

BOARD OF DIRECTORS MEETING
PUBLIC SESSION MINUTES

Via Zoom Webinar

April 29, 2020

1:00 pm – 1:45 pm

ATTENDANCE

Association of California Water Agencies

Director: Dave Eggerton - Present

Alternate: Melissa Sparks-Kranz – Absent

California Department of Fish and Wildlife

Director: Nancee Murray – Absent

Alternate: OPEN

California Forestry Association

Director: Rich Gordon – Present

Alternate: George Gentry – Absent

California Hydropower Reform Coalition

Director: Pete Bell – Present

Alternate: Richard Roos-Collins – Absent

California Public Utilities Commission

Director: Allison Brown – Present

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 – Present

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 - Absent

Pacific Gas & Electric Company

Director: Mike Schonherr – Present

Alternate: Rebecca Doidge - Present

Rural County Representatives of California

Director: Lee Adams – Present

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 - Present

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

Office Administrator Robyn White

OTHERS

Thomas Gates, California Natural Resources Agency (staff representative)

Kevin Conway, State Forests Program Manager, CAL FIRE

Troy Kelly, PG&E (staff representative)

Jaimes Swenson, PG&E (staff representative)

Mike Busse, public member

Erich Nolan, public member

Michelle Blake, public member

Dave Cowan, public member

Kelly Sackheim, public member

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

- Adoption of the minutes of the March 3, 2020 board of directors meeting. **(Consent calendar item)**
- Approval of the proposed Land Conservation and Conveyance Plan (LCCP) for lands to be retained by PG&E at the Lake Valley Preserve, Lake Spaulding 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 \$139,200 between the Stewardship Council and Placer Land Trust.
- Approval of the proposed Land Conservation and Conveyance Plan (LCCP) for lands to be retained by PG&E at the Pit 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 \$254,600 between the Stewardship Council and Shasta Land Trust.
- 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 Cow Creek 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 \$181,200 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 Lake Spaulding planning unit action item involving Placer Land Trust.

PUBLIC COMMENTS

Kevin Conway of the California Department of Forestry and Fire Protection (CAL FIRE) was present and addressed the board regarding the action involving the Cow Creek planning unit.

Kelly Sackheim, member of the public, was present and addressed the board regarding the Cow Creek 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

Aaron Robertson reviewed the financial statement included in the board packet for the month-ended February 29, 2020. He explained that year-to-date expenditures total \$598,322 out of a \$2,257,651 budget. He noted the General and Administrative budget reflected the expenditure of insurance funds budgeted later in the year, as well as higher than budgeted public notices and costs to upgrade computer operating systems. He said contractual expenses included lower than budgeted surveys, legal, and communications support. He stated program expenses trailed the budgeted amount due to delayed escrow closures.

Mr. Robertson explained Vanguard investments made up 69 percent of the Stewardship Council's (SC) portfolio (\$20.4M) and were split between a short-term bond index fund, an ultra-short bond fund and a money market. Dimensional represented 31 percent of SC's investments (\$9M). He noted the impact of COVID-19 and due to the SC's investment strategy, primarily in conservative bonds, performance for the first quarter of 2020 was 0.5% annualized. Vanguard Short Term Bond Index Fund (up 2.2% for quarter) benefited from a decreasing interest rate environment. He stated Vanguard Ultra Short-Term Bond Fund (down 0.4%) was hurt by adverse credit environment as a result of COVID-19.

AUDIT COMMITTEE

Mr. Robertson reported that Richardson had completed the SC audit and staff had just received the draft audit. He noted SC had once again received a clean or unmodified audit. He said the Audit Committee meeting was scheduled for May 11 where the committee will review and consider approval of the audited financial statements.

WATERSHED PLANNING COMMITTEE

Lake Spaulding planning unit (ACTION)

After Mr. Muraki was placed in the virtual meeting waiting room, Land Conservation Project Manager Megan Tolbert reviewed the proposed LCCP for the lands to be retained by PG&E at the Lake Valley Preserve, Lake Spaulding planning unit. The LCCP pertains to the retention of 823 acres of land by PG&E and includes the proposed conservation easement (CE) recommended to be held by Placer Land Trust with the CE funding agreement in the amount of \$139,200. This transaction is the remaining property in the Lake Spaulding planning unit resulting from donations to the San Joaquin County Office of Education and CAL FIRE. Beneficial Public Values (BPVs) protected by the LCCP include habitat (including North Fork of the North Fork American River, reservoirs, and forest), sustainable forestry, open space, recreation (including boat ramps and campground), and historic and cultural values. This

transaction requires both CPUC and FERC review and approval. Ms. Tolbert noted that a public comment was received from the Shingle Springs Miwok Tribe and was addressed by PG&E.

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.

Pit River planning unit (*ACTION*)

After Mr. Muraki returned to the meeting, Land Conservation Program Manager Steve Schweigerdt reviewed the proposed LCCP for the lands to be retained by PG&E at the Pit River planning unit. The LCCP pertains to the retention of 4,444 acres of land by PG&E and includes the proposed CE recommended to be held by Shasta Land Trust with the proposed CE funding agreement in the amount of \$254,600. This transaction is the remaining property in the Pit River planning unit resulting from donations to the University of California Center for Forestry and CAL FIRE. BPVs protected by the LCCP include habitat (including Pit River, reservoirs, and forest), sustainable forestry, open space, recreation (limited facilities at Bush Bar with whitewater takeout and fishing), and historic and cultural values. This transaction requires both CPUC and FERC review and approval. 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.

Cow Creek planning unit (*ACTION*)

Mr. Schweigerdt reviewed the proposed LCCP for the lands to be donated to the California Department of Forestry and Fire Protection (CAL FIRE) at the Cow Creek (CAL FIRE) planning unit. The LCCP pertains to the donation of 2,246 acres of land by PG&E and includes the proposed CE recommended to be held by Shasta Land Trust with the proposed CE funding agreement in the amount of \$181,200. This transaction covers the majority of the planning unit, with only a small portion being retained by PG&E which has already been encumbered with a CE. BPVs protected by the LCCP include habitat (including creeks and oak woodland), agriculture (1,800 acres are under lease for grazing and there is also a beekeeping lease), sustainable forestry, open space, recreation (limited facilities at Mill Creek), and historic values. The existing leases will be honored by CAL FIRE and the CE. Mr. Schweigerdt noted that public comments had been received during the LCCPs public comment period that resulted in edits to

the LCCP. He said the edits were minor technical changes in language and changes in the map. He reviewed the map edits including adjusting the locations of Whitmore, the Mill Creek Bridge and the German Ditch on the LCCP map. Language edits included changes in acreage and clarifying access points.

Mr. Baggett then called on Kelly Sackheim, member of the public to address the board. Ms. Sackheim said she wanted to make a comment that pertained both to the Cow Creek donation as well as another donation that is within the context of the P606 Kilarc/Cow Creek license that is being surrendered. She noted the SC had done a fine job identifying these were two separate properties. She expressed hope that once the FERC license surrender was completed there would be a preference made to uniting the properties and divesting them and linking the CE and donee to be the same entities. Ms. Healy noted that if Ms. Sackheim was referring to the Kilarc property, the transaction had already closed, and therefore future transfers of ownership would be at PG&E's discretion.

Mr. Baggett then called upon Kevin Conway of CAL FIRE to address the board. Mr. Conway said CAL FIRE and DGS had made progress on accepting the grazing and bee keepers' license from PG&E with a 10 year term. He noted the donation will be a great addition to the state forest and that they have been looking to add animal management into some of their properties. He stated this will allow CAL FIRE the opportunity to study how grazing and timber management are compatible uses. He thanked the board and staff for all their hard work to make the donation happen.

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

Ms. Healy provided an update on the Land Conservation Program. She noted 53 transactions had closed protecting over 50,000 acres of Watershed Lands and eight more transactions were in the closing process.

Mr. Schweigerdt noted California Oaks publication had printed a story on the Fall River Mills Woodland restoration enhancement project and thanked board member John McCamman for his help with the story.

Mr. Schweigerdt also noted a podcast focused on the Sierra Buttes Trail Stewardship, which the SC is considering funding an enhancement grant for trail projects possibly at Lake Almanor and Bucks Lake. A link to the podcast is included in the PowerPoint posted online.

FINAL PUBLIC COMMENTS

There were none.



BOARD MEMBER ANNOUNCEMENTS

There were none.

ADJOURNMENT

Mr. Baggett adjourned the meeting at approximately 1:45 p.m.