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# IMPLEMENTATION ANNUAL REPORT

## EXECUTIVE SUMMARY

### CALENDAR YEAR 2020

### JULY 30, 2021

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# INTRODUCTION TO THE IMPLEMENTATION ANNUAL REPORT

This report responds to a requirement of the 2003 Natomas Basin Habitat Conservation Plan (NBHCP) and Implementation Agreement (IA) calling for an implementation annual report. The 2003 NBHCP is supported by permits issued to the Conservancy by the California Department of Fish and Wildlife (issued July 10, 2003; permit number 2081-20032-019-02) and the U.S. Fish and Wildlife Service (issued June 27, 2003; permit number TE073667-0).

## LAND ACQUISITION



**Acreage changes.** Several additional mitigation properties were acquired in 2020. All Conservancy land holdings as of December 31, 2020 are shown in Figure 10, attached to this report (see “2020 Base Map”). This map is frequently updated and can always be found on the Conservancy’s web site ([natomasbasin.org](http://natomasbasin.org)).

**Total land acquired through 2020.** The Conservancy has acquired 4,660.25 acres as of December 31, 2020. Easements represent 143.13 acres of this total. There have been 1,879.25 acres acquired in Sacramento County and 2,781.00 acres in Sutter County.<sup>1</sup> Not all acres have been committed to HCP mitigation (see discussion on surplus land acquisitions below).



**FIGURE 1**  
Red-tailed hawk (*Buteo jamaicensis*) Conservancy staff photo.

## MITIGATION LAND BALANCES

- **Acreage upon which fees have been paid.** Fees related to development in the City of Sacramento Permit Area have been paid on a total of 6,864.98 acres.<sup>2</sup> Through Metro Air Park’s participation, there have been HCP fees paid on 525.79 acres and an additional 200 acres of non-HCP mitigation. Combined with non-HCP acres of 118.84 and Sutter County acres of 108.29, there have been fees paid on 7,817.90 acres of development.

**TABLE 1**  
HCP FEE-PAID AND SUPPLEMENTAL ACRES\*

PERIOD	HCP AND NON-HCP FEE-PAID ACRES
Through December 31, 1998	1,515.66
January 1 – December 31, 1999	1,466.45
January 1 – December 31, 2000	598.07
January 1 – December 31, 2001	242.60
January 1 – December 31, 2002	777.81
January 1 – December 31, 2003	1,241.98
January 1 – December 31, 2004	347.74
January 1 – December 31, 2005	678.39
January 1 – December 31, 2006	132.28
January 1 – December 31, 2007	103.15
January 1 – December 31, 2008	19.11
January 1 – December 31, 2009	24.60
January 1 – December 31, 2010	5.07
January 1 – December 31, 2011**	50.00
January 1 – December 31, 2012	122.12
January 1 – December 31, 2013	0.05
January 1 – December 31, 2014	0.00
January 1 – December 31, 2015	5.65
January 1 – December 31, 2016	75.85
January 1 – December 31, 2017	56.00
January 1 – December 31, 2018	36.83
January 1 – December 31, 2019	100.38
January 1 – December 31, 2020	218.12
<b>All Years Through December 31, 2020</b>	<b>7,817.90</b>

\*Most mitigation land was dedicated in lieu of paying the Land Acquisition Fund portion of the NBHCP fee.

\*\*While no development was reported for 2011, by instruction from U.S. Fish and Wildlife Service, a negotiated commitment from Sutter County to mitigate for a development several years prior was recorded in 2011 (SYSCO).



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**FIGURE 2**  
Although not an NBHCP “Covered Species,” the Great horned owl (*Bubo virginianus*) is prominent on Conservancy preserves. In this case, a chick left its nest and sat beneath it for a couple of days while its parents encouraged it to take flight. (Conservancy staff photo on Conservancy mitigation land in 2020.)

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- **Fees paid.**<sup>3</sup> The amount of HCP fees paid by development in the City of Sacramento Permit Area totals \$62,878,456.22 from inception to date. For Metro Air Park, total fees paid equal \$24,572,528.92 (including HCP and other mitigation) to date and including the final payment for Tier One impacts of \$515,111.00 in 2013. Fees from Sutter County from inception to date, \$2,112,133.17, have been paid. Combined with non-HCP mitigation fees, the total amount of fees and fee-related income paid from inception to date totals \$95,363,178.69.<sup>4</sup> These totals go back over 20 years and are not adjusted for inflation.
- **Acreage on which an urban development permit has been issued.** At the time of publication, the Conservancy reports authorized grading for the City of Sacramento of approximately 6,865 acres since inception, Metro Air Park, approximately 526 acres<sup>5</sup> and Sutter County, 108.29 acres.
- **Surplus land.** At December 31, 2020, the Conservancy held 199.55 acres of surplus approved mitigation land.<sup>6</sup>
- **Annual 200-acre May 1 cushion has been met.** The Conservancy has more than enough acreage to meet the 200-acre “cushion” required in the HCP on May 1 of each year, and this includes the Conservancy’s land holdings position for 2020.

**FIGURE 3**

Considered unusual in the Natomas Basin, a Bald eagle (*Haliaeetus leucocephalus*) makes an appearance on Conservancy mitigation lands. Bald eagles made numerous appearances on Conservancy land in 2020. (Conservancy staff photo on Conservancy mitigation land in 2020.)



Total required marsh acres - 2,187.50 acres.



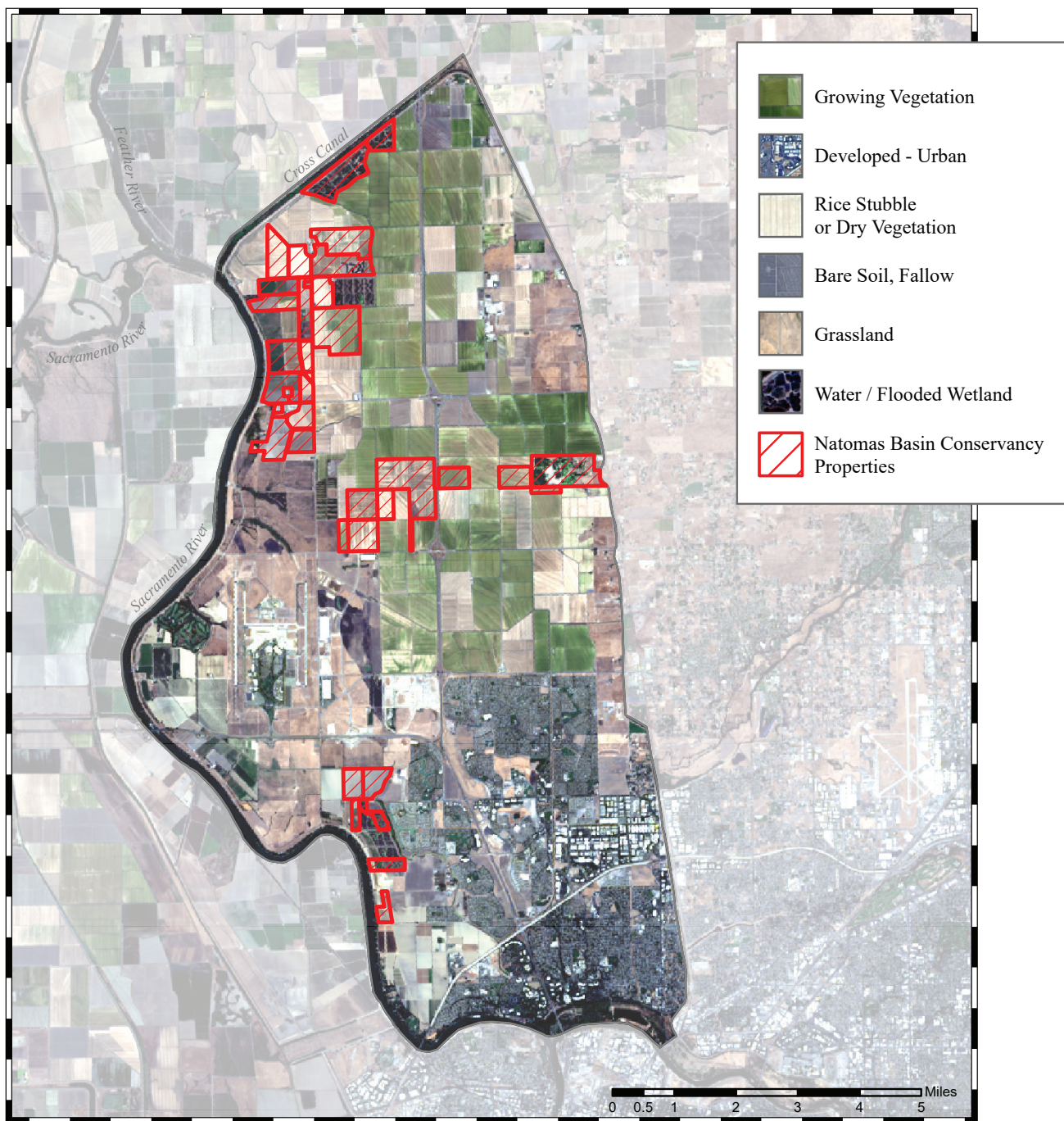
**FIGURE 4**

Drought conditions were declared in 2020. Through the Natomas Central Mutual Water Company (NCMWC), the Conservancy participated in the 2020 ground water exchange program under the auspices of State of California water authorities. Participation helped with water distribution for the year and also resulted in more water introduced into water conveyance structures in the Natomas Basin, which was intended to help the aquatic Giant garter snake (*Thamnophis gigas*). (Conservancy staff photo on Conservancy mitigation land in 2020.)



**TABLE 2**  
 THE NATOMAS BASIN CONSERVANCY  
 LAND ACQUISITION TALLY THROUGH 12.31.20  
 (SEE FOOTNOTE INFORMATION; DOES NOT INCLUDE EASEMENTS<sup>7</sup>)

PROPERTY	DATE ACQUIRED	ACRES
Silva	1.7.99	159.20
Betts	4.5.99	138.99
Kismat	4.16.99	40.46
Bennett (C.L.)	5.17.99	226.68
Bennett (H&B)	5.17.99	132.49
Lucich North	5.18.99	267.99
Lucich South	5.18.99	351.89
Frazer	7.31.00	92.60
Souza <sup>8</sup>	7.2.01	40.00
Natomas Farms	7.9.01	55.28
Sills <sup>9</sup>	7.15.02	436.41
Alleghany 50	11.7.02	50.26
Cummings	11.7.02	66.83
Atkinson	6.12.03	199.21
Ruby Ranch	6.23.03	91.08
Huffman West <sup>10, 11</sup>	9.30.03	157.76
Huffman East	9.30.03	135.76
Tufts <sup>12</sup>	9.29.04	147.95
Rosa East	3.24.05	106.28
Rosa Central	3.24.05	100.02
Bolen North	4.29.05	113.62
Bolen South	4.29.05	102.38
Vestal South	9.12.05	94.95
Bolen West <sup>13</sup>	9.1.06	155.03
Nestor	9.1.06	233.16
Frazer South <sup>14</sup>	11.7.06	110.37
Bianchi West	11.7.06	110.16
Elsie	11.7.06	158.03
Silva South	9.28.12	29.12
Richter	1.3.20	80.75
Lauppe South	6.30.20	171.84
Paulsen South	9.28.20	52.46
Willey	10.19.20	108.14
<b>Total</b>		<b>4,517.12</b>



LANDSAT 8 - OCTOBER 12, 2020

© The Natomas Basin Conservancy. 2020

**FIGURE 5**  
**LANDSAT photograph of the Natomas Basin.** The 2020 LANDSAT photograph shows the status of the Natomas Basin on October 12, 2020. Such photos are acquired each year by the Conservancy in order to show changes over time. See also, "Base Map" in Figure 10, for greater delineation of the Conservancy land holding at December 31, 2020.



## BUDGET AND FINANCE

- Finance Model update.** The HCP Finance Model was updated and approved by the Conservancy’s Board of Directors and the City of Sacramento City Council. The 2020 HCP Mitigation Fee was \$40,032 (\$25,032 with land dedication), which increased from the 2019 HCP Mitigation Fee of \$33,091 (\$21,841 with land dedication).

**TABLE 3**  
THE NATOMAS BASIN CONSERVANCY  
HCP FEE HISTORY

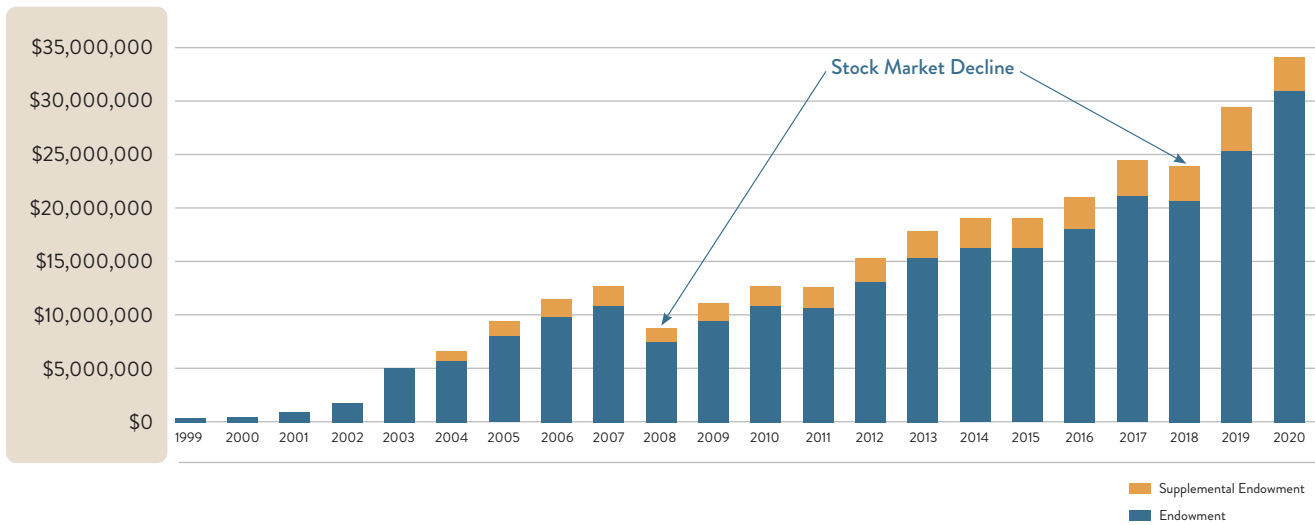
YEAR	ESTABLISHED FEE
1997	\$2,240
1998	\$2,656
1999	\$3,292
2000	\$3,941
2001	\$5,993 + \$4,028 premium = \$10,021*
2002	\$7,934 + \$4,028 premium = \$11,962*
2003	\$12,270 (\$7,770 w/land)
2004	\$16,124 (\$8,624 w/land)
2005	\$24,897 (\$12,397 w/land)
2006	\$41,182 (\$18,682 w/land)
2007	\$38,445 (\$18,445 w/land)
2008	\$38,133 (\$20,633 w/land)
2009	\$38,133 (\$20,633 w/land)
2010	\$44,050 (\$26,550 w/land)
2011	\$37,547 (\$22,547 w/land)
2012	\$32,861 (\$21,611 w/land)
2013	\$27,419 (\$18,669 w/land)
2014	\$32,259 (\$21,009 w/land)
2015	\$32,259 (\$21,009 w/land)
2016	\$32,259 (\$21,009 w/land)
2017	\$31,600 (\$20,350 w/land)
2018	\$33,091 (\$21,841 w/land)
2019	\$33,091 (\$21,841 w/land)
2020	\$40,032 (\$25,032 w/land)

\*HCP “premium” was established as a result of an agreement to settle litigation, *FWS v. Babbitt*.

- Endowment Fund.** The Conservancy’s endowment funds remain conservatively invested. The total account balance in the combined endowment funds at December 31, 2020 was \$34,058,974 versus \$29,384,772 for the December 31, 2019 balance. This includes realized and unrealized gains. For the Supplemental Endowment Fund, the total account balance at December 31, 2020 was \$3,073,919 versus \$3,987,911 for the December 31, 2019 balance, reduced by borrowing for mitigation land acquisition activity in 2020 following provisions in the NBHCP for such activity.

Account balances in the Conservancy’s endowments funds have moved upwards very nicely from their low in 2008. The return for 2020 was 14.85 percent. This followed the 2019 return of 19.5 percent. Investments are tightly controlled via an investment policy reviewed and approved by the Conservancy’s Board of Directors and followed by the organization’s investment manager. See the Conservancy’s December 31, 2020 audited financial statement for details.

**FIGURE 6**  
 ENDOWMENT FUNDS HISTORY | 20-YEAR REVIEW



**FIGURE 7**  
 Biological effectiveness monitoring teams continued their work in 2020 despite poor air quality conditions and the SARS-CoV-2 pandemic. Here, scientists prepare to check traps set for Giant garter snakes (*Thamnophis gigas*) on a Conservancy-managed marsh complex. With daily checking of traps, monitoring teams are able to check on the health and abundance of Giant garter snakes on Conservancy preserves. (Conservancy staff photo on Conservancy mitigation land in 2020.)



2020  
 CONTIGUOUS ACRES

**North Basin Reserve**

**2,393.66** | **96%**  
 acres | complete

Required - 2,500 acres of contiguous land must exist in one reserve. No less than 400 acres of contiguous land must exist in other reserves.

**Central Basin Reserve**

**985.76** acres (west of SR99) | **100%**  
 + **478.14** acres (east of SR99) | complete

Required - 2,500 acres of contiguous land must exist in one reserve. No less than 400 acres of contiguous land must exist in other reserves.

**Fisherman's Lake Reserve**

**301.49** | **75%**  
 acres | complete

Required - 2,500 acres of contiguous land must exist in one reserve. No less than 400 acres of contiguous land must exist in other reserves.

## CONCLUSION

In 2020, Conservancy preserves matured and provide still greater habitat benefits to the NBHCP's "Covered Species." Biological effectiveness monitoring progressed but was challenged by both SARS-CoV-2 and extraordinary poor air quality conditions caused by wildfires. The most significant accomplishments for 2020 are highlighted below:

1. completion of five mitigation land acquisitions which added 529.19 acres to the Conservancy's mitigation land holdings (413.19 acres were acquired in fee simple and 116.55 acres in conservation easement). This represents the largest land acquisition activity in approximately 15 years for the Conservancy,
2. keeping the preserves fully functional given severe restrictions resulting from the SARS-CoV-2 pandemic and poor air quality conditions caused by enormous wildfires in California, both of which limited staff and contractor activities and presenting worker safety issues never before encountered by the Conservancy,
3. delivery of another comprehensive annual biological effectiveness monitoring report,
4. work with the Sacramento Area Flood Control Agency (SAFCA) on its extensive flood protection construction activities (the Natomas Levee Improvement Project, or NLIP); SAFCA engaged the Conservancy in additional mitigation and land management efforts, and also engaged the Conservancy in certain habitat land management tasks,
5. managed over 250 operating contracts as well as numerous compliance reporting obligations,
6. maintained endowment funds investments, which continued their positive performance, helping raise the financial safety net for the Conservancy, including a 14.85 percent return in 2020 which built on top of a 19.5 percent return in 2019,
7. continued with improvements to the Conservancy's web site for ease of use for HCP fee payers, government interests and general public as well as transparency and outreach facilities the web site increasingly provides,
8. improved content on Conservancy social media outlets to satisfy the general public's desire for information about the Conservancy without adding a significant cost burden, and
9. completed a final-round draft of a comprehensive overhaul and update of the Conservancy's Site-specific Management Plans (SSMPs) which will be submitted for acceptance by State and federal Wildlife Agencies in 2021.

The Conservancy continues to conduct biological monitoring through contractor ICF International in cooperation with the U.S. Geological Service (USGS) and others, and certain of the habitat land care functions through Triangle Properties and HRS, with Conservancy staff coordination and management. The work is occasionally supplemented by other specialists engaged to address most any question or needs the Conservancy might have. Calling on the additional resources that make up the NBHCP Technical Advisory Committee (TAC) round out the extensive resources available to the Conservancy.

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**FIGURE 8**

In 2020, Conservancy operations were challenged by extensive wildfires that burned 4,397,809 acres according to the National Interagency Fire Center. As seen from the September 2020 photo at right, most of the fire activity took place in Northern California, sending extremely heavy smoke into the Natomas Basin. Getting maintenance and monitoring crews onto preserves in the safest manner, and yet keeping preserves fully functional for the benefit of the HCPs' "Covered Species," was a "met" challenge, but a difficult one.

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## FUTURE PLANS

During 2021, the Conservancy will continue maintenance and updating activity. During the 2021 work year, Conservancy management activity will be focused primarily in the following areas:

1. incorporating the 2020 land acquisitions into the system of preserves,
2. prepare for a severe drought year and make sure that adequate water is introduced onto Conservancy managed marsh complexes, and even in the Natomas Basin in general, to aid in the health and well-being of Giant garter snake (*Thamnophis gigas*) and Pacific pond turtle (*Actinemys marmorata*) populations,
3. transact an anticipated large mitigation land acquisition, receive approvals for acceptance and conduct diligence in its acquisition,
4. continue to coordinate with SAFCA on its Natomas Levee Improvement Program (NLIP), especially with SAFCA's planned soil-mining of certain properties in such a manner as to create suitable managed marsh complexes, compliant with NBHCP requirements,

5. coordinate with Sutter County officials as Sutter County maps and plans the Measure M development (“Sutter Pointe”), and do so in a manner that preserves or enhances the integrity of the system of reserves the Conservancy owns and manages,
6. now that the Site-specific management plans have been completed, submit them to the State and federal Wildlife Agencies for approval, and also begin work on new chapters for the SSMP given five new tracts of land have been acquired, and
7. prepare plans for the next conversion of rice fields to managed marsh so that if HCP fees come in as expected, the Conservancy will be prepared to immediately begin construction of the next marsh complex.

Further information on Conservancy activities can be obtained by logging on to the Conservancy’s web site ([natomasbasin.org](http://natomasbasin.org)) or contacting the Conservancy directly.

**FIGURE 9**  
An important Covered Species under the NBHCP, the White-faced ibis (*Plegadis chihi*) uses Conservancy-installed managed marsh complexes, where they can often be seen. (Conservancy staff photo on the East side of the Natomas Basin Conservancy mitigation land in 2020.)



**TABLE 4**

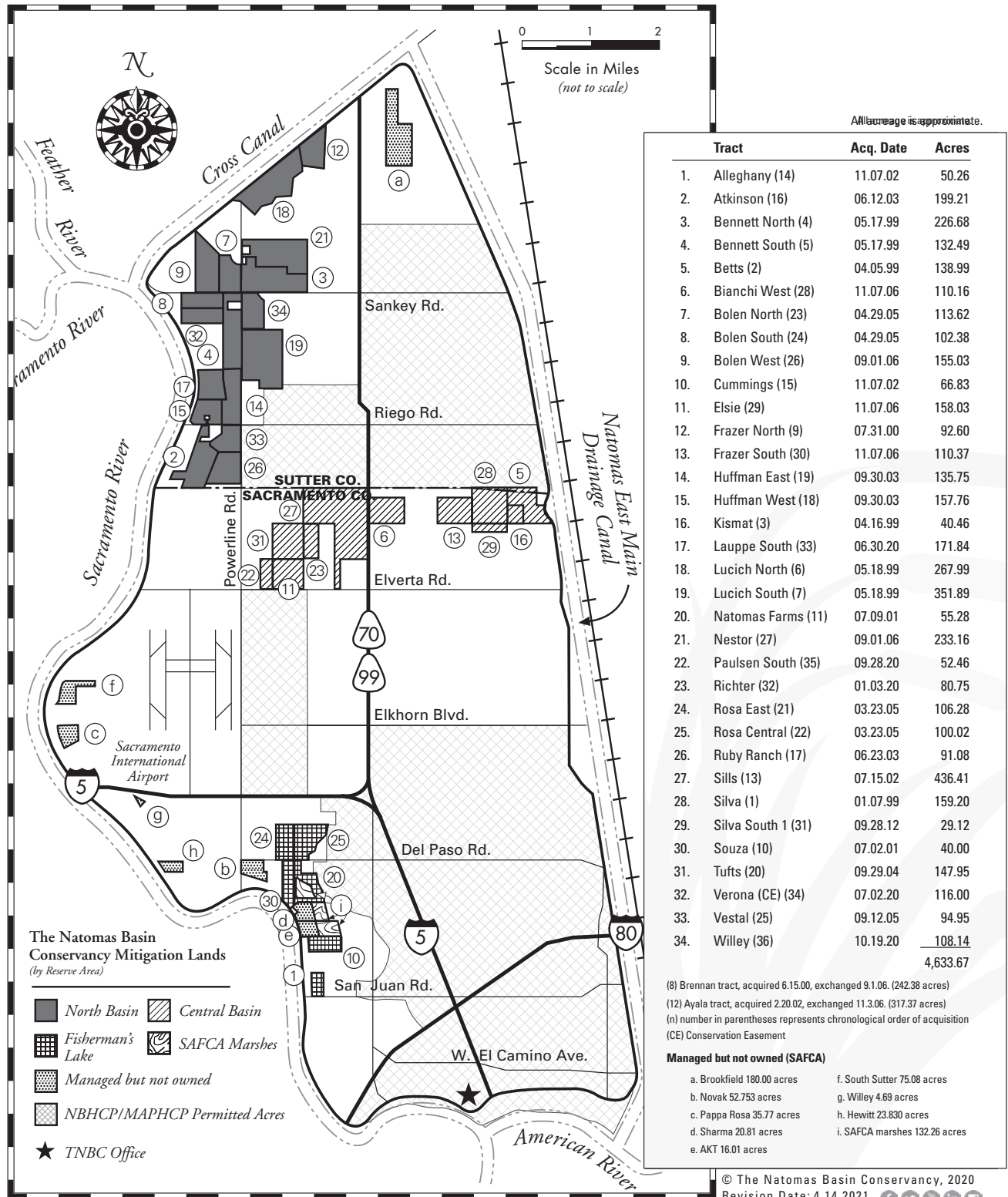
THE NATOMAS BASIN CONSERVANCY  
GENERAL RESERVE CHARACTERISTICS ILLUSTRATION, 2020 QUICK REFERENCE

Characteristic	County		Predominant Land Use			Water			Management Plan							Existing Trees				Other						
	Sacramento	Sutter	Rice	Upland	Marsh	NCMWC	Ground Water	Surface Water	SSMP	Not yet covered	Marsh build '01	Marsh build '02	Marsh build '03	Marsh build '04	Marsh build '05	Marsh build '06	Marsh build '07	0	1-10	11-30	31+	Fenced	Livestock	Residence	Farm Buildings	
Silva		○																								
Betts		○																								
Kismat																										
Bennett North																										
Bennett South																							○			
Lucich North				○																						
Lucich South				○																						
Frazer North				○																						
Souza																										
Natomas Farms																										
Sills				○																						
Alleghany 50																										
Cummings																										
Atkinson			○		○		○	○																		
Ruby Ranch																										
Huffman West																										
Huffman East																										
Tufts									P																	
Rosa East									P															○		
Rosa Central									P															○		
Bolen North									P																	
Bolen South									P																	
Vestal									P																	
Bolen West									P																	
Nestor									P																	
Bianchi West				○					P																	
Elsie									P																	
Frazer South									P																	
Silva South									P																	
Richter																										
Lauppe South			○																							
Verona (e)																										
Paulsen South																										
Willey																										

The color box represents inclusion of characteristic on that tract, the lighter color box with circle represents minor, partial or planned inclusion on the referenced track. p = Pending (e) = Conservation easement

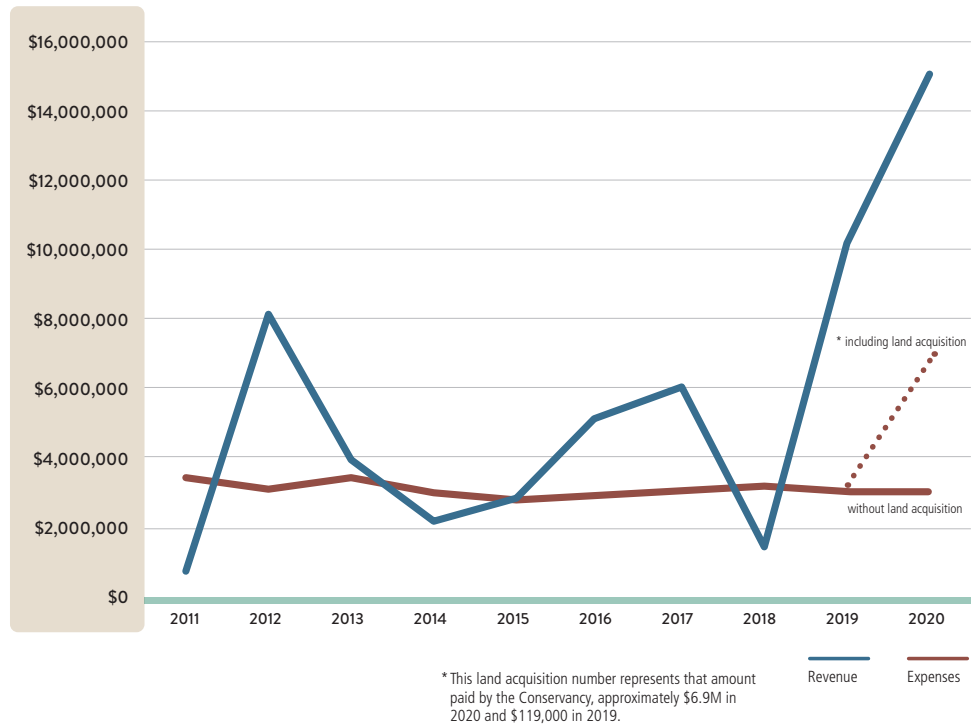
21.04.23

**FIGURE 10**  
**BASE MAP OF CONSERVANCY PRESERVES AT DECEMBER 31, 2020**

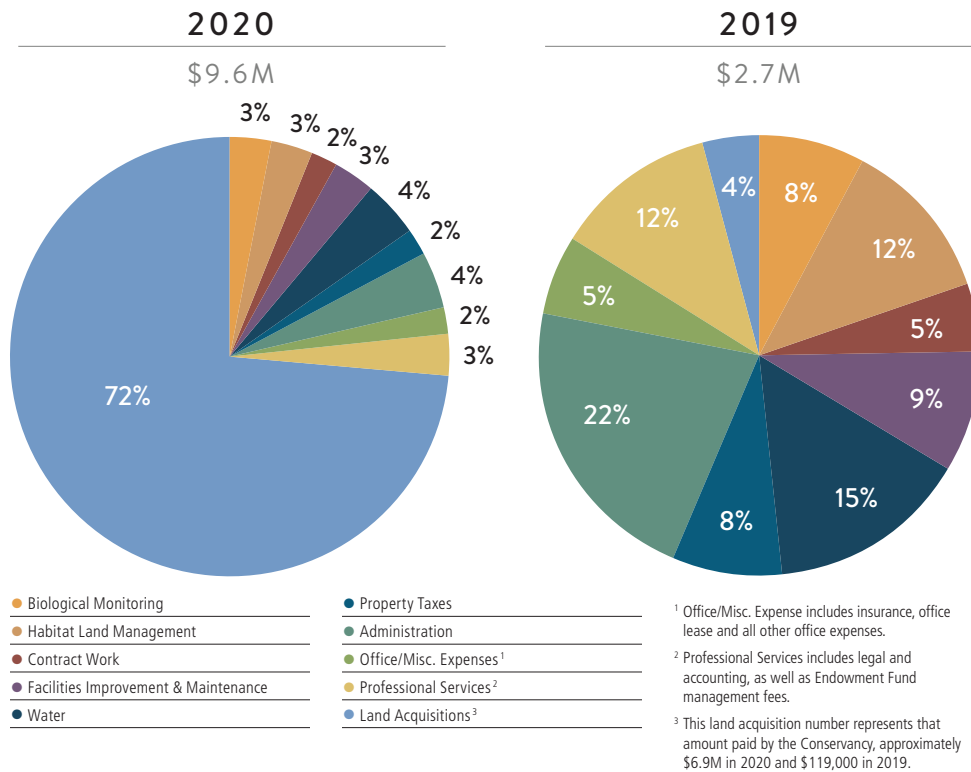




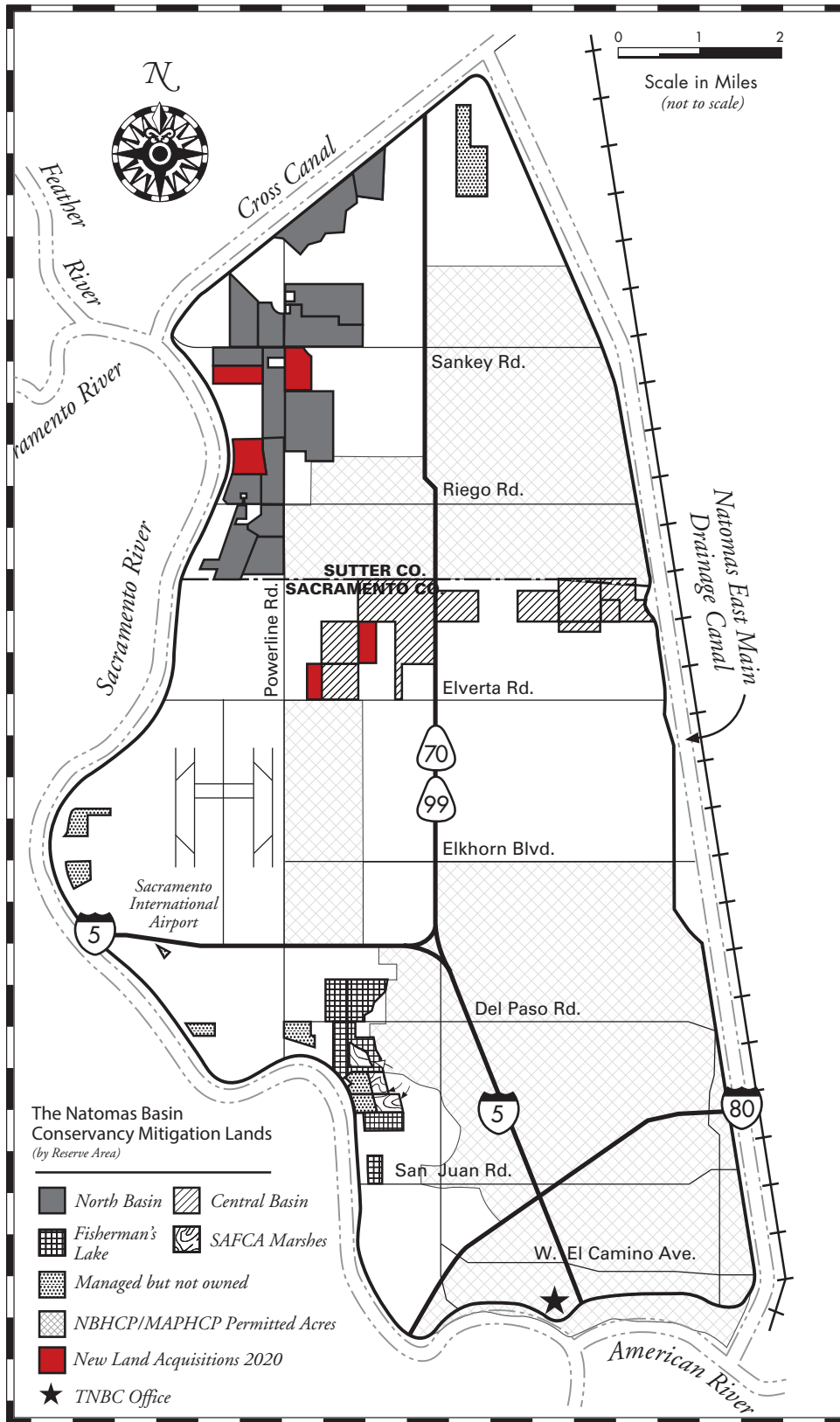
**FIGURE 11**  
REVENUE VS EXPENSE | 10-YEAR REVIEW



**FIGURE 12**  
EXPENDITURES ANALYSIS | 2020 VS 2019 BY CATEGORY



**FIGURE 13**  
**LAND ACQUISITIONS IN 2020**



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 Revision Date: 11.25.2020

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- <sup>1</sup> A very small remainder is supplemental mitigation.
- 
- <sup>2</sup> The Conservancy is reporting City of Sacramento fee-paid acres as 6,864.98. At the time of publication, the Conservancy had not received the City of Sacramento's annual report. However, a small difference exists between the Conservancy's and the City's numbers. The Conservancy and the City agree on this difference which is due to prepaid acres that have not yet been graded. See City of Sacramento's 2019 Annual Report of Urban Development for details.
- 
- <sup>3</sup> "Fees paid" represents actual HCP fees plus related payments such as Metro Air Park's tree replacement and GGS mitigation, so the sum of City and MAP payments does not equal the total amount of fee and related income received to date. Records of all such payments are found in the schedule titled, "Schedule of Subject Acreage and Fees Paid."
- 
- <sup>4</sup> All figures include the land value of in-lieu land dedication.
- 
- <sup>5</sup> During 2013, the Conservancy worked to resolve Metro Air Park's approximately 23-acre deficiency in fees. See 2013 Annual Report for details.
- 
- <sup>6</sup> There are numerous conditional adjustments to this surplus acreage number.
- 
- <sup>7</sup> Easements account for 143.13 acres to the total, of which 116.55 acres are on the Verona tract.
- 
- <sup>8</sup> Long standing litigation filed against the Conservancy was resolved in 2006 through court-ordered settlement. Accordingly, the 4.68 acres of additional land the Conservancy held title to on the Souza tract was deeded over to the plaintiff in the case upon payment of certain funds to the Conservancy.
- 
- <sup>9</sup> 139.5 acres of the original 575.5559 acres of the Sills tract were exchanged for the two Rosa tracts on March 24, 2005.
- 
- <sup>10</sup> SAFCA purchased portions of Atkinson (6.566 acres) and Huffman West (23.146 acres) for the Natomas Levee Improvement Project. Mitigation of those portions was shifted to Bolen West.
- 
- <sup>11</sup> Huffman West tract and 19 acres of the Huffman East tract is for supplemental mitigation required of Metro Air Park.
- 
- <sup>12</sup> Opus West mitigation (Promenade) 63.116 acres, Griffin Industries 42.005 acres, Brookfield (unused) 32.1075 acres, leaving a balance of 10.7215 available for future mitigation.
- 
- <sup>13</sup> SAFCA purchased 0.111 acres of Bolen West for the Natomas Levee Improvement Project.
- 
- <sup>14</sup> Approximately 40 additional acres may be deeded back to the Conservancy over time under a long-term agreement on this tract. The same is true with the Bianchi West tract.
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*t h e*  
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