

**BOARD OF DIRECTORS MEETING**  
**PUBLIC SESSION MINUTES**

Sacramento, CA

March 3, 2020

1:00 pm – 2:10 pm

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ATTENDANCE

***Association of California Water Agencies***

Director: Dave Eggerton - Present

Alternate: Melissa Sparks-Kranz – Absent

***California Department of Fish and Wildlife***

Director: Nancee Murray – Present

Alternate: OPEN

***California Farm Bureau Federation***

Director: OPEN

Alternate: OPEN

***California Forestry Association***

Director: Rich Gordon – Absent

Alternate: George Gentry – Absent

***California Hydropower Reform Coalition***

Director: Pete Bell – Present

Alternate: Richard Roos-Collins – Absent

***California Public Utilities Commission***

Director: Allison Brown – Absent

Alternate: Deidre Cyprian - Present

***California Public Utilities Commission Appointed Public Members***

Director: Art Baggett Jr. – Present

Director: David Muraki – Present

Director: Chris Nota – Present

***California Natural Resources Agency***

Director: Wade Crowfoot – Absent

Alternate: Darcie Houck – Absent

***California Tribal Interests***

Director: Larry Myers – Absent

Alternate: Ken Tipon – Absent

**Central Valley Regional Water Quality Control Board**

Director: Soapy Mulholland – Present

Alternate: Bob Schneider – Absent

**Public Advocates Office**

Director: Truman Burns – Present

Alternate: Julie Halligan - Present

**Pacific Gas & Electric Company**

Director: Mike Schonherr – Present

Alternate: Rebecca Doidge - Present

**Rural County Representatives of California**

Director: Lee Adams – Absent

Alternate: John Viegas – Absent

**State Water Resources Control Board**

Director: DeeDee D'Adamo – Absent

Alternate: Jeffrey Parks – Present

**Trust for Public Land**

Director: Dave Sutton – Absent

Alternate: John McCamman - Absent

**U.S. Forest Service**

Non-Voting Liaison: Jerry Bird - Present

**STEWARDSHIP COUNCIL STAFF**

Executive Director Heidi Krolick  
Director of Land Conservation Erin Healy  
Director of Finance and Operations Aaron Robertson  
Land Conservation Program Manager Steve Schweigerdt  
Land Conservation Project Manager Megan Tolbert  
Finance and Compliance Administrator Debbie Daugherty

**OTHERS**

Thomas Gates, California Natural Resources Agency  
Cory Berla, Berla Investment Consulting  
George Berla, Berla Investment Consulting  
Kevin Conway, State Forests Program Manager, CAL FIRE  
Helge Eng, Deputy Director, Resources Management, CAL FIRE  
Dave Albrecht, Member of the Public

## **SUMMARY OF ACTIONS AND RESOLUTIONS TAKEN BY THE BOARD AT THIS MEETING**

- Adoption of the minutes of the January 15, 2020 board of directors meeting (**Consent calendar item**)
- Approval of amendments to the Bylaws as presented in the board meeting materials (**Consent calendar item**)
- Approval of amendments to Policies and Procedures as presented in the board meeting materials (**Consent calendar item**)
- Approval for the Stewardship Council to establish a new 401K plan with Guideline (**Consent calendar item**)
- Approval of the board to delegate authority to the board secretary to act on behalf of the board in the establishment of the new staff 401K plan (**Consent calendar item**)
- Approval of the revised Stewardship Council Investment Policy as presented
- Approval of the proposed Land Conservation and Conveyance Plan (LCCP) for lands to be donated to the California Department of Forestry and Fire Protection (CAL FIRE) at the Bear River planning unit, which LCCP describes how the proposed transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; approval of the proposed conservation easement funding agreement in the amount of \$144,500 between the Stewardship Council and Bear Yuba Land Trust.
- Approval of the proposed LCCP for lands to be donated to the CAL FIRE at the Bear River planning unit, which LCCP describes how the proposed transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; approval of the proposed conservation easement funding agreement in the amount of \$183,500 between the Stewardship Council and Placer Land Trust.
- Approval of the proposed LCCP for lands to be retained at the Tunnel Reservoir planning unit, which LCCP describes how the proposed transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; approval of the proposed conservation easement funding agreement in the amount of \$123,900 between the Stewardship Council and Shasta Land Trust.

## **ATTENDANCE AND QUORUM**

Stewardship Council Chair Art Baggett Jr. called the roll, declared a quorum, and called the meeting to order.

## **CONFLICT OF INTEREST DISCLOSURES**

Mr. Baggett asked if any board members had a conflict of interest with regard to any of the proposed actions. David Muraki stated he had a perceived conflict of interest regarding the Bear River action item involving Placer Land Trust.

## **PUBLIC COMMENTS**

Helge Eng and Kevin Conway of the California Department of Forestry and Fire Protection (CAL FIRE) were present and addressed the board regarding the action involving the Bear River planning unit.

Dave Albrecht, member of the public, was present and addressed the board regarding the Cow Creek planning unit and the action involving the Bear River planning unit.

## **CONSENT CALENDAR**

The board approved the consent calendar item as noted above in the summary of actions and resolutions taken at board meeting.

## **FIDUCIARY COMMITTEE**

Truman Burns provided an update on behalf of the Fiduciary Committee, verifying investment funds and cash accounts.

Aaron Robertson reviewed the financial statement included in the board packet, up to December 31, 2019. He explained that year-to-date expenditures total \$3,497,660 out of a \$11,798,349 budget. Expenditures were less than originally anticipated because escrow closures were delayed, postponing some endowment and tax neutrality payments.

Mr. Robertson then presented an update on investments, showing over \$30 million in investment accounts and proposed changes to the investment policy. He then introduced George and Cory Berla of Berla Investment Consulting, Stewardship Council's (SC) investment funds managers, to present investment status and proposed changes in finer detail.

George and Cory Berla addressed the board with detailed fund trend data. They explained that the SC is only invested in the fixed income market, particularly short term mutual and money market funds distributed into three Vanguard accounts and a DFA one year fixed income fund, and that all investment funds have low expense ratios of about 0.11.

They further discussed interest rate trends stating that interest rates are currently low compared to past years at about one percent. In the past week, interest rates have gone down but there has been no decrease for SC funds. One priority is to minimize fees where possible, so investment costs are controlled.

### **Stewardship Council Investment Policy amendment (*ACTION*)**

Mr. Robertson again addressed the board, proposing they take an action to amend the Investment Policy creating greater allocation flexibility toward "wind down" by reducing the maximum and minimum percentages on the most aggressive fund while raising the percentages on the less aggressive funds. Additionally, the changes would eliminate the performance

measure for total funds recognizing this benchmark is more of a moving target as we get closer to dissolution. The proposed language states, "Total annual performance of the portfolio is to be managed to preserve principal and provide a high degree of liquidity."

After an opportunity for board questions and discussion, the board approved the action as described above in the summary of actions and resolutions taken at the board meeting.

## **WATERSHED PLANNING COMMITTEE**

### **Bear River planning unit - (BYLT CAL FIRE Donated) (ACTION)**

Land Conservation Program Manager Steve Schweigerdt presented the Bear River BYLT CAL FIRE Donated Proposed LCCP, clarifying that there are two LCCPs for consideration on the agenda in the Bear River planning unit, because there are two land trusts holding conservation easements (CEs) on portions of the donation. The first LCCP pertains to the donation of 269 acres of land to CAL FIRE and includes the proposed CE recommended to be held by Bear Yuba Land Trust (BYLT) and the proposed CE funding agreement in the amount of \$144,500. A portion of the property is northeast of the Deer Creek Nevada Irrigation District (NID) asset sale area and PG&E retained facilities bisect the property. The beneficial public values (BPV's) protected by the LCCP include habitat, sustainable forestry, open space, recreation, and historic values. A 10-acre building envelope is included for uses that support the BPVs and demonstration forest purposes. Written public comment was received from an adjacent landowner and NID, addressing access and third party uses. Staff responded to the comments and edited the LCCP based on the comments to add NID to the list of Adjacent and Nearby Landowners and updated the map to accurately depict the NID Deer Creek asset sale area. Mr. Schweigerdt then called on Mr. Conway and Mr. Eng of CAL FIRE to address the board.

Mr. Conway thanked the board and introduced Mr. Eng. Mr. Conway stated the Bear River and Lake Spaulding CAL FIRE donations are important acquisition areas because they provide an increased elevation gradient from 3,500 to 6,000 feet, which supports the demonstration forest efforts on different forest types with more year round access at lower elevations. CAL FIRE also appreciates proximity to the state capital to provide field tours of demonstrated active forest management to State representatives. Mr. Conway also provided an update on North Fork Mokelumne River, stating that APN's are being assessed to understand varied zoning to then determine total tax neutrality amount.

Mr. Eng addressed the board and stated fire prevention, wildfire resilience and climate change mitigation are priority concerns of the governor's office, and therefore it is perfect timing to receive these properties and practice active forest management that addresses all three priorities.

Mr. Albrecht then addressed the board regarding both Bear River CAL FIRE donations. He expressed frustration that the Bear River PLT CAL FIRE Donated LCCP had five diagrams, three in text, and two in Exhibit A of the CE, and wanted to see consistency in how the maps are

presented. Additionally he noted an error in the Exhibit 1 map. Staff agreed to review and, if appropriate, correct the map.

After an opportunity for board questions and discussion, the board approved the action as described above in the summary of actions and resolutions taken at the board meeting.

### **Bear River planning unit – (PLT CAL FIRE Donated) (ACTION)**

After Mr. Muraki left the room, Mr. Schweigerdt presented the Bear River PLT CAL FIRE Donated Proposed LCCP. The LCCP pertains to the donation of 1,312 acres of land to CAL FIRE and includes the proposed CE recommended to be held by Placer Land Trust (PLT) and the proposed CE funding agreement in the amount of \$183,500. PG&E's hydroelectric operations carve up the donation area into several discrete properties. BPV's protected by the LCCP are habitat (including Bear River and forest), sustainable forestry, open space (views into Bear River canyon), recreation, and historic values. The same written public comments were received from NID as the comments on the Bear River CAL FIRE (BYLT) LCCP. Staff responded that they edited the LCCP before the board for action based on the comments, by updating the map to accurately depict the NID Deer Creek asset sale area.

After an opportunity for board questions and discussion, the board made the following conflict of interest finding:

- The board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest finding, the board approved the action as described above in the summary of actions and resolutions taken at the board meeting.

### **Cow Creek planning unit – CAL FIRE Donated (DISCUSSION)**

After Mr. Muraki returned to the room, Mr. Schweigerdt provided an update that the Cow Creek (CAL FIRE) LCCP has been deferred to the April 29, 2020 Board meeting, due to public comments received after the official public comment period ended. After initial comments during the comment period, staff extended the comment period to March 1, 2020 for two members of the public. Additional comments were received at the end of February which will be presented to the Watershed Planning Committee at their March meeting.

Dave Albrecht, a member of the public, provided public comment. Mr. Albrecht stated that he found nothing useful in deeds to be able to review, and that he had two essential issues: not violating other private property owner's private access and water rights. Director of Land Conservation Erin Healy noted that Mr. Albrecht had submitted comments in writing and stated

that any proposed changes to the Cow Creek LCCP would be presented to the Watershed Planning Committee in March and then the board at their scheduled April meeting.

### **Tunnel Reservoir planning unit – PG&E Retained (ACTION)**

Mr. Schweigerdt presented the Tunnel Reservoir Retained proposed LCCP. The LCCP pertains to 757 acres of land to be retained by PG&E and includes the proposed CE recommended to be held by Shasta Land Trust (SLT) and the proposed CE funding agreement in the amount of \$123,900. This transaction is the remaining property in the Tunnel Reservoir planning unit resulting from donations to the University of California Center for Forestry and CAL FIRE. BPV's protected by the LCCP are habitat (including Pit River, reservoirs, and forest), sustainable forestry, open space, recreation (including an accessible fishing platform and campground), and historic values. This transaction requires both CPUC and FERC review. Mr. Schweigerdt noted that no public comment was received for the LCCP during the public comment period.

After an opportunity for board questions and discussion, the board approved the action as described above in the summary of actions and resolutions taken at the board meeting.

### **Land Conservation Program update**

Mr. Schweigerdt presented an update on the University of California Center for Forestry Pit River CE. He explained that after the LCCP had been approved by the board on May 2, 2018, certain CE clauses such as subdivision and noticing changed, though changes are not substantive and did not affect the narrative in LCCP. The updated CE will be attached in the advice letter submitted by PG&E to the CPUC for regulatory approval.

Mr. Schweigerdt also provided an update on the Lake Britton US Forest Service transaction. Mr. Schweigerdt explained that after board approval of the LCCP on January 24, 2018, approximately 8 acres of the northwest portion of the property was removed from the donation acreage due to a transmission line that PG&E must retain.

Ms. Healy provided an update on transaction closings. The most recent closing was for Madera County, and 51 have closed of the total 98. The 47 remaining have larger acreage than earlier closings.

### **FINAL PUBLIC COMMENTS**

There were none.

### **BOARD MEMBER ANNOUNCEMENTS**

There were none.

## **ADJOURNMENT**

Mr. Baggett adjourned the meeting at approximately 2:10 p.m.