

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

April 7, 2021

**Offices of the Natomas Basin Conservancy
(Meeting held via Zoom)
5:30 p.m.**

BOARD MEMBERS

PRESENT:

= attended

= did not attend

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

**STAFF/LEGAL
COUNSEL/IT
CONSULTANT**

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

PRESENT:

Ed Quinn, Best Best & Krieger LLP; and Spencer Rees,
iGuys Consulting

GUESTS:

Nick Avdis, John Bolce, Amy Callahan, and Cheryle
Hodge

EXECUTIVE SESSION

Executive Session was held for real estate. Nothing was reported out.

CALL TO ORDER

Shirey called the Regular Meeting of the Board of Directors to order at 5:43 p.m, noting a quorum was present. Shirey motioned to move item 9 Insurance presentation before item 7.

PUBLIC COMMENTS

Shirey called for public comments. None were heard.

¹ Notice of meeting posted on TNBC website.

APPROVAL OF MINUTES AND CONSENT ITEMS

Shirey requested following motion to approve the February 3, 2021 Board of Directors meeting minutes and the consent agenda items.

 <p>ACTION BY CONSENT</p>	Approval of the minutes	The Board Chair will request approval of the minutes of the Board of Directors meeting of February 3, 2021.
 <p>ACTION BY CONSENT</p>	Employee Handbook	The Conservancy’s Employee Handbook was last updated on December 2, 2020. This policy is presented for Board review and approval with minor changes and adjustments as suggested by legal counsel with regards to COVID-19.
 <p>ACTION BY CONSENT</p>	Accept 2020 IRS Form 990	As a “best practice,” and to respond affirmatively to the Conservancy tax reporting with the IRS, this item presents the Conservancy’s 2020 IRS Form 990 for Board review. At its last meeting, the Audit Committee reviewed the 2020 Form 990 as presented. This item acknowledges the Board has had an opportunity to review the Conservancy’s 2020 Form 990.

(Res.21.04.01) On a motion by Cohn and a second by Chilmakuri, the Board unanimously approved the Consent Agenda items, Approval of the February 3, 2021 Minutes, Employee Handbook, Accept 2020 IRS Form 990. Roll call:

Board members

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

- Nancy Johnston
- Chris Norem
- John Shirey
- Paul Squires
- Gabrielle Stadem

Vote symbols

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

ACTION

Accept the Conservancy’s December 31, 2020 audited financial statements

The Audit Committee has reviewed the audit report of the December 31, 2020 financial statements with the Conservancy’s auditor, Gilbert & Associates (Gilbert). Gilbert issued a clean opinion on the Conservancy’s 2020 financial statements. The Audit Committee presented its

report to the Board of Directors. This item recommends the Board accept the audited financial statements as presented for the year ended December 31, 2020.

(Res.21.04.02) On a motion by Christophel and a second by Squires, the Board unanimously accepted the December 31, 2021 audited financial statements. Roll call:

Board members

Melinda Bradbury
 Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Michael Johnston

Nancy Johnston
 Chris Norem
 John Shirey
 Paul Squires
 Gabrielle Stadem

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Monitoring Well

The Board of Directors has approved participation by the Conservancy in previous groundwater exchange programs. Participation in such programs is a State of California-approved way to allocate scarce water resources in drought years. This year, authorities have already announced water shortages and delivery cutbacks. Engaging in these water transfers of groundwater has also helped assure water rights.

In previous years, especially drought years, the Conservancy has engaged in communications with Giant garter snake experts on the matter of participation in groundwater exchange program participation. Keeping more water in water conveyance structures, especially in drought years, was deemed to be a top priority for healthy GGS populations.

Typically, the Conservancy has used revenue from participation in previous groundwater exchange programs in large part to maintain and improve backup water supply to Conservancy managed marsh complexes. The California Department of Fish and Wildlife has urged the Conservancy to do its best to have backup water supply to marsh complexes. Maintaining groundwater wells is expensive, and proceeds from the exchange programs has defrayed cost to meet this standard.

This year, the Natomas Central Mutual Water Company (NCMWC) has received indications that the San Luis & Delta Mendota Water Authority (SLDMWA) will contract with it this summer in a new groundwater exchange program. Preliminary terms have been announced.

State authorities have indicated a need to improve efforts to monitor participating wells. The issue is to not draw water below historic lows in previous groundwater exchange programs. Authorities have been requiring that there be one monitoring well for every three participating groundwater wells. NCMWC has advised the Conservancy that as a result, the Conservancy would be best served by installing a groundwater monitoring well on its BKS tract.

This item requests that the Board authorize the Executive Director or Chief Financial Officer to execute and deliver all necessary documents and agreements to engage the NCMWC to oversee installation of a groundwater monitoring well on the Conservancy's BKS tract, and do so as soon as possible. The estimated cost is \$60,000. Funds from this year's program will be used to offset this cost.

(Res.21.04.03) On a motion by Chilmakuri and a second by M. Johnston, the Board unanimously accepted the staff recommendation to proceed with a monitoring well. Roll call:

Board members

Melinda Bradbury
 Chandra Chilmakuri
 David Christophel
 Steve Cohn
 Michael Johnston

Nancy Johnston
 Chris Norem
 John Shirey
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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 and Officers, employee practices liability, crime, pollution, workers' compensation, flood, cyber, umbrella, package policy including, general liability, property, auto, and inland marine. Management seeks approval of the policies and their coverage limits.

(Res.21.04.04) On a motion by Cohn and a second by Christophel, the Board unanimously accept insurance policies and their coverage limits. Roll call:

Board members

Melinda Bradbury
 Chandra Chilmakuri
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 Steve Cohn
 Michael Johnston

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Amending the Employment Agreement between the Conservancy and its Executive Director

The Compensation and Governance Committee has met and will make recommendations to the full Board of Directors. The recommendation to the Board would begin at the anniversary date of the employment agreement, January 1, 2020. This item requests the Conservancy Board authorize the Board Chair, Vice Chair or Secretary to execute and deliver the 1st Amendment to the 2020 Employment Agreement between the Conservancy and its Executive Director.

Adjustment to Executive Director compensation

Consistent with the existing employment agreement between the Conservancy and the Executive Director, the Compensation and Governance Committee conducted the annual performance evaluation and determined to recommend to the Board to approve providing for a 1.4% increase in compensation for cost-of-living and 1.6% increase in compensation for merit. In addition, the committee recommends the Board approve a one-time bonus payment of 3% of the 2020 annual compensation, given John's excellent performance in furthering the Conservancy's mission over the last year.

(Res.21.04.05) On a motion by Chilmakuri and a second by Cohn, the Board unanimously accepts the amendment of the employment agreement and adjustment to Executive Director compensation. Roll call:

Board members

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"Just and reasonable" determination for the Executive Director and Chief Financial Officer.

The Board is required to determine that changes to a chief executive officer's and chief financial 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 requests the Board make a declaration that the "just and reasonable" test has been met for the Executive Director and Chief Financial Officer.

(Res.21.04.06) On a motion by Chilmakuri and a second by Cohn, the Board unanimously accepts the just and reasonable determination for the Executive Director and Chief Financial Officer. Roll call:

Board members

Melinda Bradbury
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 Steve Cohn
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DISCUSSION

City of Sacramento report. Cheryle Hodge with the City of Sacramento had nothing to report but was available for questions.

County of Sutter Report. Report from the County of Sutter regarding HCP-related activity and other topics. There was no County of Sutter representative at this current meeting.

Financial statement review. Burns presented unaudited February 03, 2020 financial statements. Additional information was provided.

Executive Director's Report. Various matters for Board members' general information were presented by the Conservancy's Executive Director. Nothing to report out.

ADJOURNMENT

Official adjournment of the meeting.

(Res.21.02.07) On a motion by M. Johnston and a second by Chilmakuri the Board unanimously voted to adjourn the meeting at 7:06 p.m.

Board members

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

- Nancy Johnston
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- John Shirey
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ATTEST:

Chandra Chilmakuri, Secretary

Date