

## FINAL MEMORANDUM

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To: John Roberts, *The Natomas Basin Conservancy*

From: Allison Shaffer and Tim Youmans

Subject: NBHCP Fee Update—2005; EPS #15570

Date: March 1, 2006

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### INTRODUCTION

Economic & Planning Systems, Inc., (EPS) has updated the cash flow model used to estimate the Natomas Basin Habitat Conservation Plan (NBHCP) mitigation fee (fee). This memorandum details the updated assumptions used to derive the 2006 proposed fee and discusses the proposed fee increase.

The fee contains components for the following five funds:

- Land Acquisition;
- Restoration and Enhancement (R&E);
- Administration/Operations and Maintenance (Admin/O&M);
- O&M Endowment; and
- Supplemental Endowment (for Land Acquisition).

**Table 1** illustrates the purpose of and interaction among the five fee components. **Table 2** summarizes the cost per acre of habitat and the proposed fee for each of the five fee components. The proposed fee level continues to assume the current NBHCP mitigation requirement of one-half acre of mitigation land for each gross acre of developed land. **Table 3** estimates the impact of each fee component and subcomponent on the 2006 proposed fee increase. **Figure 1** graphically summarizes this information.

The cash flows for each fund are summarized in **Table 4**. The assumption tables used in the cash flow analysis are presented in **Tables 5** through **16**. The detailed cash flow tables are provided in **Appendix A**.



## PROPOSED 2006 FEE

The table below shows the fee history and the proposed 2006 fee.

| Fee Component   | Adopted        |                |                |                |                 |                 |                 |                 |                 | Proposed        |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 1996/97        | 1998           | 1999           | 2000           | 2001            | 2002            | 2003            | 2004            | 2005            | 2006            |
| Land Acquisition Cost (LA) [1]  | \$1,830        | \$1,830        | \$2,036        | \$2,500        | \$3,000         | \$3,750         | \$5,275         | \$7,750         | \$12,750        | \$23,250        |
| Land Acquisition Settlement [2]   |                |                |                |                | \$3,947         | \$3,947         |                 |                 |                 |                 |
| Restoration/Enhancement (R&E)   | \$140          | \$198          | \$200          | \$423          | \$368           | \$782           | \$970           | \$935           | \$1,023         | \$1,278         |
| Administration/O & M  | \$150          | \$475          | \$800          | \$750          | \$1,555         | \$1,555         | \$3,450         | \$4,154         | \$6,243         | \$9,255         |
| O & M Endowment Fund  | \$75           | \$100          | \$190          | \$190          | \$800           | \$1,500         | \$1,900         | \$2,490         | \$3,745         | \$5,555         |
| Supplemental Endowment Fund   | \$0            | \$0            | \$0            | \$0            | \$150           | \$188           | \$430           | \$473           | \$638           | \$1,020         |
| Fee Collection Administration   | \$45           | \$53           | \$66           | \$78           | \$201           | \$240           | \$245           | \$322           | \$498           | \$824           |
| <b>Total Mitigation Fee</b>   | <b>\$2,240</b> | <b>\$2,656</b> | <b>\$3,292</b> | <b>\$3,941</b> | <b>\$10,021</b> | <b>\$11,962</b> | <b>\$12,270</b> | <b>\$16,124</b> | <b>\$24,897</b> | <b>\$41,182</b> |
| <i>Percent Increase</i>   |                | 19%            | 24%            | 20%            | 154%            | 19%             | 3%              | 31%             | 54%             | 65%             |
| Less Land Cost Portion of Land Acquisition Component                                      |                |                |                |                |                 |                 | \$4,500         | \$7,500         | \$12,500        | \$22,500        |
| <b>Total Mitigation Fee Excluding Land Cost Portion of Land Acquisition Component [3]</b> |                |                |                |                |                 |                 | <b>\$7,770</b>  | <b>\$8,624</b>  | <b>\$12,397</b> | <b>\$18,682</b> |
| <i>Percent Increase</i>   |                |                |                |                |                 |                 |                 | 11%             | 44%             | 51%             |

"hist\_fee\_sum"

[1] Land acquisition cost includes land cost, transaction costs, and contingency costs.

Current land costs estimated at \$45,000 per acre.

[2] Fee through 2002 only.

[3] Includes land transaction costs and contingencies.

The fee currently charged by the City of Sacramento (City) is \$24,897 per acre of development. The proposed fee is \$41,182 per acre. Nearly all mitigation land, however, is acquired by The Natomas Basin Conservancy (TNBC) through land dedication because all but a few small-acreage developers are required to dedicate land. It is anticipated that the City Council will re-authorize this land dedication requirement. This requirement leads to the Land Acquisition portion of the fee being waived in most instances. The proposed non-land acquisition cost to fee payers in this respect is \$18,682 per acre, as compared to the current 2005 fee amount of \$12,397 per acre.

**Table 3** estimates the increases in the fee for each fee component and various subcomponents of the Admin/O&M component. **Figure 1** graphically summarizes the extent to which various fee components contribute to the fee increase. As shown in **Table 3** and **Figure 1** and detailed below, the majority of the fee increase can be attributed to rapidly escalating land costs and increased water costs. Increased land costs account for 85 percent of the fee increase while increased water costs account for 7 percent.

- 1. Land Cost Escalation.** The estimated value of habitat land has nearly doubled over the last year, increasing from \$25,000 per acre to \$45,000 per acre. This increase in land value not only causes a very significant increase in the Land Acquisition component of the fee, but also causes substantial increases in the Supplemental Endowment, Admin/O&M, and O&M Endowment components as detailed below:

- The Supplemental Endowment fee increases because its purpose is to provide sufficient funds to purchase a 200-acre reserve or the final 200 acres of habitat. As land becomes more expensive, more funds must be set aside to ensure adequate funding for the 200 acres;
- The Admin/O&M fee increases because it includes funding for property taxes, which will increase substantially on future habitat that will be valued at higher prices; and
- An increase in the Admin/O&M fee leads to a corresponding increase in the O&M Endowment fee because its purpose is to ensure adequate Admin/O&M funding in the years after all development and fee revenue has ended.

In total, the increase in habitat land value leads to an increase in the land-related fee components described above of approximately \$13,850 per acre. As shown in **Table 3**, this increase accounts for an estimated 85 percent of the proposed fee increase.

**2. Water Cost Increase.** Water costs paid by TNBC for habitat property in the Natomas Central Mutual Water Company (NCMWC) service area increased substantially for these reasons:

- The basic rate increased from \$113 per acre to \$122 per acre for rice.
- It is now assumed that TNBC will pay all of the NCMWC costs and subsequently be reimbursed by farmers for approximately one-third of these costs, whereas in past years, TNBC paid approximately one-third of the costs, while the farmers paid two-thirds. This assumption rests on the inability of TNBC's contract rice farmers to bear the water cost increase and TNBC's requirement, as stated in the 2003 NBHCP, to ensure that rice is produced on mitigation lands. TNBC pays the full cost of water applied to managed marsh complexes.
- TNBC has added a bad debt allowance of 5 percent of the NCMWC costs to cover the situation in which farmers fail to reimburse TNBC for their portion of the costs.

The increase in TNBC's portion of the NCMWC costs leads to an increase in the habitat fee of approximately \$1,078. As shown in **Table 3**, this increase accounts for an estimated 7 percent of the proposed fee increase.<sup>1</sup>

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<sup>1</sup> TNBC's Finance Model factors in the NCMWC cost of \$122 per acre (and \$20 per acre for fall/winter flood-up). TNBC's Finance Model now contemplates that 80 percent of its land holdings will be assessed the NCMWC tariff rate of \$122 per acre. The 80-percent factor is used in this calculation because not all land owned by TNBC lies in the NCMWC service territory,

## UPDATED MODEL ASSUMPTIONS

The updated fee amount was estimated using a revised cash flow analysis prepared by EPS for each of the five funds. Many of the changes reflect new estimated costs based on recent experience and input from TNBC. The updated assumptions are described below.

### CASH FLOW ADJUSTMENTS

The cash flows for each fund were updated such that the beginning balances in 2006 matched TNBC fund balances as of November 30, 2005, and adjusted for estimated December 2005 costs. The November account statements were used because the end-of-year December statements were not yet available.

### LAND ACQUISITION COSTS

Land Acquisition costs increased from \$25,000 per acre to \$45,000 per acre (an 80-percent increase). The increase in costs reflects increasing price pressure in the Natomas Basin for land because of severe constraints in the supply of eligible mitigation land. The updated 2006 Land Acquisition cost of \$45,000 per acre was based on TNBC's knowledge of available parcels and their asking prices and was confirmed by personal communications with various real estate professionals. The most recent habitat property acquired, the Vestal South property, sold for \$40,000 per acre.

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and therefore, the acreage outside the NCMWC service area would not incur NCMWC charges. This 80-percent factor is used as an approximation in lieu of attempting to calculate and accurately predict many dynamic variables. To attempt to account for all variables could subject the Finance Model to risk levels believed, by TNBC management, to be unacceptable. These variables include the fact that decisions often are made late to fallow crop land or change from one crop to another, which would influence the amount of charges assessed by NCMWC. The Finance Model also does not reflect any late-year demand for water because of precipitation and other hydrological conditions, which are unpredictable. The Finance Model does not account for as-yet-made determinations regarding ground water well substitution (from TNBC wells) over NCMWC-supplied water, which is somewhat dependent on the ultimate NCMWC-approved tariffs and the breakdown between water usage charges and other components of the NCMWC fee structure. Moreover, a substantial portion of the total water costs assessed by NCMWC is assessed on shareholders of the NCMWC regardless of whether they purchase irrigation water or not, and this variable has not yet been published by the NCMWC Board of Directors but is expected to be different from those in recent years. It is assumed that the generalized approach noted above (80 percent of total landholdings are assessed the budgeted \$122 per acre per year) is adequate to estimate future water cost recovery needs.

Furthermore, land transaction and contingency costs were increased from \$500 per acre to \$1,500 per acre, the level assumed for the 2003 fee update. This cost had been decreased in 2004, but was restored to the 2003 level to account for actual experience and the increased complexity and cost of real estate transactions.

## R&E COSTS

R&E costs increased from \$2,046 to \$2,556 per habitat acre (a 25-percent increase). This increase was due to increased costs to prepare Site-Specific Management Plans (SSMPs), as well as increased costs for converting rice acres into managed marsh. The R&E costs are composed of four components as described below.

### Base R&E Costs

The cost to convert rice acres into managed marsh was estimated at \$6,500 per acre. This cost reflects an increase from the 2005 estimate of \$5,200 per acre. The cost was increased to include additional conversion costs not previously covered, such as replantings of tule, post-construction deepening of channels, and additional fencing. All three of these items are expected to substantially reduce land management costs in future years. Because managed marsh will represent 25 percent of the total acquired acres, the conversion cost was weighted by 25 percent to arrive at a cost of \$1,625 per acquired acre (i.e., 25 percent of \$6,500 = \$1,625).

### Biological Site Assessment and Preconstruction Survey Costs

The cost to conduct a formal biological site assessment and preconstruction survey for acquired mitigation land, as required by the 2003 NBHCP, was estimated at \$150 per acre based on information provided by TNBC.

### SSMP Costs

The estimated cost of preparing the SSMPs for acquired mitigation land was increased from \$175 to \$225 per acre to reflect recent cost estimates provided by TNBC staff and Wildlands, Inc. An additional cost of \$45 per acre was added to update the SSMPs. This cost was based on the average cost per acre of updating the SSMP for the Bennet North tract.

### Contingency Costs

This fee update continues to assume a contingency cost of 25 percent of all other R&E costs, which translates into \$511 per habitat acre. The contingency component is essential to ensure adequate funding for R&E, particularly given the lag time between when the fee is paid (and the habitat preserves are acquired) and when the R&E actually occurs. TNBC has 3 years to restore and enhance the designated preserves after

approval of the SSMP, which comes 1 year after acquisition. In that time frame, biological studies also need to be completed. There is significant risk that the cost of restoring and enhancing a project will increase between the time the land has been acquired and the R&E construction begins (typically 2 to 3 years). An example is the cost of fencing, which increased dramatically before completion of the last R&E construction project, largely because of steel price increases.

## ADMIN/O&M COST ESTIMATES

Admin/O&M cost estimates were revised. The Admin/O&M costs increased from approximately \$12,500 per acre to \$18,510 per habitat acre (a 60-percent increase). There were major increases in property taxes (attributable to rapid land price increases) and substantially increased NCMWC costs. As a result of the Admin/O&M cost increase, the estimated amount of drawdown necessary on the O&M Endowment fund in future years also increased, causing a substantial increase in O&M Endowment fund costs and fee component. Cost estimates for each of the Admin/O&M cost components are discussed below.

### O&M Costs

O&M costs are divided into the following three categories:

1. O&M costs included in the contract with Wildlands, Inc., the contractor engaged by TNBC to manage the marsh portion of the mitigation land;
2. Annual O&M costs not included in the Wildlands contract; and
3. Estimated TNBC costs for the replacement of fixed assets.

For this fee update, TNBC conducted a full accounting of its fixed assets. The fixed assets replacement costs are included in this report separately from the remaining TNBC annual O&M costs (see **Tables 8 and 9**). The original costs of the fixed assets were updated to 2006 levels by using a 3-percent annual inflation rate to estimate the current replacement costs for the fixed assets. The remaining O&M costs were updated based on the 2006 estimates from Wildlands, Inc., and information from TNBC.

### Property Tax Costs and Special Assessments

Over the past year, land acquisition costs have increased substantially from an estimated \$25,000 per acre to an estimated \$45,000 per acre. The latest habitat land was purchased at a cost of approximately \$40,000 per acre. The method of estimating property taxes was changed in 2005 to adequately capture the increasing cost and assessed value of habitat land. This method is described below.

### Existing Habitat Properties

The assessed value for each existing habitat property was estimated as the land acquisition cost of the property, adjusted by 2 percent a year to 2006 levels. The average assessed value per acre then was calculated across all habitat acres. Annual property taxes for existing habitat acres were estimated as 1 percent of this average assessed value per acre multiplied by the number of habitat acres.

### Future Habitat Properties

For future habitat acres, it was assumed that the assessed value per acre would begin at \$45,000 per acre in 2006 and escalate by 10 percent a year. These assessed values were discounted back to real dollars by assuming a 3-percent inflation rate. Annual property taxes on new properties were estimated as 1 percent of the average assessed value per acre multiplied by the number of habitat acres.

### Property Tax Adjustment

Each year, the total estimated property tax was adjusted downward by a declining percentage (beginning at 95 percent in 2006 and declining to 50 percent in 2029 and thereafter) to account for various factors anticipated to result in reduced property taxes. First, some properties receive Williamson Act tax reductions. It is uncertain to what degree these tax reductions will continue, but it is assumed that some level of tax reductions will continue. Second, TNBC staff believe that the habitat land values will not continue to increase indefinitely at the same levels they have been increasing lately. In addition, the value of the land on the property tax rolls likely will decrease after all habitat has been acquired and development in the Natomas Basin is finished. This probable decrease will occur for two reasons. First, the real value of land on the property rolls will decrease because the average annual inflation rate is likely to be around 3 percent, whereas the assessed value will increase by a maximum of 2 percent annually after all habitat is acquired. Second, once the 17,500 acres of development authorized by the federal- and State-issued Incidental Take Permit granted to the City, Metro Air Park, and Sutter County have been exhausted, there will be no more development potential on land in the Natomas Basin. It is difficult to envision a scenario in which the Sacramento and Sutter Counties tax assessors could continue to assess TNBC's habitat lands at commercial values. Therefore, TNBC believes that appeals to assessors for valuation reductions are likely to result in lower property taxes over time.

Updating property tax assumptions to reflect current land values and likely future increases in land values resulted in a large increase in the property tax cost and Admin/O&M fee component.

In addition to the property tax assumptions, Reclamation District 1000 and NCMWC assessment assumptions were updated based on current rates. The NCMWC costs increased substantially, leading to a large increase in the Admin/O&M fee component.

### **Mitigation Monitoring and Adaptive Management**

Mitigation monitoring and adaptive management costs were updated to reflect revised cost estimates from Jones & Stokes to perform the monitoring work. The original contract costs were increased to account for the increased habitat size after acquisition of the Tufts and Bolen properties. Other than the costs associated with the midpoint program reviews, the pre-acquisition biological reconnaissance (included as a Land Acquisition cost), and the SSMP (included as a R&E cost), all mitigation monitoring costs were inflated by 3 percent annually to reflect likely cost increases as habitat preserve acreage increases to 8,750 acres (the ultimate buildout level of the 2003 NBHCP) over time. Once all habitat acres are acquired, the costs are no longer escalated.

### **Administration Costs**

Administration costs were revised based on the current budget estimates of TNBC. These estimated costs increased from \$946,000 in 2005 to \$1,034,000 in 2006, based on the rapid growth in responsibilities incurred by TNBC. The administration cost increases largely were due to increased fees, taxes, and office expenses.

## **RICE AND OTHER CROP-REVENUE ESTIMATES**

### **Rice Revenue**

The model continues to be based on the assumption that revenue will be earned on 90 percent of the total rice acres in the habitat. Based on the actual rice revenue for the past year, however, rice revenue estimates were reduced from \$160 per acre to \$100 per acre. This estimate accounts for a blend of highly productive rice fields, which produce higher cash rents, and an increasing amount of very low yielding rice land, which produces lower rent yields. This estimate also considers fallow fields and fields with no eligibility to participate in the federal farm program, which produce substantially lower cash rents.

The following steps detail the process for estimating the annual rice acres on which revenue will be earned:

1. Begin with the previous year's estimated rice acres.
2. Add the rice acres assumed to be acquired during the year (see **Table A-3**). The rice acres acquired annually are assumed to be 75 percent of the total habitat acres acquired. Further, the model assumes that the annual number of habitat



- acres acquired will equal the number of acres needed to achieve the annual habitat size required by the NBHCP (one-half of the number of acres for which fees have been paid plus a 200-acre surplus).
3. Deduct the rice acres assumed to be converted to marsh (see **Table A-3**). TNBC estimates that 65 acres of rice will be converted to marsh in 2006. For all other years, the model is based on the assumption that enough acres will be converted to marsh so that the habitat distribution required by the NBHCP (25 percent marsh, 50 percent rice, and 25 percent other land) will be achieved by the time fees have been paid for 9,000 acres of development and will be maintained thereafter.
  4. Multiply the resulting number of acres by 90 percent to arrive at the estimated number of rice acres on which revenue will be earned.

### Other Crop Revenue

Revenue estimates for crops other than rice remain unchanged at \$30 per upland acre on 50 percent of all upland acres. The following steps detail the process for estimating the annual upland acres on which crop revenue will be earned:

1. Begin with the previous year's estimated upland acres (referred to as "other" acres in the model).
2. Add the upland acres assumed to be acquired during the year (see **Table A-3**). The upland acres acquired annually are assumed to be 25 percent of the total habitat acres acquired. Further, the model is based on the assumption that the annual number of habitat acres acquired will equal the number of acres needed to achieve the annual habitat size required by the NBHCP (one-half of the number of acres for which fees have been paid plus a 200-acre surplus).
3. Deduct the upland acres assumed to be converted to marsh (see **Table A-3**). The model is based on the assumption that enough acres will be converted to marsh so that the habitat distribution required by the NBHCP (25 percent marsh, 50 percent rice, and 25 percent other land) will be achieved by the time fees have been paid for 9,000 acres of development and will be maintained thereafter.
4. Multiply the resulting number of acres by 50 percent to arrive at the estimated number of upland acres on which revenue will be earned.

### HUNTING REVENUES

The estimated percentage of habitat used for hunting was decreased from 33 percent to approximately 25 percent to more closely reflect the actual amount of habitat on which hunting occurs. Below are the two main assumptions used to project hunting revenues:

- Annual hunting income was estimated at \$10 per acre; and
- The percentage of mitigation land used for hunting was estimated at 25 percent per year.

## SUPPLEMENTAL ENDOWMENT COST ESTIMATES

The increase in supplemental endowment costs, from \$1,275 per acre to \$2,040 per acre (a 60-percent increase), was due to the increased land acquisition cost of \$45,000 per acre.

## HABITAT ACQUISITION AND CONVERSION

The projected habitat acquisition schedule was updated to reflect habitat acquisitions made in 2005. The projected habitat conversion schedule also was updated to reflect current estimates from TNBC of the number of acres to be converted to marsh and upland in 2006.

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**Table 1**  
**Natomas Basin HCP**  
**Cash Flow Model and Interaction of Funds**

| NBHCP<br>Cash Flow Funds           | Primary<br>Purpose   | Revenue<br>Source(s)   | Expenditure<br>Categories   | Interaction<br>of Funds  |
|------------------------------------|--|--|---|--|
| <b>Land Acquisition</b>            | <ul style="list-style-type: none"> <li>Land Acquisition</li> </ul>   | <ul style="list-style-type: none"> <li>Fee Revenues</li> <li>Interest Earned</li> </ul>  | <ul style="list-style-type: none"> <li>Land Purchase</li> <li>Transaction Costs</li> <li>Contingency</li> </ul>   |  |
| <b>Restoration and Enhancement</b> | <ul style="list-style-type: none"> <li>Restore and/or Enhance Acquired Mitigation Land</li> </ul>  | <ul style="list-style-type: none"> <li>Fee Revenues</li> <li>Interest Earned</li> </ul>  | <ul style="list-style-type: none"> <li>Restoration, Enhancement, or Conversion of Acquired Mitigation Lands to Habitat Suitable for Protected Species</li> <li>Preparation of Site Specific Plans</li> </ul>  |  |
| <b>Admin./O&amp;M</b>              | <ul style="list-style-type: none"> <li>Administration of TNBC</li> </ul>   | <ul style="list-style-type: none"> <li>Fee Revenues</li> <li>Farming Revenues</li> <li>Hunting Revenues</li> <li>Interest Earned</li> <li>Interest from O&amp;M Endowment Fund (in Later Years)</li> </ul> | <ul style="list-style-type: none"> <li>Administration of TNBC</li> <li>O&amp;M of Acquired Mitigation Land</li> <li>Property Tax and Special Assessments</li> <li>Mitigation Monitoring</li> <li>Species Monitoring</li> <li>Adaptive Management</li> </ul> |  |
| <b>O&amp;M Endowment Fund</b>      | <ul style="list-style-type: none"> <li>Provide Supplemental Revenue for Admin./O&amp;M Fund</li> </ul>   | <ul style="list-style-type: none"> <li>Fee Revenues</li> <li>Interest Earned</li> </ul>  | <ul style="list-style-type: none"> <li>Interest Earnings Transferred to Admin./O&amp;M Fund in Later Years of NBHCP</li> </ul>  |  |
| <b>Supplemental Endowment Fund</b> | <ul style="list-style-type: none"> <li>Provide Supplemental Revenue for Land Acquisition --for advance purchase --in the case that land costs spike dramatically in any given year</li> <li>Provide a "Changed Circumstances" Fund --to provide revenue in the event of changed habitat circumstances such as fire, flood, or the listing of new species.</li> </ul> | <ul style="list-style-type: none"> <li>Fee Revenues</li> <li>Interest Earned</li> </ul>  | <ul style="list-style-type: none"> <li>Land Purchase</li> <li>After Completion of Land Purchases, Remaining Funds (Excluding Changed Circumstances Portion) Transferred to Operating or Endowment Fund</li> </ul>   | <p>Balances can be transferred among these three funds:</p> <ul style="list-style-type: none"> <li>--To correct short-term cash flow imbalances and take advantage of opportunities;</li> <li>--If revenues could be better utilized in one of the other funds and are not needed in the existing fund.</li> </ul> <p>Interest earnings can be transferred to Admin./O&amp;M fund to supplement revenues.</p> <p>Supplemental fee revenue can be used to purchase mitigation land.</p> |

**Table 2**  
**Natomas Basin HCP**  
**Estimation of Habitat Mitigation Fee**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Item   | Cost per Acre<br>of Habitat<br><i>a</i> | Mitigation Fee per<br>Acre of<br>Development<br><i>b=a x .5</i> | Percentage of<br>Base Fee | Notes:                   |
|--|---|---|---------------------------|--------------------------|
| <b>BASE FEE</b>  |   |   |                           |                          |
| <b>Land Acquisition Cost (LA)</b>                          |   |   |                           |                          |
| Land Cost  | \$45,000                                | \$22,500  |                           |                          |
| Transaction Costs and Contingency                          | \$1,500                                 | \$750   |                           |                          |
| <b>Total Land Acquisition Cost (LA)</b>                    | <b>\$46,500</b>                         | <b>\$23,250</b>   | 56%                       | See <b>Table 5</b>       |
| <b>Restoration/Enhancement (RE)</b>                        |   |   |                           |                          |
| RE Cost  | \$2,045                                 | \$1,023   |                           |                          |
| RE Contingency   | \$511                                   | \$256   |                           |                          |
| <b>Total Restoration/Enhancement (RE)</b>                  | <b>\$2,556</b>                          | <b>\$1,278</b>  | 3%                        | See <b>Table 6</b>       |
| Administration/O&M [1]                                     | \$18,510                                | \$9,255   | 22%                       |                          |
| O&M Endowment Fund [1]                                     | \$11,110                                | \$5,555   | 13%                       |                          |
| Supplemental Endowment Fund                                | \$2,041                                 | \$1,020   | 2%                        | See <b>Table 14</b>      |
| <b>Total Mitigation Fee</b>                                | <b>\$80,717</b>                         | <b>\$40,358</b>   |                           |                          |
| <b>Fee Collection Administration</b>                       |   | \$824   | 2%                        | 2% of fee for collection |
| <b>Total Base Fee</b>                                      |   | <b>\$41,182</b>   | <b>100%</b>               |                          |
| <b>FEE EXCLUDING LAND COST PORTION OF LAND ACQUISITION</b> |   | <b>\$18,682</b>   |                           | [2]                      |

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[1] Administration/O&M and Endowment Fund costs are set based on the cash flow analysis, ensuring that fund balances are positive in year 50 and that annual interest earnings in endowment fund exceed drawdown by Admin/O&M fund. See **Tables 7-12** for cost assumptions.

[2] In some cases developers may dedicate land to satisfy the land acquisition component of the NBHCP. Any land dedication will be subject to the terms of the NBHCP.

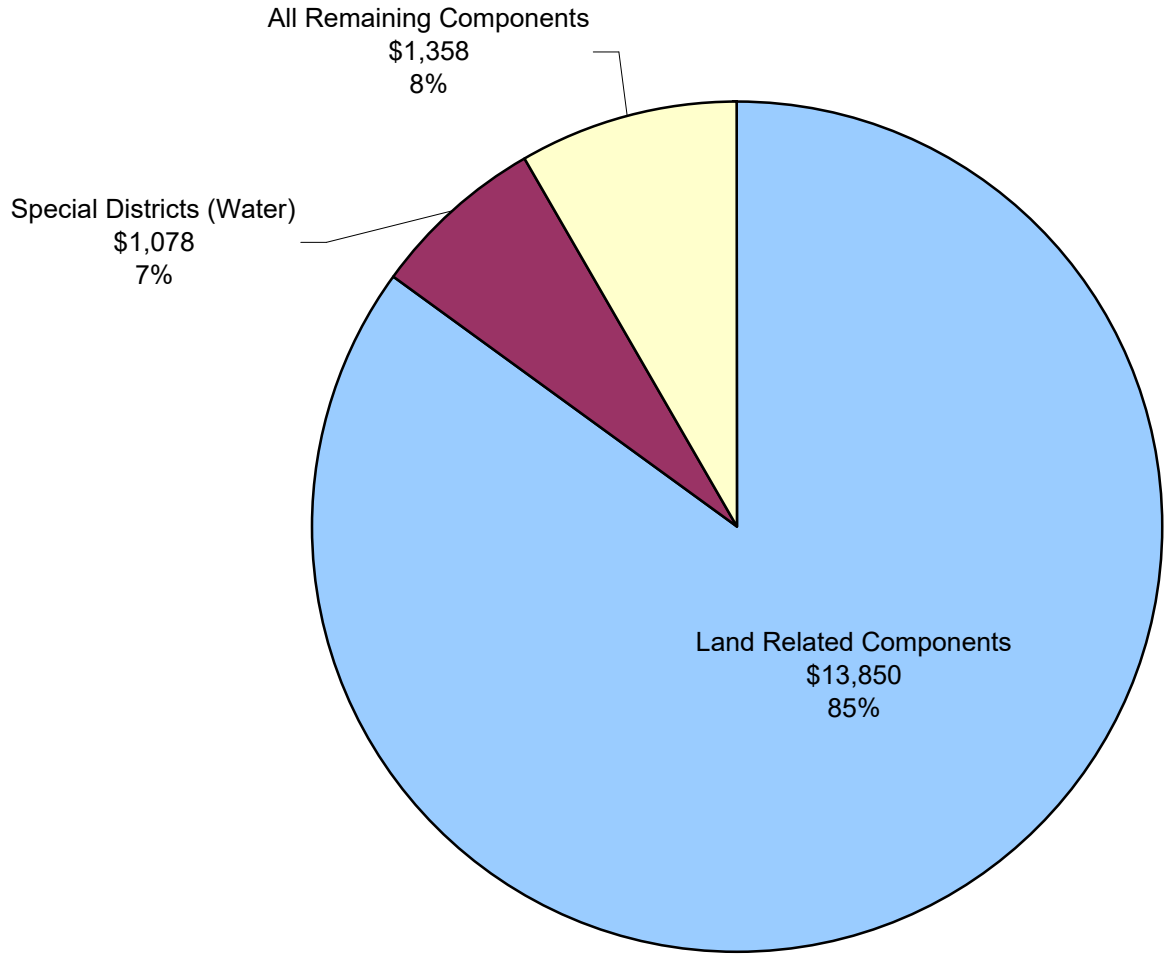
**Table 3**  
**Natomas Basin HCP**  
**Habitat Mitigation Fee Component Increases (2005-2006)**

| <b>Fee Component</b>                                | <b>2005<br/>Fee</b> | <b>2006<br/>Proposed<br/>Fee</b> | <b>Fee<br/>Increase</b> | <b>Percentage<br/>of Total<br/>Increase</b> |
|---|---------------------|----------------------------------|-------------------------|---|
| <b>Land Acquisition</b>                             |                     |                                  |                         |   |
| Land  | \$12,500            | \$22,500                         | \$10,000                | 61%   |
| Transaction   | \$125               | \$375                            | \$250                   | 2%  |
| Contingency   | \$125               | \$375                            | \$250                   | 2%  |
| <b>Total Land Acquisition</b>                       | <b>\$12,750</b>     | <b>\$23,250</b>                  | <b>\$10,500</b>         | <b>64%</b>                                  |
| <b>Restoration/Enhancement</b>                      |                     |                                  |                         |   |
| Base Fee  | \$818               | \$1,023                          | \$204                   | 1%  |
| Contingency   | \$205               | \$256                            | \$51                    | 0%  |
| <b>Total Restoration/Enhancement</b>                | <b>\$1,023</b>      | <b>\$1,278</b>                   | <b>\$255</b>            | <b>2%</b>                                   |
| <b>Administration/O&amp;M and O&amp;M Endowment</b> |                     |                                  |                         |   |
| Administration/O&M                                  | \$6,243             | \$9,255                          | \$3,012                 | 18%   |
| O&M Endowment Fund                                  | \$3,745             | \$5,555                          | \$1,810                 | 11%   |
| <b>Total Admin/O&amp;M and O&amp;M Endowment</b>    | <b>\$9,988</b>      | <b>\$14,810</b>                  | <b>\$4,822</b>          | <b>30%</b>                                  |
| <b>Fee Subcomponent Estimates</b>                   |                     |                                  |                         |   |
| O&M   | \$1,278             | \$1,815                          | \$536                   | 3%  |
| Administration                                      | \$3,024             | \$3,334                          | \$310                   | 2%  |
| Species and Habitat Monitoring                      | \$1,456             | \$1,386                          | (\$70)                  | 0%  |
| Special Districts                                   | \$1,017             | \$2,095                          | \$1,078                 | 7%  |
| Property Taxes                                      | \$3,213             | \$6,181                          | \$2,968                 | 18%   |
| <b>Total Admin/O&amp;M and O&amp;M Endowment</b>    | <b>\$9,988</b>      | <b>\$14,810</b>                  | <b>\$4,822</b>          | <b>30%</b>                                  |
| <b>Supplemental Endowment Fund</b>                  | <b>\$638</b>        | <b>\$1,020</b>                   | <b>\$382</b>            | <b>2%</b>                                   |
| <b>Fee Collection Administration</b>                | <b>\$498</b>        | <b>\$824</b>                     | <b>\$326</b>            | <b>2%</b>                                   |
| <b>Total Mitigation Fee</b>                         | <b>\$24,897</b>     | <b>\$41,182</b>                  | <b>\$16,286</b>         | <b>100%</b>                                 |
| <b>Summary of Land Related Fee Components</b>       |                     |                                  |                         |   |
| Land Acquisition                                    | \$12,750            | \$23,250                         | \$10,500                | 64%   |
| Property Taxes                                      | \$3,213             | \$6,181                          | \$2,968                 | 18%   |
| Supplemental Endowment                              | \$638               | \$1,020                          | \$382                   | 2%  |
| <b>Subtotal of Land Related Components</b>          | <b>\$16,601</b>     | <b>\$30,451</b>                  | <b>\$13,850</b>         | <b>85%</b>                                  |
| Special Districts                                   | \$1,017             | \$2,095                          | \$1,078                 | 7%  |
| All Remaining Components                            | \$7,279             | \$8,636                          | \$1,358                 | 8%  |
| <b>Total Mitigation Fee</b>                         | <b>\$24,897</b>     | <b>\$41,182</b>                  | <b>\$16,286</b>         | <b>100%</b>                                 |

*fee increase*

# Figure 1 2006 NBHCP Fee Increase by Fee Component

Total Fee = \$41,182 per acre  
Total Increase = \$16,286 per acre



**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

|  | <b>2006 Update</b>   |                 |                  |                    |                    |                    |                    |                    |
|--|--|-----------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | <i>17,500 acres of development<br/>1/2 acre of mitigation land per gross acre of developed land<br/>25% marsh, 50% rice, 25% other</i> |                 |                  |                    |                    |                    |                    |                    |
|  | <b>Assumes:</b>  |                 |                  |                    |                    |                    |                    |                    |
|  | 0.0% Inflation   |                 |                  |                    |                    |                    |                    |                    |
|  | 3.0% Interest Rate   |                 |                  |                    |                    |                    |                    |                    |
|  | Total<br>1996-2047   | 1<br>1996       | 2<br>1997        | 3<br>1998          | 4<br>1999          | 5<br>2000          | 6<br>2001          | 7<br>2002          |
|  |  | [1]             | [1]              | [1]                | [2]                |                    |                    |                    |
| <b>LAND ACQUISITION</b>                    |  |                 |                  |                    |                    |                    |                    |                    |
| <b>Beginning Balance</b>                   |  | \$0             | \$55,641         | \$247,608          | \$2,773,665        | \$750,754          | \$563,113          | \$2,225,278        |
| Total Revenues                             | \$278,419,173  | \$55,641        | \$191,966        | \$2,526,057        | \$2,696,904        | \$1,287,471        | \$3,198,070        | \$2,569,079        |
| Total Expenditures                         | (\$251,442,421)  | \$0             | \$0              | \$0                | (\$4,924,998)      | (\$1,475,112)      | (\$1,535,905)      | (\$8,854,102)      |
| Transfers to/from Admin/O&M, R&E, Endow.   | (\$26,318,473)   | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$4,061,520        |
| Balance Adjustments                        | \$205,183  | \$0             | \$0              | \$0                | \$205,183          | \$0                | \$0                | \$0                |
| Reserved Amounts                           | (\$863,462)  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Ending Balance</b>                      | <b>\$0</b>   | <b>\$55,641</b> | <b>\$247,608</b> | <b>\$2,773,665</b> | <b>\$750,754</b>   | <b>\$563,113</b>   | <b>\$2,225,278</b> | <b>\$1,775</b>     |
| <b>RESTORATION AND ENHANCEMENTS</b>        |  |                 |                  |                    |                    |                    |                    |                    |
| <b>Beginning Balance</b>                   |  | \$0             | \$4,257          | \$19,032           | \$292,743          | \$589,200          | \$582,058          | \$268,280          |
| Total Revenues                             | \$17,389,117   | \$4,257         | \$14,775         | \$273,711          | \$296,457          | \$145,324          | \$146,644          | \$363,017          |
| Total Expenditures                         | (\$15,290,235)   | \$0             | \$0              | \$0                | \$0                | \$0                | (\$1,060,422)      | (\$490,041)        |
| Transfers to/from O&M/Admin, LA, Endowment | (\$1,946,417)  | \$0             | \$0              | \$0                | \$0                | \$0                | \$600,000          | (\$153,500)        |
| Balance Adjustments                        | (\$152,466)  | \$0             | \$0              | \$0                | \$0                | (\$152,466)        | \$0                | \$0                |
| <b>Ending Balance</b>                      | <b>\$0</b>   | <b>\$4,257</b>  | <b>\$19,032</b>  | <b>\$292,743</b>   | <b>\$589,200</b>   | <b>\$582,058</b>   | <b>\$268,280</b>   | <b>(\$12,244)</b>  |
| <b>ADMINISTRATION/O&amp;M</b>              |  |                 |                  |                    |                    |                    |                    |                    |
| <b>Beginning Balance</b>                   |  | \$0             | \$4,561          | \$70,261           | \$621,109          | \$1,243,082        | \$1,549,539        | \$1,154,659        |
| Total Revenues                             | \$159,681,291  | \$4,561         | \$65,700         | \$657,778          | \$827,478          | \$624,234          | \$816,275          | \$1,624,402        |
| Drawdown on Endowment Fund                 | \$59,298,433   | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| Total Expenditures                         | (\$218,193,990)  | \$0             | \$0              | (\$106,930)        | (\$205,505)        | (\$388,815)        | (\$611,155)        | (\$876,281)        |
| Transfers to/from Land Acq. and R&E        | (\$589,515)  | \$0             | \$0              | \$0                | \$0                | \$0                | (\$600,000)        | (\$3,908,020)      |
| City of Sac. Loan for 200-Acre Reserve     | \$0  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$2,111,959        |
| Balance Adjustments                        | \$71,038   | \$0             | \$0              | \$0                | \$0                | \$71,038           | \$0                | \$0                |
| Reserved Amounts                           | (\$267,256)  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Ending Balance</b>                      | <b>\$0</b>   | <b>\$4,561</b>  | <b>\$70,261</b>  | <b>\$621,109</b>   | <b>\$1,243,082</b> | <b>\$1,549,539</b> | <b>\$1,154,659</b> | <b>\$106,719</b>   |
| <b>O&amp;M ENDOWMENT</b>                   |  |                 |                  |                    |                    |                    |                    |                    |
| <b>Beginning Balance</b>                   |  | \$0             | \$3,041          | \$13,622           | \$152,066          | \$323,846          | \$463,981          | \$966,753          |
| Total Revenues                             | \$210,239,288  | \$3,041         | \$10,581         | \$138,445          | \$157,704          | \$140,135          | \$502,772          | \$764,050          |
| Total Expenses                             | (\$107,768)  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| Transfer from Land Acq. and R&E            | \$28,854,405   | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| Drawdown on Endowment Fund                 | (\$59,298,433)   | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| Balance Adjustments                        | \$14,076   | \$0             | \$0              | \$0                | \$14,076           | \$0                | \$0                | \$0                |
| <b>Ending Balance</b>                      | <b>\$179,701,568</b>   | <b>\$3,041</b>  | <b>\$13,622</b>  | <b>\$152,066</b>   | <b>\$323,846</b>   | <b>\$463,981</b>   | <b>\$966,753</b>   | <b>\$1,730,803</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |  |                 |                  |                    |                    |                    |                    |                    |
| <b>Beginning Balance</b>                   |  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$36,314           |
| Total Revenues                             | \$28,326,070   | \$0             | \$0              | \$0                | \$0                | \$0                | \$36,314           | \$147,318          |
| Total Expenditures                         | (\$3,238,652)  | \$0             | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>Ending Balance</b>                      | <b>\$25,087,418</b>  | <b>\$0</b>      | <b>\$0</b>       | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$36,314</b>    | <b>\$183,631</b>   |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$9,352,169</b>   | <b>\$0</b>      | <b>\$0</b>       | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         |

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**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

|  | 8<br>2003          | 9<br>2004          | 10<br>2005         | 11<br>2006          | 12<br>2007          | 13<br>2008          | 14<br>2009          | 15<br>2010          | 16<br>2011          |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>LAND ACQUISITION</b>                    |                    |                    |                    |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$1,775            | \$80,655           | \$418,988          | \$437,965           | \$7,145,627         | \$7,579,980         | \$8,195,289         | \$8,747,603         | \$9,266,690         |
| Total Revenues                             | \$9,072,846        | \$469,564          | \$998,644          | \$11,638,139        | \$13,853,409        | \$24,277,790        | \$19,246,054        | \$16,175,319        | \$16,190,891        |
| Total Expenditures                         | (\$6,411,966)      | (\$81,231)         | (\$116,205)        | (\$3,500,957)       | (\$13,419,056)      | (\$23,662,481)      | (\$18,693,741)      | (\$15,656,231)      | (\$15,656,231)      |
| Transfers to/from Admin/O&M, R&E, Endow.   | (\$2,582,000)      | (\$50,000)         | \$0                | (\$1,429,520)       | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserved Amounts                           | \$0                | \$0                | (\$863,462)        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$80,655</b>    | <b>\$418,988</b>   | <b>\$437,965</b>   | <b>\$7,145,627</b>  | <b>\$7,579,980</b>  | <b>\$8,195,289</b>  | <b>\$8,747,603</b>  | <b>\$9,266,690</b>  | <b>\$9,801,351</b>  |
| <b>RESTORATION AND ENHANCEMENTS</b>        |                    |                    |                    |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | (\$12,244)         | \$384,545          | (\$20,841)         | \$539,204           | \$734,950           | \$384,784           | \$141,734           | (\$161,946)         | \$13,011            |
| Total Revenues                             | \$1,123,471        | \$334,400          | \$652,124          | \$650,386           | \$765,215           | \$1,330,205         | \$1,047,476         | \$874,781           | \$875,054           |
| Total Expenditures                         | (\$880,182)        | (\$739,786)        | (\$81,594)         | (\$454,640)         | (\$1,115,380)       | (\$1,573,256)       | (\$1,351,156)       | (\$699,825)         | (\$699,825)         |
| Transfers to/from O&M/Admin, LA, Endowment | \$153,500          | \$0                | (\$10,485)         | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$384,545</b>   | <b>(\$20,841)</b>  | <b>\$539,204</b>   | <b>\$734,950</b>    | <b>\$384,784</b>    | <b>\$141,734</b>    | <b>(\$161,946)</b>  | <b>\$13,011</b>     | <b>\$188,240</b>    |
| <b>ADMINISTRATION/O&amp;M</b>              |                    |                    |                    |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$106,719          | \$2,924,393        | \$3,443,813        | \$4,643,535         | \$8,336,209         | \$11,534,595        | \$18,656,416        | \$23,729,008        | \$27,510,021        |
| Total Revenues                             | \$3,949,924        | \$2,207,942        | \$4,065,162        | \$4,955,332         | \$5,883,806         | \$10,150,257        | \$8,375,169         | \$7,315,279         | \$7,445,606         |
| Drawdown on Endowment Fund                 | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Total Expenditures                         | (\$1,448,791)      | (\$1,738,522)      | (\$2,608,669)      | (\$2,692,178)       | (\$2,685,419)       | (\$3,028,435)       | (\$3,302,578)       | (\$3,534,265)       | (\$3,769,798)       |
| Transfers to/from Land Acq. and R&E        | \$2,428,500        | \$50,000           | \$10,485           | \$1,429,520         | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| City of Sac. Loan for 200-Acre Reserve     | (\$2,111,959)      | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserved Amounts                           | \$0                | \$0                | (\$267,256)        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$2,924,393</b> | <b>\$3,443,813</b> | <b>\$4,643,535</b> | <b>\$8,336,209</b>  | <b>\$11,534,595</b> | <b>\$18,656,416</b> | <b>\$23,729,008</b> | <b>\$27,510,021</b> | <b>\$31,185,829</b> |
| <b>O&amp;M ENDOWMENT</b>                   |                    |                    |                    |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$1,730,803        | \$4,424,499        | \$5,803,065        | \$8,046,905         | \$11,071,661        | \$14,668,599        | \$20,861,216        | \$26,033,249        | \$30,623,072        |
| Total Revenues                             | \$2,718,367        | \$1,378,566        | \$2,326,937        | \$3,024,756         | \$3,596,937         | \$6,192,618         | \$5,172,033         | \$4,589,823         | \$4,727,792         |
| Total Expenses                             | (\$24,671)         | \$0                | (\$83,097)         | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Transfer from Land Acq. and R&E            | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Drawdown on Endowment Fund                 | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                | \$0                | \$0                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$4,424,499</b> | <b>\$5,803,065</b> | <b>\$8,046,905</b> | <b>\$11,071,661</b> | <b>\$14,668,599</b> | <b>\$20,861,216</b> | <b>\$26,033,249</b> | <b>\$30,623,072</b> | <b>\$35,350,864</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |                    |                    |                    |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$183,631          | \$427,065          | \$527,336          | \$744,352           | \$1,151,682         | \$1,637,934         | \$2,483,580         | \$3,187,341         | \$3,809,969         |
| Total Revenues                             | \$533,115          | \$187,206          | \$400,041          | \$532,331           | \$632,908           | \$1,104,252         | \$908,064           | \$793,734           | \$812,413           |
| Total Expenditures                         | (\$289,681)        | (\$86,936)         | (\$183,025)        | (\$125,000)         | (\$146,656)         | (\$258,606)         | (\$204,303)         | (\$171,106)         | (\$171,106)         |
| <b>Ending Balance</b>                      | <b>\$427,065</b>   | <b>\$527,336</b>   | <b>\$744,352</b>   | <b>\$1,151,682</b>  | <b>\$1,637,934</b>  | <b>\$2,483,580</b>  | <b>\$3,187,341</b>  | <b>\$3,809,969</b>  | <b>\$4,451,275</b>  |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$289,681</b>   | <b>\$392,144</b>   | <b>\$590,418</b>   | <b>\$733,131</b>    | <b>\$901,781</b>    | <b>\$1,187,441</b>  | <b>\$1,427,367</b>  | <b>\$1,641,295</b>  | <b>\$1,861,640</b>  |

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**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

|  | 17<br>2012          | 18<br>2013          | 19<br>2014          | 20<br>2015          | 21<br>2016          | 22<br>2017          | 23<br>2018          | 24<br>2019          | 25<br>2020          |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>LAND ACQUISITION</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$9,801,351         | \$10,352,051        | \$10,919,272        | \$11,503,509        | \$12,105,274        | \$12,725,092        | \$13,293,520        | \$13,879,000        | \$14,482,045        |
| Total Revenues                             | \$16,206,931        | \$16,223,452        | \$16,240,469        | \$16,257,996        | \$16,276,049        | \$11,955,603        | \$11,972,656        | \$11,990,220        | \$12,008,311        |
| Total Expenditures                         | (\$15,656,231)      | (\$15,656,231)      | (\$15,656,231)      | (\$15,656,231)      | (\$15,656,231)      | (\$11,387,175)      | (\$11,387,175)      | (\$11,387,175)      | (\$11,387,175)      |
| Transfers to/from Admin/O&M, R&E, Endow.   | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserved Amounts                           | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$10,352,051</b> | <b>\$10,919,272</b> | <b>\$11,503,509</b> | <b>\$12,105,274</b> | <b>\$12,725,092</b> | <b>\$13,293,520</b> | <b>\$13,879,000</b> | <b>\$14,482,045</b> | <b>\$15,103,182</b> |
| <b>RESTORATION AND ENHANCEMENTS</b>        |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$188,240           | \$367,149           | \$549,816           | \$736,318           | \$926,737           | \$1,121,155         | \$1,271,949         | \$1,425,910         | \$1,583,104         |
| Total Revenues                             | \$878,734           | \$882,491           | \$886,327           | \$890,244           | \$894,243           | \$659,795           | \$662,962           | \$666,195           | \$669,496           |
| Total Expenditures                         | (\$699,825)         | (\$699,825)         | (\$699,825)         | (\$699,825)         | (\$699,825)         | (\$509,000)         | (\$509,000)         | (\$509,000)         | (\$509,000)         |
| Transfers to/from O&M/Admin, LA, Endowment | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$367,149</b>    | <b>\$549,816</b>    | <b>\$736,318</b>    | <b>\$926,737</b>    | <b>\$1,121,155</b>  | <b>\$1,271,949</b>  | <b>\$1,425,910</b>  | <b>\$1,583,104</b>  | <b>\$1,743,600</b>  |
| <b>ADMINISTRATION/O&amp;M</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$31,185,829        | \$34,749,470        | \$38,193,839        | \$41,511,705        | \$44,695,737        | \$47,738,535        | \$48,982,553        | \$50,098,813        | \$51,081,421        |
| Total Revenues                             | \$7,572,777         | \$7,696,583         | \$7,816,811         | \$7,933,243         | \$8,045,661         | \$6,421,990         | \$6,471,600         | \$6,517,378         | \$6,559,145         |
| Drawdown on Endowment Fund                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Total Expenditures                         | (\$4,009,135)       | (\$4,252,214)       | (\$4,498,945)       | (\$4,749,212)       | (\$5,002,863)       | (\$5,177,973)       | (\$5,355,340)       | (\$5,534,769)       | (\$5,716,028)       |
| Transfers to/from Land Acq. and R&E        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| City of Sac. Loan for 200-Acre Reserve     | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Reserved Amounts                           | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$34,749,470</b> | <b>\$38,193,839</b> | <b>\$41,511,705</b> | <b>\$44,695,737</b> | <b>\$47,738,535</b> | <b>\$48,982,553</b> | <b>\$50,098,813</b> | <b>\$51,081,421</b> | <b>\$51,924,538</b> |
| <b>O&amp;M ENDOWMENT</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$35,350,864        | \$40,220,775        | \$45,237,078        | \$50,404,179        | \$55,726,613        | \$61,209,052        | \$65,819,608        | \$70,568,840        | \$75,460,924        |
| Total Revenues                             | \$4,869,910         | \$5,016,304         | \$5,167,101         | \$5,322,434         | \$5,482,440         | \$4,610,555         | \$4,749,232         | \$4,892,084         | \$5,039,236         |
| Total Expenses                             | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Transfer from Land Acq. and R&E            | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Drawdown on Endowment Fund                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Ending Balance</b>                      | <b>\$40,220,775</b> | <b>\$45,237,078</b> | <b>\$50,404,179</b> | <b>\$55,726,613</b> | <b>\$61,209,052</b> | <b>\$65,819,608</b> | <b>\$70,568,840</b> | <b>\$75,460,924</b> | <b>\$80,500,159</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Beginning Balance</b>                   | \$4,451,275         | \$5,111,821         | \$5,792,183         | \$6,492,956         | \$7,214,753         | \$7,958,203         | \$8,580,255         | \$9,220,968         | \$9,880,903         |
| Total Revenues                             | \$831,652           | \$851,469           | \$871,879           | \$892,903           | \$914,556           | \$746,502           | \$765,164           | \$784,385           | \$804,183           |
| Total Expenditures                         | (\$171,106)         | (\$171,106)         | (\$171,106)         | (\$171,106)         | (\$171,106)         | (\$124,450)         | (\$124,450)         | (\$124,450)         | (\$124,450)         |
| <b>Ending Balance</b>                      | <b>\$5,111,821</b>  | <b>\$5,792,183</b>  | <b>\$6,492,956</b>  | <b>\$7,214,753</b>  | <b>\$7,958,203</b>  | <b>\$8,580,255</b>  | <b>\$9,220,968</b>  | <b>\$9,880,903</b>  | <b>\$10,560,637</b> |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$2,088,596</b>  | <b>\$2,322,360</b>  | <b>\$2,563,137</b>  | <b>\$2,811,137</b>  | <b>\$3,066,578</b>  | <b>\$3,283,025</b>  | <b>\$3,505,966</b>  | <b>\$3,735,595</b>  | <b>\$3,972,113</b>  |

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**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

|  | 26<br>2021          | 27<br>2022          | 28<br>2023           | 29<br>2024           | 30<br>2025           | 31<br>2026           | 32<br>2027           | 33<br>2028           | 34<br>2029           |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LAND ACQUISITION</b>                    |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$15,103,182        | \$15,742,952        | \$25,551,916         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$12,026,945        | \$12,046,139        | \$766,557            | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | (\$11,387,175)      | (\$2,237,175)       | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from Admin/O&M, R&E, Endow.   | \$0                 | \$0                 | (\$26,318,473)       | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$15,742,952</b> | <b>\$25,551,916</b> | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>RESTORATION AND ENHANCEMENTS</b>        |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$1,743,600         | \$1,907,465         | \$2,483,772          | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$672,866           | \$676,307           | \$52,159             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | (\$509,000)         | (\$100,000)         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from O&M/Admin, LA, Endowment | \$0                 | \$0                 | (\$2,535,932)        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$1,907,465</b>  | <b>\$2,483,772</b>  | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>ADMINISTRATION/O&amp;M</b>              |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$51,924,538        | \$52,622,420        | \$53,361,727         | \$49,598,348         | \$45,804,413         | \$41,979,004         | \$38,121,177         | \$34,229,960         | \$30,304,350         |
| Total Revenues                             | \$6,596,728         | \$6,620,079         | \$2,035,050          | \$1,922,148          | \$1,808,330          | \$1,693,568          | \$1,577,833          | \$1,461,097          | \$1,343,328          |
| Drawdown on Endowment Fund                 | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | (\$5,898,846)       | (\$5,880,772)       | (\$5,798,428)        | (\$5,716,084)        | (\$5,633,739)        | (\$5,551,395)        | (\$5,469,051)        | (\$5,386,706)        | (\$5,345,534)        |
| Transfers to/from Land Acq. and R&E        | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| City of Sac. Loan for 200-Acre Reserve     | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$52,622,420</b> | <b>\$53,361,727</b> | <b>\$49,598,348</b>  | <b>\$45,804,413</b>  | <b>\$41,979,004</b>  | <b>\$38,121,177</b>  | <b>\$34,229,960</b>  | <b>\$30,304,350</b>  | <b>\$26,302,145</b>  |
| <b>O&amp;M ENDOWMENT</b>                   |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$80,500,159        | \$85,690,977        | \$91,037,941         | \$122,634,878        | \$126,325,774        | \$130,127,871        | \$134,044,523        | \$138,079,188        | \$142,235,426        |
| Total Revenues                             | \$5,190,818         | \$5,346,964         | \$2,742,532          | \$3,690,896          | \$3,802,097          | \$3,916,653          | \$4,034,665          | \$4,156,238          | \$4,281,480          |
| Total Expenses                             | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfer from Land Acq. and R&E            | \$0                 | \$0                 | \$28,854,405         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Drawdown on Endowment Fund                 | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                 | \$0                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$85,690,977</b> | <b>\$91,037,941</b> | <b>\$122,634,878</b> | <b>\$126,325,774</b> | <b>\$130,127,871</b> | <b>\$134,044,523</b> | <b>\$138,079,188</b> | <b>\$142,235,426</b> | <b>\$146,516,906</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$10,560,637        | \$11,260,762        | \$11,981,891         | \$12,341,347         | \$12,711,588         | \$13,092,935         | \$13,485,723         | \$13,890,295         | \$14,307,004         |
| Total Revenues                             | \$824,575           | \$845,579           | \$359,457            | \$370,240            | \$381,348            | \$392,788            | \$404,572            | \$416,709            | \$429,210            |
| Total Expenditures                         | (\$124,450)         | (\$124,450)         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$11,260,762</b> | <b>\$11,981,891</b> | <b>\$12,341,347</b>  | <b>\$12,711,588</b>  | <b>\$13,092,935</b>  | <b>\$13,485,723</b>  | <b>\$13,890,295</b>  | <b>\$14,307,004</b>  | <b>\$14,736,214</b>  |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$4,215,726</b>  | <b>\$4,466,648</b>  | <b>\$4,600,647</b>   | <b>\$4,738,667</b>   | <b>\$4,880,827</b>   | <b>\$5,027,252</b>   | <b>\$5,178,069</b>   | <b>\$5,333,411</b>   | <b>\$5,493,414</b>   |

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**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

|  | 35<br>2030           | 36<br>2031           | 37<br>2032           | 38<br>2033           | 39<br>2034           | 40<br>2035           | 41<br>2036           | 42<br>2037           | 43<br>2038           |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LAND ACQUISITION</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from Admin/O&M, R&E, Endow.   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>RESTORATION AND ENHANCEMENTS</b>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from O&M/Admin, LA, Endowment | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>ADMINISTRATION/O&amp;M</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$26,302,145         | \$22,179,873         | \$17,933,933         | \$13,560,615         | \$9,056,097          | \$4,416,444          | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$1,223,262          | \$1,099,594          | \$972,216            | \$841,016            | \$705,881            | \$566,691            | \$434,198            | \$434,198            | \$434,198            |
| Drawdown on Endowment Fund                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$362,399            | \$4,911,336          | \$4,911,336          | \$4,911,336          |
| Total Expenditures                         | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        |
| Transfers to/from Land Acq. and R&E        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| City of Sac. Loan for 200-Acre Reserve     | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$22,179,873</b>  | <b>\$17,933,933</b>  | <b>\$13,560,615</b>  | <b>\$9,056,097</b>   | <b>\$4,416,444</b>   | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>O&amp;M ENDOWMENT</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$146,516,906        | \$150,927,407        | \$155,470,822        | \$160,151,164        | \$164,972,564        | \$169,939,281        | \$174,693,303        | \$175,041,737        | \$175,401,384        |
| Total Revenues                             | \$4,410,501          | \$4,543,415          | \$4,680,342          | \$4,821,401          | \$4,966,717          | \$5,116,420          | \$5,259,771          | \$5,270,983          | \$5,282,561          |
| Total Expenses                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfer from Land Acq. and R&E            | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Drawdown on Endowment Fund                 | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | (\$362,399)          | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$150,927,407</b> | <b>\$155,470,822</b> | <b>\$160,151,164</b> | <b>\$164,972,564</b> | <b>\$169,939,281</b> | <b>\$174,693,303</b> | <b>\$175,041,737</b> | <b>\$175,401,384</b> | <b>\$175,772,609</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$14,736,214         | \$15,178,300         | \$15,633,649         | \$16,102,659         | \$16,585,739         | \$17,083,311         | \$17,595,810         | \$18,123,685         | \$18,667,395         |
| Total Revenues                             | \$442,086            | \$455,349            | \$469,009            | \$483,080            | \$497,572            | \$512,499            | \$527,874            | \$543,711            | \$560,022            |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$15,178,300</b>  | <b>\$15,633,649</b>  | <b>\$16,102,659</b>  | <b>\$16,585,739</b>  | <b>\$17,083,311</b>  | <b>\$17,595,810</b>  | <b>\$18,123,685</b>  | <b>\$18,667,395</b>  | <b>\$19,227,417</b>  |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$5,658,216</b>   | <b>\$5,827,963</b>   | <b>\$6,002,801</b>   | <b>\$6,182,885</b>   | <b>\$6,368,372</b>   | <b>\$6,559,423</b>   | <b>\$6,756,206</b>   | <b>\$6,958,892</b>   | <b>\$7,167,659</b>   |

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**Table 4**  
**Natomas Basin HCP**  
**Cash Flow Summary (2006\$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

|  | 44<br>2039           | 45<br>2040           | 46<br>2041           | 47<br>2042           | 48<br>2043           | 49<br>2044           | 50<br>2045           | 51<br>2046           | 52<br>2047           |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>LAND ACQUISITION</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from Admin/O&M, R&E, Endow.   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>RESTORATION AND ENHANCEMENTS</b>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfers to/from O&M/Admin, LA, Endowment | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>ADMINISTRATION/O&amp;M</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Total Revenues                             | \$434,198            | \$434,198            | \$434,198            | \$434,198            | \$434,198            | \$434,198            | \$434,198            | \$434,198            | \$434,198            |
| Drawdown on Endowment Fund                 | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          | \$4,911,336          |
| Total Expenditures                         | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        | (\$5,345,534)        |
| Transfers to/from Land Acq. and R&E        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| City of Sac. Loan for 200-Acre Reserve     | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Reserved Amounts                           | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |
| <b>O&amp;M ENDOWMENT</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$175,772,609        | \$176,155,791        | \$176,551,323        | \$176,959,608        | \$177,381,066        | \$177,816,127        | \$178,265,238        | \$178,728,862        | \$179,207,474        |
| Total Revenues                             | \$5,294,519          | \$5,306,868          | \$5,319,622          | \$5,332,793          | \$5,346,397          | \$5,360,448          | \$5,374,960          | \$5,389,948          | \$5,405,430          |
| Total Expenses                             | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Transfer from Land Acq. and R&E            | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Drawdown on Endowment Fund                 | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        | (\$4,911,336)        |
| Balance Adjustments                        | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$176,155,791</b> | <b>\$176,551,323</b> | <b>\$176,959,608</b> | <b>\$177,381,066</b> | <b>\$177,816,127</b> | <b>\$178,265,238</b> | <b>\$178,728,862</b> | <b>\$179,207,474</b> | <b>\$179,701,568</b> |
| <b>SUPPLEMENTAL ENDOWMENT</b>              |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Beginning Balance</b>                   | \$19,227,417         | \$19,804,239         | \$20,398,367         | \$21,010,318         | \$21,640,627         | \$22,289,846         | \$22,958,541         | \$23,647,298         | \$24,356,716         |
| Total Revenues                             | \$576,823            | \$594,127            | \$611,951            | \$630,310            | \$649,219            | \$668,695            | \$688,756            | \$709,419            | \$730,701            |
| Total Expenditures                         | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| <b>Ending Balance</b>                      | <b>\$19,804,239</b>  | <b>\$20,398,367</b>  | <b>\$21,010,318</b>  | <b>\$21,640,627</b>  | <b>\$22,289,846</b>  | <b>\$22,958,541</b>  | <b>\$23,647,298</b>  | <b>\$24,356,716</b>  | <b>\$25,087,418</b>  |
| <b>Changed Circumstances Fund Balance</b>  | <b>\$7,382,689</b>   | <b>\$7,604,169</b>   | <b>\$7,832,294</b>   | <b>\$8,067,263</b>   | <b>\$8,309,281</b>   | <b>\$8,558,559</b>   | <b>\$8,815,316</b>   | <b>\$9,079,776</b>   | <b>\$9,352,169</b>   |

"cash flow"

**Table 5**  
**Natomas Basin HCP**  
**Land Acquisition Cost**

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**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

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| Item   | Cost<br>per Acre | Permitted by<br>Plan | Assumed in<br>Financial<br>Analysis | Notes  |
|--|------------------|----------------------|-------------------------------------|--|
| In-Basin Lands   | \$45,000         | 100%                 | 100%                                | Price based on information from recent sales transactions and consultations with land owners and real estate brokers.  |
| Out-of-Basin Lands   | NA               |                      |                                     |  |
| <b>Average Land Value</b>                                  | <b>\$45,000</b>  |                      |                                     | Assumes all acquisition occurs at the average in-basin land value.   |
| Plus Transaction Costs and Contingency                     | \$1,500          |                      |                                     | Includes pre-acquisition field reconnaissance, surveys, Phase 1 environmental report, legal fees, and closing costs. Transaction costs assumed at 1/2 of total, contingency at 1/2 of total. This cost was restored to its 2003 level because of the increased complexity of real estate transactions. |
| <b>Average Land Acquisition Cost per<br/>Acquired Acre</b> | <b>\$46,500</b>  |                      |                                     | Beginning 2006   |

*"land\_acq\_assumps"*

Source: The Natomas Basin Conservancy

**Table 6**  
**Natomas Basin HCP**  
**Restoration and Enhancement Assumptions**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

**Site Specific Management Plan (SSMP) and Related Costs** (to be completed within one year of habitat acquisition)

| Item   | Estimated Cost per Acquisition | Estimated Cost per Habitat Acre  | Note  |
|--|--------------------------------|--|---|
| NBHCP Biological Site Assessment             | \$15,000 per Acquisition       | \$83 per Acquired Acre<br>assumes an average of 180 acres per acquisition. | Baseline Biological site assessments for:<br>-Tri-Colored Blackbird<br>-Valley Elderberry Longhorn Beetle<br>-Delta Tule Pea<br>-Sanford Arrowhead<br>Assessment for Species Introduction:<br>-Delta Tule Pea<br>-CTS<br>-ST<br>-Pond Turtle<br>-Sanford Arrowhead<br>-Vernal Pool Plant Species,<br>-Other Covered Plant Species |
| NBHCP Pre-Construction Survey                | \$12,000 per Acquisition       | \$67 per Acquired Acre<br>assumes an average of 180 acres per acquisition. | Formal pre-construction site survey for restoration and enhancement, including:<br>-Assessment of Swainsons Hawk nest disturbance<br>-Assessment of Other Avian Species nest disturbance<br>-Assessment of Valley Elderberry Longhorn Beetle  |
| Preparation of Site Specific Management Plan |                                | \$225 per Acquired Acre  | Based on information from Wildlands regarding cost of SSMPs prepared to date.   |
| Update of Site Specific Management Plans     |                                | \$45 per Acquired Acre   | Average cost per acre for Bennett North Update (\$10,210 / 226.7 acres).  |
| <b>Subtotal SSMP and Related Costs</b>       |                                | <b>\$420 per acre</b>  | Note [1]  |

**Restoration and Enhancement Conversion Costs**

|   | Use of Land | Initial Costs | Weighted Cost [5] |               |
|---|-------------|---------------|-------------------|---------------|
| <b>Expended at Time Land Is Acquired</b>                          |             |               |                   |               |
| Marsh   | 0%          | \$0           | \$0               | Note [2], [3] |
| Existing Rice   | 75%         | \$0           | \$0               | Note [3]      |
| Dry Converted to Rice   | 0%          | \$0           | \$0               | Note [3]      |
| Other Upland  | 25%         | \$0           | \$0               | Note [3]      |
| <b>Subtotal</b>   | <b>100%</b> |               | <b>\$0</b>        |               |
| <b>Expended at Time Land Is Converted</b>                         |             |               |                   |               |
| Rice/Other Converted to Marsh                                     | 25.00%      | \$6,500       | \$1,625           | Note [4], [5] |
| Rice Converted to Upland/Other                                    | 0.00%       | \$500         | \$0               | Note [5], [6] |
| <b>Subtotal Restoration and Enhancement Conversion Costs</b>      |             |               | <b>\$1,625</b>    |               |
| <b>Subtotal of All Restoration and Enhancement Costs per Acre</b> |             |               | <b>\$2,045</b>    |               |
| <b>Restoration and Enhancement Contingency per Acre (25%)</b>     |             |               | <b>\$511</b>      |               |
| <b>Total Restoration and Enhancement Costs per Acre</b>           |             |               | <b>\$2,556</b>    |               |

"RE\_Assumps"

Source: The Natomas Basin Conservancy

- [1] The addition of a formal biological site assessment and pre-construction survey are required by the Draft HCP -- July 2002.  
[2] Initial use of marsh land estimated at 0% because NBHCP estimates that little to no marshland is available for acquisition. Rice land will be converted to marsh  
[3] The initial costs of marsh, existing rice, and dry land converted to rice and other upland have been set to zero as no initial restoration or enhancement costs are  
[4] As of 2005, the cost of converting acquired acres to marshes was approximately \$5,200 per acre, but re-plantings of tule, post construction deepening of channels, and additional fencing raises the cost to \$6,500 per acre (including incidentals such as increased fuel costs, cost of steel, etc.)  
[5] The cost of restoration and enhancement is weighted by the percentage of acres assumed to be converted or used for that particular land use.  
[6] The percentage of rice converted to upland is based on the acres purchased through 2005 that are planned to be converted to upland.

**Table 7**  
**Natomas Basin HCP**  
**Operations and Maintenance Assumptions**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Item   | Amount                    | Notes:   |
|--|---------------------------|--|
| <b>Operations and Maintenance Costs</b>              |                           |  |
| Wildlands Contract                                   | \$59.77 per acre          | Wildlands annual contract of \$237,000 divided by the current habitat size of 3,965 acres (including supplemental mitigation)  |
| TNBC Costs   | \$37.47 per acre          | Based on Wildlands, Inc. estimates (See <b>Table 8</b> )   |
| Fixed Assets   | \$21.00 per acre          | Based on TNBC's inventory of fixed asses (see <b>Table 9</b> )   |
| <b>Subtotal</b>                                      | <b>\$118.24</b> per acre  |  |
| <b>Special Assessments</b>                           |                           |  |
| Reclamation District #1000                           | \$12.32 per acre          | Based on published tariffs and rates (assumes habitat land split as 57% Sutter County and 43% Sacramento County)   |
| NCMWC  | \$68.32 per acre          | Based on published tariffs and rates.<br><b>Assumptions:</b><br>1) 80% of acres are in the NCMWC area<br>2) TNBC pays all of the \$122 per acre average costs, then gets reimbursed by farmers for 1/3 of costs.<br>3) Bad debt allowance of 5%<br><i>Estimate = 2/3 * \$122 per acre * 80% * 1.05</i> |
| <b>Subtotal</b>                                      | <b>\$80.64</b> per acre   |  |
| <b>Property Taxes for Existing Habitat (1%)</b>      | <b>\$86.83</b> per acre   | Based on the estimated average cost per acre, adjusting the cost per acre for each acquisition by 2% per year through 2006 (see <b>Table 11</b> for detail)  |
| <b>Mitigation Monitoring and Adaptive Management</b> |                           |  |
| <u>2006 +</u><br>One-Time/Fixed Costs                | \$2,900 per year          |  |
| On-Going Monitoring                                  | \$287,853 per year        |  |
| <b>Subtotal</b>                                      | <b>\$290,753</b> per year | See <b>Table 12</b> for detail   |
| <b>Administrative Costs</b>                          |                           |  |
| During Development                                   | \$1,037,506 per year      | See <b>Table 13</b> for detail   |
| After All Land Acquired                              | \$1,037,506 per year      |  |
| <b>Operations and Maintenance Revenues</b>           |                           |  |
| <b>Crop Land Leases</b>                              |                           |  |
| Planted Rice Base Acreage                            | \$100 per acre            | Estimate of average revenue per rice acre; revenue on 90% of rice acres  |
| Other Crops  | \$15 per acre             | Estimate of average revenue per upland/other acre; revenue on 50% of other/upland acres  |
| Hunting Revenue                                      | \$10 per acre             | Based on Wildlands Estimate for initial Site Plan revenue on a maximum of 1/4 of the acres   |

*"OM\_Assumps"*

Source: The Natomas Basin Conservancy



**Table 8**  
**Natomas Basin HCP**  
**Estimated TNBC Operations and Maintenance Annual Costs**  
*(excludes costs covered by Wildlands contract and TNBC costs included in other tables)*

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Task                                       | Comments                                     | Expenditure Type | Cost/Item | Items | Total Cost | Recurrence Interval | Total Annual Cost |
|--|--|------------------|-----------|-------|------------|---------------------|-------------------|
| <b>Water Management</b>                    |  |                  |           |       |            |                     |                   |
| berm maintenance                           | Wildlands Contract                           |                  |           |       |            |                     |                   |
| water-control structure maintenance/repair | Wildlands Contract                           |                  |           |       |            |                     |                   |
| water-control structure replacement        |  |                  |           |       |            |                     |                   |
| pump maintenance                           |  |                  |           |       |            |                     |                   |
| lift pump                                  | Wildlands Contract                           | annual           |           |       |            |                     |                   |
| well pump                                  | Wildlands Contract                           | annual           |           |       |            |                     |                   |
| electricity                                | Wildlands Contract                           | annual           |           |       |            |                     |                   |
| water management operation                 |  |                  |           |       |            |                     |                   |
| water cost                                 |  |                  |           |       |            |                     |                   |
| summer water                               | TNBC (see <b>Table 7</b> -- NCMWC))          | annual           |           |       |            |                     |                   |
| winter water [1]                           | TNBC (additional water cost, 40% of habitat) | annual           | \$20      | 793   | \$15,862   | 1                   | \$15,862          |
| electricity/fuel for wells                 | TNBC (added by TNBC in 2005)                 | annual           | \$4,000   | 5     | \$20,000   | 1                   | \$20,000          |
| channel and outlet siltation control       | TNBC   | accrued          | \$300     | 640   | \$192,000  | 10                  | \$19,200          |
| reclamation district fee                   | TNBC (See <b>Table 7</b> )                   | annual           |           |       |            |                     | \$0               |
| well reserve                               | TNBC (added by TNBC in 2004)                 | accrued          |           |       | \$9,600    | 1                   | \$9,600           |
| <b>Subtotal Water Management</b>           |  |                  |           |       |            |                     | <b>\$64,662</b>   |
| <b>Vegetation Management</b>               |  |                  |           |       |            |                     |                   |
| marsh plant management                     |  |                  |           |       |            |                     |                   |
| labor                                      | Wildlands Contract                           |                  |           |       |            |                     |                   |
| marsh water level management labor         | Wildlands Contract                           |                  |           |       |            |                     |                   |
| upland plant management                    |  |                  |           |       |            |                     |                   |
| mowing perimeter                           | TNBC (doubled cost)                          | annual           |           |       | \$22,640   | 1                   | \$22,640          |
| round-up, remedy                           | TNBC (doubled gallons)                       | annual           | \$125     | 32    | \$4,000    | 1                   | \$4,000           |
| labor for spraying                         | TNBC (doubled cost)                          | annual           |           |       | \$8,800    | 1                   | \$8,800           |
| <b>Subtotal Vegetation Management</b>      |  |                  |           |       |            |                     | <b>\$35,440</b>   |

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**Table 8**  
**Natomas Basin HCP**  
**Estimated TNBC Operations and Maintenance Annual Costs**  
*(excludes costs covered by Wildlands contract and TNBC costs included in other tables)*

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Task   | Comments                    | Expenditure Type | Cost/Item | Items | Total Cost | Recurrence Interval | Total Annual Cost |
|--|-----------------------------|------------------|-----------|-------|------------|---------------------|-------------------|
| <b>Pest Management</b>                                     |                             |                  |           |       |            |                     |                   |
| pest management (beaver/muskrat/mosquito)                  |                             |                  |           |       |            |                     |                   |
| muskrat traps  | Wildlands Contract          |                  |           |       |            |                     |                   |
| beaver traps   | Wildlands Contract          |                  |           |       |            |                     |                   |
| labor for beaver and muskrat control                       | Wildlands Contract          |                  |           |       |            |                     |                   |
| cottonwood/willow protection                               | Wildlands Contract          |                  |           |       |            |                     |                   |
| <b>Subtotal Pest Management</b>                            |                             |                  |           |       |            |                     | <b>\$0</b>        |
| <b>Agriculture Management (rice and alfalfa farming)</b>   |                             |                  |           |       |            |                     |                   |
| coordination with farmers and grazing tenants              | TNBC (See <b>Table 13</b> ) | annual           |           |       | \$0        | 1                   | <b>\$0</b>        |
| <b>Hunting Management</b>                                  |                             |                  |           |       |            |                     |                   |
| manage hunting program                                     | TNBC (See <b>Table 13</b> ) | annual           |           |       | \$0        | 1                   | \$0               |
| coordinate with Sacramento Int. Airport                    | TNBC (See <b>Table 13</b> ) | annual           |           |       | \$0        | 1                   | \$0               |
| winter water   | TNBC                        | annual           |           |       | \$0        | 1                   | \$0               |
| <b>Subtotal Hunting Management</b>                         |                             |                  |           |       |            |                     | <b>\$0</b>        |
| <b>Public Access and Interpretation</b>                    |                             |                  |           |       |            |                     |                   |
| provide guided tours                                       | TNBC (See <b>Table 13</b> ) | annual           |           |       |            |                     | \$0               |
| prepare handbooks and misc. interpretive material          | TNBC (See <b>Table 13</b> ) |                  |           |       |            |                     | \$0               |
| <b>Subtotal Public Access and Interpret.</b>               |                             |                  |           |       |            |                     | <b>\$0</b>        |
| <b>Monitoring</b>  |                             |                  |           |       |            |                     |                   |
| general field monitoring of veg. and wildlife              | TNBC (See <b>Table 12</b> ) | annual           |           |       |            |                     | \$0               |
| site-specific multispecies wildlife survey                 | TNBC (See <b>Table 12</b> ) | accrued          |           |       |            |                     | \$0               |
| waterfowl activities                                       | TNBC (See <b>Table 12</b> ) | annual           |           |       |            |                     | \$0               |
| prepare reports  | TNBC (See <b>Table 12</b> ) | annual           |           |       |            |                     | \$0               |
| general agency coordination                                | TNBC (See <b>Table 12</b> ) | annual           |           |       |            |                     | \$0               |
| <b>Subtotal Monitoring</b>                                 |                             |                  |           |       |            |                     | <b>\$0</b>        |
| <b>Adaptive Management</b>                                 |                             |                  |           |       |            |                     |                   |
| labor to implement changes to various management practices | TNBC (See <b>Table 12</b> ) | annual           |           |       |            |                     | \$0               |
| <b>Subtotal Adaptive Management</b>                        |                             |                  |           |       |            |                     | <b>\$0</b>        |

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**Table 8**  
**Natomas Basin HCP**  
**Estimated TNBC Operations and Maintenance Annual Costs**  
*(excludes costs covered by Wildlands contract and TNBC costs included in other tables)*

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Task  | Comments                    | Expenditure Type | Cost/Item | Items | Total Cost | Recurrence Interval | Total Annual Cost |
|---|-----------------------------|------------------|-----------|-------|------------|---------------------|-------------------|
| <b>Miscellaneous</b>                          |                             |                  |           |       |            |                     |                   |
| trespass management                           | TNBC                        | annual           |           |       | \$4,968    | 1                   | \$4,968           |
| site security                                 | TNBC                        | annual           |           |       | \$12,000   | 1                   | \$12,000          |
| trash clean-up                                | TNBC                        | annual           |           |       | \$4,772    | 1                   | \$4,772           |
| truck   | Wildlands Contract          |                  |           |       |            |                     |                   |
| atv   | Wildlands Contract          |                  |           |       |            |                     |                   |
| trailer for atv                               | Wildlands Contract          |                  |           |       |            |                     |                   |
| hand tools                                    | Wildlands Contract          |                  |           |       |            |                     |                   |
| backpack sprayer                              | Wildlands Contract          |                  |           |       |            |                     |                   |
| weed eater                                    | Wildlands Contract          |                  |           |       |            |                     |                   |
| fuels and oils                                | Wildlands Contract          |                  |           |       |            |                     |                   |
| tractor with implements                       | Wildlands Contract          |                  |           |       |            |                     |                   |
| trailer for tractor                           | Wildlands Contract          |                  |           |       |            |                     |                   |
| misc. equipment maintenance                   | Wildlands Contract          |                  |           |       |            |                     |                   |
| road maintenance                              | Wildlands Contract          |                  |           |       |            |                     |                   |
| access gate (heavy duty)                      | Wildlands Contract          |                  |           |       |            |                     |                   |
| access gate (light duty)                      | Wildlands Contract          |                  |           |       |            |                     |                   |
| perimeter fence (6 strand barbed wire)        | Wildlands Contract          |                  |           |       |            |                     |                   |
| perimeter fence (mesh + 2 strand barbed wire) | Wildlands Contract          |                  |           |       |            |                     |                   |
| fence maintenance                             | TNBC                        | accrued          | \$10,000  | 1     | \$10,000   | 2                   | \$5,000           |
| signage                                       | TNBC                        | annual           |           |       | \$504      | 1                   | \$504             |
| burrowing owl boxes                           | TNBC                        | accrued          | \$180     | 4     | \$720      | 15                  | \$48              |
| insurance                                     | TNBC (see <b>Table 13</b> ) | annual           |           |       |            |                     | \$0               |
| winter bird management                        | TNBC                        | annual           |           |       | \$7,700    | 1                   | \$7,700           |
| project managment/administration/misc.        |                             |                  |           |       |            |                     |                   |
| project coordination (10% of work year)       | Wildlands Contract          | annual           |           |       |            |                     |                   |
| <b>Subtotal Miscellaneous</b>                 |                             |                  |           |       |            |                     | <b>\$34,992</b>   |
| <b>Subtotal All Costs</b>                     |                             |                  |           |       |            |                     | <b>\$135,094</b>  |
| Contingency                                   |                             |                  |           |       |            | 10%                 | \$13,509          |
| <b>Total Costs</b>                            |                             |                  |           |       |            |                     | <b>\$148,603</b>  |
| Acre Allocation                               |                             |                  |           |       |            |                     | 3,965             |
| <b>Estimated Cost per Acre</b>                |                             |                  |           |       |            |                     | <b>\$37.47</b>    |

*o&m tnbc*

Source: Wildlands, Inc. and TNBC

[1] It is assumed that winter water fees will be paid on 40% of the acres and that TNBC will be reimbursed by farmers for 1/2 of the charges.

**Table 9**  
**Natomas Basin HCP**  
**Estimated TNBC Fixed Asset Annual Costs (2006 \$)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Property Description  |                                       | Year Acquired | Recurrence Interval | Years Remaining | Cost Per Item | Items       | Total Cost | Total Cost (2006 \$) |         |
|---|---------------------------------------|---------------|---------------------|-----------------|---------------|-------------|------------|----------------------|---------|
|   |                                       |               |                     |                 |               |             |            | Annual Cost          |         |
| <i>3% annual inflation</i>  |                                       |               |                     |                 |               |             |            |                      |         |
| SLV   | House - 9055 E. Levee Road *          | 1995          | n/a                 | n/a             |               |             | \$170,000  |                      |         |
| SLV   | Pole Barn *                           | 1999          | n/a                 | n/a             |               |             | \$15,000   |                      |         |
| SLV   | Large Dairy Barn *                    | 1999          | n/a                 | n/a             |               |             | \$172,700  |                      |         |
| SLV   | Quonset Hut *                         | 1999          | n/a                 | n/a             |               |             | \$50,000   |                      |         |
| BTS   | House - 8701 E. Levee Road *          | 1999          | n/a                 | n/a             |               |             | \$90,000   |                      |         |
| BTS   | Betts Barn *                          | 1999          | n/a                 | n/a             |               |             | \$30,000   |                      |         |
| BTS   | Well & Pump (residential)             | 1999          | 20                  | 10              | \$12,500      | 1           | \$12,500   | \$15,373             | \$769   |
| BTS   | Pump (irrigation pump)                | 1999          | 20                  | 5               | \$80,000      | 1           | \$80,000   | \$98,390             | \$4,919 |
| BTS   | Well (not in use)                     | n/a           | n/a                 | n/a             |               |             | \$80,000   |                      |         |
| SLV   | Northern Barn                         | n/a           | n/a                 | n/a             |               |             | \$30,000   |                      |         |
| SLV   | Maint. Shed (milking parlor?)         | n/a           | n/a                 | n/a             |               |             | \$45,000   |                      |         |
| SLV   | Well & Pump (Quonset hut - domestic)  | 1999          | 20                  | 10              | \$12,500      | 1           | \$12,500   | \$15,373             | \$769   |
| SLV   | Well & Pump (Northern barn)           | 2005          | 20                  | 20              | \$80,000      | 1           | \$80,000   | \$82,400             | \$4,120 |
| SLV   | Pump (abandoned, north property line) | n/a           | n/a                 | n/a             |               |             | \$80,000   |                      |         |
| SLV   | Pump (abandoned, south property line) | n/a           | n/a                 | n/a             |               |             | \$80,000   |                      |         |
| KSM   | Lift pump (pond)                      | 2003          | 20                  | 18              | \$42,000      | 1           | \$42,000   | \$45,895             | \$2,295 |
| * These assets had no value assigned at date of acquisition. Two houses were appraised on 02/05/04. Those appraised values are used here.<br>The other barns and out buildings were quantified by John Roberts based on replacement costs for insurance purposes. Those values are used here. |                                       |               |                     |                 |               |             |            |                      |         |
| BKS Fencing**   |                                       |               |                     |                 |               |             |            |                      |         |
| BKS   | BW Fencing 5-strand                   | 2000          | 20                  | 15              |               | 9,632.59 ft | \$18,302   | \$21,854             | \$1,093 |
| BKS   | 16' Stock Gates                       | 2000          | 20                  | 15              | \$115         | 4           | \$460      | \$549                | \$27    |
| BKS   | BW Fencing 5-strand                   | 2001          | 20                  | 16              |               | 3,959 ft    | \$7,522    | \$8,720              | \$436   |
| BKS   | 16' Stock Gates                       | 2001          | 20                  | 16              | \$123         | 3           | \$370      | \$429                | \$21    |
| BKS   | 16' Stock Gate and setup              | 2001          | 20                  | 16              | \$275         | 1           | \$275      | \$319                | \$16    |
| BKS   | BW Fencing 5-strand                   | 2001          | 20                  | 16              |               | 2,293.3 ft  | \$4,365    | \$5,060              | \$253   |
| BKS   | BW Fencing 2-strand                   | 2001          | 15                  | 11              |               | 621 ft      | \$2,329    | \$2,700              | \$180   |
| BKS   | BW Fencing 5-strand                   | 2001          | 20                  | 16              |               | 1,749 ft    | \$1,185    | \$1,374              | \$69    |
| BKS   | Stock Gates                           | 2001          | 20                  | 16              | \$100         | 2           | \$200      | \$232                | \$12    |
| SLV   | BW Fencing                            | 2001          | 20                  | 16              |               | 730 ft      | \$1,643    | \$1,904              | \$95    |
| BTS   | BW Fencing 5-strand                   | 2002          | 20                  | 17              |               | 1,340 ft    | \$3,015    | \$3,393              | \$170   |
| SLV   | BW Fencing 3-strand                   | 2003          | 15                  | 13              |               | 350 ft      | \$1,365    | \$1,492              | \$99    |
| SLV   | BW Fencing 1-strand                   | 2003          | 15                  | 13              |               | 526 ft      | \$2,051    | \$2,242              | \$149   |

**Table 9**  
**Natomas Basin HCP**  
**Estimated TNBC Fixed Asset Annual Costs (2006 \$)**

**2006 Update**  
 17,500 acres of development  
 1/2 acre of mitigation land per gross acre of developed land  
 25% marsh, 50% rice, 25% other

| Property Description   |  | Year Acquired | Recurrence Interval | Years Remaining | Cost Per Item | Items    | Total Cost | Total Cost (2006 \$)       | Annual Cost |
|--|--|---------------|---------------------|-----------------|---------------|----------|------------|----------------------------|-------------|
|  |  |               |                     |                 |               |          |            | <i>3% annual inflation</i> |             |
| SLV  | Security Gates   | 2003          | 25                  | 22              | \$450         | 6        | \$2,700    | \$2,950                    | \$118       |
| ** Minor repairs and maintenance may extend reoccurrence interval period |  |               |                     |                 |               |          |            |                            |             |
| BKS Water Control Structures   |  |               |                     |                 |               |          |            |                            |             |
| BKS  | 3'x4' Water Control Structure Assembly w/24" Dia Pipe        | 2001          | 50                  | 46              | \$2,500       | 9        | \$22,500   | \$26,084                   | \$522       |
| BKS  | New gates over WCS 3x4                                       | 2001          | 10                  | 6               | \$105         | 11       | \$1,155    | \$1,339                    | \$134       |
| BKS  | 4'x4' Water Control Structure Assembly w/30" Dia Pipe        | 2001          | 50                  | 46              | \$2,750       | 9        | \$24,750   | \$28,692                   | \$574       |
| BKS  | New gates over WCS 4x4                                       | 2001          | 10                  | 6               | \$130         | 10       | \$1,300    | \$1,507                    | \$151       |
| BKS  | 4'x5' Water Control Structure Assembly w/36" Dia Pipe        | 2001          | 50                  | 46              | \$4,200       | 2        | \$8,400    | \$9,738                    | \$195       |
| BKS  | 75'x15'x1' rock pad with Geotech Fabric                      | 2001          | 15                  | 11              | \$3,000       | 1        | \$3,000    | \$3,478                    | \$232       |
| BKS  | Spillway Assembly  | 2001          | 20                  | 16              | \$4,850       | 18       | \$87,300   | \$101,205                  | \$5,060     |
| BKS  | Soil cover over 15 spillways (sealing)                       | 2001          | 10                  | 6               | \$150         | 15       | \$2,250    | \$2,608                    | \$261       |
| KSM  | Water lift pump, standpipe, pipeline assembly (barn area)    | 2001          | 25                  | 21              | \$57,753      | 1        | \$57,753   | \$66,952                   | \$2,678     |
| BKS  | 30" Dia Corrugated Polyethylene pipe, Installed              | 2001          | 20                  | 16              | \$65          | 90       | \$5,850    | \$6,782                    | \$339       |
| BKS  | Canal Gate & Pipe Assembly                                   | 2001          | 20                  | 16              | \$6,000       | 1        | \$6,000    | \$6,956                    | \$348       |
| BKS  | 12" water slides in diversion structure                      | 2001          | 15                  | 11              | \$1,100       | 2        | \$2,200    | \$2,550                    | \$170       |
| AYA  | 26' Gate   | 2002          | 20                  | 10              | \$1,200       | 1        | \$1,200    | \$1,351                    | \$68        |
| BRN  | Well & pump (north property line)                            | 2003          | 20                  | 18              | \$80,000      | 1        | \$80,000   | \$87,418                   | \$4,371     |
| BRN  | Well (south entrance, no meter)                              | n/a           | 20                  | 0               | \$50,000      | 1        | \$50,000   |                            |             |
| LUCN/FR:   | Gates (incl Dbl Wide)  | 2003          | 20                  | 18              | \$495         | 5        | \$2,473    | \$2,702                    | \$135       |
| FRZ  | Well & pump (50 hp)  | 2004          | 20                  | 20              | \$80,000      | 1        | \$80,000   | \$84,872                   | \$4,244     |
| LUCN   | Well & pump (75 hp)  | 1999          | 20                  | 12              | \$95,000      | 1        | \$95,000   | \$116,838                  | \$5,842     |
| LUCN/FR:   | 3'x5' Water Control Structure Assemblies w/18" dia pimp, 40' | 2004          | 50                  | 49              | \$2,350       | 9        | \$21,150   | \$22,438                   | \$449       |
| LUCN/FR:   | 3'x5' Water Control Structure Assemblies w/24" dia pimp, 40' | 2004          | 50                  | 49              | \$2,550       | 7        | \$17,850   | \$18,937                   | \$379       |
| LUCN/FR:   | 5'x5' Water Control Structure Assemblies w/24" dia pimp, 40' | 2004          | 50                  | 49              | \$2,900       | 3        | \$8,700    | \$9,230                    | \$185       |
| LUCN/FR:   | Grates over WCS 3'x5' - existing (5) and proposed structures | 2004          | 10                  | 9               | \$110         | 21       | \$2,310    | \$2,451                    | \$245       |
| LUCN/FR:   | Grates over WCS 3'x5' - proposed structures                  | 2004          | 10                  | 9               | \$150         | 3        | \$450      | \$477                      | \$48        |
| BENS   | 16' Gate (Dbl Wide)  | 2004          | 15                  | 14              | \$375         | 1        | \$375      | \$398                      | \$27        |
| BENS   | 14' Gate   | 2005          | 15                  | 15              | \$275         | 3        | \$825      | \$850                      | \$57        |
| BENS   | BW Fencing 3-strand  | 2004          | 15                  | 14              |               | 1,600 ft | \$6,240    | \$6,620                    | \$441       |

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**Table 9**  
**Natomas Basin HCP**  
**Estimated TNBC Fixed Asset Annual Costs (2006 \$)**

**2006 Update**  
 17,500 acres of development  
 1/2 acre of mitigation land per gross acre of developed land  
 25% marsh, 50% rice, 25% other

| Property Description       |  | Year     | Recurrence | Years     | Cost     | Items     | Total Cost | Total Cost<br>(2006 \$) | Annual<br>Cost |
|----------------------------|--|----------|------------|-----------|----------|-----------|------------|-------------------------|----------------|
|                            |  | Acquired | Interval   | Remaining | Per Item |           |            |                         |                |
| <i>3% annual inflation</i> |  |          |            |           |          |           |            |                         |                |
| LB2                        | 3'x3' Water Control Structure Assembly w/24" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,350  | 1         | \$2,350    | \$2,645                 | \$53           |
| LB2                        | 3'x4' Water Control Structure Assembly w/18" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,350  | 1         | \$2,350    | \$2,645                 | \$53           |
| LB2                        | 3'x4' Water Control Structure Assembly w/24" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,400  | 2         | \$4,800    | \$5,402                 | \$108          |
| LB2                        | 3'x4' Water Control Structure Assembly w/24" Dia Pipe, 20' | 2002     | 50         | 47        | \$2,000  | 2         | \$4,000    | \$4,502                 | \$90           |
| LB2                        | 3'x6' Water Control Structure Assembly w/18" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,600  | 2         | \$5,200    | \$5,853                 | \$117          |
| LB2                        | 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,550  | 4         | \$10,200   | \$11,480                | \$230          |
| LB2                        | 3'x6' Water Control Structure Assembly w/24" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,650  | 4         | \$10,600   | \$11,930                | \$239          |
| LB2                        | 3'x5' Water Control Structure Assembly w/24" Dia Pipe, 40' | 2002     | 50         | 47        | \$2,600  | 1         | \$2,600    | \$2,926                 | \$59           |
| LB2                        | 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'    | 2002     | 50         | 47        | \$3,650  | 1         | \$3,650    | \$4,108                 | \$82           |
| LB2                        | 3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'    | 2002     | 50         | 47        | \$3,850  | 2         | \$7,700    | \$8,666                 | \$173          |
| LB2                        | 3'x8' Canal Gate Structure Assembly w/24" Dia Pipe, 40'    | 2002     | 50         | 47        | \$4,300  | 1         | \$4,300    | \$4,840                 | \$97           |
| LB2                        | Grates over WCS 3'x4'                                      | 2002     | 10         | 7         | \$105    | 21        | \$2,205    | \$2,482                 | \$248          |
| LB2                        | Security Gates and Gateways                                | 2002     | 15         | 12        |          |           | \$2,922    | \$3,289                 | \$219          |
| LB2                        | 21' Custom made Security Gates with Lock Boxes and Hangars | 2002     | 20         | 17        | \$450    | 5         | \$2,250    | \$2,532                 | \$127          |
| HUFW                       | Well & pump (50 hp)  | 2003     | 20         | 5         | \$80,000 | 1         | \$80,000   | \$87,418                | \$4,371        |
| HUFW                       | Diversion Pump (20 hp)(1/2 Interest)                       | 2003     | 20         | 10        | \$30,000 | 1         | \$30,000   | \$32,782                | \$1,639        |
| ATKE                       | Gate   | 2003     | 20         | 18        | \$450    | 1         | \$450      | \$492                   | \$25           |
| ATKE                       | Water Control Structures                                   | 2003     | 10         | 0         |          | 0         | \$0        | \$0                     | \$0            |
| ATKE                       | Lift pump (25 hp)  | 2003     | 20         | 10        | \$45,000 | 1         | \$45,000   | \$49,173                | \$2,459        |
| ATKE                       | Recirculating pump (15 hp)                                 | 2003     | 20         | 10        | \$30,000 | 1         | \$30,000   | \$32,782                | \$1,639        |
| ATKW                       | Well & pump (30 hp)  | 2003     | 20         | 5         | \$50,000 | 1         | \$50,000   | \$54,636                | \$2,732        |
| RUR                        | Gate (Dbl Wide)  | 2003     | 20         | 18        | \$450    | 2         | \$900      | \$983                   | \$49           |
| SILS                       | 15' Security Gate wih Lock Boxes and Hangars               | 2002     | 20         | 17        | \$450    | 2         | \$900      | \$1,013                 | \$51           |
| SOU/NAF                    | BW Fencing 1-strand  | 2003     | 15         | 13        |          | 11,210 ft | \$43,719   | \$47,773                | \$3,185        |
| SOU/NAF                    | Gates (incl Rainey)  | 2003     | 15         | 13        | \$773    | 6         | \$4,635    | \$5,065                 | \$338          |
| NAF                        | Ballards around well                                       | 2005     | 50         | 50        | \$280    | 8         | \$2,237    | \$2,304                 | \$46           |
| NAF                        | BW Fencing 10-strand                                       | 2005     | 20         | 20        |          | 4,500 ft  | \$35,025   | \$36,076                | \$1,804        |
| NAF                        | Well & pump (60 hp)  | 2005     | 20         | 20        | \$95,000 | 1         | \$95,000   | \$97,850                | \$4,893        |
| SOU                        | House (estimate)   | n/a      | n/a        | n/a       |          |           | \$200,000  |                         |                |

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**Table 9**  
**Natomas Basin HCP**  
**Estimated TNBC Fixed Asset Annual Costs (2006 \$)**

**2006 Update**  
 17,500 acres of development  
 1/2 acre of mitigation land per gross acre of developed land  
 25% marsh, 50% rice, 25% other

| Property Description   | Year Acquired | Recurrence Interval | Years Remaining | Cost Per Item | Items    | Total Cost  | Total Cost (2006 \$) | Annual Cost |
|--|---------------|---------------------|-----------------|---------------|----------|-------------|----------------------|-------------|
| <i>3% annual inflation</i>   |               |                     |                 |               |          |             |                      |             |
| SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40' | 2003          | 50                  | 47              | \$2,500       | 1        | \$2,500     | \$2,732              | \$55        |
| SOU/NAF 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 60' | 2003          | 50                  | 47              | \$2,800       | 1        | \$2,800     | \$3,060              | \$61        |
| SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 20'    | 2003          | 50                  | 47              | \$3,075       | 1        | \$3,075     | \$3,360              | \$67        |
| SOU/NAF 3'x5' Canal Gate Structure Assembly w/18" Dia Pipe, 40'    | 2003          | 50                  | 47              | \$3,500       | 3        | \$10,500    | \$11,474             | \$229       |
| SOU/NAF Grates over WCS  | 2003          | 10                  | 7               | \$105         | 6        | \$630       | \$688                | \$69        |
| CMS 13' Security Gate with Lock Boxes and Hangars                  | 2002          | 20                  | 17              | \$450         | 2        | \$900       | \$1,013              | \$51        |
| CMS Gates (incl Dbl Wide)  | 2004          | 15                  | 14              | \$776         | 4        | \$3,105     | \$3,294              | \$220       |
| CMS Fencing  | 2004          | 15                  | 14              |               | 7,400 ft | \$33,300    | \$35,328             | \$2,355     |
| CMS 3'x3' Water Control Structure Assembly w/24" Dia Pipe, 20'     | 2004          | 50                  | 49              | \$2,546       | 1        | \$2,546     | \$2,701              | \$54        |
| CMS 3'x5' Water Control Structure Assembly w/18" Dia Pipe, 40'     | 2004          | 50                  | 49              | \$2,988       | 4        | \$11,952    | \$12,680             | \$254       |
| CMS 3'x5' Canal Gate Structure Assembly w/24" Dia Pipe, 40'        | 2004          | 50                  | 49              | \$3,289       | 1        | \$3,289     | \$3,489              | \$70        |
| CMS Grates over WCS 3'x3'  | 2004          | 10                  | 9               | \$602         | 1        | \$602       | \$639                | \$64        |
| CMS Grates over WCS 3'x5'  | 2004          | 10                  | 9               | \$602         | 5        | \$3,012     | \$3,196              | \$320       |
| CMS Well & pump (20 hp)  | 2004          | 20                  | 15              | \$80,000      | 1        | \$80,000    | \$84,872             | \$4,244     |
| ALG Security Gate  | 2002          | 20                  | 17              | \$1,131       | 1        | \$1,131     | \$1,273              | \$64        |
| All property Signage   | 2002          | 5                   | 2               | \$120         | 70       | \$8,416     | \$9,472              | \$1,894     |
| BOLS Well & pump (60 hp)   | 2004          | 20                  | 20              | \$95,000      | 1        | \$95,000    | \$100,786            | \$5,039     |
| BOLN Gate (Dbl Wide)   | 2005          | 20                  | 10              | \$2,500       | 1        | \$2,500     | \$2,575              | \$129       |
| BOLN Gate  | 2005          | 20                  | 10              | \$1,500       | 1        | \$1,500     | \$1,545              | \$77        |
|  |               |                     |                 |               |          | \$2,656,915 |                      | \$83,260    |
| Habitat Acres  |               |                     |                 |               |          |             |                      | 3,965       |
| Cost per Habitat Acre  |               |                     |                 |               |          |             |                      | \$21.00     |

*fixed assets*

Source: TNBC

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**Table 10**  
**Natomas Basin HCP**  
**Estimated Property Taxes (2005-2045)**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Year Acquired    | Acres           | Value<br>per Acre                         | Total Value           | Property Taxes                         |                                      |                                |                          | Adjusted Total<br>Annual Taxes<br>(2006 \$) |
|------------------|-----------------|---|-----------------------|--|--------------------------------------|--------------------------------|--------------------------|---|
|                  |                 |   |                       | Taxes on<br>New Acres<br>(inflated \$) | Taxes on<br>New Acres<br>(2006 \$)   | Property<br>Taxes<br>(2006 \$) | Percentage<br>Adjustment |   |
|                  |                 | <i>10% annual<br/>increase after 2006</i> |                       | <i>1% of total value</i>               | <i>assumes 3%<br/>inflation rate</i> |                                |                          |   |
| 1999-2005 [1]    | 3,965.46        | \$ 8,683                                  | \$ 34,433,348         | \$ 344,333                             | \$ 344,333                           |                                |                          |   |
| 2006             | 76.52           | \$ 45,000                                 | \$ 3,443,564          | \$ 34,436                              | \$ 34,436                            | \$ 378,769                     | 95%                      | \$ 359,831                                  |
| 2007             | 293.31          | \$ 49,500                                 | \$ 14,518,979         | \$ 145,190                             | \$ 140,961                           | \$ 519,730                     | 93%                      | \$ 483,349                                  |
| 2008             | 517.21          | \$ 54,450                                 | \$ 28,162,232         | \$ 281,622                             | \$ 265,456                           | \$ 785,186                     | 91%                      | \$ 714,519                                  |
| 2009             | 408.61          | \$ 59,895                                 | \$ 24,473,477         | \$ 244,735                             | \$ 223,967                           | \$ 1,009,153                   | 89%                      | \$ 898,146                                  |
| 2010             | 342.21          | \$ 65,885                                 | \$ 22,546,513         | \$ 225,465                             | \$ 200,323                           | \$ 1,209,476                   | 87%                      | \$ 1,052,244                                |
| 2011             | 342.21          | \$ 72,473                                 | \$ 24,801,164         | \$ 248,012                             | \$ 213,937                           | \$ 1,423,413                   | 85%                      | \$ 1,209,901                                |
| 2012             | 342.21          | \$ 79,720                                 | \$ 27,281,280         | \$ 272,813                             | \$ 228,476                           | \$ 1,651,889                   | 83%                      | \$ 1,371,068                                |
| 2013             | 342.21          | \$ 87,692                                 | \$ 30,009,408         | \$ 300,094                             | \$ 244,004                           | \$ 1,895,893                   | 81%                      | \$ 1,535,674                                |
| 2014             | 342.21          | \$ 96,461                                 | \$ 33,010,349         | \$ 330,103                             | \$ 260,587                           | \$ 2,156,480                   | 79%                      | \$ 1,703,619                                |
| 2015             | 342.21          | \$ 106,108                                | \$ 36,311,384         | \$ 363,114                             | \$ 278,297                           | \$ 2,434,777                   | 77%                      | \$ 1,874,778                                |
| 2016             | 342.21          | \$ 116,718                                | \$ 39,942,522         | \$ 399,425                             | \$ 297,210                           | \$ 2,731,986                   | 75%                      | \$ 2,048,990                                |
| 2017             | 248.90          | \$ 128,390                                | \$ 31,956,334         | \$ 319,563                             | \$ 230,859                           | \$ 2,962,846                   | 73%                      | \$ 2,162,877                                |
| 2018             | 248.90          | \$ 141,229                                | \$ 35,151,967         | \$ 351,520                             | \$ 246,549                           | \$ 3,209,395                   | 71%                      | \$ 2,278,670                                |
| 2019             | 248.90          | \$ 155,352                                | \$ 38,667,164         | \$ 386,672                             | \$ 263,305                           | \$ 3,472,699                   | 69%                      | \$ 2,396,162                                |
| 2020             | 248.90          | \$ 170,887                                | \$ 42,533,880         | \$ 425,339                             | \$ 281,199                           | \$ 3,753,898                   | 67%                      | \$ 2,515,112                                |
| 2021             | 248.90          | \$ 187,976                                | \$ 46,787,268         | \$ 467,873                             | \$ 300,310                           | \$ 4,054,208                   | 65%                      | \$ 2,635,235                                |
| 2022             | 48.90           | \$ 206,774                                | \$ 10,111,238         | \$ 101,112                             | \$ 63,010                            | \$ 4,117,218                   | 63%                      | \$ 2,593,847                                |
| 2023             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 61%                      | \$ 2,511,503                                |
| 2024             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 59%                      | \$ 2,429,159                                |
| 2025             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 57%                      | \$ 2,346,814                                |
| 2026             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 55%                      | \$ 2,264,470                                |
| 2027             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 53%                      | \$ 2,182,125                                |
| 2028             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 51%                      | \$ 2,099,781                                |
| 2029             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2030             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2031             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2032             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2033             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2034             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2035             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2036             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2037             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2038             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2039             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2040             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2041             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2042             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2043             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2044             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2045             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2046             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| 2047             | -               |   | \$ 0                  | \$ 0                                   | \$ 0                                 | \$ 4,117,218                   | 50%                      | \$ 2,058,609                                |
| <b>Total [3]</b> | <b>8,950.00</b> |   | <b>\$ 524,142,071</b> | <b>\$ 5,241,421</b>                    | <b>\$ 4,117,218</b>                  | <b>\$ 140,697,464</b>          |                          | <b>\$ 80,781,445</b>                        |

*prop taxes*

[1] See **Table 11** for the estimated assessed value (in 2005 \$) of existing habitat.

[2] Property taxes adjusted to account for Williamson Act, welfare exemptions, and decreasing habitat valuation over time.

[3] Includes supplemental mitigation acres and taxes.



**Table 11  
Natomas Basin HCP  
2005 Property Tax Assumptions**

**2006 Update**  
17,500 acres of development  
1/2 acre of mitigation land per gross acre of developed land  
25% marsh, 50% rice, 25% other

| Property                                      | Year Acquired | Acres             |                 | Total           | Cost                 | Assessed Value Adjustment Factor<br><i>2.00% per year</i> | 2006 Value           | Estimated 2006 Value per Acre |
|---|---------------|-------------------|-----------------|-----------------|----------------------|---|----------------------|-------------------------------|
|   |               | Sacramento County | Sutter County   |                 |                      |   |                      |                               |
| Silva   | 1999          | 155.31            | 3.89            | 159.20          | \$ 478,500           | 1.149   | \$ 549,646           | \$ 3,453                      |
| Betts   | 1999          | 121.78            | 17.21           | 138.99          | \$ 451,265           | 1.149   | \$ 518,362           | \$ 3,729                      |
| Kismat  | 1999          | 40.29             |                 | 40.29           | \$ 140,000           | 1.149   | \$ 160,816           | \$ 3,991                      |
| Bennett North                                 | 1999          |                   | 226.68          | 226.68          | \$ 816,030           | 1.149   | \$ 937,362           | \$ 4,135                      |
| Bennett South                                 | 1999          |                   | 132.49          | 132.49          | \$ 476,950           | 1.149   | \$ 547,865           | \$ 4,135                      |
| Lucich North                                  | 1999          |                   | 267.99          | 267.99          | \$ 1,071,944         | 1.149   | \$ 1,231,327         | \$ 4,595                      |
| Lucich South                                  | 1999          |                   | 351.89          | 351.89          | \$ 1,324,836         | 1.149   | \$ 1,521,820         | \$ 4,325                      |
| Brennan                                       | 2000          |                   | 241.38          | 241.38          | \$ 1,086,192         | 1.126   | \$ 1,223,229         | \$ 5,068                      |
| Frazer  | 2000          |                   | 92.60           | 92.60           | \$ 388,920           | 1.126   | \$ 437,987           | \$ 4,730                      |
| Souza   | 2001          | 44.68             |                 | 44.68           | \$ 444,882           | 1.104   | \$ 491,186           | \$ 10,993                     |
| Natomas Farms                                 | 2001          | 96.46             |                 | 96.46           | \$ 1,060,000         | 1.104   | \$ 1,170,326         | \$ 12,133                     |
| Ayala   | 2002          | 317.37            |                 | 317.37          | \$ 3,491,041         | 1.082   | \$ 3,778,815         | \$ 11,907                     |
| Sills [1]                                     | 2002          | 436.41            |                 | 436.41          | \$ 3,272,753         | 1.082   | \$ 3,542,533         | \$ 8,118                      |
| Alleghany                                     | 2002          | 50.26             |                 | 50.26           | \$ 415,933           | 1.082   | \$ 450,220           | \$ 8,958                      |
| Cummings                                      | 2002          | 66.83             |                 | 66.83           | \$ 553,092           | 1.082   | \$ 598,684           | \$ 8,958                      |
| Atkinson                                      | 2003          |                   | 205.40          | 205.40          | \$ 1,853,694         | 1.061   | \$ 1,967,155         | \$ 9,577                      |
| Ruby Ranch                                    | 2003          |                   | 91.08           | 91.08           | \$ 1,092,960         | 1.061   | \$ 1,159,858         | \$ 12,735                     |
| Huffman West                                  | 2003          |                   | 181.00          | 181.00          | \$ 2,190,420         | 1.061   | \$ 2,324,491         | \$ 12,842                     |
| Huffman East                                  | 2003          |                   | 135.75          | 135.75          | \$ 1,085,968         | 1.061   | \$ 1,152,438         | \$ 8,490                      |
| Tufts   | 2004          | 147.95            |                 | 147.95          | \$ 2,963,000         | 1.040   | \$ 3,082,705         | \$ 20,836                     |
| Bolen North                                   | 2005          |                   | 113.6           | 113.62          | \$ 1,704,285         | 1.020   | \$ 1,738,371         | \$ 15,300                     |
| Bolen South                                   | 2005          |                   | 102.38          | 102.38          | \$ 1,535,715         | 1.020   | \$ 1,566,429         | \$ 15,300                     |
| Rosa [2]                                      | 2005          | 206.30            |                 | 206.30          | \$ 399,728           | 1.020   | \$ 407,723           | \$ 1,976                      |
| Vestal  | 2005          |                   | 94.95           | 94.95           | \$ 3,798,040         | 1.020   | \$ 3,874,001         | \$ 40,800                     |
| RD1000 @ LUCS (easement)                      | 2003          |                   | 4.64            | 4.64            |                      | 1.061   |                      |                               |
| RD1000 @ BENN (easement)                      | 2003          |                   | 1.12            | 1.12            |                      | 1.061   |                      |                               |
| Sills South-West border (easement)            | 2005          | 12.58             |                 | 12.58           |                      | 1.020   |                      |                               |
| Sills South-East border (easement)            | 2005          | 5.20              |                 | 5.20            |                      | 1.020   |                      |                               |
| <b>TOTAL</b>                                  |               | <b>1,701.41</b>   | <b>2,264.05</b> | <b>3,965.46</b> | <b>\$ 32,096,148</b> |   | <b>\$ 34,433,348</b> | <b>\$ 8,683</b>               |
| Percent of Total Acres                        |               | 43%               | 57%             |                 |                      |   |                      |                               |
| <b>Estimated 2006 Property Taxes per Acre</b> |               |                   |                 |                 |                      |   |                      | <b>\$ 86.83</b>               |

[1] Cost reduced from original cost to account for the acres surrendered in the Sills-Rosa land trade, as shown below.

*prop tax assumps*

|                               | Acres         | Cost Per Acre   | Total Cost          |
|-------------------------------|---------------|-----------------|---------------------|
| <b>Sills Property</b>         | 575.56        | \$ 7,499        | \$ 4,316,286        |
| <b>Less Acres Surrendered</b> | (139.15)      | \$ 7,499        | (\$ 1,043,532)      |
| <b>Acres Remaining</b>        | <b>436.41</b> | <b>\$ 7,499</b> | <b>\$ 3,272,753</b> |

[2] Cost reflects the 2005 assessed value. The actual cost was \$0 because the Rosa tract was acquired in a land trade.

**Table 12**  
**Natomas Basin HCP**  
**Species and Habitat Monitoring Cost Assumptions**

**2006 Update**  
*17,500 acres of development*  
*1/2 acre of mitigation land per gross acre of developed land*  
*25% marsh, 50% rice, 25% other*

| Task   | Annual Budgeted Cost |                  |                  |
|--|----------------------|------------------|------------------|
|  | 2004                 | 2005             | 2006             |
| <b>Project and Database Management</b>                                     |                      |                  |                  |
| 1 Project Management   | \$15,860             | \$15,860         | 15,860           |
| 2 Database Management and Coordination                                     | \$16,840             | \$10,320         | 10,320           |
| 3 Integrated Basinwide GIS database Mapping and Habitat Monitoring         | \$20,730             | \$9,900          | 9,900            |
| <b>Total</b>   | <b>\$53,430</b>      | <b>\$36,080</b>  | <b>\$36,080</b>  |
| <b>Basinwide Monitoring</b>  |                      |                  |                  |
| 4 Giant Garter Snake Monitoring  | \$93,100             | \$84,600         | 84,600           |
| 5 Swainson's Hawk Monitoring   | \$19,240             | \$19,240         | 19,240           |
| 6 Covered Species Survey on Non-Reserve Control Sites                      | \$7,772              | \$7,968          | 7,968            |
| <b>Total</b>   | <b>\$120,112</b>     | <b>\$111,808</b> | <b>\$111,808</b> |
| <b>Site Specific Monitoring</b>  |                      |                  |                  |
| <b>First-Year Baseline Inventory</b>                                       |                      |                  |                  |
| 7 Baseline Habitat Inventory of Reserve Sites                              | \$8,848              | \$0              | 0                |
| 8 Baseline Botanical Inventory of Reserve Sites                            | \$11,888             | \$0              | 0                |
| 9 Baseline Covered Species Inventory of Reserve Sites                      | \$11,008             | \$0              | 0                |
| <b>Subtotal</b>  | <b>\$31,744</b>      | <b>\$0</b>       | <b>\$0</b>       |
| <b>Annual Survey and Assessment</b>  |                      |                  |                  |
| 10 Habitat Assessment for Covered Species                                  | \$0                  | \$3,696          | 3,696            |
| 11 Invasive Species Assessment   | \$0                  | \$2,464          | 2,464            |
| 12 Covered Species Surveys   | \$0                  | \$16,632         | 16,632           |
| <b>Subtotal</b>  | <b>\$0</b>           | <b>\$22,792</b>  | <b>\$22,792</b>  |
| <b>Total</b>   | <b>\$31,744</b>      | <b>\$22,792</b>  | <b>\$22,792</b>  |
| <b>Reporting and Documentation</b>   |                      |                  |                  |
| 13 Site Specific Monitoring Plans  | \$14,438             | \$5,286          | \$5,286          |
| 14 Draft Annual Report   | \$10,640             | \$9,896          | \$9,896          |
| 15 Final Annual Report   | \$3,110              | \$2,350          | \$2,350          |
| 16 Draft Monitoring Program Document                                       | \$13,576             | \$0              | \$0              |
| 17 Final Monitoring Program Document                                       | \$3,920              | \$0              | \$0              |
| <b>Total</b>   | <b>\$45,684</b>      | <b>\$17,532</b>  | <b>\$17,532</b>  |
| <b>Direct Expenses</b>   | <b>\$41,010</b>      | <b>\$37,980</b>  | <b>\$37,980</b>  |
| <b>Increased Annual Contract Amount to Include Tufts Property</b>          | <b>\$0</b>           | <b>\$12,650</b>  | <b>\$12,650</b>  |
| <b>Increased Annual Contract Amount to Include Rosa and Bolen Property</b> |                      | <b>\$0</b>       | <b>\$31,891</b>  |
| <b>Other Costs</b>   |                      |                  |                  |
| Midpoint Program Reviews [1]   | \$2,900              | \$2,900          | \$2,900          |
| Connectivity -- Assessment   | \$2,400              | \$2,400          | \$2,400          |
| Connectivity -- O&M  | \$5,000              | \$5,000          | \$5,000          |
| Adaptive Management -- Periodic Review of NBHCP Monitoring Data            | \$3,600              | \$3,600          | \$3,600          |
| Adaptive Management -- Report to Review Adaptive Management.               | \$6,120              | \$6,120          | \$6,120          |
| <b>Total</b>   | <b>\$20,020</b>      | <b>\$20,020</b>  | <b>\$20,020</b>  |
| <b>TOTAL SPECIES AND HABITAT MONITORING COSTS</b>                          | <b>\$312,000</b>     | <b>\$258,862</b> | <b>\$290,753</b> |

*monitoring\_assumps*

Source: Jones & Stokes, TNBC

[1] Overall program review (\$125,000) plus support for Sutter County and City of Sacramento midpoint reviews (\$20,000) averaged over 50 years.

**Table 13**  
**Natomas Basin HCP**  
**Estimated Administrative Costs**

**2006 Update**  
*17,500 acres of development*  
*re of mitigation land per gross acre of develop*  
*25% marsh, 50% rice, 25% other*

|  | 2006               | 2005             | 2004             | 2003             |  |
|--|--------------------|------------------|------------------|------------------|--|
|  | Annual Cost        | Annual Cost      | Annual Cost      | Annual Cost      | Notes                                  |
| <i>(for comparison)</i>                                |                    |                  |                  |                  |  |
| <u>Administrative Expenses</u>                         |                    |                  |                  |                  |  |
| Staff  | \$249,395          | \$249,395        | \$200,843        | \$205,000        |  |
| Benefits and Charges                                   | \$82,300           | \$82,300         | \$66,278         | \$67,650         |  |
| Board Expense  | \$10,000           | \$10,000         | \$10,000         | \$6,000          |  |
| <b>Subtotal</b>  | <b>\$341,695</b>   | <b>\$341,695</b> | <b>\$277,121</b> | <b>\$278,650</b> |  |
| <u>Office Expense</u>                                  |                    |                  |                  |                  |  |
| Rent   | \$59,484           | \$40,000         | \$38,000         | \$37,000         |  |
| Telephone  | \$7,500            | \$7,500          | \$6,200          | \$4,000          |  |
| Copying and Printing                                   | \$25,000           | \$25,000         | \$16,000         | \$16,000         |  |
| Office Supplies  | \$10,000           | \$10,000         | \$5,000          | \$5,000          |  |
| Postage  | \$1,500            | \$1,000          | \$1,000          | \$1,000          |  |
| Equipment  | \$15,000           | \$15,000         | \$15,000         | \$2,500          |  |
| Auto Expense   | \$12,000           | \$12,000         | \$7,000          | \$6,500          |  |
| <b>Subtotal</b>  | <b>\$130,484</b>   | <b>\$110,500</b> | <b>\$88,200</b>  | <b>\$72,000</b>  |  |
| <u>Miscellaneous Expense</u>                           |                    |                  |                  |                  |  |
| Insurance  | \$60,000           | \$60,000         | \$60,000         | \$30,000         | Liability and D&O                      |
| Accounting   | \$20,000           | \$7,500          | \$27,500         | \$17,500         |  |
| Legal  | \$60,000           | \$60,000         | \$76,000         | \$60,000         |  |
| Fees and Taxes   | \$140,000          | \$95,000         | \$24,000         | \$2,000          |  |
| <b>Subtotal</b>  | <b>\$280,000</b>   | <b>\$222,500</b> | <b>\$187,500</b> | <b>\$109,500</b> |  |
| <u>Contract Work and Monitoring</u>                    |                    |                  |                  |                  |  |
| Contract Work, Public Education, and Publications [1]  | \$150,000          | \$147,000        | \$125,000        | \$105,000        |  |
| Monitoring   | \$290,753          | \$258,862        | \$312,000        | \$244,350        |  |
| <b>Subtotal</b>  | <b>\$440,753</b>   | <b>\$405,862</b> | <b>\$437,000</b> | <b>\$349,350</b> |  |
| Less Monitoring  | (\$290,753)        | (\$258,862)      | (\$312,000)      | (\$244,350)      | Included separately in <b>Table 12</b> |
| <b>Subtotal Contract Work</b>                          | <b>\$150,000</b>   | <b>\$147,000</b> | <b>\$125,000</b> | <b>\$105,000</b> |  |
| <b>Subtotal Costs</b>                                  | <b>\$902,179</b>   | <b>\$821,695</b> | <b>\$677,821</b> | <b>\$565,150</b> |  |
| Contingency  | \$135,327          | \$123,254        | \$101,673        | \$84,773         | 15% Contingency                        |
| <b>Total Administration during Habitat Acquisition</b> | <b>\$1,037,506</b> | <b>\$944,949</b> | <b>\$779,494</b> | <b>\$649,923</b> |  |
| <b>Total Administration after Habitat Acquisition</b>  | <b>\$1,037,506</b> | <b>\$944,949</b> | <b>\$779,494</b> | <b>\$649,923</b> |  |

*"admin\_assumps"*

Source: TNBC FY 2006 budget estimate

[1] Excludes:

Wildlands contract amount of \$237,000, which is included in the O&M costs in **Table 7**.

Restoration and Enhancement 2006 planned construction costs, which are included in **Table 6** (estimated at \$6,500 per acre).

**Table 14**  
**Natomas Basin HCP**  
**Supplemental Endowment Cost Assumptions**

| <b>Item</b>   | <b>Amount</b>      |
|---|--------------------|
| <b>200-Acre Reserve or Purchase of Final 200 Acres</b>                          |                    |
| Total Cost per Acre   | \$45,000           |
| Acres   | 200                |
| <b>Total Estimated Acquisition Cost</b>   | <b>\$9,000,000</b> |
| Less Supplemental Endowment Fund Balance<br>(excluding Changed Circum. portion) | (\$744,352)        |
| <b>Total Remaining Cost</b>   | <b>\$8,255,648</b> |
| Remaining Development (acres)   | 10,716             |
| Total Cost per Developed Acre   | \$770              |
| <b>Total Cost per Habitat Acre</b>  | <b>\$1,541</b>     |
| <b>Changed Circumstance Contingency</b>   |                    |
| <b>Total Cost per Habitat Acre</b>  | <b>\$500</b>       |
| <b>TOTAL COST PER HABITAT ACRE</b>  | <b>\$2,041</b>     |

*supp\_endow\_assumps*

Source: The Natomas Basin Conservancy and EPS

**Table 15**  
**Natomas Basin HCP**  
**Development Projections**

| <b>Year</b>            | <b>City of Sacramento</b> | <b>Metro Air Park</b> | <b>Sutter County</b> | <b>Total Acres</b> | <b>Adjustment for Acres with Prepaid Fees</b> | <b>Acres for Fee Calculations</b> |
|------------------------|---------------------------|-----------------------|----------------------|--------------------|---|-----------------------------------|
| <i>Actual Acres</i>    |                           |                       |                      |                    |   |                                   |
| 1996                   | 30.41                     |                       |                      | <b>30.41</b>       |   | <b>30.41</b>                      |
| 1997                   | 104.90                    |                       |                      | <b>104.90</b>      |   | <b>104.90</b>                     |
| 1998                   | 1,380.36                  |                       |                      | <b>1,380.36</b>    |   | <b>1,380.36</b>                   |
| 1999                   | 1,465.47                  |                       |                      | <b>1,465.47</b>    |   | <b>1,465.47</b>                   |
| 2000                   | 598.07                    |                       |                      | <b>598.07</b>      |   | <b>598.07</b>                     |
| 2001                   | 242.09                    |                       |                      | <b>242.09</b>      |   | <b>242.09</b>                     |
| 2002                   | 777.81                    |                       |                      | <b>777.81</b>      |   | <b>777.81</b>                     |
| 2003                   | 1,041.98                  | 116.75                |                      | <b>1,158.72</b>    |   | <b>1,158.72</b>                   |
| 2004                   | 178.08                    |                       |                      | <b>178.08</b>      | 169.67  | <b>347.74</b>                     |
| 2005                   | 848.06                    |                       |                      | <b>848.06</b>      | (169.67)                                      | <b>678.39</b>                     |
| <b>Subtotal</b>        | <b>6,667.21</b>           | <b>116.75</b>         | <b>0.00</b>          | <b>6,783.96</b>    | <b>0.00</b>                                   | <b>6,783.96</b>                   |
| <i>Projected Acres</i> |                           |                       |                      |                    |   |                                   |
| 2006                   | 500.00                    |                       |                      | <b>500.00</b>      |   | <b>500.00</b>                     |
| 2007                   | 400.00                    | 186.63                |                      | <b>586.63</b>      |   | <b>586.63</b>                     |
| 2008                   | 350.00                    | 186.63                | 497.80               | <b>1,034.43</b>    |   | <b>1,034.43</b>                   |
| 2009                   | 132.79                    | 186.63                | 497.80               | <b>817.21</b>      |   | <b>817.21</b>                     |
| 2010                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2011                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2012                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2013                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2014                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2015                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2016                   |                           | 186.63                | 497.80               | <b>684.43</b>      |   | <b>684.43</b>                     |
| 2017                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2018                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2019                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2020                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2021                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2022                   |                           |                       | 497.80               | <b>497.80</b>      |   | <b>497.80</b>                     |
| 2023                   |                           |                       |                      | -                  |   | -                                 |
| 2024                   |                           |                       |                      | -                  |   | -                                 |
| 2025                   |                           |                       |                      | -                  |   | -                                 |
| 2026                   |                           |                       |                      | -                  |   | -                                 |
| 2027                   |                           |                       |                      | -                  |   | -                                 |
| 2028                   |                           |                       |                      | -                  |   | -                                 |
| 2029                   |                           |                       |                      | -                  |   | -                                 |
| 2030                   |                           |                       |                      | -                  |   | -                                 |
| 2031                   |                           |                       |                      | -                  |   | -                                 |
| 2032                   |                           |                       |                      | -                  |   | -                                 |
| <b>Subtotal</b>        | <b>1,382.79</b>           | <b>1,866.25</b>       | <b>7,467.00</b>      | <b>10,716.04</b>   | <b>0.00</b>                                   | <b>10,716.04</b>                  |
| <b>TOTAL</b>           | <b>8,050.00</b>           | <b>1,983.00</b>       | <b>7,467.00</b>      | <b>17,500.00</b>   | <b>0.00</b>                                   | <b>17,500.00</b>                  |

*development*

**Table 16**  
**Natomas Basin HCP**  
**Habitat Status**

| Habitat Properties [1]             | Year Acquired | Total Acres    | Hunting Acres  | 2004 Acres     |              |                |                | 2005           |              |                |                | 2006+          |              |                |                |
|------------------------------------|---------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|----------------|
|                                    |               |                |                | Rice           | Marsh        | Other          | Total          | Rice           | Marsh        | Other          | Total [4]      | Rice           | Marsh        | Other          | Total [4]      |
| <b>Regular Mitigation</b>          |               |                |                |                |              |                |                |                |              |                |                |                |              |                |                |
| Betts/Kismat/Silva                 | 1999          | 338.5          | 338.5          | 0.0            | 192.5        | 146.0          | <b>338.5</b>   | 0.0            | 192.5        | 146.0          | <b>338.5</b>   | 0.0            | 192.5        | 146.0          | <b>338.5</b>   |
| Lucich North [2]                   | 1999          | 268.0          | 0.0            | 0.0            | 247.3        | 20.7           | <b>268.0</b>   | 0.0            | 247.3        | 20.7           | <b>268.0</b>   | 0.0            | 247.3        | 20.7           | <b>268.0</b>   |
| Lucich South [2]                   | 1999          | 351.9          | 0.0            | 334.0          | 16.5         | 1.4            | <b>351.9</b>   | 334.0          | 16.5         | 1.4            | <b>351.9</b>   | 334.0          | 16.5         | 1.4            | <b>351.9</b>   |
| Bennett North                      | 1999          | 226.7          | 226.7          | 216.9          | 9.2          | 0.5            | <b>226.7</b>   | 216.9          | 9.2          | 0.5            | <b>226.7</b>   | 151.9          | 74.2         | 0.5            | <b>226.7</b>   |
| Bennett South [4]                  | 1999          | 132.5          | 0.0            | 80.7           | 22.7         | 29.1           | <b>132.5</b>   | 80.7           | 22.7         | 29.1           | <b>132.5</b>   | 80.7           | 22.7         | 29.1           | <b>132.5</b>   |
| Brennan [4]                        | 2000          | 241.4          | 0.0            | 0.0            | 3.9          | 237.5          | <b>241.4</b>   | 0.0            | 3.9          | 237.5          | <b>241.4</b>   | 0.0            | 3.9          | 237.5          | <b>241.4</b>   |
| Frazier                            | 2000          | 92.6           | 92.6           | 0.0            | 68.4         | 24.2           | <b>92.6</b>    | 0.0            | 68.4         | 24.2           | <b>92.6</b>    | 0.0            | 68.4         | 24.2           | <b>92.6</b>    |
| Souza [3]                          | 2001          | 44.7           | 0.0            | 0.0            | 0.0          | 44.7           | <b>44.7</b>    | 0.0            | 0.0          | 44.7           | <b>44.7</b>    | 0.0            | 0.0          | 44.7           | <b>44.7</b>    |
| Natomas Farms [3]                  | 2001          | 96.5           | 0.0            | 0.0            | 51.7         | 44.8           | <b>96.5</b>    | 0.0            | 51.7         | 44.8           | <b>96.5</b>    | 0.0            | 51.7         | 44.8           | <b>96.5</b>    |
| Ayala [3]                          | 2002          | 317.4          | 0.0            | 302.3          | 0.0          | 15.1           | <b>317.4</b>   | 302.3          | 0.0          | 15.1           | <b>317.4</b>   | 302.3          | 0.0          | 15.1           | <b>317.4</b>   |
| Sills [5]                          | 2002          | 436.4          | 218.2          | 428.9          | 0.0          | 146.7          | <b>575.6</b>   | 402.6          | 0.0          | 33.8           | <b>436.4</b>   | 402.6          | 0.0          | 33.8           | <b>436.4</b>   |
| Cummings [3]                       | 2002          | 66.8           | 0.0            | 50.0           | 0.0          | 16.8           | <b>66.8</b>    | 0.0            | 40.0         | 26.8           | <b>66.8</b>    | 0.0            | 40.0         | 26.8           | <b>66.8</b>    |
| Alleghany [3]                      | 2002          | 50.3           | 0.0            | 0.0            | 0.0          | 50.3           | <b>50.3</b>    | 0.0            | 0.0          | 50.3           | <b>50.3</b>    | 0.0            | 0.0          | 50.3           | <b>50.3</b>    |
| Atkinson [4]                       | 2003          | 205.4          | 0.0            | 150.0          | 5.4          | 50.0           | <b>205.4</b>   | 50.0           | 5.4          | 150.0          | <b>205.4</b>   | 50.0           | 5.4          | 150.0          | <b>205.4</b>   |
| Ruby Ranch [4]                     | 2003          | 91.1           | 0.0            | 88.0           | 0.0          | 3.1            | <b>91.1</b>    | 0.0            | 0.0          | 91.1           | <b>91.1</b>    | 0.0            | 0.0          | 91.1           | <b>91.1</b>    |
| Huffman East [1]                   | 2003          | 116.7          | 0.0            | 109.0          | 0.0          | 7.7            | <b>116.7</b>   | 97.7           | 0.0          | 19.0           | <b>116.7</b>   | 97.7           | 0.0          | 19.0           | <b>116.7</b>   |
| Tufts                              | 2004          | 148.0          | 148.0          | 138.0          | 0.0          | 9.9            | <b>148.0</b>   | 138.0          | 0.0          | 9.9            | <b>148.0</b>   | 138.0          | 0.0          | 9.9            | <b>148.0</b>   |
| Bolen North                        | 2005          | 113.6          | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 85.2           | 0.0          | 28.4           | <b>113.6</b>   | 85.2           | 0.0          | 28.4           | <b>113.6</b>   |
| Bolen South                        | 2005          | 102.4          | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 76.8           | 0.0          | 25.6           | <b>102.4</b>   | 76.8           | 0.0          | 25.6           | <b>102.4</b>   |
| Rosa East [4]                      | 2005          | 106.3          | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 0.0            | 0.0          | 106.3          | <b>106.3</b>   | 0.0            | 0.0          | 106.3          | <b>106.3</b>   |
| Rosa Central [4]                   | 2005          | 100.0          | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 0.0            | 0.0          | 100.0          | <b>100.0</b>   | 0.0            | 0.0          | 100.0          | <b>100.0</b>   |
| Vestal South                       | 2005          | 95.0           | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 71.2           | 0.0          | 23.7           | <b>95.0</b>    | 71.2           | 0.0          | 23.7           | <b>95.0</b>    |
| RD1000 @ LUCS (easement)           | 2003          | 4.6            | 0.0            | 0.0            | 0.0          | 4.6            | <b>4.6</b>     | 0.0            | 0.0          | 4.6            | <b>4.6</b>     | 0.0            | 0.0          | 4.6            | <b>4.6</b>     |
| RD1000 @ BENN (easement)           | 2003          | 1.1            | 0.0            | 0.0            | 0.0          | 1.1            | <b>1.1</b>     | 0.0            | 0.0          | 1.1            | <b>1.1</b>     | 0.0            | 0.0          | 1.1            | <b>1.1</b>     |
| Sills South-West border (easement) | 2005          | 12.6           | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 0.0            | 0.0          | 12.6           | <b>12.6</b>    | 0.0            | 0.0          | 12.6           | <b>12.6</b>    |
| Sills South-East border (easement) | 2005          | 5.2            | 0.0            | 0.0            | 0.0          | 0.0            | <b>0.0</b>     | 0.0            | 0.0          | 5.2            | <b>5.2</b>     | 0.0            | 0.0          | 5.2            | <b>5.2</b>     |
| <b>Subtotal</b>                    |               | <b>3,765.5</b> | <b>1,023.9</b> | <b>1,897.8</b> | <b>617.5</b> | <b>854.2</b>   | <b>3,369.6</b> | <b>1,855.4</b> | <b>657.5</b> | <b>1,252.5</b> | <b>3,765.5</b> | <b>1,790.4</b> | <b>722.5</b> | <b>1,252.5</b> | <b>3,765.5</b> |
|                                    |               |                | 27%            |                |              |                |                |                |              |                |                |                |              |                |                |
| <b>Supplemental Mitigation</b>     |               |                |                |                |              |                |                |                |              |                |                |                |              |                |                |
| Huffman East                       | 2003          | 19.00          | 0.0            | 0.0            | 0.0          | 19.0           | <b>19.0</b>    | 0.0            | 0.0          | 19.0           | <b>19.0</b>    | 0.0            | 0.0          | 19.0           | <b>19.0</b>    |
| Huffman West                       | 2003          | 181.00         | 0.0            | 0.0            | 0.0          | 181.0          | <b>181.0</b>   | 0.0            | 0.0          | 181.0          | <b>181.0</b>   | 0.0            | 0.0          | 181.0          | <b>181.0</b>   |
| <b>Subtotal</b>                    |               | <b>200.0</b>   | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>   | <b>200.0</b>   | <b>200.0</b>   | <b>0.0</b>     | <b>0.0</b>   | <b>200.0</b>   | <b>200.0</b>   | <b>0.0</b>     | <b>0.0</b>   | <b>200.0</b>   | <b>200.0</b>   |
| <b>Total Mitigation</b>            |               | <b>3,965.5</b> | <b>1,023.9</b> | <b>1,897.8</b> | <b>617.5</b> | <b>1,054.2</b> | <b>3,569.6</b> | <b>1,855.4</b> | <b>657.5</b> | <b>1,452.5</b> | <b>3,965.5</b> | <b>1,790.4</b> | <b>722.5</b> | <b>1,452.5</b> | <b>3,965.5</b> |

*habitat status*

[1] Excludes supplemental mitigation.

[2] Hunting lease assigned to seller of property for extended term as a condition of property sale.

[3] Hunting precluded by Sacramento County "No Shoot Zone" ordinance.

[4] Not hunted for safety reasons.

[5] Sills acreage reduced by 139.15 acres in 2005 as a result of a land trade for Rosa East and Rosa Central.