



Minutes of the Board of Directors Meeting

November 16, 2011

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 November 16, 2011 beginning at 12:30 p.m.

The following Directors and/or Alternates were present: The following Directors were absent:

Lee Adams
Art Baggett, Jr.
Truman Burns
Paul Clanon
Noelle Cremers (for Karen Mills)
Todd Ferrara (for John Laird)
Robert Meacher
Karen Mills (arrived at 1:40 p.m.)
Soapy Mulholland
Nancee Murray (for Kevin Hunting)
Chris Nota
Mark Rentz
Richard Roos-Collins
Mike Schonherr (for Randy Livingston)
Este Stifel
Dave Sutton

David Bischel
Kevin Hunting
John Laird
Steve Larson
Randy Livingston
Larry Myers

The following staff were also present: Allene Zanger, Executive Director; David Moyce, General Counsel; Ric Notini, Director of Land Conservation; Steve Hagler, Director of Youth Investment; Joel Wagner, Director of Finance; Elizabeth Wroblicka, Deputy Director of Land Conservation; Heidi Krolick, Vanessa Parker-Geisman, and Chantz Joyce, Regional Land Conservation Managers; Toby Perry, Land Conservation Project Manager; Manav Thapar, Youth Investment Project Manager; and Jessica Partch, Director of Development.

Members of the public were also present.

SUMMARY OF ACTIONS AND RESOLUTIONS

Consent Agenda

- 1) The board adopted the minutes of the September 15, 2011 board of directors meeting.
- 2) The board appointed Art Baggett, Jr. to the Foundation for Youth Investment board of directors.

- 3) The board approved a delegation of authority to the Fiduciary Committee to make investment allocation decisions with respect to PG&E's 2012 payment to the Stewardship Council.
- 4) The board approved the following recommendations by the Watershed Planning Committee:
 - a) Approve the covenant calculator as a methodology to determine the amount of funding to be set aside for the covenant holder for each conservation covenant.
 - b) Delegate authority to the Executive Director to enter into funding agreements with the Sierra Nevada Conservancy, not to exceed \$60,000 per covenant, consistent with the conservation covenant calculator template approved by the board.

Watershed Planning Committee Recommendations

- 1) The board approved the California Department of Forestry and Fire Protection (CAL FIRE) and the University of California – Center for Forestry (UC) as the prospective recipients of fee title to approximately 8,320 acres available for donation in the Pit River planning unit as follows: CAL FIRE is recommended for approximately 5,220 acres available for donation within 27 parcels (Parcels 43-48, 50-56, 65, 67, 68, 83-92, and a portion of 74). UC is recommended for approximately 3,100 acres available for donation within two parcels (Parcel 75 and a portion of 74). The final configuration and actual acreage amounts to be donated to CAL FIRE and UC will be subject to further joint discussions with CAL FIRE and UC.
- 2) The board also approved that PG&E retain fee title to approximately 2,466 acres of land originally identified as available for donation, but constrained in the Pit River planning unit. This acreage is in addition to the 1,691 acres originally designated by PG&E for retention in this planning unit.
- 3) The board approved CAL FIRE to become the prospective recipient of fee title to approximately 1,796 acres available for donation within 20 parcels (Parcels 13-18, 22-25, 28-35, 38, and 41) in the Tunnel Reservoir planning unit.
- 4) The board also approved the recommendation that PG&E retain fee title to approximately 232 acres available for donation within 17 parcels in the Tunnel Reservoir planning unit. This acreage is in addition to the 523 acres originally designated by PG&E for retention in this planning unit.
- 5) The board approved UC to become the prospective recipient of fee title to approximately 1,484 acres within three parcels (Parcels 795, 796, and 797) in the Lake Spaulding planning unit.
- 6) The board approved Auburn Area Recreation and Park District (ARD) to become the prospective recipient of fee title to approximately 64 acres within four parcels (Parcels 888, 893, 894, and 895) in the Lower Drum Planning Unit.
- 7) The board approved University of California, Sierra Foothill Research and Extension Center to become the prospective recipient of fee title to approximately 41 acres within one parcel (Parcel 916) in the Narrows planning unit.
- 8) The board approved the following conservation easement holder recommendation made by the Watershed Planning Committee:
 - a) Bear Yuba Land Trust, formerly the Nevada County Land Trust, as the prospective organization to become the holder of the conservation easements over all of the lands in the Narrows planning unit.

Fiduciary Committee

- 1) The board approved the 2012 budget plan.

Board Development Committee

- 1) The board approved the slate of 2012 officers and committee chairs.

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.

Richard Roos-Collins introduced and welcomed Pete Bell as the new alternate representative of the California Hydropower Reform Coalition on the Stewardship Council board, replacing Chuck Bonham.

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

Mr. Baggett noted the action items on the agenda and asked members of the board if they had any conflicts of interest to disclose at this time. Todd Ferrara indicated that he would leave the room during the discussions on the Pit River and Tunnel Reservoir recommendations. Este Stifel indicated that she had a potential conflict of interest with respect to the Pit River and Tunnel Reservoir recommendations, and Chris Nota indicated a conflict of interest with respect to the Lake Spaulding recommendation.

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

John Moore, Sierra Club: Mr. Moore expressed his displeasure with the Stewardship Council's public input process. He felt that recommendations were made available for public review too late in the process. He said the Stewardship Council should formally solicit public comment on matters before the Planning Committee recommends that the board adopt specific Land Conservation and Conveyance Plans. He also stated that he felt the Stewardship Council should not just make the recommendations available for review but should solicit public comments and distribute and post on the website the formal written comments received. He added that he disagreed with the fee title recommendations for the Pit River, Tunnel Reservoir and Lake Spaulding planning units, stating that properties adjacent to lands managed by federal agencies should in nearly all cases be donated to the federal agency.

Barbara Rivenes, Sierra Club: As the Forestry Chair for the Sierra Club's Mother Lode Chapter Ms. Rivenes stated that the Sierra Club is interested in the consolidation of lands within the Tahoe National Forest under the Forest Service's ownership. She expressed concern that the fee title recommendations weren't taking into account the larger surrounding landscape and issues such as wildlife corridors, water quality, fuels reduction, recreational trails, roadless areas, and consistent management. She showed the board a poster board with a new model for looking at what drives the societal benefits of forest management. She indicated that the Sierra Club had submitted letters to

the board stating their interest in seeing the USFS be the recommended fee title donee for lands in the Lake Spaulding planning unit.

Don Rivenes, Sierra Foothills Audubon Society and Sierra Club Forest Issues Group: Mr. Rivenes indicated that donation of land within the USFS boundary to the USFS is almost always the best choice because of consistent management. He expressed concern that Federal Power Act Section 4 (e) issues had stalled negotiations over previous recommendations that lands be donated to federal agencies. He asked that the board demand that the stalled negotiations be resolved in a timely manner. He added that the Sierra Club Mother Lode District, the Forest Issues Group, and the Sierra Foothills Audubon Society agree that the successful completion of negotiations with PG&E and the federal agencies would be the best way to protect the Beneficial Public Values outlined in the Settlement Agreement.

Peter Kampa, Tuolumne Utilities District (TUD): Mr. Kampa highlighted a memo that he provided to the board that afternoon that discussed TUD's desire to obtain a PG&E parcel of land in the Lyons Reservoir planning unit on which to develop a reservoir to provide a 30 day emergency water supply for the many county residents dependent on the Lyons Reservoir canal system. He stated that the Central Sierra Ecology and Resource Center as well as the California Farm Bureau had provided letters of support. He asked for the Stewardship Council board to reconsider the TUD's proposal.

Soapy Mulholland, Chair of the Watershed Planning Committee, noted that no formal recommendation had been made to the board at this point regarding lands in the Lyons Reservoir planning unit. Richard Roos-Collins acknowledged the TUD's participation in the creation of the Stewardship Council and encouraged Mr. Kampa to continue to participate in the Stewardship Council's process.

Daniel Richardson, Tuolumne County: Mr. Richardson stated that the Board of Supervisors for Tuolumne County supports the donation of the PG&E parcel of land in the Lyons Reservoir planning to the TUD.

Mr. Baggett turned the board's attention to the Consent Agenda. He noted four 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.

Soapy Mulholland, chair of the Watershed Planning Committee, 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.

Todd Ferrara and Este Stifel left the meeting at this point.

Pit River, Tunnel Reservoir, and Lake Spaulding Planning Units - Fee Title Recommendations: Mr. Notini provided an overview that included a review of the Land Conservation Program processes, the recommendations before the board at today's meeting, and the public input that was received on the fee title recommendations. Involving these three planning units Mr. Notini then invited Chantz Joyce, Regional Land Conservation Manager, to discuss a recommendation by the Watershed Planning Committee that the California Department of Forestry and Fire Protection and the University of California – Center for Forestry become the prospective recipients of fee title to approximately 8,320 acres available for donation in the Pit River planning unit as follows: CAL FIRE is recommended for approximately 5,220 acres available for donation within 27 parcels (Parcels 43-48,

50-56, 65, 67, 68, 83-92, and a portion of 74). UC is recommended for approximately 3,100 acres available for donation within two parcels (Parcel 75 and a portion of 74). The final configuration and actual acreage amounts to be donated to CAL FIRE and UC would be subject to further joint discussions with CAL FIRE and UC.

The Planning Committee also recommended that PG&E retain fee title to approximately 2,466 acres of land originally identified as available for donation, but constrained. This acreage is in addition to the 1,691 acres originally designated by PG&E for retention in this planning unit.

Mr. Joyce then discussed a recommendation by the Watershed Planning Committee that CAL FIRE become the prospective recipient of fee title to approximately 1,796 acres available for donation within 20 parcels (Parcels 13-18, 22-25, 28-35, 38, and 41) in the Tunnel Reservoir planning unit.

The Planning Committee also recommended that PG&E retain fee title to approximately 232 acres available for donation within 17 parcels. This acreage is in addition to the 523 acres originally designated by PG&E for retention in this planning unit.

Mr. Joyce then invited Heidi Krolick, Regional Land Conservation Manager, to discuss a recommendation by the Watershed Planning Committee that UC become the prospective recipient of fee title to approximately 1,484 acres within three parcels (Parcels 795, 796, and 797) in the Lake Spaulding planning unit.

Following Ms. Krolick's presentation, there was a discussion in which Mr. Baggett asked if summaries of input received at public meetings was posted on the Stewardship Council's website. Ms. Krolick said it should be and that she'd look into it. In response to a question by Dave Sutton, Ms. Krolick indicated that she did not believe that there was significant recreational use on Parcel 797 in the Lake Spaulding planning unit.

Robert Meacher commented that when considering recommendations that discuss enhancements, the board may want to be wary of recommending enhancements that would require amendments to the county's General Plan.

Following this discussion Mr. Baggett invited **Keith Gilless**, Dean of the UC Berkeley College of Natural Resources, and **Crawford Tuttle**, Chief Deputy Director of CAL FIRE, to make a joint presentation to the board regarding the proposal to establish research and demonstration forests on the parcels recommended for donation to UC and CAL FIRE.

Ms. Nota left the meeting at this point.

Following the presentation by Mr. Gilless and Mr. Tuttle, Mr. Baggett invited questions from the board. In response to a question from Mr. Sutton about public access, Mr. Gilless stated that generally UC allows for public access in its research forests but tries to control motorized access, especially at certain times when it may not be safe. He added that UC is interested in working with the Stewardship Council and the conservation easement holder to find the most effective ways to manage public access. He also indicated UC's interest in providing for access to cultural resources, such as Native American cultural materials. Mr. Tuttle added that the state manages its demonstration forests in a similar fashion. He stated that these are public forests and should be maintained as such.

Mr. Sutton asked about UC's process for developing management plans. Mr. Gilless stated that he was excited about a possible collocated research facility and more interaction with CAL FIRE. He

stated that most of the studies on the research forests are collaborative and due to this collaborative nature the studies are vetted by multiple researchers. He said that UC would be willing to consider developing a mechanism for public comment on research projects but wouldn't want an inflexible process.

Mr. Roos-Collins and Ms. Mulholland thanked Mr. Gillless and Mr. Tuttle for their presentation and both expressed their excitement and support for these recommendations that will enhance research opportunities. Mr. Roos-Collins expressed his support for the level of collaboration that will occur between UC, CAL FIRE, and other universities. He expressed concern about economic development with respect to tribes and rural communities, and stated his hope that CAL FIRE and UC will further develop the aspects of their proposal that address these issues.

Following this discussion Mr. Baggett invited the following individuals to address the board:

John Moore: Mr. Moore stated that he is satisfied with USFS management in the Lake Spaulding area and the disposition of the PG&E lands affords an opportunity for consolidation of ownership and consistent management. He said he has been working on consolidating acreage in the Grouse Lakes area for 40 years and expressed his strong preference that the PG&E lands available for donation in the Grouse Lakes area be donated to the USFS.

Mr. Roos-Collins responded to Mr. Moore's earlier public comments regarding the Stewardship Council's public process by encouraging Mr. Moore and others to be active participants. Referring specifically to the issues around Federal Power Act 4(e) authority that may prevent donations to federal agencies, he indicated that the issue is unresolved and invited the Sierra Club and others to help him and other board members devise a solution that is consistent with the Settlement and Stipulation.

Barbara Rivenes: Ms. Rivenes thanked staff for meeting with the Sierra Club the previous week. She stated that although she appreciated the presentation of Mr. Gillless and Mr. Tuttle, she questioned whether there is a need for more research. She said that it would be sad to miss this opportunity to consolidate land ownership in the Tahoe National Forest. She said that the conservation easements on the UC land would be critical to ensuring the protection of the BPVs. She said she would like the Sierra Club to be involved as the conservation easements are developed.

Vivian Parker, Retired Biologist for the US Forest Service and the National Parks Service, Member of Sierra Club Forest Issues Group: Ms. Parker said she wanted to reiterate what Ms. Rivenes had said and particularly wanted to stress the importance of the conservation easements. She expressed her interest in seeing research done but also wants to see conservations easements with "teeth" placed over these lands. She said the conservation easement should prohibit plantation/industrial type forestry. She noted her concerns about current forestry practices as regulated by CAL FIRE. In addition, she expressed her preference for the US Forest Service.

Don Rivenes: Mr. Rivenes disputed the assertion that the USFS is not conducting forest research, and expressed concern over how the research forests would be managed by UC and CAL FIRE, saying he doesn't want to see clear cuts of up to 20 acres. He said he wants to make sure the BPV regarding wildlife habitat is addressed on these lands and added that he didn't hear any mention of prescribed burns being a part of management, which he said was important. He also stressed the importance of coordinating with the US Forest Service in terms of PAC boundaries.

Joe Byrne, Bear-Yuba Land Trust: Mr. Byrne expressed the Bear-Yuba Land Trust's appreciation for being considered as the conservation easement holder at Lake Spaulding. The Bear-Yuba Land Trust would like to partner with UC and other interested organizations in the region to establish a Bear-Yuba Forest Interpretive Center to educate the public and youth about past and present forestry in the region. He said they would also like to talk to UC about establishing a trail system on the parcels that are being recommended for donation to UC.

Following the public comments, Mr. Baggett invited board discussion:

Mark Rentz said he was excited about the proposals to establish research and demonstration forests and thanked the staff, board, UC, and CAL FIRE. He said he would like the research to also consider the impacts on water resources.

Mr. Sutton said he could live with the Watershed Planning Committee's fee title recommendations but said the conservation easements to be placed over these lands would be critical to ensure that the BPVs are protected. He said that the board very much shared convictions of the public speakers that the lands be protected.

Nancee Murray agreed with Mr. Rentz, saying she was impressed with the level of cooperation between UC and CAL FIRE, and added that she was glad to hear that public access will be considered.

In response to a question asked by Mr. Roos-Collins about the development of conservation easements, Mr. Notini said the Stewardship Council would like to obtain input from stakeholders on the conservation easements early in the process, however ultimately the transaction is between PG&E and the donees. At a minimum, the easements would be made available for public comment before the board's adoption of the Land Conservation and Conveyance Plan. He said that the Watershed Planning Committee would discuss this topic at its next meeting.

Mr. Baggett spoke to assure the members of the public in the room that the Stewardship Council board members share their passion for the Sierras and care very much about the outcome of the Land Conservation Program.

Mr. Baggett then requested action from the board to approve the requests as presented. Hearing no objections, the board approved the following actions:

The board approved the California Department of Forestry and Fire Protection (CAL FIRE) and the University of California – Center for Forestry (UC) as the prospective recipients of fee title to approximately 8,320 acres available for donation in the Pit River planning unit as follows: CAL FIRE is recommended for approximately 5,220 acres available for donation within 27 parcels (Parcels 43-48, 50-56, 65, 67, 68, 83-92, and a portion of 74). UC is recommended for approximately 3,100 acres available for donation within two parcels (Parcel 75 and a portion of 74). The final configuration and actual acreage amounts to be donated to CAL FIRE and UC will be subject to further joint discussions with CAL FIRE and UC.

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The board also approved the recommendation that PG&E retain fee title to approximately 232 acres available for donation within 17 parcels in the Tunnel Reservoir planning unit. This acreage is in addition to the 523 acres originally designated by PG&E for retention in this planning unit.

The board approved UC to become the prospective recipient of fee title to approximately 1,484 acres within three parcels (Parcels 795, 796, and 797) in the Lake Spaulding planning unit.

Truman Burns, Fiduciary Committee Chair, reviewed the purpose of the committee and its activities over the last couple of months, which included reviewing the proposed 2012 budget plan.

2012 Budget Plan: Mr. Burns turned over the report to Lee Adams, Treasurer, who invited Joel Wagner, Director of Finance, to review the proposed 2012 budget plan.

Mr. Wagner reviewed the 2012 budget plan. After providing board members with an opportunity to ask questions or offer additional comments, Mr. Baggett requested action from the board to approve the 2012 budget plan as presented. Hearing no objections the board approved the 2012 budget plan.

Approval of 2012 Officers: Mr. Baggett reviewed the Board Development Committee's recommended slate of officers and committee chairs in 2012, as follows:

President/Board Development Committee Chair	Art Baggett
Treasurer	Lee Adams
Secretary	Randy Livingston
Vice President/Planning Committee Chair	Soapy Mulholland
Vice President/Youth Investment Committee Chair	Mike Schonherr
Vice President/Fiduciary Committee Chair	Truman Burns

After providing 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 recommendation.

2012 Board and Committee Meeting Calendar: Mr. Baggett referred board members to the calendar in their board packet and noted that directors will be asked to indicate their desire to serve on specific committees.

Lower Drum Planning Unit – Fee Title Recommendation: Mr. Baggett reviewed the proposed action for the Auburn Area Recreation and Park District (ARD) to become the prospective recipient of fee title to approximately 64 acres within four parcels (Parcels 888, 893, 894, and 895) in the Lower Drum Planning Unit.

There followed a discussion in which Ms. Mulholland asked that the recommendation reflect that the proposed land use for the parcels would remain open for discussion by the board at a later date.

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

Narrows Planning Unit – Fee Title Recommendation: Mr. Baggett reviewed the proposed action for the University of California, Sierra Foothill Research and Extension Center to become the prospective recipient of fee title to approximately 41 acres within one parcel (Parcel 916) in the Narrows planning unit.

After providing 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 recommendation.

Narrows Planning Unit – Conservation Easement Holder Recommendation: Mr. Baggett invited Elizabeth Wroblicka, Deputy Director of Land Conservation, to review the proposed action to recommend the Bear Yuba Land Trust, formerly the Nevada County Land Trust, as the prospective organization to become the holder of the conservation easements over all of the lands in the Narrows planning unit.

After providing 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 recommendation.

Mr. Rentz left the meeting at this point.

Mr. Baggett asked Ms. Krolick to provide a more detailed review of the Lower Drum planning unit recommendation. Ms. Krolick reviewed the proposed action for the Auburn Area Recreation and Park District (ARD) to become the recipient of fee title to approximately 64 acres in the planning unit. Following Ms. Krolick's review, Mr. Baggett invited the following individuals to address the board.

Kahl Muscott and Pamela Vann, District Administrator and Project Manager for Auburn Area Recreation and Park District: Mr. Muscott stated that ARD ownership of these properties would enhance the public's enjoyment of the area. He said they are excited to get the land because of its location and access and that they are open to discussing what recreational enhancements might be proposed for the site. Ms. Murray stated that she regarded the recommendation as the starting point for a discussion about future uses of the parcel.

Mr. Baggett then invited Ms. Krolick to provide a more detailed review of the Narrows planning unit recommendation. Ms. Krolick reviewed the proposed action for the University of California, Sierra Foothill Research and Extension Center to become the recipient of fee title to approximately 41 acres within the planning unit. In response to a question from Mr. Roos-Collins, Ms. Krolick said that research on the site would be related to grazing in oak-woodland habitat.

Mr. Baggett asked Ms. Wroblicka to provide a review of the conservation easement holder recommendation for the Narrows planning unit. Ms. Wroblicka briefly reviewed the qualifications of the Bear Yuba Land Trust, the recommended easement holder.

Ms. Mulholland, as acting chair, invited Mike Schonherr, Co-Chair of the Youth Investment Committee, to provide an update on the work of the committee.



Noting that the Youth Investment Committee is transitioning to an advisory role as responsibility for grantmaking shifts to the Foundation for Youth Investment, Mr. Schonherr expressed the Stewardship Council's appreciation for the efforts of the committee members and the Youth Program staff over these past years. He then asked Steve Hagler, Director of Youth Investment, to provide an update on the Youth Investment Program.

Mr. Hagler provided an FYI staffing update and introduced the new Director of Development, Jessica Partch. He reported on Stewardship Council grants awarded in 2011, the 2012 grantmaking plan, and the role of the Foundation for Youth Investment (FYI), indicating that FYI would be making grants directly in 2012 pursuant to a grant agreement between the Stewardship Council and FYI. He also provided updates on the Initiative Fund and the statewide meetings recently convened by staff to discuss cultural relevancy in outdoor programs.

Mr. Baggett then provided an opportunity for board members to raise any issues or communicate news or topics of interest. Mr. Adams reported that on November 4 the *Sacramento Bee* published a story on efforts to restore Salmon and Steelhead to the North Fork of the Yuba River. Ms. Zanger noted that the Stewardship Council Land Conservation Program was discussed in an article on Humbug Valley in the *Wall Street Journal* and that NPR also did a story on Humbug Valley in which the Stewardship Council was mentioned. She said she would send out links to the two stories to board members.

Hearing no further comments or announcements, the meeting adjourned.

Assistant Secretary, Mike Schonherr