

Minutes of the Board of Directors Meeting

January 19, 2012

The Board of Directors of the Pacific Forest and Watershed Lands Stewardship Council held a public board meeting at the Sacramento Public Library in Sacramento, CA on January 19, 2012 beginning at 12:30 p.m.

The following Directors and/or Alternates were present:

The following Directors were absent:

Art Baggett	John Laird
Randy Livingston	Kevin Hunting
Soapy Mulholland	
Truman Burns	
Karen Mills left at 1:40pm	
Richard Roos-Collins	
Dave Bischel	
Larry Myers	
Todd Ferrara (for John Laird)	
Robert Meacher	
Dave Sutton, left at 2:20pm	
Paul Clanon	
Mark Rentz	
Nancee Murray (for Kevin Hunting)	
Steve Larson	
Chris Nota	
Cindy Staszak	

The following additional secondary representatives were present at the meeting: Mike Schonherr, Jessica Pierce, Lee Adams, and Pete Bell.

The following staff were present: Allene Zanger, Executive Director; David Moyce, General Counsel; Ric Notini, Director of Land Conservation; Joel Wagner, Director of Finance; Elizabeth Wroblicka, Deputy Director of Land Conservation; Rue Mapp, Youth Investment Program Officer; Vanessa Parker-Geisman, Regional Land Conservation Manager; Heidi Krolick, Regional Land Conservation Manager; Mary Adelzadeh, Land Conservation Specialist; Allison Henderson, Land Conservation Program Associate; Pam Mayers, Administrative Coordinator.

Members of the public were also present.

SUMMARY OF ACTIONS AND RESOLUTIONS

Consent Agenda

- 1) Adoption of the minutes of the November 16, 2011 board of directors meeting.
- 2) Approval of the Watershed Planning Committee recommendation that the Stewardship Council provide Plumas County with funding in an amount not to exceed \$10,000 to conduct a feasibility study in coordination with PG&E on the potential development of a multi-use trail enhancement on watershed lands within the Bucks Lake planning unit.

Watershed Planning Committee Recommendations

- 1) The board approved the recommendation that the US Forest Service become the prospective recipient of fee title to approximately 628 acres in the Lyons Reservoir planning unit.

MEETING SUMMARY

Stewardship Council President Art Baggett welcomed the board and public and reminded everyone that advance copies of the meeting agenda and other materials were posted to the Council's website prior to the meeting to help facilitate public participation. Mr. Baggett then called the meeting to order and asked the directors and staff members to introduce themselves, noting that a quorum was present.

Mr. Baggett presented outgoing General Counsel David Moyce with a plaque to express the Stewardship Council's appreciation for his outstanding work as general counsel for the Stewardship Council from 2008 until 2011.

Mr. Baggett gave a brief overview of the current meeting agenda. He noted that the board meeting included several opportunities for public comment, and instructed members of the public to submit comment cards should they wish to address the board.

Mr. Baggett reviewed the action items on the agenda and asked members of the board if they had any conflicts of interest to disclose at this time. Board members Todd Ferrara and Chris Nota indicated a potential conflict concerning the fee title donation involving the Lyons Reservoir planning unit and said they would leave the room during this discussion.

Mr. Baggett invited the following members of the public to address the board.

Eric Fleming and Bill Hayter, Madera County: Mr. Fleming and Mr. Hayter reviewed Madera County's proposal for lands at the Manzanita Lake planning unit in the Willow Creek watershed area. Mr. Hayter, Project Manager for Madera County, explained that the proposed spray field would use tertiary processed water and that other methods of application, such as underground discharge, are an option. Several board members noted that their previous concerns with the proposal was the use of the property as a waste water spray field, however the use of tertiary-treated water would not present the same issues. Mr. Hayter emphasized that the spray field would provide revenue in order for the County to manage and enhance the property for public recreation. Mr. Hayter expressed the need to conduct studies regarding the applicability of hiking, equestrian use, camping, OHV use, and other proposed activities, including the potential impacts of the proposed spray field on Manzanita Lake. Such studies would require a "right of entry" from PG&E. He noted that the study will take approximately six months. Board member Randy Livingston said he thought access issues for the

study could be worked out with PG&E, the current landowner. The board requested that Madera County work with Stewardship Council staff to clarify certain matters, including a question as to the size of the spray field in comparison to the amount of land reserved for recreational use.

Mr. Baggett turned the board's attention to the Consent Agenda. He noted two requested actions and asked if there were any questions or objections. Hearing none, the board approved the Consent Agenda as presented in the published agenda for this meeting.

Mr. Baggett asked Stewardship Council Executive Director Allene Zanger to provide the Executive Director's Report. Ms. Zanger highlighted changes in board membership, significant achievements and events in 2011, and provided an outlook on 2012.

Mr. Baggett then asked Truman Burns, chair of the Fiduciary Committee, to provide a committee report. Mr. Burns provided a brief overview of the committee's purpose, and then informed the board that in early December the committee approved three agreements between the Stewardship Council and the Foundation for Youth Investment (FYI) -- two grant agreements and an amended intercompany agreement. The committee also approved the Investment Work Group's recommendation for the investment of the ninth \$10 million PG&E grant payment, which was received on January 3rd.

Mr. Burns reported that in December the committee also reviewed the draft property tax neutrality methodology and approved its distribution for public comment. This methodology, which is available on the Stewardship Council website, establishes the methods for a lump-sum payment option and an annual payment option, when the donation of lands by PG&E will result in a loss of property tax revenues by counties. The public comment period will close on Friday, March 9th, after which point the methodology will be considered for approval by the board in May or June.

Mr. Burns then invited Lee Adams, the board Treasurer, to provide the 2011 financial update. Mr. Burns then invited Susan Tamagni of Wells Capital Management and George Berla of Berla Investment Consulting to update the board on the Stewardship Council's investments. At the conclusion of the committee's report, Mr. Livingston thanked the committee for taking a conservative investment approach, thereby, minimizing the risk of losing any money from the principal.

Soapy Mulholland, chair of the Watershed Planning Committee, then provided an overview of the committee's purpose and asked Ric Notini, Director of Land Conservation, to provide an overview of actions to be presented for board consideration.

Mr. Ferrara and Ms. Nota left the meeting at this point.

Lyons Reservoir Fee Title Recommendation: Mr. Notini provided an overview of the Land Conservation Program and introduced the recommendation before the board. Mr. Notini also directed the board to the binders that contained public input that was received on the fee title recommendation. Mr. Notini then invited Vanessa Parker-Geisman, Regional Land Conservation Manager, to discuss a recommendation by the Watershed Planning Committee that the United States Forest Service-- Stanislaus National Forest become the prospective recipient of fee title to approximately 628 acres available for donation in the Lyons Reservoir planning unit within four parcels (Parcels #1024-1027), subject to compliance with all the requirements of the Land Conservation Commitment.

Following this presentation, Mr. Baggett invited **Tina Welch**, Deputy Forest Supervisor of the Stanislaus National Forest, to speak to the board regarding the recommendation. Ms. Welch thanked the board for considering the recommendation and stated that the Forest Service has the capacity to manage the subject lands for public benefit. In addition, she looks forward to managing the land with the involvement of local partners.

Mr. Baggett then invited speakers who filled out comment cards to address the board. **John Buckley, Executive Director of the Central Sierra Environmental Resource Center**, spoke in favor of the recommendation to donate land to the Forest Service, and noted that the Forest Service already owns the surrounding lands, which will allow for consistent management of the land with the added benefit of the Forest Service resources.

John Moore spoke on behalf of the Mother Lode Chapter of the **Sierra Club** to endorse the recommendation, citing specifically that consistent management and consolidation of ownership is important at Lyons Reservoir and it should be a primary criterion for the Stewardship Council's selection of fee title donees elsewhere.

After providing the public and board members with an opportunity to ask questions or offer comments, Mr. Baggett requested action from the board to approve the request as presented. Hearing no objections, the board approved the following recommendation:

The board approved the United States Forest Service – Stanislaus National Forest to become the prospective recipient of fee title to approximately 628 acres available for donation within four parcels (Parcels #1024-1027) in the Lyons Reservoir planning unit, subject to compliance with all the requirements of the Land Conservation Commitment.

Mr. Ferrara and Ms. Nota rejoined the meeting after the recommendation was approved.

Mr. Notini continued the Watershed Planning Committee presentation by summarizing the next steps in 2012 and 2013, highlighting that 2012 will see the first set of Land Conservation and Conveyance Plans (LCCP) to be adopted and the first Section 851's filed by PG&E with the California Public Utilities Commission (CPUC).

Mr. Notini also presented the steps taken by the Watershed Planning Committee to enhance the public outreach program; specifically, by posting all of the submitted Land Stewardship Proposals on the website, improving the website for easier access to information, and soliciting public comments on draft LCCPs before review and endorsement by the Watershed Planning Committee.

Mr. Notini concluded the presentation, noting that public comments are due on the Stewardship Council's proposed tax payment methodology guidelines by March 9th.

Mr. Baggett invited Mike Schonherr, Chair of the Youth Investment Committee, to provide an update on the work of the committee. Mr. Schonherr introduced the Youth Investment Committee noting that the committee has transitioned from making grant decisions to advising the Foundation for Youth Investment (FYI) in 2012 on their grant allocation decisions and to represent the board in the oversight of the grants made to FYI. Mr. Schonherr also announced that Mr. Baggett was appointed to serve as the Stewardship Council's representative on FYI's Board of Directors. He then invited Rue Mapp, the Youth Investment Program Officer, to present to the board. Ms. Mapp began with an overview of the Stewardship Council Youth Investment Program's accomplishments in 2011. She then highlighted the Foundation for Youth Investment's work plan for 2012 and noted that FYI will

continue to provide bi-annual updates to the Stewardship Council Board. She thanked the Stewardship Council for its support of FYI.

Mr. Baggett then provided an opportunity for board members to raise any issues or communicate news or topics of interest. Ms. Zanger informed the board that she and Mr. Notini recently provided the Stewardship Council's Bi-Annual Report to the CPUC, and that afterwards several commissioners expressed their gratitude to the Stewardship Council for its work furthering the mission of the youth and land conservation programs.

Hearing no further comments or announcements, the meeting was adjourned.

Secretary, Randy Livingston