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| TNBC | **Regular Meeting**  **of the**  **Board of Directors** |  | **Upcoming Regular Meetings** | TNBC for Word |
| The Natomas Basin | 4:00 p.m. |  | • February 1 |  |
| Conservancy | 2150 River Plaza Drive, #460 |  | • March 7 |  |
| Web site: [www.natomasbasin.org](http://www.natomasbasin.org)  Phone: (916) 649-3331 | Sacramento, CA  *(Meeting in 1st floor Large Conference room.)* |  | • April 4 | December 7, 2011 |

### Agenda

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***Agenda format and readings tips***

•*Agenda packet sections*

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| **Agenda packet #** | **Section name** | **What’s included** |
| ➀ | Agenda | This is the main agenda. Reading this section will provide the reader with an understanding of the plan for the meeting. |
| ➁ | 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. |
| ➂ | 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. |
| ➃ | 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.

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| 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*

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| **Agenda exhibit symbol in the “Pg.” column** | **Definition** |
| ∅ | There is no supplemental information that accompanies an agenda item. |
| 🛈 | 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.

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| **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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| # | 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. |
| 2 | Action | Approval of the minutes | Consent | 2.2 | ⊕ The Board President will request approval of the minutes of the Board of Directors meeting of October 5, 2011. |
| 3 | Action | Overage approval an additional $1,500 on preserve access design work | Consent | 2.5 | ⊕ Overage approval is requested of an additional $1,500 to the $9,225.00 approval awarded at the March 2, 2011 Board of Directors meeting for initial scoping and design service for the preserve controlled access pilot project conducted by Tallac Applied Ecology & Design. The overage is largely attributable to the graphics provided by Tallac that the Conservancy requested be provided for the benefit of the Board’s understanding of the effort. |
| 4 | Action | Approve repairs to the residence on the Silva Tract (9055 East Levee Road) | Consent | 2.6 | ⊕ Staff engaged Sutherland Construction to conduct minor repairs at the residence on the Silva tract (“Silva residence”). Once the contractor got into the work, he determined that there was substantial repair work needed on plumbing and concrete work (front porch). Since the tenant of longstanding has vacated the property, staff believes this is an excellent time to conduct this work. The property sits at the entrance to the Conservancy’s “corporate yard” where there has been considerable theft and vandalism in the past, so the house serves somewhat as a “sentry” to the property. Having a quality tenant in the residence is thought to be valuable for property and preserve protection.  Due to unforeseen problems found while the work was being done, in addition to the $8,550.00 already spent on this project, this item requests that an allocation of $12,245.00 (as referenced on pages 2.6 and 2.7), be authorized for repairs to the Silva residence to bring it up to safe standards for a new tenant. |
| 5 | Action | Installation of HVAC system in the residence on the Silva tract (9055 East Levee Road) | Consent | 2.8 | ⊕ During work on the Silva tract residence, it was discovered that a potentially dangerous problem existed with the heating unit in the property. Additionally, the former tenant moved out of the residence recently and stated that the number one reason for his decision to leave was the lack of air conditioning and the cold winters in the residence. Staff believes that it will be difficult to secure a quality tenant in the property unless these matters are resolved.  Three firms were asked to bid on installing an HVAC system to the residence. The submitted bids came in as follows:  --Park Mechanical  $15,035 (higher quality unit)  $12,657 (lower quality unit)  --Bonney Plumbing and Heating  $12,000 (lower quality unit, no duct work)  $16,000 (higher quality unit, no duct work)  Staff recommends that the Board authorize the Executive Director to enter into a contract with Park Mechanical in an amount not to exceed $15,035 for the acquisition and installation of an HVAC system in the Conservancy’s residence at 9505 East Levee Road (“Silva residence”). |
| 6 | Action | Amend Audit Committee charter | Consent | 2.12 | ⊕ Staff recommends updates to the Conservancy’s Audit Committee Charter. Staff is seeking recommendation of the proposed charter amendments from the Audit Committee to the Board of Directors for approval. See proposed changes in the agenda packet. |
| 7 | Action | Auditor engagement | Consent | 2.14 | ⊕ To continue the five-year agreement (re-authorized by Board action Res. #10.11.12) with Gilbert & Associates, action is sought to accept Gilbert & Associates’ engagement letter to audit the Conservancy’s financial statement for year-end December 31, 2011 in an amount not to exceed $15,000.00.  *Background*: Audit year 2011 is year 2 of a 5-year agreement. Gilberts’ contracted fees are:  Audit of fiscal year 2010 - $15,000  **Audit of fiscal year 2011 - $15,000**  Audit of fiscal year 2012 - $16,000  Audit of fiscal year 2013 - $16,500  Audit of fiscal year 2014 - $17,000  This requests Board approval of the engagement of Gilbert & Associates to conduct the 2011 year-end audit of the Conservancy’s financials with the approval of the Audit Committee. |
| 8 | Action | Engagement of Gilbert Associates, Inc. to complete a compliance review of the Conservancy’s investments and investment policies | Consent | 2.19 | ⊕ The Conservancy requested investment compliance review be quoted in the last round of annual audit RFPs as an optional item. Its intent would be to audit compliance with the Conservancy’s investment policies.  An engagement letter from Gilbert Associates, Inc. to complete a compliance review of the Conservancy’s investments and investment policies is presented for consideration. Gilbert proposes a cost of $2,700 for these services. The proposal to authorize this expenditure is contingent on Audit Committee approval. |
| 9 | Action | Request for approval of 2011 Budget and NBHCP Finance Model recalculation and NBHCP fee recommendation | Action | 2.21  🛈 | The proposed 2012 Conservancy budget is presented to the Board for adoption. A draft of the 2012 Conservancy budget was shared with the Board at the October 2011 Board of Directors meetings for review and discussion.  The Conservancy draft 2012 budget is integrated with the NBHCP Finance Model, so that the document submitted for action is one document. The consolidation of the two documents was introduced in 2007 with the intention of reducing the chance of differing budget numbers and because of the consistency it afforded.  The matter of reserves for property taxes is a substantial issue for the NBHCP Finance Model calculation. This year, the Conservancy made the following assumptions with respect to the Williamson Act:  1. The State of California’s Williamson Act subventions to counties remains unfunded or largely unfunded in this and next years’ State budgets.   1. Counties with which the Conservancy has Williamson Act contracts (Sacramento and Sutter) make no additional change to existing contracts. 2. Counties permit no new properties to be enrolled in Williamson Act contracts. 3. 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. 4. Sutter County’s Williamson Act contracts are reduced by 10 percent beginning in 2012 and ending in 2015.   The 2012 Conservancy Budget and NBHCP Finance Model is now submitted for Board acceptance as is a request to the City of Sacramento to adopt the Finance Model’s indicated fee as follows:  •A reduction in the NBHCP fee for 2012 from $37,547 per developed acre to $32,861 per developed acre.  •A reduction in the NBHCP fee with land dedication for 2012 from $22,547 per developed acre to $21,611 per developed acre.  *[These numbers are subject to final calculation adjustments, which, if any, are expected to be minor.]*  The primary reason for the proposed decrease is a reduction in estimated land acquisition cost. The land-related fee components constitute approximately $3,750 of the proposed total fee decrease of $4,686 per acre.  The proposed 2012 NBHCP Finance Model land acquisition cost is calculated at $22,500 per acre, down from $30,000 per acre in the 2011 NBHCP Finance Model. The $22,500 per acre land acquisition cost estimate is based on an appraisal report from Smokey Stover, MAI and Stephen Harrington, MAI, as well as Conservancy staff inquiries of parties to known land transactions in the Natomas Basin in the past couple of years.  This item requests:  1.) approval of the proposed 2012 Conservancy Budget,  2.) acceptance of the 2012 NBHCP Finance Model recalculation, and  3.) adoption of a resolution to be submitted to the City of Sacramento as follows:  **A RESOLUTION RECOMMENDING ADJUSTMENT IN THE NATOMAS BASIN HABITAT CONSERVATION PLAN FEE TO THE CITY OF SACRAMENTO**  **WHEREAS**, the Conservancy is charged with implementing the Natomas Basin Habitat Conservancy Plan (NBHCP), and  **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, and  **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  **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  **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  **WHEREAS**, in order to accurately finance the NBHCP’s implementation given current levels of income and expense, the Conservancy believes that the current fee should be decreased.  **NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE NATOMAS BASIN CONSERVANCY THAT**,  1. The Conservancy believes an NBHCP fee of $37,547 per developed acre (“base fee”) be decreased to $32,861 per developed acre and requests the City of Sacramento establish this new, requested fee level.  2. The Conservancy believes a fee decrease from $22,547 per developed acre to $21,611 per developed acre with satisfactory land dedication is appropriate with land dedication fee payers and requests the City establish this new, requested fee level.  --end of resolution--  This item anticipates that should Sutter County express an interest in initiating its use of the NBHCP’s Incidental Take Permit acres, an identical resolution would be approved for it as well, changing out only the City of Sacramento references to County of Sutter references. |
| 10 | Action | Proposal for development of a controlled access plan on Conservancy preserves; update | Action | 2.26 | ⊕ In previous meetings, the Board has discussed a plan to prepare one of the Conservancy’s preserves for limited and controlled public access (a “pilot” project). Earlier, the Board reviewed a staff-developed concept paper used to background the Board and consultant on the concept. An “Access Concept Paper” was presented to the Board of Directors at its October 5, 2011 meeting by staff and landscape architect Sheri Brown Dion of Tallac Design. The Board authorized moving to the next steps as follows:  1.) Introduce Concept Plan to the Conservancy Board of Directors (October 5, 2011 meeting). **DONE**  2.) Refine Concept Plan based on Board member comments. **DONE**  Ⓟ3.) Conduct legal and insurance review and submit to Board. **Proposed to Board for approval**  Ⓟ 4.) Develop budget detail of proposed Concept Plan implementation. **Proposed to Board for approval**  ☐ 5.) Return to Board of Directors with a fully developed plan and budget and a proposal for acceptance and authorization to submit to the NBHCP Technical Advisory Committee. **ITEM** **PLANNED FOR FEBRUARY BOARD MEETING**  ☐ 6.) TAC approval of Concept Plan.  ☐ 7.) Development of detailed design, construction plans and specifications, and bid package for physical access features (e.g., trails, parking, interpretive panels, directional signs, etc.).  ☐ 8.) Development of detailed design for virtual access elements and interpretive programming (e.g., docent program, brochures, enhanced web-site, etc.).  This agenda item requests:   1. the Board’s input into the legal and insurance review, and 2. the Board’s input into the detailed budget, and 3. the Board’s authorization to proceed with the next action step, preparation of a detailed proposal to submit to the NBHCP Technical Advisory Committee for its consideration and approval, and 4. authorization for expenditure up to $10,000 to engage EPS and Tallac Design to assist with the preparation of the proposal to be brought before the Board at the February Board meeting. |
| 11 | Action | Acquisition of construction services for continuation of the BKS North Course Channel Clearing Project | Action | 2.33 | ⊕ Following a brief discussion at recent Board meetings with regard to contracting matters, the Board President requested the matter of contracting be brought back to the Board for discus­sion. Staff was instructed to assemble the estimates for the BKS North Course Phase 2 project and return with a proposal in this regard.  This item furthers the discussion about ways to engage contractors in such a manner as to:   1. reduce costs to all parties, 2. obtain reasonable certainty for the Conservancy, and 3. fulfill the desire of the Conservancy to continue to “test the market,” especially on significant contract items.   Reference is made to the existing agreement the Conservancy has with CalSierra Construction for the BKS North Course Phase I, which is a part of the four-phase BKS North Course Channel Renovation Project.  At its February 2011 meeting, the Board authorized staff to proceed with obtaining bids from qualified contractors to conduct the BKS North Course Phase 1 channel clearing work.  Contractors selected to bid this work were contractors that were able to demonstrate:   1. their ability to work well with the Conservancy on previous projects, 2. an awareness of the sensitive environment the Conservancy works in, 3. an ability to adequately train, or have cooperated in training, its workers so they are mindful of Conservancy issues, 4. an ability to appropriately manage issues that arise during construction (such as the discovery of a sand lens that needs sealing) and have demonstrated they can creatively deal with these, 5. in the course of previous work for the Conservancy, they have not burdened the Conservancy with excessive or unreasonable change orders, and 6. their charges on work done for the Conservancy in previous projects have been fair and reasonable.   Out of this process, the Board selected CalSierra Construction to conduct the Phase 1 work.  Now, as the Conservancy begins planning work for 2012’s BKS North Course Phase 2 portion of the project, staff recommends the Board authorize it to meet with CalSierra Construction and determine if it can conduct the Phase 2 planned work at the same or lower price on the major items.  Most importantly, this includes:   1. the movement of an estimated 23,921 cubic yards of soil for $2.25 per yard or lower, 2. tule salvage at $11,200 or lower, and 3. SWPPPs-compliant dust control for $8,000 or lower.   The total cost of the Phase 2 project (all items, including the above) would not exceed the Conservancy engineer’s estimate of $111,950.  If CalSierra indicates it can hold the costs for the same amount (or lower) than it proposed during the competitive bidding process for Phase 1, staff would ask for legal counsel to draft up an agreement to be brought back to the Board for its consideration. The agreement would be between the Conservancy and CalSierra Construction, would stipulate a contract amount that referenced the previous bid amounts and the current Phase 2 proposal. If the Board approves this agreement, CalSierra would be authorized to begin work on the BKS North Course Channel Renovation Project, Phase 2, according to the 2003 NBHCP.  This item requests the Board authorize the Executive Director to enter into negotiations with CalSierra Construction to see if the Conservancy could come to an agreement with CalSierra Construction to complete the BKS North Course Phase 2 work for essentially the same per unit pricing as CalSierra Construction bid on the Phase 1 portion of the project. |
| 12 | Action | Construction management services: channel renovation design, permitting, bidding process, bid review and analysis, construction monitoring and construction grade checking assistance | Action | 2.35 | ⊕ In its resolution #11.02.04, the Board of Directors authorized spending up to $20,000 with Westervelt Ecological Services for construction supervision on the BKS North Course Channel Maintenance project, Phase 1. This was to assist with permitting, a worker safety training exercise for the selected contractor, assistance with the bid package, including reviewing the bids for compliance and assisting Conservancy staff in preparing a recommendation to the Board of Directors, conducting periodic grade checks at the work site to make certain the selected contractor has done accurate work and other general construction management services. Because of the unexpectedly complicated permitting process, the funds were exhausted and an additional $25,000 was requested and approved.  This item requests Board approval of an authorization of $30,000.00 to be used with Westervelt Ecological Services for the same purposes, but in this case, for the Phase 2 of the BKS North Course Channel Renovation project. The allocation of funds would be used for services that include, but are not limited to construction drawings, worker education, permitting assistance and permit acquisition, and construction inspection and verification, including grade checks.  Importantly, it is contingent upon there being no further bidding for contractor selection, the fact that Phase 2 is smaller than Phase 1, and that the permitting process should be easier than last time now that regulatory authorities have familiarization with the work being done and a precedent to reference.  This item requests authorization to spend up to $30,000 with The Westervelt Company for design, engineering, permitting and construction management services on the BKS North Course Phase 2 project. |
| 13 | Action | Authorization to cast ballots in the Natomas Central Mutual Water Company Board of Directors election | Action | 🛈 | The annual election of Directors of the Natomas Central Mutual Water Company (NCMWC) takes place on February 14, 2012. The Conservancy holds 3,407 shares of stock in the Company (out of approximately 32,000). Conservancy staff recommends that votes be cast 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).  This action authorizes the Conservancy’s Executive Director to vote the Conservancy’s shares in the Conservancy’s interest after getting verbal okay from the Conservancy’s Board President. |
| 14 | Discussion | Proposed water service area annexation and Conservancy’s Bolen South tract | No action | ∅ | Staff will brief the Board on the proposed annexation of the Natomas Central Mutual Water Company (NCMWC) in the Conservancy’s North Basin Reserve Area. More specifically, the NCMWC is proposing including the Bolen South tract in its service territory. This is a significant issue given the history and future cost implications. |
| 15 | Discussion | City of Sacramento report | No action | ∅ | Report from the City of Sacramento regarding HCP-related activity and other topics. |
| 16 | Discussion | Financial statement review | No action | 🛈 | Financial statements will be provided for the periods ending October 31, 2011 (unaudited). Additional financial information will be provided. |
| 17 | Discussion | Board seat vacancies and action taken pursuant to Board requests | No action | 2.36 | Staff will update the Board on efforts to fill the vacant Board seats created by resignations of appointees from Sutter County. |
| 18 | Discussion | Water supply on BKS tract and challenges | No action | 2.37 | Water supply issues for the Conservancy’s flagship preserve, the BKS tract, will be discussed. |
| 19 | Discussion | SAFCA’s Natomas Levee Improvement Project update | No action | 2.40 | Primarily focused on the Fisherman’s lake Reserve Area, Conservancy staff will brief the Board on SAFCA’s NLIP construction in the area. |
| 20 | Public Comments | Public Comments | No action | ∅ | Opportunity for members of the public to address the Conservancy’s Board of Directors. |
| 21 | Executive Session | Executive Session – litigation | Action | 4.0  🛈 | Executive Session pursuant to Government Code Section 54956.9 for the purpose of meeting with legal counsel regarding litigation on one matter. |
| 22 | Executive Session | Executive Session – Real Estate | Action | 🛈 | Executive Session for real estate will be held. |
| 23 | Executive Director’s Report | Executive Director’s Report | No action | 🛈 | Various matters for Board members’ general information will be presented by the Conservancy’s Executive Director. |
| 24 | Adjournment | Adjournment | Admin. | ∅ | Official adjournment of the meeting. |