

<p>TNBC</p> <p>The Natomas Basin Conservancy</p> <p>Web site: www.natomasbasin.org</p> <p>Phone: (916) 649-3331</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>February 5, 2014</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"> • March 5, 2014 • April 2, 2014 • May 7, 2014 	

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.

A	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.

<h1>TNBC</h1> <p>The Natomas Basin Conservancy</p> <p>Web site: www.natomasbasin.org</p> <p>Phone: (916) 649-3331</p>	<p>Regular Meeting of the Board of Directors</p>	<p>Upcoming Regular Meetings</p> <ul style="list-style-type: none"> • March 5, 2014 • April 2, 2014 • May 7, 2014 	
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	Section	Item	Type	Pg.	Discussion
A		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.
B		Approval of the minutes	Consent	Ⓢ	⊕ The Board President will request approval of the minutes and consent items of the Board of Directors meeting of December 4, 2013.
C		Natomas Central Mutual Water Company Annual Meeting of Shareholders	Consent	∅	⊕ The Natomas Mutual Water Company's Annual Meeting of Shareholders will be held Tuesday, February 11, 2014, at the Four Points by Sheraton, 4900 Duckhorn Dr., Sacramento, CA 95834. Authorization for the Conservancy's Executive Director to vote the Conservancy's shares in the Board Election is requested. There are seven incumbent candidates for the Board's seven open seats, so that no board seat is contested.
D		Authorization for Farm Air to utilize landing strip on TNBC's Bianchi West tract	Consent	∅	<p>⊕ The only remaining agricultural aircraft operator in the Natomas Basin is Farm Air Flying Service, Inc. TNBC and its tenants use Farm Air, and without the firm operating in the Basin, costs would likely rise, and delays in planting crops could also result. (Rice is frequently seeded by air.) Farm Air has requested permission to use TNBC's Bianchi West tract landing strip for use in serving its customers, including TNBC and its tenants.</p> <p>Before acquiring the Bianchi West tract, TNBC 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 TNBC moved forward with its acquisition of the tract.) With this baseline data, TNBC can keep track of</p>

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				<p>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 TNBC'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, 2014, 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 TNBC'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 TNBC's office prior to Farm Air's use of the landing strip, and that the ROE contain TNBC's standard indemnification, hold harmless protections, and that TNBC 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 TNBC or its contractors and tenants.</p>
E		Release of bid package for Phase 4 portion of the BKS North Course Channel Maintenance Project	Action	<p>① ⊕ The Conservancy continues its program of systematically maintaining managed marsh complexes on Conservancy preserves in order to keep them fully functional, as is required by the NBHCP and MAPHCP. The present schedule of managed marsh maintenance projects is as follows:</p> <p><u>Betts, Kismat and Silva tracts (BKS)</u> <u>North Course Channel Maintenance Schedule*</u></p> <ul style="list-style-type: none"> • Phase One (completed in 2011) Ponds D, H, L, O and P • Phase Two (completed in 2012) Ponds M and N • Phase Three (completed for 2013) Pond Q • Phase Four (proposed for 2014) Pond R <p>*The BKS South Course channel maintenance was completed in 2009.</p> <p>Following discussions at recent Board meetings with regard to contracting matters, the Board has adopted a process for managed marsh channel maintenance projects and other construction projects that:</p>


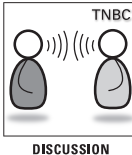
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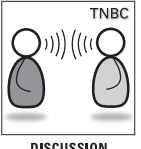
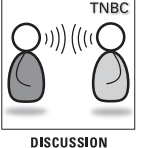
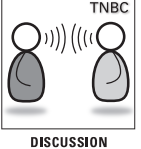
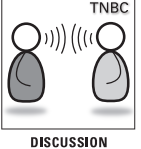

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					<ol style="list-style-type: none"> 1.) adequately and appropriately manages costs, 2.) obtains reasonable certainty for the Conservancy, and 3.) fulfills the desire of the Conservancy to continue to have "tested the market," especially on significant contract items. <p>In considering the contracting arrangements to conduct the Phase 4 work, staff recommends the project be let for bid. Staff believes that the Board's conditions for the 2011 selected contractor (CalSierra Construction, Inc.) being eligible for annual contract renewals based on certain conditions can no longer be met. The conditions that staff believes cannot be met by the original 2011 bid from CalSierra include the movement of soil for \$2.25 per yard or lower. Therefore, since staff believes the Board's terms and conditions for annual renewal cannot be met, solicitation of bids from qualified bidders is indicated.</p> <p>A fresh bidding process would have the ancillary benefit of allowing the Conservancy to seek bids on the variable and unique soil structure at Pond R, to reflect substantially-changed fuel prices since the initial bid selection, as well as reflect changes in the economy which impact contractor availability and pricing.</p> <p>This item requests that Conservancy staff, working with its construction management consultant, Westervelt Ecological Services, LLC, seek bids from preferred contractors so that staff can bring back to the Board bids to move forward with conducting the Pond R work.</p>
F		Update policy regarding Board member meeting fees - alignment with City of Sacramento meeting fees	Action	Ⓢ <p>⊕ Since its inception, the Conservancy has provided a per-meeting fee to Board members attending official meetings of the Conservancy's Board of Directors or committees of the Board. In its resolution of August 4, 2004, the Board of Directors linked the amount of the per-fee payment with that of the City of Sacramento Planning Commission. The newly-named Planning and Design Commission has seen its per-meeting fee adjusted.</p> <p>If approved this resolution would bring Board meeting fees in line with the existing policy. It also updates certain policies and procedures associated with the Board's per-meeting fee.</p>	
G		City of Sacramento report	No action	Ⓢ <p>○ Report from the City of Sacramento regarding HCP-related activity and other topics.</p>	

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H		Financial statement review	No action	①	○ A financial statement will be provided for the period ended December 31, 2013 (unaudited). Additional financial information will be provided.
I		Resolution of long-term receivable regarding Metro Air Park fee	No action	∅	<p>○ After extensive consultation and research, Conservancy staff previously determined the need to record a long-term receivable on the Conservancy's financial statements in the amount of \$318,186.16 for Metro Air Park Tier 1 development. This action has been extensively discussed with Metro Air Park officials and the Conservancy's accountants and auditors. The Board has been briefed on the matter on several occasions.</p> <p>The matter has been resolved with Metro Air Park officials determining that it wished to fully fund its entire Tier 1 mitigation obligation on a up-front basis. Staff will brief the Board on this matter.</p>
J		Update: City Pool A funds re-allocation process	No action	①	<p>○ At its last several 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 recommended that Conservancy management investigate this matter and make a recommendation as to disposition of these funds.</p> <p>Staff recommended to the Committee and the Board that the funds in this reserve account be transferred into one or two of two traditional financial institution options. The first is with U.S. Bank and the second is with American Century Funds. No action was proposed that would place any of these funds in equities or other at-risk instruments. Rather, the funds would be invested in fixed income securities and cash.</p> <p>The Board authorized staff to execute this plan for reserve fund reallocation.</p> <p>This item updates the Board on the status of this effort.</p>
K		Conservancy endowment funds investment manager	No action	①	○ The Conservancy's endowment funds are managed by T. Rowe Price. Representative Phil Burger of T. Rowe Price will meet with the Board for the purposes of providing the Board with the 2013 annual report on the Conservancy's endowment funds accounts.
L		Update: Board request for a quantitative illustration showing Natomas Basin acreage allocations	No action	①	○ At its December 4, 2013 Board meeting, the Board requested that staff prepare an exhibit which articulates how the Natomas Basin's 53,537 acres are allocated in the NBHCP. Specifically, the Board wished to see how many acres were allocated for Permitted Development, how many were allocated for NBHCP and MAPHCP mitigation, how much was grandfathered, and how much was to remain in agriculture as committed by the Land Use

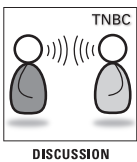
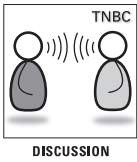
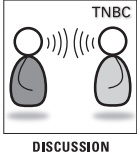



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					Agencies, among other allocations. Conservancy staff has worked with consulting economists Economic and Planning Systems (EPS) to present the requested information. It may be that the exhibit and illustration provided to the Board is a work in progress, as in one or more cases there is conflicting information. However, the major allocations shown in the information are definite. The information provided the Board at this meeting is based on the best available to date.
M		Drought impact on Conservancy property	No action	ⓘ	○ Staff will share with the Board the situation with regard to the extended drought facing California and its impact on the Conservancy. Special attention will be given to the impact the drought is having on the Conservancy's groundwater wells and the costs of maintaining, servicing and operating them. These costs will be discussed with respect to the approved 2014 budget and whether budget adjustments should be agenda'd for the Board's action at the next Board meeting.
N		Update: property tax research	No action	ⓘ	○ Staff will update the Board on the progress made in obtaining property tax relief.
O		Update: request to City Council for adjustment to NBHCP fee for 2014	No action	ⓘ	○ Staff will update the Board on the City Council's decision with respect the Conservancy request to adjust the NBHCP fee for 2014 in keeping with the Conservancy's 2014 budget and the NBHCP Finance Model update.
P		Announcement of election of officers at the March 5, 2014 Board of Directors meeting	No action	∅	○ Staff will announce the Annual Meeting of the Corporation at the March 5, 2014 Board of Directors meeting. This meeting typically is used to elect officers for the year.
Q		Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
R		Executive Session		∅	○ No Executive Session is scheduled.



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S		Executive Director's Report	No action	①	○ Various matters for Board members' general information will be presented by the Conservancy's Executive Director.
T		Adjournment	Admin.	∅	○ Official adjournment of the meeting.

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