to conduct business with its financial institutions need to be updated from time-to-time, including opening and closing accounts as may be needed to conduct Conservancy business, adding and deleting Board officers as they are elected and/or leave their Board office or the Board of Directors, and providing for security and accounting matters.

The Board was asked to authorize the Conservancy's Board Officers and Assistant Secretary to sign signature cards and related authorizing documents for the Conservancy's following accounts: Card Assets (credit card), City of Sacramento Treasurer's Office, Optum Bank, River City Bank, T. Rowe Price, U.S. Bank, and Westamerica Bank.

13. Audit of December 31, 2023 Financial Statements, increased expense ratification. Action: Passed **Resolution No. RS 24.02.04.** Gilbert CPA's (Gilbert) is under contract for 5 years to perform the annual audit of the Conservancy's financial statements. For the audit of the December 31, 2023 financial statements Gilbert's original quoted cost was \$27,000.00. Since that quoted price in 2020, there have been new accounting statements issued which required additional time on the Conservancy's audit. The additional budget request was \$1,300.00.

Management requested ratification of \$28,300.00 for the audit of the December 31, 2023 financial statements.

14. 2024 Finance Model recalculation, increased expense ratification. Action: Passed **Resolution No. RS 24.02.05.** Economic and Planning Systems (EPS) performed the 2024 recalculation of the NBHCP Finance Model. Their contracted amount was \$21,000.00. For the Conservancy's December 6, 2023 Board meeting, staff asked EPS to prepare not just one finance model run, which is typical, but three finance model runs for Board consideration. At its

December 6, 2023 meeting, the Conservancy's Board requested additional finance model runs based on new assumptions. These additional finance model runs were an additional \$9,000.00.

Management requested ratification of this additional finance model expense totaling \$30,000.00.

15. Office renovation budget, increased expense ratification. Action: Passed **Resolution No. RS 24.02.06.** The Conservancy recently completed its office renovation. The initial budget for the project was within the Conservancy's Executive Director's signing authority. However, as with most construction projects, once construction was underway there were additional costs for things that staff hadn't anticipated previously. The original project budget was \$24,000.00. The overage amounts were for additional electrical and adding a new computer network closet. It was less expensive to add the closet while construction crews were on-site rather than to add it in a year or so. The Executive Director's signing authority is \$25,000.00, the final office renovation costs were \$29,874.48.

This item requested Board ratification of the additional \$4,874.48 office renovation costs.

16. Habitat land management contract additions. Action: Passed **Resolution No. RS 24.02.07.** The existing land maintenance contract with Triangle Properties, Inc. was approved by the Board of Directors on October 7, 2020 and amended on December 7, 2022 (to add tree watering for Conservancy owned trees). This year the Conservancy would like to consolidate several additional tasks that occur with regularity and add them to the land maintenance agreement:

1. PG&E mitigation trees – In 2024, the Conservancy will take ownership of over 300 PG&E mitigation trees which will need continued watering, this amendment will be in the amount of \$24,645.00 annually,
2. Atkinson "swamp" mowing – The portion of the Atkinson tract known as the "swamp" needs mowing approximately twice a year in the amount of \$2,180.00, and
3. Rosa Central and Rosa East fence line – The southern most fence line along the Rosa Central and Rosa East tracts need annual mowing and maintenance in the amount of \$2,790.00.

The proposed amendment aligns with the original agreement for a December 31, 2026 termination date, with an optional two year extension.

This item requested the Board authorize the Executive Director, John Roberts, or the Chief Financial Officer, Kimberli Burns, to execute and deliver an amendment which will incorporate the PG&E tree watering, Atkinson mowing, and Rosa East and Rosa Central fence line maintenance, in the amount of \$29,615.00.

17. BEMP document extension. Action: Passed **Resolution No. RS 24.02.08.** In October of 2022 the Board approved a contract for ICF International, Inc. to review and revise the existing Biological Effectiveness Monitoring Program document. This revision was a measure to improve the effectiveness of monitoring through the NBHCP by discovering benchmarks in the NBHCP that have already been met. The current contract expired on December 31, 2023. The new ICF team determined it needed more time.

Conservancy management recommended approval of the amendment to the existing BEMP document contract extending the termination date to June 1, 2024, and authorize the Executive Director, John Roberts, or the Chief Financial Officer, Kimberli Burns, to execute the contract amendment.

Action Items

18. Emergency Item, request direction on storm-damaged barn. Conservancy staff sought guidance from the Board as to filing an insurance claim concerning the substantial damage to the Conservancy's large dairy barn at the Silva tract complex. The barn was damaged by heavy wind on February 3 and 4, 2024.

The question before the Board was whether to file an insurance claim on the damaged barn with the Conservancy's insurance broker and/or carrier. This would be the first time in 25 years the Conservancy has filed an insurance claim. However, the level of damage on this matter was so substantial that Conservancy management recommended filing a claim.

Management also understood that filing a claim could mean it may be more expensive and /or more difficult to obtain insurance in the future. A case could be made that the Conservancy should self-finance a solution in order to protect future insurance terms, conditions and premiums. It is possible this could even mean that insurance of this type could be more difficult to obtain in the future due to such a claim.

Johnston made a motion to submit an insurance claim due to safety concerns to either repair or demolish the building.

Action: Moved/Seconded: Johnston/Minard

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.02.09.

In addition, Cohn made a motion to authorize staff with a broader authority to reallocate funds as needed from the \$250,000.00 up to \$50,000.00 as stand alone or with insurance coverage for use of demolition or repair.

Action: Moved/Seconded: Cohn/Bradbury

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.02.10.

19. Elsie tract Williamson Act application. In a continued effort to reduce expenses the Conservancy intends to enroll the approximately 158 acres Elsie tract in a Williamson Act contract with Sacramento County. The Elsie property is one of the largest individual tax bills on the Conservancy's Sacramento County tax roll.

In previous attempts to enroll the Elsie tract, the Conservancy was met with airport zoning issues. Now that the Conservancy has obtained neighboring properties Paulsen South and Central (which are both in the Williamson Act), this will help our case to enroll the Elsie tract.

Burns briefed the Board on the current property tax amounts and the worthwhile effort of enrolling Elsie in a Williamson Act contract as the long-term savings would be substantial.

Johnston stepped out of the meeting at 6:30 p.m.

Request: This item requested Board approval to submit a Williamson Act application with Sacramento County for the Elsie tract and authorize the Executive Director, John Roberts, or the Chief Financial Officer, Kimberli Burns, to execute any required documents to complete this process.

Action: Moved/Seconded: Libby/Cohn

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Doug Libby, Sean Minard, and Ethan Valburg.

Absent: Michael Johnston

Passed: Resolution No. RS 24.02.11.

Johnston returned at 6:32 p.m.

20. Requested get-back re: possible new committee of the Board. Conservancy staff sought guidance on the Board's request to present a proposal for the Board's consideration covering land management. In order for the staff to present on this matter, a discussion with the Board was requested, and guidance sought. Options that seem most appropriate are as follows:

- 1.) No structural organization change; additional staff reports at Board meetings on land management matters. No change in reporting other than stepped-up management reporting to the Board at Board meetings on matters of land management.
- 2.) Add duties to the Board's Real Estate Committee. Having the Board's Real Estate Committee, made up of the elected Board Chair and Vice Chair, also include matters of significant land management.
- 3.) Structural organizational change to bylaws to include formal committee. Establish a formal committee of the Board, including amending the bylaws to include the new committee (significant bylaws amendments require State and federal Wildlife Agency written approval), the requirement that some Board members will be required to serve on multiple committees, and minutes of all committee meetings will be public.

Legal counsel noted the habitat land management contractor report provided was valuable. Cohn stated if a Board member has a particular issue, they could present it to the Real Estate Committee.

Request: Management to provide stepped up reports on land management to the Board. Any significant items will be brought to the Real Estate Committee for review.

Action: Moved/Seconded: Johnston/Libby

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.02.12.

Discussion Items

21. City of Sacramento Report. No City of Sacramento report was presented.

22. Sutter County Report. Arwen Wacht with the County of Sutter shared that the City of Sacramento and the County of Sutter were pleased that all Conservancy Board seats were filled and the NBHCP mitigation fee update will be reviewed by the City of Sacramento City Council and Sutter County Board of Supervisors on February 27, 2024.

23. Financial Statement Review. Burns reviewed with the Board the unaudited financial statements for the period ending December 31, 2023 and an overall 2023 financial review.

24. Background briefing; acquiring and managing mitigation land. The Conservancy's Executive Director presented to the Board the first of several backgrounders on the topic of land management. At this meeting, the matter of mitigation land on-boarding was discussed.

25. Conservancy endowment funds investment manager. The Conservancy's endowment funds are managed by T. Rowe Price. Representative Phil Burger of T. Rowe Price met with the Board for the purposes of providing the Board with the 2023 annual report on the Conservancy's endowment funds accounts.

In consideration of Phil Burger's time, his presentation was moved to the top of the agenda.

Executive Director's Report

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

Adjournment

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

Request: Meeting adjournment at 7:30 p.m.

Action: Moved/Seconded: Libby/Bradbury

Yes: Melinda Bradbury, Chandra Chilmakuri, Steven Cohn, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.02.13.

Attest:



Steven Cohn, Secretary



Date