

<p>TNBC</p>	<p>Annual Meeting of the Corporation and Regular Meeting of the Board of Directors</p>	<p>Upcoming Regular Meetings</p>	<p><i>t h e</i> NATOMAS BASIN <i>c o n s e r v a n c y</i></p>
<p>The Natomas Basin Conservancy Web site: www.natomasbasin.org</p>	<p>4:00 p.m. 2150 River Plaza Drive, #460 Sacramento, CA <i>(meeting in Suite 400)</i></p>	<ul style="list-style-type: none"> • April 7 • May 5 • June 2 	<p>March 3, 2010</p>

Agenda

Agenda format and readings tips

• *Agenda packet sections*

Agenda packet #	Section name	What's included
①	Agenda	This is the main agenda. Reading this section will provide the reader with an understanding of the plan for the meeting.
②	Supplemental materials	On some agenda items, there are handouts that are more extensive than can be covered in the "Discussion" section of the main agenda. These materials are included in agenda packet #2.
③	Executive Director's packet	The Executive Director includes items of general interest to the Board of Directors in agenda packet #3. The items in this packet are for general information, not action.
④	Executive Session	Material in this packet is for Board members' information in closed, executive session. It is confidential and not made public.

• *Item organization*

This agenda is prepared in order to facilitate understanding of the Conservancy Board of Director's agenda packet. Each agenda item is numbered in the far left-hand column. Then, as the reader moves from left to right, more information is provided. Ultimately, the far right-hand column presents a discussion of the agenda item.

1	Call to Order	Call to Order of the Regular Meeting of the Board of Directors	Admin.	∅	○ The Board President will call the meeting to order if a quorum is present. Announcements by the Board President or Executive Director may be made at this time.
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• *Exhibit symbols attendant with agenda item*

Agenda exhibit symbol in the "Pg." column	Definition
∅	There is no supplemental information that accompanies an agenda item.
①	There is more information in supplemental handouts.
2.21	Means that in agenda packet number 2, there will be supporting information on page 21.

• *Staff agenda item recommendations symbols*

In the "Discussion" column, there are a series of symbols used, also in order to facilitate quick understanding. These indicate the status of staff recommendations.

Agenda exhibit symbol in the "Pg." column	Definition
○	There is no staff recommendation on the matter.
⊕	Staff recommends approval.
●	Staff does not recommend approval.

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Annual Meeting of the Corporation

#	Section	Item	Type	Pg.	Discussion
1	Call to Order	Call to Order of the Annual Meeting of the Corporation	Admin.	Ø	○ The Board President will call the meeting to order if a quorum is present. Announcements by the Board President or Executive Director may be made at this time.
2	Action	Approval of the Minutes	Action	2.1	⊕ The Board President will request approval of the minutes of the Annual Meeting of the Corporation on March 4, 2009.
3	Action	Election of Officers	Action	2.4	⊕ Election of officers of the corporation. The Compensation and Governance Committee's Chair requested nominations from the members of the Board to fill the Board's officer positions. Additional nominations may be heard. The elected President will discuss with Board members their thoughts regarding committee assignments for the year.
4	Action	Establish time, date and location of regular Board meetings	Action	Ø	⊕ The time, date and location of regular meetings of the Conservancy's Board of Directors will be the first Wednesday of each month at 4:00 p.m. at the offices of the Conservancy, 2150 River Plaza Dr., Suite 400, Sacramento, California.
5	Discussion	Public Comment	No action	Ø	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
6	Executive Director's Report	Executive Director's Report	No action	Ø	○ Various matters for Board members' general information.
7	Adjournment	Adjournment	Admin.	Ø	○ Official adjournment of the Annual Meeting of the Corporation.

Ⓢ = More information in supplemental handouts.
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Regular Meeting of the Board of Directors

#	Section	Item	Type	Pg.	Discussion
1	Call to Order	Call to Order of the Regular Meeting of the Board of Directors	Admin.	Ø	○ The Board President will call the meeting to order if a quorum is present. Announcements by the Board President or Executive Director may be made at this time.
2	Action	Approval of the Minutes	Consent	2.5	⊕ The Board President will request approval of the minutes of the Board of Directors meeting of December 2, 2009.
3	Action	Office sublease agreement	Consent	2.13	⊕ The Conservancy's office space is leased through a sublease arrangement with Economic Planning Systems (EPS). The lease is scheduled to expire on April 1, 2010. Staff recommends that the Conservancy exercise its option to renew the lease for 12 months with a second 12 months to follow unless the Conservancy gives notice of non-renewal on the second 12 months.
4	Action	Ratification of casting ballots in the Natomas Central Mutual Water Company Board of Directors election	Consent	2.14	<p>⊕ The annual election of Directors of the Natomas Central Mutual Water Company (NCMWC) took place on February 9, 2010. The Conservancy holds 3,407 shares of stock in the Company (out of approximately 32,000 shares). The Conservancy's Board has traditionally authorized casting ballots for candidates committed to preserving the NCMWC's historic policy of keeping the NCMWC stock linked to the land owned by the shareholder (that is, not allowing the stock to be severed from the land). An additional consideration is a commitment to continuing the NCMWC as a viable entity committed to providing sustainable water delivery to customers.</p> <p>Since the Conservancy's February 2010 Board meeting was cancelled for lack of a quorum, the Conservancy's Executive Director, in communication with the Board President, determined that it was in the best interest of the Conservancy to cast the Conservancy's ballots for the NCMWC Board election in keeping with the Conservancy Board's authorization last year. Subsequently, the Conservancy ballots were cast in a manner in keeping with the strategy of last year.</p> <p>This action ratifies the Conservancy's Executive Director's voting the Conservancy's shares in the Conservancy's interest after getting verbal consent from the Conservancy's Board President.</p>
5	Action	2010 HCP fee recommendation	Action	2.16	<p>⊕ At the December 2, 2009 Board of Directors meeting, the Board approved a budget for 2010. With that approval, the Board submitted a request to the City of Sacramento to adopt the NBHCP's Finance Model's indicated fee from:</p> <ul style="list-style-type: none"> • the current fee of: \$38,133 per acre

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				<p>(\$20,633 with land dedication)</p> <ul style="list-style-type: none"> • to a new (2010) fee of: \$45,423 per acre (\$27,923 with land dedication). <p>The primary reason for the fee increase is the State of California's termination of Williamson Act subventions and a resultant anticipated increase in property taxes. The Board approved the request, but a question was raised about the Williamson Act assumptions used.</p> <p>Conservancy staff indicated to the Board that it would take another look at the assumptions, and if the re-examination warranted a return to the Board for reconsideration, the matter would be brought back at the Board's next meeting.</p> <p>Staff met with economists at EPS, Conservancy legal counsel, City staff, the Natomas Working Group and others and determined that a less conservative Williamson Act assumption was appropriate as follows:</p> <p><u>Current assumption:</u></p> <ol style="list-style-type: none"> 1. The State of California's Williamson Act subventions to counties remains unfunded or largely unfunded. 2. Counties with which the Conservancy has Williamson Act contracts give notice to terminate its contracts. 3. The 10-year phase down process begins, and the Conservancy is faced with a larger property tax burden. <p><u>New assumption:</u></p> <ol style="list-style-type: none"> 1. The State of California's Williamson Act subventions to counties remains unfunded or largely unfunded. 2. Counties with which the Conservancy has Williamson Act contracts make no change to existing contracts. 3. Counties permit no new properties to be enrolled in Williamson Act contracts. 4. All new properties acquired by the Conservancy for HCP mitigation purposes enjoy no Williamson Act property tax protection and are assessed at their full value. <p>Under this new assumption, the fee recommendation submitted to the City of Sacramento would appear as follows:</p> <ul style="list-style-type: none"> • a new (2010) fee of: \$44,050 per acre (\$26,550 with land dedication). <p>This item requests adoption of a resolution to be submitted to the City of Sacramento which amends the fee request, as follows:</p>
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					<p>A RESOLUTION RECOMMENDING ADJUSTMENT IN THE NATOMAS BASIN HABITAT CONSERVATION PLAN FEE TO THE CITY OF SACRAMENTO</p> <p>WHEREAS, the Conservancy is charged with implementing the Natomas Basin Habitat Conservancy Plan (NBHCP), and</p> <p>WHEREAS, in order to accomplish its mission the Conservancy receives fees paid to it which are normally collected by the City of Sacramento, and these fees are in turn conveyed to the Conservancy to use in implementing the NBHCP, and</p> <p>WHEREAS, as required by the NBHCP, each year the Conservancy evaluates the costs associated with implementation of the NBHCP and determines if the fees are adequate, and</p> <p>WHEREAS, the Conservancy has re-run the NBHCP Finance Model that has been used to evaluate the adequacy of funds necessary to implement the NBHCP, and</p> <p>WHEREAS, when the fee is deemed in need of adjustment to permit continued successful implementation of the NBHCP, the Conservancy has requested that the City of Sacramento approve a fee level that is adequate, and</p> <p>WHEREAS, in order to adequately finance the NBHCP's implementation given current levels of income and expense, the Conservancy believes that the current fee must be increased.</p> <p>NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE NATOMAS BASIN CONSERVANCY THAT,</p> <p>1. The Conservancy believes an NBHCP fee of \$38,133.00 per developed acre ("base fee") be increased to \$44,050.00 per developed acre and requests the City of Sacramento establish this new, requested fee level.</p> <p>2. The Conservancy believes a fee increase from \$20,633.00 per developed acre to \$26,550.00 per developed acre with satisfactory land dedication is necessary in lieu of paying the Land Acquisition Fund portion of the NBHCP fee, and requests the City establish this new, requested fee level.</p>
6	Discussion	City of Sacramento report	No action	∅	○ Report from the City of Sacramento regarding HCP-related activity and other topics.
7	Discussion	Financial statement review	No action	①	○ A financial statement will be provided for the period ended December 31, 2009 (draft and unaudited). The January 31, 2010 financial statement is also presented.


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8	Discussion	Endowment funds investment manager report	No action	①	○ An update on the Conservancy's endowment funds will be provided by Sheree Arntson of Arnerich Massena & Associates, Inc.
9	Discussion	Natomas Central Mutual Water Company update	No action	∅	○ The General Manager of the Natomas Central Mutual Water Company, Dee Swearingen, will update the Board on NCMWC issues. The NCMWC recently completed its annual meeting, and a new Board of Directors was elected with a few new members. The Conservancy owns approximately 11 percent of the stock in the Water Company.
10	Discussion	Sacramento Area Flood Control Agency update on the Natomas Levee Improvement Project	No action	①	○ Guest Tim Washburn of the Sacramento Area Flood Control Agency (SAFCA) will be present to update the Board on the Natomas Levee Improvement Project (NLIP).
11	Public Comments	Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
12	Executive Session	Executive Session	Action	①	○ Executive Session is planned.
13	Executive Director's Report	Executive Director's Report	No action	①	○ Various matters for Board members' general information.
14	Adjournment	Adjournment	Admin.	∅	○ Official adjournment of the meeting.

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