

**Table 19
NBHCP 2017 Fee Update
TNBC 2017 Budget Proposal**

| 2016 Est. Amount | 2017 Budget Amt | Line item | Notes on 2017 Budget Amount | Table in NBHCP Fee Update Model for 2018+ | Source of 2016 Estimated Amount |
|-------------------|-----------------|---|--|---|---|
| I. Revenue | | | | | |
| \$7,904 | \$467,023 | Mitigation fees-Sacramento | Assumes 50 acres of development in the City for which NBHCP fees will be paid. The budgeted fee amount is calculated based on the proposed 2017 fee per acre. Includes a reduction of 2% to account for the administration share retained by the City. | Table 2: proposed fee per acre by fee component. Table 16: annual development projections. | Estimated 2016 year-end budget provided by TNBC |
| - | - | Mitigation fees-Sutter County | Assumes zero acres of development in Sutter County for which NBHCP fees will be paid. The budgeted fee amount is calculated based on the proposed 2017 fee per acre. | Table 2: proposed fee per acre by fee component. Table 16: annual development projections. | Estimated 2016 year-end budget provided by TNBC |
| \$2,105,222 | \$778,371 | Mitigation fees-Metro Air Park | Assumes 50 acres of development for Metro Air Park. The budgeted fee amount is calculated based on the proposed 2017 fee per acre. | Table 2: proposed fee per acre by fee component. Table 16: annual development projections. | Estimated 2016 year-end budget provided by TNBC |
| \$333,558 | \$50,000 | Mitigation Fees - Other | Additional one-time projects surface from time-to-time and this is a budgeted project placeholder. One such project could exceed this amount or no such funds could be received. | Table A-6: included in estimated annual fee revenue. | Estimated 2016 year-end budget provided by TNBC |
| \$19,851 | \$60,000 | Investment income-land acquisition fund | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 1.75% of prior year estimated fund ending balance. | Table A-4: estimated annual interest earnings | September 2016 Statement of Activities |
| \$28,529 | \$100,000 | Investment income-admin/o&m fund | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 1.75% of prior year estimated fund ending balance. | Table A-6: estimated annual interest earnings | September 2016 Statement of Activities |

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| \$17,432 | \$30,000 | Investment income-restoration and enhancement fund | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 1.75% of prior year estimated fund ending balance. | Table A-5: estimated annual interest earnings | September 2016 Statement of Activities |
| \$1,431,879 | \$540,000 | Investment income-endowment fund | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 3% of prior year estimated fund ending balance. | Table A-7: estimated annual interest earnings | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |
| \$233,793 | \$90,000 | Investment income-supplemental endowment fund | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 3% of prior year estimated fund ending balance. | Table A-8: estimated annual interest earnings | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |
| \$520,000 | \$517,014 | Farm rent | Projected cash rent for farms currently under contract. In future years, rice rent is based on the model assumptions of \$275 per acre on 90% of rice acres, and rent for other crops is based on \$50 per acre on 50% of upland acres. | Table 7: assumptions for years after 2017. Table A-6: estimated annual rice and upland acres. | TNBC estimate based on actual and projected revenue through 2016. |
| \$118,907 | \$90,000 | Miscellaneous income | Gross rent from residences, SAFCA contract payments, and various reimbursements. | Table 7: hunting revenue assumptions for years after 2017. Table A-6: estimated annual hunting acres. | TNBC estimate based on actual and projected revenue through 2016. |
| \$4,817,075 | \$2,722,408 | Total revenue | | | |

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| II. Expenditures | | | | | |
| Administration | | | | | |
| Administrative | | | | | |
| \$393,699 | \$402,982 | Staff | Estimate based on five staff members: Executive Director, Manager of Business and Accounting, Manager of Contracts and Compliance, Administrative Assistant and Field Services Assistant. (2.5% salary increase included.) | Table 14 | TNBC estimate based on actual and projected costs through 2016. |
| \$153,107 | \$158,648 | Benefits and charges | Includes statutory wage payments, employment taxes (Social Security, Medicare, California Unemployment Insurance and Employment Training Tax) and benefits. Includes basic retirement plan and group health insurance plan (employer-sponsored high deductible health insurance plan with a health savings account net of employee contributions including dependent coverage of 50%; annual out-of-pocket maximum \$4,400 per individual/\$8,800 per family). The retirement plan, Simplified Employee Pension-Individual Retirement Account, involves no on-going liability to the Conservancy after employee separation and can be discontinued in any given year by action of the Board. Eligibility for participation in the plan at 13% of gross salary begins after completion of six months employment. | Table 14 | TNBC estimate based on actual and projected costs through 2016. |
| \$7,733 | \$10,000 | Board expense | Includes \$100 per meeting fee; anticipates 10 Board members for entire year plus committee meetings. Includes small amount for miscellaneous Board expenses. | Table 14 | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |

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| | | Office expense | | | |
| \$49,620 | \$67,269 | Office Rent | Based on rental contract for basic office space at 2150 River Plaza Drive, Suite 460 | Table 14 | Rental contract for basic office space at 2150 River Plaza Drive, Suite 460. |
| \$42,500 | \$44,500 | Telecommunications | Basic telecommunications service. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$20,000 | \$22,000 | Copying & printing | Oversize photocopying, surveys, aerial photos, associated printing, electronic media, archives and copies. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$16,000 | \$18,000 | Office supplies | Essential and common office supplies. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$1,500 | \$2,000 | Postage | General postage. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$22,000 | \$20,000 | Equipment | Basic office equipment and furniture. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$25,200 | \$25,200 | Vehicle expense | Vehicle allowance and mileage expenses for TNBC staff and Board as needed. | Table 14 | Estimated 2016 year-end budget provided by TNBC |

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| Miscellaneous expense | | | | | |
| \$49,000 | \$52,000 | Insurance | Basic business insurance for TNBC. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$36,000 | \$38,000 | Accounting | General accounting work and fiscal year-end audit. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$70,000 | \$75,000 | Legal | General legal work. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$28,511 | \$40,000 | Fees- Administration Fund | General corporation fees and investment management fees. | Table 14 | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |
| \$42,988 | \$50,000 | Fees - Endowment Fund | General corporation fees and investment management fees. | Table A-7 | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |
| \$7,065 | \$10,000 | Fees - Supp. Endowment Fund | General corporation fees and investment management fees. | Table A-8 | September 2016 Statement of Activities; multiplied by 12/9 to include est. for Oct. - Dec. |

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| Contract work, monitoring, and contingency | | | | | |
| \$55,000 | \$57,500 | Contract work, public education and publications | Similar to last year's budget, and includes general contract work, public education, and publications. Includes \$20,000 for the Ag Water Waiver program instituted by regional and state water regulatory agencies. | Table 14 | Estimated 2016 year-end budget provided by TNBC |
| \$0 | \$51,655 | Contingency | 5% contingency on above administrative expense items (excluding endowment and supplemental endowment fees). | Table 14 | |
| \$375,000 | \$375,000 | Land Management | This is an estimate of land management labor costs based on 2015 costs. | Table 7 | Estimated 2016 year-end budget provided by TNBC |
| \$298,196 | \$315,316 | Biological monitoring | 2017 contract amount with ICF International plus connectivity and adaptive management. Pertains exclusively to biological monitoring as required by the 2003 NBHCP. Amount may change based on completion and implementation of the Biological Effectiveness Monitoring Program. | Table 13 | 2017 contract amount with ICF International plus connectivity and adaptive management. |
| \$63,000 | \$25,000 | SSMP Preparation and Revision | Estimated amount by TNBC for SSMP revision. In future years, subject to model assumptions. | Table 7: estimated cost per acquired acre. | Estimated 2016 year-end budget provided by TNBC |
| Mitigation land | | | | | |
| - | - | Mitigation land | For 2017, there are no mitigation land purchase requirements. Most land acquisition is covered by the "dedication" requirement, so there will be no direct outlay of cash proposed. Even if the dedication is not required, because the Conservancy has 12 months to mitigate fee-paid land, there is a good deal of fungibility. | Table 5: estimated cost per acre. Table 17: estimated annual acres acquired. | September 2016 Statement of Activities |
| Loan repayment | | | | | |
| - | - | Loan repayment | The Conservancy borrows from time-to-time on its line of credit with the City of Sacramento. No outstanding indebtedness exists at the end of 2016 so no loan repayments are forecast for 2017. When repayments are made, they are made at a rate of 75 percent of non-Endowment Fund fee income. | | September 2016 Statement of Activities |

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| \$204,303 | \$186,584 | Operations Property taxes | This estimate is based on the 2016/17 tax bill for general property taxes and other levies and includes a 3% increase for the second half of 2017. This figure also includes the amount assessed for the Sutter County Williamson Act reductions but excludes RD 1000. | Table 11 | Property taxes paid in 2016 (one-half of taxes on 2015/16 property tax bill plus one-half of the 2016/17 property tax bill. |
| \$446,139 | \$456,588 | Water -- RD 1000 and NCMWC | For RD 1000, the actual 2016/2017 assessment was used to estimate the 2017 costs. No increase was assumed for the second half of 2017. The Natomas Mutual Water Company's assessment rate for 2017 is projected based on a rate \$8.10 per acre-foot plus estimates of water tolls. Includes farmer reimbursements. Most rice and upland farmers reimburse TNBC for 50% of costs, but only up to \$65 per acre. | Table 10: NCMWC estimated cost per acre. Table 11: RD-1000 estimated cost per acre. Table A-6: estimated annual acres including supplemental mitigation. | RD-1000: TNBC estimate based on actual and projected costs through 2016. NCMWC: TNBC estimate based on actual and projected costs through 2016. |
| \$436,000 | \$453,000 | Property maintenance | General property maintenance items, including fences, signs, road maintenance, weed control, security and general repairs. This also includes selected field leveling. No channel clearing projects are scheduled for 2017. Also includes electricity costs for lights and irrigation pumps on various Conservancy properties. | Table 8: estimated operations and maint. cost per acre. Table 9: estimated fixed asset reserve costs per acre. Table A-6: estimated annual acres including supplemental mitigation. | Estimated 2016 year-end budget provided by TNBC |
| \$2,842,562 | \$2,956,241 | Subtotal | | | |
| - | - | Restoration and enhancement | There is no planned restoration and enhancement in 2017. | Table 6: estimated costs per acre Table A-5: estimated annual restoration and enhancement acres. | September 2016 Statement of Activities |
| \$2,842,562 | \$2,956,241 | Total expenses | | | |

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| III. SAFCA NLIP Adjustments [1] | | | | | |
| \$7,798 | \$20,000 | Investment Income | Interest is accrued on investment account balances. Interest fluctuates periodically, and the total investment income will vary depending on the date available funds are used for various expenditures as well as interest rate changes. For 2017, assumes 2% of prior year estimated fund ending balance. | | September 2016 Statement of Activities |
| \$69,160 | \$69,160 | SAFCA Contract | Non-HCP Income - SAFCA NLIP Contract Payment | | TNBC estimate based on actual and projected revenue through 2015. |
| \$45,000 | \$50,000 | SAFCA Expenses | Non-HCP Expenses for SAFCA NLIP Management | | TNBC estimate based on actual and projected costs through 2016. |
| \$121,958 | \$139,160 | Total SAFCA Adjustments | | | |

budget

[1] SAFCA NLIP Adjustments do not factor into the NBHCP fee update.