

Natomas Basin Conservancy
Board of Directors
Agenda
Wednesday, December 04, 2013, 4:00 pm - 7:00 pm
2150 River Plaza Drive

Item

A. Call to Order of the Regular Meeting of the Board of Directors

ACTION: 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.

B. Approval of Consent Items:

1. Approval of the Minutes

CONSENT: The Board President will request approval of the minutes of the Board of Directors meeting of October 2, 2013.

2. Conservancy web site conversion

CONSENT: The Conservancy's web site has served as a valuable tool. It is increasingly the main point of outreach for public education. Further, it has been helpful in reducing staffed workload by its "self-help" nature when inquiries come in. Moreover, Conservancy staff is increasingly advised by governmental authorities that the Conservancy's web site has become a primary source of reference, and that it is used often by them.

Conservancy staff believes it is now staffed effectively such that it can do web site posts and modifications internally without relying as heavily on outside contractors. In order to facilitate this, the Conservancy proposes to convert the platform on which the Conservancy's web site runs from DotNetNuke to WordPress. There will be approximately \$14,000 in conversation costs to effectuate this change. This does not include regular monthly costs for hosting and non-conversion activity.

This item request that the Board of Director authorize the Conservancy's Executive Director to execute and deliver necessary agreements and pay invoices not to exceed \$15,000 to accommodate the Conservancy's web site platform conversion.

3. Updates to the Conservancy's Internal Financial Controls Policy

CONSENT: The Conservancy's Internal Financial Controls requires some updating. There are no structural changes to the policy, but rather simple updates to reflect the Conservancy's new personnel, their duties, and three new Conservancy accounts.

C. Amending the Land Dedication Checklist

ACTION: This item requests the Board's approval of an amendment to the Conservancy's Land Dedication Checklist. The items in this document are intended to serve as a checklist of conditions required by the Conservancy to accept mitigation land pursuant to either the Natomas Basin Habitat Conservation Plan (NBHCP) or the Metro Air Park Habitat Conservation Plan (MAPHCP). This list is intended to be as comprehensive as possible based on the Conservancy's acquisition experience to date. The document was initially prepared to facilitate the numerous questions typically posed by those seeking mitigation using the land dedication process. The amendment proposed addresses changed circumstances, particularly owing to the Sacramento International Airport's Land Use Compatibility Plan. Those choosing land dedication would be required to affirm that the land being dedicated would not conflict with the Plan and that SACOG and Airport officials attested to this.

D. Sacramento International Airport Land Use Compatibility Plan

ACTION: On July 15, 2013 the Conservancy filed a comment letter on a Draft Airport Land Use Compatibility Plan for the Sacramento International Airport, which Plan had been prepared by Sacramento Area Council of Governments (SAGOG) staff (copy enclosed). The letter included objections to the CEQA documents proposed by SACOG in support of the Plan. In the interim, and partly in response to the Conservancy's letter, SACOG staff has revised the Draft Plan to address the Conservancy's major concerns. SACOG staff has requested that the Conservancy submit a brief letter (email memo is also acceptable) withdrawing objections to the proposed CEQA documentation. Conservancy staff seeks Board direction regarding this SACOG request. Draft letter is enclosed.

E. Proposed Greenbriar Development Effects Analysis Review

ACTION: Proposed Greenbriar development Effects Analysis review. Federal and State Wildlife agencies requested that the Conservancy's share with them the Conservancy reaction to the proposed Greenbriar development Effects Analysis. Staff will share with the Board a draft outline and comments. The Board is asked to direct staff as to the response and level of response indicated.

F. Request for approval of 2014 Budget and NBHCP Finance Model recalculation and fee recommendation

ACTION: The proposed 2014 Conservancy budget is presented to the Board for adoption. A draft of the 2014 Conservancy budget was shared with the Board at the October 2013 Board of Directors meetings for review and discussion.

The Conservancy draft 2014 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 has been a substantial issue for the NBHCP Finance Model calculation over the last several years. This year, the Conservancy made no change to the following assumptions with respect to the Williamson Act's impact on Conservancy-held property:

1. The State of California's Williamson Act subventions to counties remains unfunded or largely unfunded in this and next years' State budgets.
2. Counties with which the Conservancy has Williamson Act contracts (Sacramento and Sutter) make no additional change to existing contracts.
3. Counties permit no newly-acquired properties to be enrolled in Williamson Act contracts and to enjoy the property tax benefits such participation affords.
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 at the time of acquisition.
5. Sutter County's Williamson Act contracts are reduced by 10 percent beginning in 2012.

The 2014 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:

- An increase in the NBHCP fee for 2014 from \$27,419 per developed acre to \$32,259 per developed acre. This represents an 18% percent increase.
- An increase in the NBHCP fee with land dedication for 2014 from \$18,669 per developed acre to \$21,101 per developed acre. This represents a 13% percent increase.

The primary reasons for the proposed increase is an increase in the cost of converting rice land to managed marsh based on new information, an increase in staff costs owing to an increase in FTEs from 3.5 to 5.0 (which will result in some offsets to land management costs and outside contracting costs) and a projected increase in land acquisition cost. The land-related fee components constitute approximately \$2,500 of the proposed total fee increase of \$4,940 per acre.

The 2013 per acre land cost assumption is \$17,500. The amount for 2014 is assumed to be \$22,500 per acre. This amount, proposed by Conservancy staff, is supported by work done previously by Stephen Harrington, MAI, updated for 2014. Harrington estimates the range will be \$17,000 to \$22,5000 per acre.

The price estimate for future-acquired mitigation land is based on a unique assumption contained in the NBHCP Finance Model. The NBHCP requires that the Conservancy purchase mitigation land within 12 months of demand. There are no exceptions or extensions provided for. So the Conservancy's estimate for mitigation land acquisition costs are based on a "looking forward" methodology, while appraisal valuations are typically based on recent historical valuations.

This item requests:

- 1.) approval of the proposed 2014 Conservancy Budget,
- 2.) acceptance of the 2014 NBHCP Finance Model recalculation, and
- 3.) adoption of a resolution to be submitted to the City of Sacramento requesting a fee increase. (see attached 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.

G. City of Sacramento report

NO ACTION: Report from the City of Sacramento regarding HCP-related activity and other topics.

H. Financial statement review

NO ACTION: A financial statement will be provided for the period ended October 31 2013 (unaudited). Additional financial information will be provided.

I. Update: Contract management

NO ACTION: Staff will update the Board on the progress made in management of the various contracts and agreements the Conservancy has engaged in.

J. Update: property tax research

NO ACTION: Staff will update the Board on the progress made in obtaining property tax relief.

K. Update: BKS North Course channel clearing and maintenance project

NO ACTION: Staff will update the Board on the BKS North Course Channel clearing project, phase 4. This work is scheduled for summer 2014.

L. Reserve funds depository

NO ACTION: At previous Board meetings, the Board discussed the Conservancy's reserve funds being held in a depository other than a financial institution. The Board's Finance Committee had recommended that Conservancy management investigate this matter and make a recommendation as to disposition of these funds.

Staff recommended to the Committee and the Board that the funds in this reserve account be transferred into one or two of two more traditional financial institution options. The first is with U.S. Bank and the second is with American Century Funds. This item updates the Board on the status of this effort.

M. Public Comments

Opportunity for members of the public to address the Conservancy's Board of Directors.

N. Executive Session

No Executive Session is scheduled.

O. Executive Director's Report

Various matters for Board members' general information will be presented by the Conservancy's Executive Director

P. Adjournment

Official adjournment of the meeting.