

<p>TNBC</p> <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>	<p><i>t h e</i> NATOMAS BASIN <i>c o n s e r v a n c y</i></p> <p>April 6, 2011</p>
	<p>4:00 p.m.</p> <p>2150 River Plaza Drive, #460 Sacramento, CA <i>(Meeting in 1st floor Large Conference room.)</i></p>	<ul style="list-style-type: none"> • May 4 • June 1 • August 3 	

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.
---	---------------	--	--------	---	---

• *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.

<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>	 <p>April 6, 2011</p>
	<p>4:00 p.m.</p> <p>2150 River Plaza Drive, #460 Sacramento, CA (Meeting in 1st floor Large Conference room.)</p>	<ul style="list-style-type: none"> • May 4 • June 1 • August 3 	

#	Section	Item	Type	Pg.	Discussion
1	Call to Order	Call to Order of the Regular Meeting of the Board of Directors	Admin.	∅	<p>○ 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.</p> <p>New Board member Kevin McRae will be introduced to the Board at this time.</p>
2	Action	Approval of the minutes	Consent	2.1	<p>⊕ The Board President will request approval of the minutes of the Board of Directors meeting of March 2, 2011. A draft of the minutes of the March 2, 2011 Annual Meeting of the Corporation are included in the minutes for review purposes only.</p>
3	Action	Cancellation of July 6, 2011 Board meeting	Consent	∅	<p>⊕ The Board customarily cancels its July Board meeting because getting a quorum has typically been difficult due to the July 4 holiday.</p>
4	Action	Authorization to amend signature cards and related financial institution authorizations to reflect changes in Conservancy officers with the recent Board elections	Consent	2.12	<p>⊕ The Board's election of officers at its last meeting caused a change in the corporation's officers. Therefore, documents necessary for the Conservancy to conduct business with its financial institutions need to be updated.</p> <p>As has been done in prior years, this action authorizes the Conservancy's President, Vice President, Chief Financial Officer, Secretary and Assistant Secretary to sign bank signature cards and related authorizing documents for the Conservancy's Wells Fargo Bank, Wells Fargo Investments, Wells Fargo Advisors, City of Sacramento Treasurer's Office, T. Rowe Price, Arnerich Massena & Associates and Charles Schwab accounts. (Some accounts are effectively closed, but there is often post-close activity that may require officer signature authority.)</p>
5		Authorization for Farm Air Flying Service, Inc., to utilize the landing strip on the Conservancy's Bianchi West tract	Consent	∅	<p>⊕ The only remaining agricultural aircraft operator in the Natomas Basin is Farm Air Flying Service, Inc. The Conservancy and its tenants use Farm Air, and without the firm operating in the Basin, costs would rise substantially, and delays in planting crops would likely also result. (Rice is typically seeded by air.) Farm Air has requested permission to use the Conservancy's Bianchi West tract</p>

Ⓢ = More information in supplemental handouts.
∅ = No additional exhibits in Agenda Packet.

⊕ = Staff recommends approval.
○ = Staff recommendation not needed or indicated.
● = Staff does not recommend approval.

					<p>landing strip for use in serving its customers, including the Conservancy and its tenants.</p> <p>Before acquiring the Bianchi West tract, the Conservancy completed Phase One and Phase Two environmental testing on the airstrip. This was done in order to ascertain the level, if any, of toxicants in the soil at the landing strip site. (The studies revealed acceptable levels, so the Conservancy moved forward with its acquisition of the tract.) With this baseline data, the Conservancy can easily keep track of the status of soils on and around the runway.</p> <p>Staff requests authorization to enter into an agreement with Farm Air Flying Service, Inc. to allow it to utilize the Conservancy's Bianchi West landing strip. The authorization would include the following restrictions, among others:</p> <ol style="list-style-type: none"> 1.) the authorization terminates December 31, 2011, 2.) only seed and fertilizer are permitted to be used on the landing strip, 3.) no pesticides may be used on the strip without the written authorization of the Conservancy's Executive Director, 4.) only in-Basin sites may be served by Farm Air from the landing strip, and 5.) a properly executed right-of-entry (ROE) agreement must be in the Conservancy's office prior to Farm Air's use of the landing strip, and that the ROE contain the Conservancy's standard indemnification, hold harmless protections, and that the Conservancy be named as an additional insured on the relevant Farm Air insurance policy or policies. <p>The Executive Director expects no authorization request for pesticide use on the landing strip. However, there could be special occasions that might warrant such authorization, but only for the use by the Conservancy or its contractors and tenants.</p>
6	Action	Accept the Conservancy's 2010 audited financial statement	Action	2.13 ①	⊕ The Audit Committee reports on the audited financial statements for the year ended December 31, 2010. The Committee has reviewed the audit report with the auditor, Gilbert & Associates. The auditor has issued a clean opinion on the Conservancy's 2010 financial statement. The Committee recommends the Board accept the audit, along with the auditor's report contained in the financial statements for the year ended December 31, 2010.
7	Discussion	City of Sacramento report	No action	∅	○ Report from the City of Sacramento regarding HCP-related activity and other topics.
8	Discussion	Financial statement review	No action	①	○ A financial statement will be provided for the period ended February 28, 2011 (draft and unaudited).

 ① = More information in supplemental handouts.
 ∅ = No additional exhibits in Agenda Packet.

⊕ = Staff recommends approval.
 ○ = Staff recommendation not needed or indicated.
 ● = Staff does not recommend approval.

9	Discussion	Conservancy biological monitoring report	No action	∅	<p>○ The Conservancy's annual biological monitoring report will be presented by the Conservancy's biological monitoring contractor, ICF International. Doug Leslie will deliver the report and entertain any questions from Board members. Full hard copy reports will be available to the Board at the next regular meeting of the Board.</p>
10	Discussion	BKS tracts channel maintenance project	No action	∅	<p>○ Staff previously briefed the Board at its November 3, 2010 meeting regarding channel-clearing work needed at the Conservancy's BKS tract. The first phase of the channel clearing was completed in 2009, and that was known as the South Course channel clearing project. The North Course remains to be done.</p> <p>In an effort to spread out the costs due to budget considerations, and also to minimize to the extent practicable the amount of time the North Course would be out of service for the benefit of the Covered Species, the Board requested a proposal to conduct this work which meets the Board's concerns (cost management, prioritization, minimizing the time the marsh is out-of-service).</p> <p>A prioritization plan for the work was presented at the Board's February 2, 2011 meeting. The planned work takes a "worst first" approach. That is, it addresses the ponds and managed marsh areas that have the most sedimentation and related issues, and balances the need to address them on a priority basis with other issues. The engineer's estimate for the Phase One work, to be completed in 2011, was \$221,413.50.</p> <p>Since the Board's authorization to release the Phase One portion of the work to bid, unanticipated problems have arisen. Both the Conservancy's landscape architect consultant and the Conservancy's SWPPPs consultant expected that the BKS North Course Phase One project could be completed under a "maintenance" exemption under the Clean Water Act (CWA). However, CWA regulations have substantially changed in the last year. After getting the Board's okay to proceed with the release to bid out the maintenance work on the BKS North Course Phase One effort, the Conservancy authorized its consultants to proceed with obtaining a letter from the Regional Water Quality Control Board on the matter of an exemption. The result was that not only would there likely be no exemption, there was the likelihood that the Conservancy might also need to obtain a permit from the U.S. Army Corps of Engineers to comply with the federal Clean Water Act.</p> <p>These surprises caused Conservancy staff to recommend to the Board that a "hold" be placed on the project in order to determine the extent of permitting and the cost of compliance of proceeding.</p>

 ⓘ = More information in supplemental handouts.
 ∅ = No additional exhibits in Agenda Packet.

⊕ = Staff recommends approval.
 ○ = Staff recommendation not needed or indicated.
 ● = Staff does not recommend approval.

					Staff will update the Board on progress in securing permitting so that the project can be released for bid.
11	Discussion	Committee appointments	No action	∅	○ The Board elected officers at its recent Annual Meeting of the Corporation. Following that election, the Board President will announce committee assignments.
12	Discussion	Metro Air Park HCP alternative fee payment structure proposal	No action	2.15	<p>○ The Metro Air Park Property Owners Association (MAPPOA) has been in discussions with Conservancy staff and Board about an alternative HCP fee payment proposal. The proposal essentially would bifurcate MAPPOA's HCP fee with the immediate needs portion of the fee being paid prior to ground disturbance as is current practice, and then the remainder of the HCP fee paid in perpetuity through an assessment on Metro Air Park property owners.</p> <p>At its February 2, 2011 meeting, the Board requested that Conservancy legal counsel return to the Board with a list of terms and/or conditions that could be established as key elements of a response to the proposal. The Board expressed an interest in seeing that any acceptance of the alternative finance proposal could be applied in such a manner as to both protect the Conservancy's ability to effectively implement the HCP as well as to be fair to any and all others who may request the same financing option. Legal counsel reported to the Board at its March 2, 2011 meeting, and entertained questions. As a result, the Board requested that the Executive Director and legal counsel write a letter to MAPPOA's alternative fee proposal proponents, and urge them to refer the matter to U.S. Fish and Wildlife Service and California Department of Fish and Game for guidance. Staff will report back to the Board on this issue.</p>
13	Discussion	Required report back to Board from biological monitoring contractor regarding cost reduction proposals	No action	2.23	○ The Board will hear a presentation by Doug Leslie, ICF International, regarding the required report back to the Board with ideas and suggestions to reduce overall biological monitoring contract costs, but doing so within the requirements of the HCPs.
14	Discussion	Legal counsel report on litigation in the Sutter County portion of the Natomas Basin regarding the Sutter Pointe development	No action	①	○ The recent ruling in the case of <i>South Sutter, LLC v. LJ Sutter Partners, L.P.</i> regarding development proposals in the Sutter Pointe development portion of the Natomas Basin contains references to the Natomas Basin Conservancy. Conservancy legal counsel will present the case to the Board and entertain any questions that Board members might have about the case.
15	Public Comments	Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.

 ① = More information in supplemental handouts.
 ∅ = No additional exhibits in Agenda Packet.

⊕ = Staff recommends approval.
 ○ = Staff recommendation not needed or indicated.
 ● = Staff does not recommend approval.

16	Executive Session	Executive Session	Action	∅	○ No Executive Session is planned.
17	Executive Director's Report	Executive Director's Report	No action	①	○ Various matters for Board members' general information.
18	Adjournment	Adjournment	Admin.	∅	○ Official adjournment of the meeting.

 ① = More information in supplemental handouts.
 ∅ = No additional exhibits in Agenda Packet.

⊕ = Staff recommends approval.
 ○ = Staff recommendation not needed or indicated.
 ● = Staff does not recommend approval.