


<h1>TNBC</h1> <p>The Natomas Basin Conservancy</p> <p>Web site: www.natomasbasin.org</p>	<p>Regular Meeting of the Board of Directors</p>	<p>Upcoming Regular Meetings</p> <ul style="list-style-type: none"> • February 7 • March 7 • April 4 	 <p>December 6, 2006</p>
	<p>4:00 p.m.</p> <p>2150 River Plaza Drive, #460 Sacramento, CA (meeting in Suite 400)</p>		

#	Section	Item	Type	Pg.	Discussion
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. The City of Sacramento's Remy Mendoza may appear with an announcement.
2	Action	Approval of the Minutes	Consent	2.1	⊕ The Board President will request approval of the minutes of the Board meeting of November 1, 2006.
3	Action	Fund-to-fund loan repayment	Consent	∅	⊕ Currently the Land Acquisition Fund has an outstanding loan to the Administration Fund of \$1,429,520.00 for the previous purchase of properties. As there are sufficient funds in the Land Acquisition Fund to repay this loan, staff recommends this inter-fund loan be retired. Please see the current financial statement in agenda packet #2 to see how this loan is presently carried.
4	Action	Extended authorization for groundwater well on Bennett North tract	Consent	2.8	⊕ The Board previously authorized the drilling and outfitting of a groundwater well on the Conservancy's Bennett North tract in order to support the planned managed marsh construction project there. The amount of funds authorized was \$80,301.00. As the well drilling contractor was drilling the well, inadequate water was identified at the contracted-for 300-foot level. Testing followed, and showed adequate water at 380 feet. Given the critical nature of the project, given that the contractor was on-site, with consultation, the Board President and Executive Director authorized a change in the project amount to \$89,661.00. This action seeks ratification of the authorized amount.
5	Action	Livestock acquisition	Consent	2.17	⊕ The Conservancy will be assuming land management responsibilities effective January 1, 2007. An essential part of efficient vegetation management on Conservancy preserves has been maintenance of a herd of goats and cattle. This item requests authorization for the Executive Director to purchase on behalf of the Conservancy approximately 150 goats and 31 cows/pairs for a total of \$44,700.00. The seller would be Wildlands, Inc, which currently has the livestock on Conservancy preserves to assist

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					with vegetation management. All livestock appears marketable at this time. Depending on ultimate arrangements made by the Conservancy for land management services, the Executive Director may decide to forego this purchase, or acquire a portion of the herd rather than the full quoted livestock herd and amount.
6	Action	Bennett North ground preparation work in support of conversion of certain rice fields to managed marsh	Consent	2.18	⊕ Staff requests the Board authorize the Executive Director to execute and deliver an agreement with Sopwith Farms for the purpose of constructing a new well pad for the newly-installed well at Bennett North, construct water conveyances and crossings for the new well for off-season delivery of water to the new managed marsh complex, chisel the surface-level hard pan on the rice field portion of the project to a greater depth to assist in the control of rice field tail water going into the new managed marsh portion of the tract, and touching up the leveling job of a few years ago where we now know additional improvements are needed based on farming experience. The amount requested for authorization is not to exceed \$15,000.00.
7	Action	Transition of land management functions, possible extended services, acquisitions	Consent	∅	⊕ The conclusion of the three-year land management contract between Wildlands, Inc and the Conservancy ends December 31, 2006. Conservancy staff anticipates there will be various transition matters that surface that may require funding. This request is for a total of \$25,000.00 for the purpose of acquiring any used equipment or services deemed by the Executive Director to be appropriate in order to insure a smooth transition of land management services from Wildlands to the Conservancy. It is anticipated that little of this authorization will be exercised, however, it is requested to insure that management of Conservancy lands doesn't suffer and subsequently cost greater sums for lack of materials, equipment and services.
8	Action	Policy updates: 1.) endowment funds investment policy, 2.) corporate funds investment policy, 3.) Internal Financial Controls policy	Consent	2.19	⊕ Conservancy staff proposes to update the Conservancy's Corporate Investment Policy and Endowment Investment Policy. After consultations with the Conservancy's new Investment Advisor, review by Conservancy staff, consultation with selected other area non-profit managers and checking American Society of Association Executives resources regarding investment policy practices, the Conservancy employed the services of Savant Financial in Sacramento to review suggestions proposed and to make recommendations to improve these policies. Updates have also been made to the Internal Financial Controls Policy to bring it current. Suggested changes have been considered by and are forwarded to the Board by the

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					Conservancy's Finance Committee, which recommends the policy amendments be adopted.
9	Action	Conservancy Finance Committee Charter	Consent	2.31	⊕ A Conservancy Finance Committee Charter is submitted for acceptance by the Board. The Committee recommends it for approval based on review and action at its August and November (2006) meetings.
10	Action	Selection of auditor	Action	2.33	⊕ To continue the multi-year agreement with Gilbert & Associates, authorization is sought to re-engage Gilbert & Associates to audit the Conservancy's 2006 financials.
11	Action	2007 Budget and NBHCP Finance Model	Action	① + 2.39	<p>⊕ A draft of the 2007 Conservancy Budget and NBHCP Finance Model was presented to the Board at the November 1, 2006 Board of Directors meeting for review. This year for the first time, the Conservancy budget is integrated with the NBHCP Finance Model, so that the document submitted for action is one document. The consolidation of the two documents is intended to help reduce the chance of differing budget numbers, and the consistency now afforded will be helpful in planning.</p> <p>The 2007 Budget and Finance Model is now submitted for acceptance along with a request to the City of Sacramento to adopt the Finance Model's indicated fee from the current fee of \$41,182 per acre (\$18,682 with land dedication) to \$38,445 per acre (\$18,445 with land dedication).</p> <p>(See proposed resolution for this item.)</p>
12	Action	Request to City of Sacramento City Council to re-authorize option of requiring land dedication in lieu of payment of the Land Acquisition portion of the NBHCP fee	Action	2.40	<p>⊕ The Conservancy Board has previously acted to elect an option provided for in the 2003 NBHCP that land dedication would be required in lieu of payment of the Land Acquisition Fund portion of the NBHCP fee. Given the nature of the real estate market in the Natomas Basin, the Conservancy has determined that in order to ensure accurate Finance Model calculations, to provide an extra level of certainty on "assured funding," and also in order to minimize any effect of subsequent fee payers having to subsidize prior fee payers due to inadequate funds in the Land Acquisition Fund, the land dedication option was essential. The land dedication process has worked very well.</p> <p>In 2006, the Sacramento City Council supported the Conservancy Board's action with a resolution that required land dedication in lieu of payment of the Land Acquisition Fund portion of the NBHCP fee. Like the Conservancy Board's action, the City Council action also provided for a "small developer" exemption, provided sufficient surplus mitigation land was available.</p>

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					<p>The City Council again added one item not contained in the Conservancy Board resolution, and that is that if “small lots” were needed to make up a land dedication effort, provided the small lot was less than the City Council’s threshold determination for a small developer at 50 acres, even a large land dedicator could in effect draw on the Conservancy’s mitigation land surplus to meet the odd lot amount. (Example: A developer needed 100 acres of mitigation land but could only find 79 acres for sale. That developer could dedicate land on the 79 acres and satisfy the balance of the mitigation acres by paying the NBHCP fee.)</p> <p>Given the success of the program and the certainty it provides, Conservancy staff recommends that the Conservancy Board request that the City Council support the Conservancy’s decision not to accept the Land Acquisition Fund portion of the NBHCP fee in lieu of land dedication. The request would allow the small developer exemption, whereby the developer of less than 25 acres (not the current 50 acres) could pay the full NBHCP fee and not be required to dedicate land in lieu of Land Acquisition Fund fee payment, provided that adequate surplus land is available to accommodate these mitigation needs.</p> <p>The request does not include the “odd lot” allowances.</p> <p>(See proposed resolution for this item.)</p>
13	Discussion	City of Sacramento report	No action	∅	○ Report from the City of Sacramento regarding HCP-related activity and other topics.
14	Discussion	Financial statement review	No action	2.42	○ A financial statement update will be provided period ended October 31, 2006.
15	Discussion	Land exchange update	No action	2.51	○ Staff will review with the Board the Conservancy’s remaining actions necessary to consummate the third and final of three land exchanges. (The Exchange Agreement that guides this transaction--the “Ayala tract” exchange--was approved by the Board earlier.) This presentation by staff will pertain to facilitation of a boundary line adjustment, details surrounding obligations of the Conservancy to accommodate an 800-foot setback from the Sutter County Measure M development, and benefits to the Conservancy of finalizing these details.
16	Discussion	NCMWC interest in joining the NBHCP	No action	①	○ Staff will review with the Board the application by the Natomas Central Mutual Water Company (NCMWC) to join the NBHCP.

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17	Public Comments	Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
18	Executive Session	Executive Session – Real Estate	Action	①	○ Executive Session for real estate.
19	Executive Session	Executive Session – Litigation	Action	①	○ Executive Session pursuant to Government Code Section 54956.9 for the purpose of meeting with legal counsel regarding litigation on two matters.
20	Executive Director's Report	Executive Director's Report	No action	①	○ Various matters for Board members' general information.
21	Adjournment	Adjournment	Admin.	∅	○ Official adjournment of the meeting.

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