

<p><b>TNBC</b></p> <p>The Natomas Basin Conservancy</p> <p>Web site: <a href="http://www.natomasbasin.org">www.natomasbasin.org</a></p>	<p><b>Regular Meeting of the Board of Directors</b></p>	<p><b>Upcoming Regular Meetings</b></p>	 <p><b>December 5, 2007</b></p>
	<p>4:00 p.m.</p> <p>2150 River Plaza Drive, #460</p> <p>Sacramento, CA <i>(meeting in Suite 400)</i></p>	<ul style="list-style-type: none"> <li>• February 6</li> <li>• March 5</li> <li>• April 2</li> </ul>	

# 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>	<h2>Regular Meeting of the Board of Directors</h2>	<h3>Upcoming Regular Meetings</h3> <ul style="list-style-type: none"> <li>• February 6</li> <li>• March 5</li> <li>• April 2</li> </ul>	 <p><b>December 5, 2007</b></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.
2	Action	Approval of the Minutes	Consent	2.1	⊕ The Board President will request approval of the minutes of the Board of Directors meeting of November 7, 2007.
3	Action	Cancellation of January 2, 2008 Board meeting	Consent	∅	⊕ The January 2008 Conservancy Board meeting falls on Wednesday, January 2, 2008, the day following the New Year's Day holiday. Staff recommends the meeting be cancelled.
4	Action	Lucich South channel clearing	Consent	2.11	⊕ The Lucich South channel clearing project was conducted this autumn after an authorization from the Board (Resolution #07.09.04) in the amount of \$80,000.00. This was a "time and materials" project, and the \$80,000.00 estimate was the contractor and Conservancy staff's best estimate of likely costs. Because of rainfall and high water table issues, the cost increased by \$17,669.21 to \$97,669.21. Since this exceeds the Board's spending authorization, staff requests that the entire and final amount be authorized for payment.
5	Action	Grading and improvements to gravel road on Betts tract	Consent	2.12	⊕ The gravel road approaching the Betts tract is in need of repair. This is the only vehicular access to this portion of the Conservancy's land holdings. During winter months, it gets deeply rutted, thus compromising access to the Betts, Kismat and Silva tracts. A slight improvement is needed in that the road needs grading in such a manner that it drains water better. This should help minimize repair recurrence intervals.  Staff recommends that an amount of \$13,000.00 be granted for the project and that the Executive Director is authorized to enter into an agreement with A & L Services, Inc. of Davis, California to conduct the work.

-----  
 ⊕ = 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.

6	Action	Referendum for shareholders of Natomas Central Mutual Water Company regarding surplus water sales	Action	2.13	<p>⊕ The Natomas Central Mutual Water Company has announced it intends to conduct a referendum of shareholders to advise the Water Company Board of Directors regarding a proposed sale of surplus water to the City of Folsom. In the opinion of Conservancy staff, the Water Company is in need of an infusion of capital to remain on sound financial footing. The referendum would be advisory only. The deadline for ballot submission is December 14, 2007 at 10:00 a.m.</p> <p>This item requests the Board of Directors authorize the Conservancy's Executive Director to cast votes in favor of a Water Company sale of surplus water.</p>
7	Action	RRA Forms compliance and action to resolve matter with U.S. Bureau of Reclamation	Action	2.17	<p>⊕ At the November 2007 Board meeting, the Board authorized engaging legal counsel on the matter of the U.S. Bureau of Reclamation filing and reporting requirements and impacts on the Conservancy. Staff and legal counsel reviewed the issue of the Bureau's RRA forms that must be completed each year in order for the Conservancy to obtain water for most of its property. The Bureau form requires the Conservancy to list beneficiaries of federal project water. As the Conservancy does not have members, stockholders or other owners, the four agencies that are a party to the HCP have been listed as so-called members (U.S. Fish and Wildlife Service, California Department of Fish and Game, City of Sacramento, and County of Sutter) in accordance with a letter from the Bureau of Reclamation. The Conservancy obtained a Limited Power of Attorney for the purpose of signing the Bureau RRA forms on behalf of these entities. Subsequently, the Conservancy filed the required forms.</p> <p>The Bureau of Reclamation sent a letter to the Conservancy noticing this form of filing is in violation, and demanded proper filing. Since the last Board meeting, the Bureau responded to the Conservancy's renewed written appeal for resolution. It appears there may be a short-term solution at hand. However, a more certain, longer term solution is needed.</p> <p>Staff requests the Board authorize staff to continue to engage legal counsel on this extraordinary item until it gets satisfactorily resolved. Staff will report back to the Board at future Board meetings.</p>
8	Action	Request for refund from County of Sutter regarding SYSCO project	Action	2.36	<p>⊕ On May 27, 2004, the Conservancy received a check in the amount of \$222,220.83 for funds it received in connection with the SYSCO project at Sankey and Pacific Avenue in the Natomas Basin. The amount included \$197,050.00 of principal and \$25,170.83 in accumulated interest. The Conservancy's Board of Directors agreed to accept receipt of the funds under the terms</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.

					discussed (Resolution #04.08.01). The funds were placed in a general account.  The County recently appealed to the Conservancy to return the interest (\$25,170.83) portion of the funds, based on a request it received from SYSCO to return the interest. This is pursuant to an agreement between SYSCO and the County of Sutter. The County mistakenly submitted the principal and interest to the Conservancy when it should have just sent the principal.
9	Action	2008 Budget, NBHCP Finance Model and report to City of Sacramento	Action	2.41 + ①	⊕ A draft of the 2008 Conservancy budget was presented to the Board at the September and November 2007 Board of Directors meetings for review and discussion. 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 was introduced last year with the intention of reducing the chance of differing budget numbers and because of the consistency now afforded.  The 2008 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 \$38,445 per acre (\$18,445 with land dedication) to \$38,133 per acre (\$20,633 with land dedication).  (See proposed resolution for this item. See also Table 17 in the NBHCP Finance Model for actual budget as it is integrated with the NBHCP Finance Model.)
10	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	2.42	⊕ 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.  In 2007, 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.  The City Council again added one item not contained in the Conservancy Board resolution, and that is that if "small lots" were needed to

-----  
 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.

					<p>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>
11	Discussion	City of Sacramento report	No action	∅	○ Report from the City of Sacramento regarding HCP-related activity and other topics.
12	Discussion	Financial statement review	No action	2.44	○ A financial statement update will be provided for the period ended October 31, 2007 (unaudited).
13	Discussion	Update on Lucich South channel restoration project	No action	∅	○ The Lucich South and Fraser North managed marsh complex channel clearing project is completed. Staff will provide a recap of this channel clearing effort.
14	Discussion	Bennett North managed marsh construction project progress report	No action	∅	○ The Bennett North managed marsh complex construction project is nearly completed. Staff will provide an update on the project.
15	Public Comments	Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
16	Executive Session	Executive Session – Real Estate	Action	∅	○ Executive Session for real estate is planned.
17	Executive Director's Report	Executive Director's Report	No action	Ⓜ	○ Various matters for Board members' general information.
18	Adjournment	Adjournment	Admin.	∅	○ Official adjournment of the meeting.

-----  
 Ⓜ = 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.