

Appendix B

Draft "Revised Fee Estimate Based on the Draft (2002) NBHCP", dated October 11, 2002, prepared by Economic & Planning Systems, Inc.

REVISED FEE ESTIMATE BASED ON DRAFT NBHCP

EPS has updated the cash flow model used to estimate the Natomas Basin Habitat Conservation Plan (NBHCP) mitigation fee (the "fee") based on the Draft NBHCP released July 2002.

The fee was last revised in April 2002, as detailed in Appendix I of the Draft NBHCP dated July 2002. Currently the NBHCP fee is composed of two components - the Base Fee and the Settlement Land Acquisition Premium (the "Settlement Premium") as follows:

	Base Fee	Settlement Premium	Total Fee
Land Acquisition, including Transaction Costs & Contingencies	\$3,750	\$3,947	\$7,697
Restoration & Enhancement	\$782		\$782
O&M/ Administration	\$1,555		\$1,555
O&M Endowment Fund	\$1,500		\$1,500
Supplemental Endowment	\$188		\$188
Fee Collection Administration	\$159	\$81	\$240
Total	\$7,934	\$4,028	\$11,962

The Settlement Premium adopted in 2001 was due to stay in effect only until the expiration of the Settlement Agreement, which was October 1, 2002. As a result, this memorandum details the updated assumptions used to derive only the Base Fee amount.

This memo details the changes to the assumptions used in the cash flow model to calculate the fee. The updated assumptions reflect the best cost estimates at this time of implementing the revised NBHCP. As newer and better cost estimates become available (through operating experience of the TNBC, etc.), the cash flow model and fee calculation will continue to be updated.

The July 2002 Draft NBHCP includes two appendices, Appendix A and Appendix I, containing economic analysis and cost data related to the proposed plan, respectively. Appendix A contains the Economic Analysis of the NBHCP, including an assessment of adequate funding for the NBHCP and a maximum extent practicable analysis. Appendix I provides the NBHCP Fee Update - 2002 (April 25, 2002) which presents cost data regarding the mitigation fee currently in effect in the City of Sacramento under the 1997 NBHCP.

The “Revised Fee Estimate Based on Draft NBHCP” contained in the following fee analysis addresses the costs of implementing the July 2002 Draft NBHCP, including cost estimates associated with TNBC’s obligations under the revised plan, and the mitigation fees necessary to fund the plan. This analysis is not intended to be an update of Economic Analysis in Appendix A nor is it an update to the April 25, 2002 NBHCP Fee Update. Although the following analysis represents an independent estimate of the total costs associated with the implementation of the July 2002 Draft NBHCP, the fee estimates contained in this analysis fall within the range of fees analyzed in the Economic Analysis contained in Appendix A to the NBHCP.

FEE UPDATE

Table 1 presents a summary of the NBHCP fees as well as the fee as currently calculated based on the revised NBHCP. The current fee estimate is \$10,027 per acre and is presented in **Table 2**. In some instances, developers may choose to dedicate land to satisfy the land acquisition portion of the fee. Any land dedication would be subject to the provisions of the NBHCP. In such a case the fee would be \$6,252 as currently calculated.

The fee is calculated based on actual costs and cost assumptions for each fee category listed below:

- Land Acquisition (LA)
- Restoration and Enhancement (RE)
- Administration/Operation & Maintenance (Admin/O&M)
- O&M Endowment
- Supplemental Endowment (for Land Acquisition)

There is a cash flow for each fee category. The fee is determined by ensuring that there are sufficient revenues to meet the required expenditures for each fee category through the NBHCP permit period. In the case of the O&M/Administration and O&M Endowment fund, the cash flow and corresponding fee amounts provide for the required activities, such as land management and monitoring, in perpetuity (forever).

The following details the assumptions used in estimating the fee.

ASSUMPTIONS

GENERAL ASSUMPTIONS

Table 3 presents the general assumptions used in estimating the NBHCP Fee based on the revised NBHCP. These assumptions are consistent with previous analyses of the

Base Fee (e.g., the April 2002 NBHCP Fee Update included in Appendix I of the Draft NBHCP, July 2002).

LAND ACQUISITION

Land costs are currently estimated at \$6,000 per acre as shown in **Table 4**. Transaction and contingency costs are estimated at \$1,550. The transaction costs were increased by \$50 per acquired acre to provide for costs associated with the pre-acquisition survey the Natomas Basin Conservancy (TNBC) must perform prior to any HCP acquisition, as specified in the revised Draft NBHCP.

RESTORATION AND ENHANCEMENT

Table 5 presents the assumptions used for Restoration and Enhancement. The cost per acre for the Site-Specific Management Plan was increased to account for the need for a biological site assessment and a pre-construction survey as required by the revised NBHCP. As a result, the cost per acre for site specific management costs was doubled, from \$127 per acre to \$253 per acre.

The current cost estimate associated with restoration and enhancement (i.e., converting to managed marsh) was increased to \$5,200 from \$5,095. The \$5,200 cost per acre reflects the costs of converting acquired acres to managed marsh based on the most recent experience of the TNBC on the Betts/Kismat/Silva (BKS) property. In the previous fee analysis (April 2002), it was assumed that the future costs for restoration and enhancement would be reduced from those incurred in the BKS property. However, the TNBC no longer believes this will be the case, particularly given the four to five year lag time between when fees are collected and restoration and enhancement is completed. Restoration and enhancement costs will be closely monitored and the fee adjusted accordingly in the future to ensure that the monies collected will be adequate to fund the required restoration and enhancement projects.

As a result of these assumption changes, the fee for restoration and enhancement increased from \$782 per acre to \$893 per acre.

OPERATIONS & MAINTENANCE/ADMINISTRATION

Table 6, **Table 7**, and **Table 8** summarize the O&M and Administration assumptions for the NBHCP. The most significant change related to O&M/Administration is in the species and habitat mitigation monitoring requirements.

Table 8 details the increased mitigation monitoring requirements in relation to the revised NBHCP. The monitoring costs are based on estimates of what it would cost today assuming the 2,800 acres of habitat preserves. Other than the costs associated

with the mid-point program reviews, all the mitigation monitoring costs are inflated by 3 percent annually to reflect likely cost increases as habitat preserve acreage increases to 8,700 acres over time. Once all habitat acres are acquired, the costs are no longer escalated.

In addition to the increased monitoring requirements, the TNBC also would be responsible for increased reporting costs as well as costs associated with maintaining a database of all of the monitoring data. As a result, TNBC will need to hire an additional full-time staff person or contract with outside staff to manage these increased responsibilities. The costs associated with this additional staff person have been assumed in two locations in the cash flow analysis. The administrative costs have been increased in **Table 7** and by approximately \$62,000 per year to account for an allocation towards salary, benefits, and related office costs for a full-time staff costs. The remaining estimated staff costs of \$38,000 are assumed in the \$210,000 annual monitoring costs shown in **Table 8**.

The TNBC is also currently in the process of hiring a third staff person to fill the position of an Administrative Manager. The estimated cost related to this additional staff person is also included in **Table 8**.

The increase in O&M/ Administration costs results in an increase of the O&M/ Administration fee component from \$1,555 to \$2,850 per acre.

O&M ENDOWMENT

The sole function of the O&M Endowment fund is to ensure that the TNBC will be able to fund ongoing O&M of the habitat preserves and administer the program for the life of the permit and for the reserve management in perpetuity (forever). Once all fee revenues are paid, the O&M/ Administration fund will need another source of funding since crop revenues and hunting revenues will be insufficient to fully fund the HCP in any given year.

The O&M Endowment fund builds principle as fees are collected and as interest earnings are accrued. Towards the end of the 50-year permit period, the O&M/ Administration fund begins to drawdown on the endowment fund. The cash flow is structured such that only interest earnings are drawdown, never the principle balance.

The endowment fund is also structured such that the interest earnings are at least 1.2 times the annual drawdown amount. This allows the fund to continue to grow in perpetuity (forever). As a result, however, the principle balance in the current fee model grows to over \$66 million, as opposed to \$45 million in the April 2002 fee analysis. The higher principle balance (derived from higher fees) is necessary in order to ensure that the fund can generate the 1.2 times in interest earnings.

Because the costs related to O&M/ Administration have increased and the related fee, it is also necessary to increase the fee component for the O&M Endowment fund, from \$1,500 per acre to \$1,900 per acre.

SUPPLEMENTAL ENDOWMENT FUND

The Supplemental Endowment fund was created in 2001 to provide additional revenue to allow the TNBC to either purchase mitigation land in advance of requirements (such as establishing a 200 reserve land surplus) or to provide a cushion for land acquisition in the case that land prices spike in any given year before the fee can be adjusted accordingly.

Based on the revised NBHCP, TNBC is required to purchase the 200 acres and keep it in surplus through the end of the acquisition period. As a result the TNBC has purchased 200 acres and has financed this acquisition through a loan from the City of Sacramento. In order to build the acquisition cost as well as the financing cost into the fee program, the Supplemental Endowment fund cash flow was modified such that it shows the 200-acre acquisition in year 2002. The fund carries a negative fund balance, although it declines over time, until all fees have been paid. See **Table A-10** in the Appendix.

In addition, the Supplemental Endowment builds in a cost for Changed Circumstances, as required by the NBHCP. At this time exactly what constitutes or will constitute Changed Circumstances in the future is unknown. Therefore, a simple assumption of \$500 per acquired acre is assumed for Changed Circumstances.

The overall fee component for the Supplemental Endowment Fund increased from \$188 per acre to \$408 per acre based on these assumption changes.

CASH FLOW SUMMARY

Table 10 presents a summary of the cash flow funds through the end of the 50-year permit period. The detailed cash flows for each fund are presented in **Appendix A**.

DRAFT

Table 1
Natomas Basin HCP -- July 2002
HCP Mitigation Fee Summary 1996-2002

Assumes
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh

	Adopted						Proposed w/ Revised HCP Fall 2002
	1996/1997	1998	1999	2000	2001	2002	
Land Acquisition Cost (LA) [1]	\$1,830	\$1,830	\$2,036	\$2,500	\$3,000	\$3,750	\$3,775
Land Acquisition Settlement [3]					\$3,947	\$3,947	
Restoration/Enhancement (RE) [2]	\$140	\$198	\$200	\$423	\$368	\$782	\$893
Administration/O & M	\$150	\$475	\$800	\$750	\$1,555	\$1,555	\$2,850
O & M Endowment Fund	\$75	\$100	\$190	\$190	\$800	\$1,500	\$1,900
Supplemental Endowment Fund	\$0	\$0	\$0	\$0	\$150	\$188	\$408
Fee Collection Administration	\$45	\$53	\$66	\$78	\$201	\$240	\$201
Subtotal Mitigation Fee	\$2,240	\$2,656	\$3,292	\$3,941	\$10,021	\$11,962	\$10,027
<i>Percent Increase</i>		19%	24%	20%	154%	19%	

"hist_fee_sum"

- [1] Land acquisition cost includes land cost, transaction costs, and contingency costs. Acquisition costs estimated at \$4,000 to \$9,000 per acre.
 [2] Increases in RE fee components reflects the significant cost of restoring or enhancing marsh land to benefit Swainson's hawk and the giant garter snake.
 [3] Fee through 2002 only.

DRAFT

Table 2
Natomas Basin HCP – July 2002
Estimation of Mitigation Fee

Assumes
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh

<i>Estimation of Mitigation Fee</i>				Notes:
Mitigation Requirement	1/2 Acre of Mitigation Land for Each Gross Acre of Developed Land			
Habitat Mitigation Fee	<u>Cost per Acre of Habitat</u> a	<u>Mitigation Fee per Acre of Development</u> b=a x .5	<u>Percent of Base Fee</u>	
BASE FEE				
Land Acquisition Cost (LA)				
Land Cost	\$6,000 [1]	\$3,000		
Transaction Costs & Contingency	\$1,550 [1]	\$775		
Total Land Acquisition Cost (LA)	\$7,550	\$3,775	38%	
Restoration/Enhancement (RE)				
RE Cost	\$1,553	\$777		
RE Contingency	\$233	\$116		
Total Restoration/Enhancement (RE)	\$1,786	\$893	9%	
Administration/O & M	\$5,700 [2]	\$2,850	28%	
O & M Endowment Fund	\$3,800 [2]	\$1,900	19%	
Supplemental Endowment Fund	\$815	\$408	4%	5% of land acquisition fee
Subtotal Mitigation Fee	\$19,651	\$9,826		
Fee Collection Administration		\$201	2%	2% of fee for collection
Total Base Fee		\$10,027	100%	
<hr/>				
FEE EXCLUDING LAND ACQUISITION		\$6,252		[3]

fee_sum_1

- [1] Based on information provided by the Natomas Basin Conservancy
- [2] Administration/O&M and Endowment Fund costs set based on 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.
- [3] In some cases developers may choose to 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 -- July 2002
General Assumptions

Inflation	0.0%
Interest Rate	3.0%
Escalation Factor for Marsh Conversion	
In addition to Inflation Factor	0.0%
Mitigation Ratio	0.5
Habitat Acres Acquired to Date	2,782
Remaining Acres to be Acquired	5,918
Estimated Use of In-Basin Lands	
Marsh	25%
Existing Rice	50%
Other/Upland	25%
Total Initial Use	100%
Rice Converted to Marsh	After Year-5, 324 acres in marsh 25% thereafter
Rice Lands (excluding land converted to marsh) [2]	
Uplands/Fallow	10%
Leased for Other Crops	0%
Leased Rice Base Land	90%
Total Rice Lands	100%

"Gen_Assumps"

Table 4
Natomas Basin HCP -- July 2002
Land Acquisition Cost and
Acquired Habitat Land Utilization Assumptions

Assumes
17,500 acres of development
1/2 acre of mitigation land per gross acre of developed land
25% marsh

Item				Notes:	NBHCP Page Ref. #
Land Acquisition Values per Acre	<u>Land Value</u>	<u>Permitted by Plan</u>	<u>Assumed in Financial Analysis</u>		
In-Basin Lands	\$6,000	80%	100%	Based on survey of available land prices early 2002.	
Out-of-Basin Lands	\$3,250	20%	0%	Estimated \$3,100-\$3,500 per acre range per Recent Experience of NBHCP	
Average Land Value [1]	\$6,000	Use In-Basin Land Value			
Plus Transaction Costs & Contingency	\$1,550	per Acre		Includes Pre-acquisition field reconnaissance.	V-17
Average Land Acquisition Cost	\$7,550	per acquired acre		Beginning 1/1/02	
2002 Habitat Acres (Settlement Agreement)					
Average Land Value	\$9,450	per acquired acre			
Plus Transaction Costs & Contingency	\$1,550	per acquired acre			
Average Land Acquisition Cost	\$11,000	per acquired acre			

"Land_Acq_Assumps"
 10365 model update Fall 02.xls

Source: Natomas Basin Conservancy

- [1] Assumes all acquisition occurs at the average in-basin land value.
 [2] Rice Lands percents included for cost and revenue calculation purposes only.

Table 5
Natomas Basin HCP – July 2002
Restoration & Enhancement Assumptions

Assumes
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh

Item	Estimated Cost	Estimated Cost per Acre	Note:	NBHCP Page #
Site Specific Management Plan Costs				
NBHCP Biological Site Assessment	\$15,000 per Acquisition	\$76 per Acquired Acre assumes 30 more acquisitions	Baseline Biological site assessments for: -Tri-Colored Blackbird -Valley Elderberry Longhorn Beetle -Delta Tule Pea -Sanford Arrowhead Assessment for Species Introduction: -Delta Tule Pea -CTS -ST -Pond Turtle -Sanford Arrowhead -Vernal Pool Plant Species, -Other Covered Plant Species	IV-25; V-22; V-25; V-26; VI-15
NBHCP Pre-construction Survey	\$12,000 per Acquisition	\$61 per Acquired Acre assumes 30 more acquisitions	Formal pre-construction site survey for restoration and enhancement, including: -Assessment of Swainsons Hawk nest disturbance -Assessment of Other Avian Species nest disturbance -Assessment of Valley Eldeberry Longhorn Beetle	V-17; V-20; V-25
Preparation of Site Specific Management Plan	\$23,000 per Acquisition	\$117 per Acquired Acre	Assumes 30 more acquisitions.	
Subtotal SSMP Cost Per Acre		\$253 per acre	Note [1]	
To be Completed:	Within 1 Year of Reserve Acquisition			
Restoration & Enhancement				
	<u>Use of Land</u>	<u>Initial Costs</u>	<u>Weighted Cost [5]</u>	
<i>Expended At Time Land Is Acquired</i>				
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]
Subtotal	100%		\$0	
<i>Expended At Time Land Is Converted</i>				
Rice/Other Converted to Marsh	25%	\$5,200	\$1,300	Note [4]
Subtotal Restoration & Enhancement			\$1,300	
R&E Cost Per Acre			\$1,553	Weighted average cost per Acquired Acre
R&E Contingency (@ 15%)			\$233	Per Acquired Acre

RE_Assumps
 10365 model update Fall 02.xls

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. However, rice land will be converted to marsh land.
- [3] The initial costs of marsh, existing rice, dry land converted to rice and other upland have been set to zero as no initial restoration or enhancement costs are anticipated.
- [4] In 2001, the cost of converting of acquired acres to marsh cost approximately \$5,200 per acre.
- [5] The cost of restoration and enhancement is weighted by the percent of acres assumed to be converted or used for that particular land use.

DRAFT

Table 6
Natomas Basin HCP – July 2002
Operations & Maintenance Assumptions

Assumes
 17,500 acres of development
 1/2 acre of mitigation land per gross acre of developed land
 25% marsh

<i>Item</i>		<i>Notes:</i>
Operations & Maintenance Costs		
Marsh	\$281.00 per acre	Updated Cost – May 2001 Based on Wildlands, Inc. Estimates Based on Wildlands, Inc. Estimates alfalfa, safflower, etc.
Upland/Fallow	\$18.25 per acre	
Land Leased for Planted Rice Base	\$2.67 per acre	
Land Leased for Other Crops	\$2.67 per acre	
Other	\$0.00 per acre	
Hunting	\$0.00 per acre	Updated Cost – May 2001
Miscellaneous Maintenance Costs	\$23.65 per acre	Based on Wildlands, Inc. Estimates
Special Assessment & Property Tax Costs		
<u>Sacramento County</u>		
Reclamation District #1000	\$13.08 per acre	Based on published tariffs and rates Based on published tariffs and rates Based on published tariffs and rates Based on published tariffs and rates Based on average assessed value of all properties acquired through Feb. 2002 -- \$5,100 per acre
NCMWA	\$0.42 per acre	
SAFCA O&M Assessment #1	\$5.69 per acre	
CSAI Safety Lights	\$0.08 per acre	
Property Tax [1]	\$54.42 per acre	
Subtotal Sacramento County	\$73.68 per acre	
<u>Sutter County</u>		
Reclamation District #1000	\$13.08 per acre	Based on published tariffs and rates Based on published tariffs and rates
NCMWC	\$0.42 per acre	
Property Tax	\$51.00 per acre	Based on average assessed value of all properties acquired through Feb. 2002 -- \$5,100 per acre
Subtotal Sutter County	\$64.50 per acre	
Mitigation Monitoring & Adaptive Management		
One-Time/Fixed Costs	\$7,500	See Table 8 for detail
On-Going Monitoring	\$203,040 per year	
Administrative Costs		
During Development	\$756,585 per year	See Table 7 for detail
After All Land Acquired	\$756,585 per year	
Operations & Maintenance Revenues		
Crop Land Leases		
<u>Through 2002</u>		
Planted Rice Base Acreage	\$160 per acre/year	normal ag. practices
Other Crops (Flex. acreage)	\$80 per acre/year	normal ag. practices
<u>2003 +</u>		
Planted Rice Base Acreage	\$160 per acre/year	normal ag. practices
Other Crops (Flex. acreage)	\$80 per acre/year	normal ag. practices
Hunting		
Hunting Revenue per Acre	\$12 per acre	Based on Wildlands Estimate for initial Site Plan

Source: The Natomas Basin Conservancy

"OM_Assumps"

[1] Includes G.O. bond assessment.

DRAFT

Table 7
Natomas Basin HCP
Estimated Annual Natomas Basin Conservancy (NBC) Administrative Costs

	Annual Cost	Notes
<u>Administrative Expenses</u>		
Staff	\$280,000	
Benefits	\$92,400	
Board Expense	\$6,000	
Subtotal	\$378,400	
<u>Office Expense</u>		
Rent	\$20,000	
Telephone	\$2,100	
Copying & Printing	\$23,000	
Office Supplies	\$8,000	
Postage	\$900	
Equipment	\$5,000	
Auto Expense	\$9,500	
Subtotal	\$68,500	
<u>Miscellaneous Expense</u>		
Insurance	\$25,000	Liability and E&O
Accounting	\$20,000	
Legal	\$80,000	
Corporate Taxes	\$1,000	
Subtotal	\$126,000	
Contract Work & Public Education	\$45,000	
Publications, Printing, & Distribution	\$40,000	
Subtotal Costs	\$657,900	
Contingency	\$98,685	15% Contingency
Total Administration During Habitat Acquisition Phase	\$756,585	
Total Administration After Habitat Acquisition	\$756,585	[1]

"admin_assumps"

10365 model update Fall 02.xls

Source: NBC FY 2001 budget estimate; Draft HCP July 2002

DRAFT

**Table 8
Natomas Basin HCP -- July 2002
Species & Habitat Monitoring Cost Assumptions**

Item	Description	Total Cost	Interval (Years)	Cost per unit	Annualized Cost	Comments	NBHCP Pg. #
					50 Years		
<u>Fixed or One-Time Costs</u>							
Mid-Point Program Reviews	Mid-Point Program Review for Permittees & Overall Program Review	\$375,000	3	\$125,000	\$7,500	Written report required; extensive requirements; refer to NBHCP. Assumes the Overall Program Review will happen concurrently with one of the Permittee Reviews	VI-28
Connectivity -- Acquisition Costs	Ensure connectivity through easements, etc. Acquisition costs. Estimate -- 10 miles of abandoned water conveyance structures	NA		NA	NA	Assumed to be applied towards habitat preserve land acquisition requirements. Therefore, it assumed costs would be absorbed under land acquisition.	IV-8
Land Acquisition Restrictions	Setback; no mitigation land designated for urban use.	NA		NA	NA	Greatly restricts land available for mitigation land acquisition resulting in much higher costs.	IV-11
Subtotal					\$7,500		
<u>Annual Monitoring & Reporting Requirements</u>							
Biological Effectiveness Monitoring Plan							
Giant Garter Snake	Annual Field Survey -- Basinwide	\$1,600,000	40	\$40,000	\$32,000		VI-19
Swainson's Hawk	Annual Field Survey -- Basinwide	\$1,000,000	40	\$25,000	\$20,000		V-18; VI-20
Other Covered Species	Annual monitoring of Preserve Sites & Control Sites for: -Delta Tule Pea -Sanford Arrowhead -VP Plants	\$400,000	40	\$10,000	\$8,000	Site Specific Monitoring Programs Must monitor known populations annually and file report.	V-26; VI-15

13

DRAFT

Table 8
 Natomas Basin HCP -- July 2002
 Species & Habitat Monitoring Cost Assumptions

Item	Description	Total Cost	Interval (Years)	Cost per unit	Annualized Cost	Comments	NBHCP Pg. #
Connectivity-- Assessment		\$120,000	40	\$3,000	\$2,400	Level of effort assumed - letter to the water agency requesting information, and subsequent documentation based on info provided by water agencies. No independent assessment by TNBC assumed.	VI-15
Reporting Costs							Assumed in administrative budget.
Other Annual Costs							
Connectivity -- O&M	Ensure connectivity through easements, etc. Management and maintenance.	\$250,000	10	\$5,000	\$5,000	Estimate 10 miles of abandonment. This is only a rough estimate due to the uncertainty of accounting for this eventuality. Suggest hiring water agency to maintain and manage acquired structures with the cost shown serving as an estimate of contract cost. Estimate costs for water and maintenance at \$500/mile.	IV-8
Avian Species Monitoring	General Habitat Monitoring-- including wintering bird species evaluation	\$750,000	50	\$15,000	\$15,000	"...additional surveys should be carried out...to detect actual species...on and off mitigation lands. Seven to 14-days per year; annual estimates of avian colonies...size and nesting success...must determine habitat characteristics.	VI-20
Subtotal					\$82,400		
<u>5-Year Monitoring & Reporting Requirements</u>							
Biological Effectiveness Monitoring Plan							
Annual Biological Effectiveness Assessment		\$780,000	10	\$78,000	\$15,600	See Above	

DRAFT

Table 8
Natomas Basin HCP -- July 2002
Species & Habitat Monitoring Cost Assumptions

Item	Description	Total Cost	Interval (Years)	Cost per unit	Annualized Cost	Comments	NBHCP Pg. #
Additional Monitoring Requirements	Five-Year Inventory of Reserve Lands Botanical inventory Rarely occurring species inventory Seasonal wetland monitoring/surveying	\$550,000	10	\$55,000	\$11,000	Density and distribution of all covered species on reserves.	VI-14; VI-20; VI-21;
Adaptive Management	Review of Biological Effectiveness Monitoring Program procedures and practices.	\$200,000	10	\$20,000	\$4,000	"Whenever review indicates revision is necessary to effectively monitor the success...of goals and objectives." Outside, independent, third-party likely required to conduct for compliance.	VI-22
Subtotal					\$30,600		
Other Costs							
Adaptive Management	Periodic Review of NBHCP Monitoring Data	\$180,000	10	\$18,000	\$3,600	Review data, new science, future recovery plans, TAC recs, i.d. threshold limits. Suggest outside, third-party independent contractor needs to do to achieve compliance.	VI-23
Adaptive Management	Report to Review Adaptive Management.	\$306,000	17	\$18,000	\$6,120	Assess adaptive management in published reports using scientific information, research and baseline inventories, etc. And file report with agencies.	VI-23
Data Management	Database Management; Validity and Reliability Testing Evaluation	\$1,000,000	50	\$20,000	\$20,000	Provide report on complete database to Resources Agencies annually. Reliability Evaluation required annually; w/TAC or third party approved by the Wildlife Agencies.	VI-24
Subtotal					\$29,720		

15

DRAFT

Table 8
Natomas Basin HCP -- July 2002
Species & Habitat Monitoring Cost Assumptions

Item	Description	Total Cost	Interval (Years)	Cost per unit	Annualized Cost	Comments	NBHCP Pg. #
Total Annual Cost					\$210,540		
Habitat Acres through 2002					2,788		
Annual Cost Per Acre					\$75.52		

"Monitoring_Assumps"

Source: The Natomas Basin Conservancy

16

DRAFT

Table 9
Natomas Basin HCP -- July 2002
Supplemental Endowment Cost Assumptions

Item	Note:					
	Base Cost per Acre	Cost per Acre Including Int Cost	Total Est. Acquisition Cost	Allocated Cost		
200 Acre Reserve -- Contingency Fund	\$8,000	\$10,400 [1]	\$2,080,000	\$315	per Acquired Acre	Allocated over remaining reserve requirement (6,600 acres)
Changed Circumstances						
Managed Marsh Contingency					per Acquired Acre	Note [2]
Other Changed Circumstance Contingency				\$500	per Acquired Acre	
Total				\$815	per Acquired Acre	

"supp_endow_assumps"

Source: The Natomas Basin Conservancy and EPS

[1] Includes a financing factor of 30% ($\$8,000 * 1.3 = \$10,400$).

DRAFT

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

Assumes:	0.0% Inflation
	3.0% Interest Rate

	Total 1996-2045	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003
LAND ACQUISITION		[1]	[1]	[1]	[2]				
Beginning Balance		\$0	\$55,641	\$247,608	\$2,773,665	\$545,571	\$563,113	\$2,225,278	(\$2,007,870)
Total Revenues	\$64,621,447	\$55,641	\$191,966	\$2,526,057	\$2,696,904	\$1,287,471	\$3,198,070	\$3,941,346	\$4,462,910
Total Expenditures	(\$56,510,403)	\$0	\$0	\$0	(\$4,924,998)	(\$1,647,666)	(\$1,535,905)	(\$9,510,155)	(\$1,569,213)
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,335,661	(\$1,335,661)
Balance Adjustments	\$377,738	\$0	\$0	\$0	\$0	\$377,738	\$0	\$0	\$0
Ending Balance	\$8,488,781	\$55,641	\$247,608	\$2,773,665	\$545,571	\$563,113	\$2,225,278	(\$2,007,870)	(\$449,834)
RESTORATION & ENHANCEMENTS									
Beginning Balance		\$0	\$4,257	\$19,032	\$292,743	\$589,200	\$582,058	\$268,280	\$375,241
Total Revenues	\$13,688,163	\$4,257	\$14,775	\$273,711	\$296,457	\$145,324	\$746,644	\$452,121	\$1,056,627
Total Expenditures	(\$13,163,748)	\$0	\$0	\$0	\$0	\$0	(\$1,060,422)	(\$345,161)	(\$462,832)
Balance Adjustments	(\$152,466)	\$0	\$0	\$0	\$0	(\$152,466)	\$0	\$0	\$0
Ending Balance	\$371,949	\$4,257	\$19,032	\$292,743	\$589,200	\$582,058	\$268,280	\$375,241	\$969,035
ADMINISTRATION/O&M									
Beginning Balance		\$0	\$4,561	\$70,261	\$621,109	\$1,172,809	\$1,549,539	\$1,754,659	\$167,061
Total Revenues	\$82,462,946	\$4,561	\$65,700	\$657,778	\$878,604	\$686,778	\$816,275	\$1,035,862	\$3,583,074
Drawdown on Endowment Fund	\$11,459,781	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$94,153,763)	\$0	\$0	(\$106,930)	(\$326,904)	(\$541,084)	(\$611,155)	(\$1,287,799)	(\$1,333,577)
Balance Adjustments (Inc. Transfers)	\$231,035	\$0	\$0	\$0	\$0	\$231,035	\$0	(\$1,335,661)	\$1,335,661
Ending Balance	\$0	\$4,561	\$70,261	\$621,109	\$1,172,809	\$1,549,539	\$1,754,659	\$167,061	\$3,752,219
O&M ENDOWMENT									
Beginning Balance		\$0	\$3,041	\$13,622	\$152,066	\$323,846	\$463,981	\$1,003,066	\$1,988,158
Total Revenues	\$75,769,670	\$3,041	\$10,581	\$138,445	\$157,704	\$140,135	\$539,085	\$985,092	\$2,296,283
Drawdown on Endowment Fund	(\$11,459,781)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$14,076	\$0	\$0	\$0	\$14,076	\$0	\$0	\$0	\$0
Ending Balance	\$64,323,965	\$3,041	\$13,622	\$152,066	\$323,846	\$463,981	\$1,003,066	\$1,988,158	\$4,284,441
SUPPLEMENTAL ENDOWMENT									
Beginning Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$58,799	(\$1,925,438)
Total Revenues	\$5,470,315	\$0	\$0	\$0	\$0	\$0	\$58,799	\$95,764	\$479,172
Total Expenditures	(\$5,337,202)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$133,114	\$0	\$0	\$0	\$0	\$0	\$58,799	\$154,562	(\$1,446,266)
Changed Circumstances Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$293,610

18

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

DRAFT

	9 2004	10 2005	11 2006	12 2007	13 2008	14 2009	15 2010	16 2011	17 2012
LAND ACQUISITION									
Beginning Balance	(\$449,834)	\$268,582	\$1,001,525	\$1,745,626	\$2,500,887	\$2,897,668	\$3,259,870	\$3,627,506	\$4,000,655
Total Revenues	\$4,675,471	\$4,699,365	\$4,710,522	\$4,721,684	\$2,031,014	\$1,996,436	\$2,001,869	\$2,007,383	\$2,012,981
Total Expenditures	(\$3,957,054)	(\$3,966,422)	(\$3,966,422)	(\$3,966,422)	(\$1,634,233)	(\$1,634,233)	(\$1,634,233)	(\$1,634,233)	(\$1,634,233)
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$268,582	\$1,001,525	\$1,745,626	\$2,500,887	\$2,897,668	\$3,259,870	\$3,627,506	\$4,000,655	\$4,379,403
RESTORATION & ENHANCEMENTS									
Beginning Balance	\$969,035	\$388,778	\$798,517	\$740,514	\$892,652	\$499,371	\$97,832	\$153,105	\$209,539
Total Revenues	\$1,104,815	\$1,095,197	\$1,103,802	\$1,102,584	\$466,622	\$458,363	\$449,931	\$451,091	\$452,276
Total Expenditures	(\$1,685,073)	(\$685,458)	(\$1,161,805)	(\$950,446)	(\$859,902)	(\$859,902)	(\$394,657)	(\$394,657)	(\$394,657)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$388,778	\$798,517	\$740,514	\$892,652	\$499,371	\$97,832	\$153,105	\$209,539	\$267,158
ADMINISTRATION/O&M									
Beginning Balance	\$3,752,219	\$6,173,247	\$8,673,418	\$11,193,613	\$13,823,241	\$14,443,752	\$15,035,918	\$15,631,890	\$16,223,949
Total Revenues	\$3,831,158	\$3,984,212	\$4,101,138	\$4,295,443	\$2,344,092	\$2,372,688	\$2,410,014	\$2,447,454	\$2,484,776
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,410,131)	(\$1,484,040)	(\$1,580,943)	(\$1,665,814)	(\$1,723,582)	(\$1,780,522)	(\$1,814,042)	(\$1,855,395)	(\$1,896,981)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$6,173,247	\$8,673,418	\$11,193,613	\$13,823,241	\$14,443,752	\$15,035,918	\$15,631,890	\$16,223,949	\$16,811,744
O&M ENDOWMENT									
Beginning Balance	\$4,284,441	\$6,725,821	\$9,246,121	\$11,842,254	\$14,516,506	\$15,911,282	\$17,348,155	\$18,828,397	\$20,353,320
Total Revenues	\$2,441,380	\$2,520,300	\$2,596,134	\$2,674,252	\$1,394,776	\$1,436,873	\$1,480,242	\$1,524,923	\$1,570,955
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$6,725,821	\$9,246,121	\$11,842,254	\$14,516,506	\$15,911,282	\$17,348,155	\$18,828,397	\$20,353,320	\$21,924,275
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	(\$1,739,876)	(\$1,547,994)	(\$1,355,658)	(\$1,163,322)	(\$970,986)	(\$891,741)	(\$812,495)	(\$733,249)	(\$654,003)
Total Revenues	\$495,492	\$496,665	\$496,665	\$496,665	\$204,634	\$204,634	\$204,634	\$204,634	\$204,634
Total Expenditures	(\$2,080,000)	(\$293,610)	(\$303,610)	(\$304,329)	(\$304,329)	(\$304,329)	(\$125,389)	(\$125,389)	(\$125,389)
Ending Balance	(\$3,324,384)	(\$1,344,939)	(\$1,162,603)	(\$970,986)	(\$1,070,681)	(\$991,435)	(\$733,249)	(\$654,003)	(\$574,758)
Changed Circumstances Fund Balance	\$606,029	\$928,539	\$1,260,724	\$1,602,875	\$1,776,350	\$1,955,029	\$2,139,069	\$2,328,630	\$2,523,877

19

DRAFT

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

	18 2013	19 2014	20 2015	21 2016	22 2017	23 2018	24 2019	25 2020
LAND ACQUISITION								
Beginning Balance	\$4,379,403	\$4,659,012	\$4,931,328	\$5,207,729	\$5,488,275	\$5,642,593	\$5,796,911	\$5,951,229
Total Revenues	\$1,252,809	\$1,245,515	\$1,249,600	\$1,253,746	\$1,127,517	\$1,127,517	\$1,127,517	\$1,127,517
Total Expenditures	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$4,659,012	\$4,931,328	\$5,207,729	\$5,488,275	\$5,642,593	\$5,796,911	\$5,951,229	\$6,105,547
RESTORATION & ENHANCEMENTS								
Beginning Balance	\$267,158	\$170,488	\$71,788	\$102,885	\$134,634	\$164,223	\$193,812	\$223,400
Total Revenues	\$272,324	\$270,294	\$268,221	\$268,874	\$266,714	\$266,714	\$266,714	\$266,714
Total Expenditures	(\$368,994)	(\$368,994)	(\$237,125)	(\$237,125)	(\$237,125)	(\$237,125)	(\$237,125)	(\$237,125)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$170,488	\$71,788	\$102,885	\$134,634	\$164,223	\$193,812	\$223,400	\$252,989
ADMINISTRATION/O&M								
Beginning Balance	\$16,811,744	\$16,812,353	\$16,786,109	\$16,767,220	\$16,730,436	\$16,674,952	\$16,599,930	\$16,504,500
Total Revenues	\$1,932,213	\$1,940,228	\$1,982,496	\$1,993,578	\$2,004,123	\$2,014,107	\$2,023,504	\$2,032,290
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$1,931,604)	(\$1,966,472)	(\$2,001,385)	(\$2,030,362)	(\$2,059,607)	(\$2,089,128)	(\$2,118,934)	(\$2,149,033)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$16,812,353	\$16,786,109	\$16,767,220	\$16,730,436	\$16,674,952	\$16,599,930	\$16,504,500	\$16,387,757
O&M ENDOWMENT								
Beginning Balance	\$21,924,275	\$23,157,193	\$24,427,406	\$25,736,045	\$27,084,277	\$28,473,302	\$29,904,358	\$31,378,720
Total Revenues	\$1,232,918	\$1,270,213	\$1,308,640	\$1,348,232	\$1,389,025	\$1,431,056	\$1,474,362	\$1,518,983
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$23,157,193	\$24,427,406	\$25,736,045	\$27,084,277	\$28,473,302	\$29,904,358	\$31,378,720	\$32,897,703
SUPPLEMENTAL ENDOWMENT								
Beginning Balance	(\$574,758)	(\$527,566)	(\$480,375)	(\$433,183)	(\$385,992)	(\$338,801)	(\$291,609)	(\$244,418)
Total Revenues	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861
Total Expenditures	(\$125,389)	(\$125,389)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)
Ending Balance	(\$578,285)	(\$531,094)	(\$433,183)	(\$385,992)	(\$338,801)	(\$291,609)	(\$244,418)	(\$197,226)
Changed Circumstances Fund Balance	\$2,674,264	\$2,829,161	\$2,988,706	\$3,153,037	\$3,322,299	\$3,496,638	\$3,676,207	\$3,861,163

20

DRAFT

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

	26 2021	27 2022	28 2023	29 2024	30 2025	31 2026	32 2027	33 2028	34 2029
LAND ACQUISITION									
Beginning Balance	\$6,105,547	\$6,259,865	\$6,414,183	\$6,568,501	\$6,722,819	\$6,877,137	\$7,361,264	\$8,488,781	\$8,488,781
Total Revenues	\$1,127,517	\$1,127,517	\$1,127,517	\$1,127,517	\$1,127,517	\$1,127,517	\$1,127,517	\$0	\$0
Total Expenditures	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$973,199)	(\$643,391)	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$6,259,865	\$6,414,183	\$6,568,501	\$6,722,819	\$6,877,137	\$7,361,264	\$8,488,781	\$8,488,781	\$8,488,781
RESTORATION & ENHANCEMENTS									
Beginning Balance	\$252,989	\$282,578	\$312,167	\$341,755	\$371,344	\$400,933	\$443,326	\$510,698	\$377,149
Total Revenues	\$266,714	\$266,714	\$266,714	\$266,714	\$266,714	\$266,714	\$266,714	\$0	\$0
Total Expenditures	(\$237,125)	(\$237,125)	(\$237,125)	(\$237,125)	(\$237,125)	(\$224,321)	(\$199,342)	(\$133,549)	(\$5,200)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$282,578	\$312,167	\$341,755	\$371,344	\$400,933	\$443,326	\$510,698	\$377,149	\$371,949
ADMINISTRATION/O&M									
Beginning Balance	\$16,387,757	\$16,248,758	\$16,086,526	\$15,900,042	\$15,688,249	\$15,450,048	\$15,182,424	\$14,880,477	\$13,708,446
Total Revenues	\$2,040,436	\$2,047,915	\$2,054,696	\$2,060,750	\$2,066,045	\$2,065,082	\$2,052,573	\$1,188,722	\$1,153,561
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	(\$2,179,435)	(\$2,210,147)	(\$2,241,180)	(\$2,272,543)	(\$2,304,246)	(\$2,332,706)	(\$2,354,519)	(\$2,360,753)	(\$2,360,753)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$16,248,758	\$16,086,526	\$15,900,042	\$15,688,249	\$15,450,048	\$15,182,424	\$14,880,477	\$13,708,446	\$12,501,254
O&M ENDOWMENT									
Beginning Balance	\$32,897,703	\$34,462,660	\$36,074,988	\$37,736,123	\$39,447,549	\$41,210,791	\$43,027,423	\$44,899,067	\$46,259,901
Total Revenues	\$1,564,957	\$1,612,327	\$1,661,135	\$1,711,425	\$1,763,242	\$1,816,632	\$1,871,644	\$1,360,834	\$1,402,214
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$34,462,660	\$36,074,988	\$37,736,123	\$39,447,549	\$41,210,791	\$43,027,423	\$44,899,067	\$46,259,901	\$47,662,115
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	(\$197,226)	(\$150,035)	(\$102,843)	(\$55,652)	(\$8,460)	\$38,731	\$85,922	\$133,114	\$133,114
Total Revenues	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$121,861	\$0	\$0
Total Expenditures	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)	(\$74,670)
Ending Balance	(\$150,035)	(\$102,843)	(\$55,652)	(\$8,460)	\$38,731	\$85,922	\$133,114	\$58,444	\$58,444
Changed Circumstances Fund Balance	\$4,051,668	\$4,247,888	\$4,449,994	\$4,658,164	\$4,872,579	\$5,093,427	\$5,320,899	\$5,480,526	\$5,644,942

21

DRAFT

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

	35 2030	36 2031	37 2032	38 2033	39 2034	40 2035	41 2036	42 2037	43 2038
LAND ACQUISITION									
Beginning Balance	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781
RESTORATION & ENHANCEMENTS									
Beginning Balance	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949
ADMINISTRATION/O&M									
Beginning Balance	\$12,501,254	\$11,257,846	\$9,977,135	\$8,658,004	\$7,299,298	\$5,899,831	\$4,458,381	\$2,973,686	\$1,444,451
Total Revenues	\$1,117,345	\$1,080,043	\$1,041,622	\$1,002,048	\$961,287	\$919,303	\$876,059	\$831,518	\$785,641
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$130,661
Total Expenditures	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$11,257,846	\$9,977,135	\$8,658,004	\$7,299,298	\$5,899,831	\$4,458,381	\$2,973,686	\$1,444,451	\$0
O&M ENDOWMENT									
Beginning Balance	\$47,662,115	\$49,106,972	\$50,595,774	\$52,129,865	\$53,710,626	\$55,339,485	\$57,017,912	\$58,747,421	\$60,529,574
Total Revenues	\$1,444,857	\$1,488,802	\$1,534,090	\$1,580,762	\$1,628,859	\$1,678,426	\$1,729,509	\$1,782,153	\$1,836,407
Drawdown on Endowment Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$130,661)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$49,106,972	\$50,595,774	\$52,129,865	\$53,710,626	\$55,339,485	\$57,017,912	\$58,747,421	\$60,529,574	\$62,235,320
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114
Changed Circumstances Fund Balance	\$5,814,290	\$5,988,719	\$6,168,381	\$6,353,432	\$6,544,035	\$6,740,356	\$6,942,567	\$7,150,844	\$7,365,369

22

DRAFT

Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$

	44 2039	45 2040	46 2041	47 2042	48 2043	49 2044	50 2045	51 2046	52 2047
LAND ACQUISITION									
Beginning Balance	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781	\$8,488,781
RESTORATION & ENHANCEMENTS									
Beginning Balance	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949	\$371,949
ADMINISTRATION/O&M									
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$742,308	\$742,308	\$742,308	\$742,308	\$742,308	\$742,308	\$742,308	\$742,308	\$742,308
Drawdown on Endowment Fund	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446	\$1,618,446
Total Expenditures	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M ENDOWMENT									
Beginning Balance	\$62,235,320	\$62,505,274	\$62,784,180	\$63,072,342	\$63,370,072	\$63,677,693	\$63,995,542	\$64,323,965	\$64,663,321
Total Revenues	\$1,888,400	\$1,897,352	\$1,906,607	\$1,916,175	\$1,926,067	\$1,936,295	\$1,946,869	\$1,957,802	\$1,939,900
Drawdown on Endowment Fund	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)
Balance Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$62,505,274	\$62,784,180	\$63,072,342	\$63,370,072	\$63,677,693	\$63,995,542	\$64,323,965	\$64,663,321	\$64,984,775
SUPPLEMENTAL ENDOWMENT									
Beginning Balance	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114	\$133,114
Changed Circumstances Fund Balance	\$7,586,330	\$7,813,920	\$8,048,338	\$8,289,788	\$8,538,481	\$8,794,636	\$9,058,475	\$9,330,229	\$9,610,136

23

DRAFT

**Table 10
Natomas Basin HCP
Cash Flow Summary- 2002\$**

	53 2048	54 2049	55 2050
LAND ACQUISITION			
Beginning Balance	\$8,488,781	\$8,488,781	\$8,488,781
Total Revenues	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
Transfers from Admin/O&M Fund	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0
Ending Balance	\$8,488,781	\$8,488,781	\$8,488,781
RESTORATION & ENHANCEMENTS			
Beginning Balance	\$371,949	\$371,949	\$371,949
Total Revenues	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
Balance Adjustments	\$0	\$0	\$0
Ending Balance	\$371,949	\$371,949	\$371,949
ADMINISTRATION/O&M			
Beginning Balance	\$0	\$0	\$0
Total Revenues	\$742,308	\$742,308	\$742,308
Drawdown on Endowment Fund	\$1,618,446	\$1,618,446	\$1,618,446
Total Expenditures	(\$2,360,753)	(\$2,360,753)	(\$2,360,753)
Balance Adjustments (Inc. Transfers)	\$0	\$0	\$0
Ending Balance	\$0	\$0	\$0
O&M ENDOWMENT			
Beginning Balance	\$64,984,775	\$65,315,873	\$65,656,903
Total Revenues	\$1,949,543	\$1,959,476	\$1,969,707
Drawdown on Endowment Fund	(\$1,618,446)	(\$1,618,446)	(\$1,618,446)
Balance Adjustments	\$0	\$0	\$0
Ending Balance	\$65,315,873	\$65,656,903	\$66,008,165
SUPPLEMENTAL ENDOWMENT			
Beginning Balance	\$133,114	\$133,114	\$133,114
Total Revenues	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0
Ending Balance	\$133,114	\$133,114	\$133,114
Changed Circumstances Fund Balance	\$9,898,440	\$10,195,393	\$10,501,255

cash_flow

24