

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

October 2, 2024

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

4:00 p.m.

Notice of meeting posted on Conservancy website.

Regular Meeting of the Board of Directors

Board Members Present: Chandra Chilmakuri, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, Gabrielle Stadem (remote video attendance – unable to vote without advance notice of address), and Ethan Valburg.

Board Members Absent: Melinda Bradbury and Steven Cohn

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

Legal Counsel Present: Ethan Walsh.

1. Call to Order. Chilmakuri called the regular meeting to order at 4:04 p.m., noting a quorum was present. Roberts shared with the Board the revised start time of 3:00 p.m. for the December 4, 2024 Board meeting to accommodate an annual holiday reception to thank contractors. Roberts presented photos of Swainson’s hawks on Conservancy preserves taken the same day. This is an unusual occurrence since this species typically migrates much earlier. Roberts then notified the Board of the first-ever known red sesbania sighting in the Natomas Basin and that it was found by Conservancy field staff on Conservancy preserves. Measures were taken to control the invasive weed. Nick Advis informed the Board that Reclamation District 1000 had cleaned out red sesbania on their end in the adjacent Natomas Mutual ditch canal. Roberts complimented the District’s work on drains with severe beaver damage. Lastly, Roberts announced receipt of the Metro Air Park mid-point review.

2. 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: Chilmakuri called for approval of the Consent Calendar with the following items: #3, Approval of the minutes, #4, Audit Committee Charter, #5, Corporate credit card changes, #6, Internal Financial Controls Policy, and #7, Managed marsh renovation.

Action: Moved/Seconded: Johnston/Libby

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

3. Approval of the minutes. Action: Passed **Resolution No. RS 24.10.01.** August 7, 2024 Board of Directors Regular Meeting minutes were presented to the Board.

4. Audit Committee Charter. Action: Passed **Resolution No. RS 24.10.02.** The Conservancy's Finance Committee Charter (Charter) was last reviewed by the Audit Committee on June 1, 2022. The Charter was presented for Committee review with minor changes and adjustments as suggested by legal counsel. The Audit Committee recommended the Board approve the proposed changes to the Conservancy's Audit Committee Charter.

5. Corporate credit card changes. Action: Passed **Resolution No. RS 24.10.03.** Currently, the Conservancy has two corporate credit cards through River City Bank (Card Assets), each with a \$10,000.00 limit. This item requested Board approval to add a new corporate credit card for the Field Supervisor with a \$10,000.00 limit, and authorized and directed either the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns, to take all action deemed necessary or appropriate to implement this change.

6. Internal Financial Controls Policy. Action: Passed **Resolution No. RS 24.10.04.** The Conservancy's Internal Financial Controls Policy was last updated and approved by the Board of Directors on October 4, 2023. This policy was recently presented to the Audit Committee for review with minor changes and adjustments, most notably was the addition of a new corporate credit card for the Field Supervisor. The Audit Committee had reviewed the policy and recommended the Board approve the proposed changes to the Conservancy's Internal Financial Controls Policy.

7. Managed marsh renovation. Action: Passed **Resolution No. RS 24.10.05.** This item requested ratification of a Service Agreement with Westervelt Ecological Services for supplemental topographic surveys for the Bennett North marsh development projects. In order to facilitate preparation of engineering drawings and a bid package, this service agreement needed to be executed prior to the Board meeting. Board ratification of \$26,771.00 was requested for the above supplemental survey work and this action authorized and directed 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 action.

Action Items

8. Barn project update. Staff shared with the Board the changes proposed in association with the BKS tract barn replacement project.

The Conservancy's pole barn and large dairy barn on the Silva tract were felled by high winds. These facilities provided shade for workers and equipment in the summer, as well as from rain and cold winds in the winter. They also provided weather-protected storage space for equipment and occasional native grass hay.

The Board previously approved (Resolution No. RS 23.06.03) construction of a replacement hay barn. This was to be funded in large part by insurance proceeds received for the storm damage loss as well as with additional funds. The concept was to include space for a field services office in the replacement hay barn with a cooling center, break room, eye wash facility, safety center, and certain materials storage.

The Board also approved razing the "Casa de Pedro" single family residence on the nearby Betts tract (Resolution No. ES 24.04.04).

The bids for the hay barn replacement as envisioned were so high as to cause Conservancy management to re-consider its requested action. It now believes considerable savings could be yielded from the following revised path:

- 1.) Large replacement hay barn, Silva tract. In this case, the Conservancy would no longer include improvements for field services staff previously envisioned, including other improvements (a new septic tank, electricity, etc.). Instead, the replacement hay barn would be as “like kind” (in function) as the barn lost to the high winds. The re-conceptualized hay barn will be spec’d so that it could be improved in the future as the Conservancy grows and its demands change. The cost of the hay barn replacement is approximately \$450,000.00, which includes a 5% contingency. The Board was asked to approve this revised, and much lower, price as well as to proceed with the best value quote from construction contractors. (Insurance proceeds will offset total reconstruction cost.)
- 2.) Casa de Pedro residence, Betts tract. In this case, the Board was asked to rescind its action to raze the Casa de Pedro residence (Resolution No. ES 24.04.04). See next.

Future plans:

Casa de Pedro residence improvement, Betts tract. At a future Conservancy Board meeting, the Board will be asked to approve a renovation budget for the Pedro house. This will provide for updates such that it would be used for the field services staff as noted above, previously proposed for the hay barn replacement.

Pedro barn upgrade, Betts tract. At a future Board meeting, the Board will be asked to approve plans to improve the Pedro barn facility, a much smaller but enclosed metal barn with a concrete floor, to accommodate certain equipment and supplies, previously planned for the above-referenced replacement hay barn on the Silva tract.

In all cases, the budget impact was projected to be substantially lower than the previously envisioned large replacement hay barn. It was also expected to provide diversity and optionality that is desirable so that as the Conservancy’s needs change, it can take advantage of the flexibility afforded in these multiple facilities.

Request: The Board was asked to approve recommendations #1 and #2 listed above and authorize and direct 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 action.

Upon questioning, staff confirmed the following funding allocations:

Revenue	Amount
Board approved funds	\$250,000
Insurance payment	\$226,503
Current ask	\$28,497
Total hay barn construction funds	\$505,000

Expenses	Amount
2024 expense (design and planning)	\$54,882
2025 budgeted expense (hay barn construction)	\$450,000
Total hay barn construction expense	\$504,882

Action: Moved/Seconded: Minard/Libby

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

Passed: Resolution No. RS 24.10.06.

9. Proposed Mid-Year Budget Revision. There have been several events that have caused the Conservancy to present a mid-year budget revision for the Board to consider.

When the 2024 budget was proposed by staff in late 2023, staff shared that there were many variables in the 2024 budget and should any of these or other events be realized, a mid-year budget revision would be proposed. Since the Conservancy's auditors check year-end financials against budget as a measure of financial discipline and control, it is especially important to maintain Board oversight of the budget.

In summary, this mid-year budget revision decreases revenues by approximately \$805,000 due to a decrease in mitigation fees, and projected decreases in expenses by approximately \$1,400. This is management's best current knowledge as to the most significant changes in financial condition as well as expectations through the end of 2024.

Staff reviewed this in further detail at the Board meeting.

Request: Staff recommended Board approval of the proposed 2024 mid-year budget revision.

Action: Moved/Seconded: Johnston/Huber

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

Passed: Resolution No. RS 24.10.07.

10. GGS monitoring contract.

Request: The Board was asked to authorize the Conservancy's Executive Director, John Roberts, or Chief Financial Officer, Kimberli Burns to execute and deliver a contract with United States Geological Survey (USGS) in an amount not to exceed \$219,202.00, which includes a 10% contingency, per year that extends the existing GGS monitoring contract by two years (2025-2026).

Action: Moved/Seconded: Johnston/Minard

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

Passed: Resolution No. RS 24.10.08.

11. Unused/unclaimed mitigation land credits on the Tufts tract. This matter addressed a more than 15-year old outstanding mitigation land credit. Staff was requesting the Board's review and approval to resolve this matter.

Hodge requested this item be continued to the next meeting as she intended to with the City Attorney's office regarding her concerns.

Discussion Items

12. City of Sacramento Report. Hodge shared a new assistant planner had joined the team, and this person will assist in acquiring grants to fund open space acquisitions for the Conservancy.

13. Sutter County Report. Wacht presented general updates on construction.

14. Financial Report. Burns reviewed with the Board the unaudited financial statements for the period ending August 31, 2024, and other financial updates.

15. Draft 2025 budget. Staff discussed with the Board the draft 2025 budget. The submitted draft was for familiarization and review by the Board. The final 2025 budget will be included with the NBHCP Finance Model update and presented for approval to the Board at its December 4, 2024 meeting

16. BKS pond status and evaluation. Staff shared with the Board the assessments performed on certain of the managed marsh components of the Conservancy's flagship preserve, the Betts-Kismat-Silva ("BKS") tract. The BKS tract is unique in that it receives extraordinary water, both in quantity and quality, by virtue of the fact that tailwater off the adjacent caviar factory (Sterling Caviar) is discharged into the marsh complex. This is an exceptional advantage for the benefit of the habitat at BKS, but it comes at some cost. For the purposes of this report, that cost is sediment load. The sediments and particulates from this water source settle out as water courses through the BKS marsh complex. It is inevitable that pond cleanouts are necessary to remove this sediment.

The purpose of the examination was to determine the interval between the last renovation and the next. This had implications to the HCPs' Covered Species as well as the Conservancy's operating budget.

Originally, the preserves were targeted at being five to eight years between renovations. About 15 years ago, the Conservancy used the "adaptive management" provisions in the HCPs to renovate the marsh complexes with the intention of extending their life beyond this interval, largely to both diminish disturbance to the Covered Species that rely on them, but also to save money for use in additional enhancement pursuits.

Because the water control structure at Pond K failed early in the Spring of 2024, the Conservancy used the opportunity to conduct its inspection there. In addition, the Conservancy drew down water levels for inspection purposes on Pond Q and Pond R, two of the largest bodies of water on the BKS tract.

The Conservancy used the water-lowering as an opportunity to do the following: 1.) clean-out interval evaluation (the most important reason), and 2.) rare opportunity to see upper reaches, especially for scouring, stranded pools and macrophyte density, and 3.) natural sloughing from bankside and below-waterline edge/bank sloughing, and 4.) undermining examination, estimation of risk for the amount of burrowing, tunneling and undermining by fossorial and related life and any potential for impoundment failure that might result, and 5.) fish life that fans and or otherwise places soil in suspension.

Staff briefed the Board on its findings.

17. Managed marsh construction update. Staff updated the Board on managed marsh construction projects.

Executive Director's Report

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

A recess was held from 5:54 p.m. till 6:00 p.m.

Executive Session

19. Executive Session. Executive Session was held for real estate matters pursuant to Government Codes 54956.8 from 6:00 p.m. until 6:32 p.m. The Board concluded real estate matters to be further explored by Conservancy staff. Nothing warranted reporting out.

Adjournment

20. Adjournment. Chilmakuri reconvened Regular Session after the adjournment of the Executive Session. Chilmakuri called for a motion to adjourn the Regular Meeting of the Board of Directors.

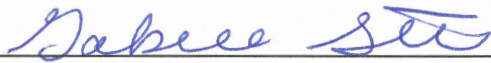
Request: Meeting adjournment at 6:33 p.m.

Action: Moved/Seconded: Johnston/Libby

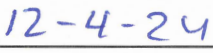
Yes: Chandra Chilmakuri, Patrick Huber, Michael Johnston, Doug Libby, Sean Minard, and Ethan Valburg.

Passed: Resolution No. RS 24.10.09.

Attest:



Gabrielle Stadem, Secretary



Date