


<p>TNBC</p>	<p>Regular Meeting of the Board of Directors</p>	<p>Upcoming Regular Meetings</p>	
<p>The Natomas Basin Conservancy Web site: www.natomasbasin.org</p>	<p>4:00 p.m. 2150 River Plaza Drive, #460 Sacramento, CA <i>(meeting in Suite 400)</i></p>	<ul style="list-style-type: none"> • May 6 • June 3 • August 5 	<p>April 1, 2009</p>

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.
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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.

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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	2.1	⊕ The Board President will request approval of the minutes of the Board of Directors meeting of March 4, 2009. (Annual Meeting of the Corporation minutes at page 2.12 are included for review purposes only.)
3	Action	Cancellation of July 1, 2009 Board meeting	Consent	∅	⊕ The Board customarily cancels its July Board meeting because a quorum has been difficult to achieve due to the Independence Day holiday.
4	Action	Authorization to amend signature cards and related financial institutions authorizations to reflect the changes in officer elections	Consent	2.15	⊕ The Board's election of officers at its last meeting contained a change in the slate of officers. Therefore, documents necessary for the Conservancy to conduct business with its financial institutions need to be updated. 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, City of Sacramento Treasurer's Office, Arnerich Massena & Associates and Charles Schwab accounts.
5	Action	Authorization for Farm Air Flying Service, Inc., to utilize the landing strip on the Conservancy's Bianchi West tract	Consent	2.16	⊕ 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 landing strip for use in serving its customers, including the Conservancy and its tenants. Before acquiring the Bianchi West tract, the Conservancy completed Phase One and Phase

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					<p>Two environmental testing. 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, 2009, 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>At this point, the Executive Director sees no reason why authorization of pesticide use on the landing strip by Farm Air should be granted. 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	Acceptance of audit of December 31, 2008 financials	Action	①	<p>⊕ The Board is asked to accept the 2008 audit of the Conservancy's financials by Gilbert Associates. The Board earlier selected Gilbert as the designated auditor. Gilbert is operating under a five-year agreement with the Conservancy.</p> <p>The Board's Audit Committee requests the Board accept the audit as presented.</p>
7	Action	Amending the Employment Agreement between the Conservancy and its Executive Director	Action	2.17 + ①	<p>⊕ The Conservancy Board is asked to authorize the Board President to execute and deliver an amendment to the existing employment agreement between the Conservancy and the Conservancy Executive Director. The Executive Director requests that his right to a cost of living increase and to be considered for a merit increase be waived again this year so that no compensation adjustment is anticipated. The amendment would extend the agreement for a three-year period beginning March 15, 2009.</p>

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					<p>The Board is required to determine that changes to a chief executive officer's compensation are "just and reasonable." See excerpt from California Government Code, Section 12586(g):</p> <p><i>The board of directors of a charitable corporation or unincorporated association, or an authorized committee of the board, and the trustee or trustees of a charitable trust shall review and approve the compensation, including benefits, of the president or chief executive officer and the treasurer or chief financial officer to assure that it is just and reasonable. This review and approval shall occur initially upon the hiring of the officer, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees.</i></p> <p>A copy of a salary survey and other resources are presented in order to assist the Board in making this determination.</p>
8	Discussion	City of Sacramento report	No action	∅	○ Report from the City of Sacramento regarding HCP-related activity and other topics.
9	Discussion	Financial statement review	No action	①	○ A financial statement update will be provided for the period ended February 28, 2009 (unaudited).
10	Discussion	Water supply issues on the BKS tract	No action	2.21	<p>○ On the Conservancy's flagship preserve, the Betts, Kismat and Silva tracts (BKS) is largely irrigated by tailwater from an aquatic agriculture operation located adjacent to the Betts tract. The volume of water supplied to the BKS tract is approximately 3,500 gpm, 24 hours a day, seven days a week. Conservancy water quality analyses have consistently shown the water to be of high quality. Its original source is from deep water wells on the property of the aquatic agriculture operation.</p> <p>This aquatic agricultural operation was recently notified by State of California water quality regulatory authorities that its tailwater does not meet State water quality standards. The company in turn advises the Conservancy that such a regulatory enforcement threatens its operation. Conservancy staff will brief the Board on this development, its implications to the long-term operation of the BKS preserve, discuss potential remedies, and seek Board input on the matter.</p>
11	Discussion	Update report: partial channel maintenance for the Betts and Kismat tracts	No action	∅	○ Conservancy staff discussed with the Board at its last meeting the matter of the proposed channel maintenance work on the Betts and Kismat tract. Due to preparations necessary to set the project up in a biddable position, staff has been busy working on the project. However, primarily due to potential bidder concern about seepage and groundwater table influences on the project, bids have not yet been solicited. They are expected at the May meeting. Staff will update the Board on the project.

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12	Discussion	Update report: Joint Vision	No action	2.26	<p>○ The City of Sacramento and the County of Sacramento have held a total of three public hearings on the proposal to develop up to an additional 10,000 acres in the Sacramento County portion of the Natomas Basin. Generalized maps were recently made public by the process. Conservancy will discuss with the Board the Joint Vision process and some of the implications for the Conservancy's efforts to implement the HCPs. Board member input will be sought.</p>
13	Discussion	Changes to standard agricultural leases for 2009 and beyond	No action	2.30	<p>○ Since its inception, the Conservancy's agricultural leases have been based on a "cash rent" basis. This type of lease was done to provide support and certainty for purposes of accurate calculation of the NBHCP Finance Model. (If rent was paid on a "share" basis, it is possible that returns would be less than the amount used to calculate the NBHCP Finance Model, and thus there would be an HCP fee deficiency.)</p> <p>With the substantial changes in the federal farm program, and with the market conditions having changed substantially, landlord-tenant contracts have changed. With these dynamic conditions comes the need to amend the Conservancy's practices with respect to how it derives income from its farming lease agreements. The new rent calculation would have a minimum base rent with a bonus paid to the Conservancy on certain conditions. Staff will discuss this change with the Board and seek its reaction.</p>
14	Public Comments	Public Comments	No action	∅	○ Opportunity for members of the public to address the Conservancy's Board of Directors.
15	Executive Session	Executive Session – Real Estate	Action	∅	○ Executive Session for real estate is planned.
16	Executive Session	Executive Session – Personnel	Action		○ Executive Session for performance review of the Executive Director 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.

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