



**STEWARDSHIP COUNCIL
MEETING OF THE BOARD OF DIRECTORS**

Sacramento Public Library
828 I Street, East Meeting Room

November 16, 2011

**PUBLIC MEETING
12:30 p.m. to 3:30 p.m.**

WELCOME AND OVERVIEW

- 1) Call meeting to order
- 2) Invite Stewardship Council board members to introduce themselves
- 3) Declare quorum
- 4) Provide opportunity for conflict of interest disclosure
- 5) Discuss agenda for the meeting

GENERAL PUBLIC COMMENTS

- 1) Members of the public may address the board relating to any matter within the work of the Stewardship Council at this time.

Please note that public comments on the action items pertaining to the Watershed Planning Committee's recommendations of fee title donees and conservation easement holders will be heard at the time of the agenda item.

The Stewardship Council requests that every speaker:

- Complete a speaker card available and return it to staff
- Limit comments to three minutes

CONSENT AGENDA (ACTION)

- 1) Adoption of the minutes of the September 15, 2011 board of directors meeting
- 2) Appointment of Art Baggett to the Foundation for Youth Investment board of directors
- 3) Delegation of Board Authority to Fiduciary Committee for Investment Decision

4) Approval of the following recommendations of the Watershed Planning Committee:

a) Conservation Covenant Calculator

The Planning Committee recommends the approval of 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) Delegation of Board Authority to the Executive Director for Funding Covenants

The Planning Committee recommends that the board 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

1) Request for approval of the following fee title donee recommendations made by the Watershed Planning Committee (**ACTION**)

a) Pit River Planning Unit

The Planning Committee recommends 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 would be subject to further joint discussions with CAL FIRE and UC.

The Planning Committee also recommends 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.

b) Tunnel Reservoir Planning Unit

The Planning Committee recommends 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.

The Planning Committee also recommends 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.

c) Lake Spaulding Planning Unit

The Planning Committee recommends 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.

d) Lower Drum Planning Unit

The Planning Committee recommends 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.

e) Narrows Planning Unit

The Planning Committee recommends 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.

2) Request for approval of the following conservation easement holder recommendation made by the Watershed Planning Committee (**ACTION**)

a) Narrows Planning Unit

The Planning Committee recommends 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.

FIDUCIARY COMMITTEE

1) Report from the Fiduciary Committee

2) Approval of 2012 budget (**ACTION**)

BOARD DEVELOPMENT COMMITTEE

1) Approval of 2012 officers (**ACTION**)

2) Review of 2012 board and committee meeting calendar

YOUTH INVESTMENT COMMITTEE

1) 2011 grantmaking update and report on Impact Fund Round 2 and Infrastructure grant awards

2) 2012 grant program update and the role of the Foundation for Youth Investment

3) Update on the Initiative Fund Grant to the Foundation for Youth Investment

4) FYI staffing update and introduction of Director of Development, Jessica Partch



FINAL PUBLIC COMMENTS

- 1) Members of the public may address the board relating to any matter within the work of the Stewardship Council at this time.

BOARD MEMBER ANNOUNCEMENTS

- 1) Council board members may raise issues or communicate information of interest

ADJOURNMENT OF PUBLIC MEETING



MEMORANDUM

To: Stewardship Council Board of Directors
From: Ric Notini
Date: November 9, 2011
RE: **Overview of Fee Title Donee Recommendations**

INTRODUCTION

Staff is forwarding three recommendations endorsed by the Watershed Planning Committee (Planning Committee) concerning the donation of fee title to a combined total of approximately 11,500 acres of forested lands located in the Pit River, Tunnel Reservoir, and Lake Spaulding planning units. Of this total, approximately 4,584 acres of forested lands are being recommended for donation to the University of California Center for Forestry (UC) and approximately 7,016 acres are being recommended for donation to the California Department of Forestry and Fire Protection (CAL FIRE). These donations would significantly expand the existing research and demonstration state forests owned and operated by UC and CAL FIRE, and create a major new state research and demonstration forest centered at the Pit River planning unit and dedicated to research and education on forest management, climate change, and other issues affecting the Sierra and Cascade ranges.

To facilitate the Board's review of these three recommendations, this memo:

- highlights the overarching goal of the Land Conservation Commitment and the process established by the board for achieving this goal
- provides key background information on the forested lands
- describes the process used to solicit organizations and develop recommendations that would best achieve the preservation and enhancement of sustainable forestry and other BPVs on these lands
- Summarizes the fee title donation recommendations

Additional information concerning these three recommendations is provided in the fee title recommendation documents included in the board meeting packet and posted on the [Stewardship Council's web site](#).

OVERARCHING GOAL

The overarching goal of the Land Conservation Commitment is to preserve and/or enhance the beneficial public values (BPVs) on the watershed lands for the benefit of the people of California consistent with the PG&E Settlement Agreement and Stipulation, and the Land Conservation

Plan (Volumes I and II) adopted by the board in November 2007. The process developed and being implemented by the Stewardship Council to accomplish this goal relies on three primary actions:

- First, select and recommend qualified organizations best suited to receive donations of available lands based on an evaluation of the proposed uses of the lands and the capacity of the organizations.
- Second, establish and fund conservation easements on the lands (or conservation covenants in the case of the U.S. Forest Service) to ensure that sustainable forestry and other BPVs are protected.
- Third, fund enhancements that will contribute to the preservation and enhancement of the BPVs.

Staff believes that the subject fee title recommendations would accomplish the first action, namely, the selection of qualified organizations best suited to receive donations of forested lands that would result in the preservation and/or enhancement of sustainable forestry and other BPVs.

KEY BACKGROUND INFORMATION ON FORESTED LANDS

The PG&E watershed lands encompass approximately 140,000 acres of land, of which approximately 52,000 acres are considered forested lands containing forestry resources with commercial value. These lands are heavily forested and characterized by a mix of conifer stands typical of the Sierra and Cascade ranges. They also contain a wide variety of plant and wildlife habitat and have historically been managed by PG&E for multiple purposes, including resource protection, recreation, and sustainable timber production.

The Pit River, Tunnel Reservoir, and Lake Spaulding planning units represent three of the major forested planning units with lands that are to be recommended for donation. Accordingly, a number of issues related to the future stewardship of the forested lands were considered.

Most notably, early on after its formation, the Stewardship Council recognized the importance of forestry on the watershed lands and developed the following definition for sustainable forestry to help guide future decisions: ***“The practice of managing dynamic forest ecosystems to provide ecological, economic, social, and cultural benefits for present and future generations.”***

PROCESS USED TO SOLICIT INTERESTED ORGANIZATIONS AND DEVELOP RECOMMENDATIONS

The Stewardship Council used a multi-step process to identify and recommend organizations for donations of watershed lands. This process initially involved the development of a land conservation plan (LCP Volumes I and II) that established the overall framework and identified existing conditions for each of the planning units comprising the watershed lands. Subsequent to the development of the LCP, organizations interested in being considered for a donation of fee title were invited to submit statements of qualification, and prepare proposals describing their proposed uses and activities to preserve and enhance the BPVs.

Throughout this process, a series of public outreach activities were conducted to inform interested stakeholders and solicit their input on the future stewardship of the watershed lands. This effort also included notifying landowners within a one-mile radius of the subject lands, and

maintaining an informational web site. Further details on the public outreach effort are provided in the individual recommendations included in the board meeting packet.

Land Stewardship Proposals

The Stewardship Council received land stewardship proposals (LSPs) from four main organizations interested in receiving fee title to major portions of the forested lands available for donation at the Pit River, Tunnel Reservoir and/or Lake Spaulding planning units. The Bureau of Land Management applied for lands in the Tunnel and Pit River planning units and the US Forest Service applied for lands in the Lake Spaulding planning unit. CAL FIRE and UC applied for lands in all three planning units.

Forested Lands Dedicated to Research and Education in California

The proposals submitted by UC and CAL FIRE both involve expanding the forestry research and education programs of these two organizations. Accordingly, some background information on forestry research and education in the Sierra and Cascade ranges is provided below.

The Sierra and Cascade forest ranges are valuable natural resource assets, critical to the economic, social, and environmental well-being of California. The ecological integrity and resilience of these forests are threatened by forest land conversion, a warming climate, a continuing invasion of exotic organisms, and an increased risk of catastrophic disturbance (e.g., wildfire, insect infestations, and drought-induced forest decline). UC and CAL FIRE are two of the most prominent organizations engaged in research, education, and demonstration on forested lands in the Sierra and Cascade ranges. Forested lands currently dedicated to research, education, and demonstration support a wide range of applied and basic scientific research related to the function and operation of natural and managed forest ecosystems. Increasing the acreage of research and demonstration forests in this region could significantly increase the research and the associated benefits to the public. Such research requires forested lands dedicated to research that are appropriately spatially distributed across the Sierra and Cascade ranges for use as an outdoor natural resources laboratory.

The UC Center for Forestry currently owns and operates three research forests encompassing a total of 4,740 acres in the Sierra and Cascade ranges. These research forests have an explicit focus on understanding the science and stewardship of working forests. CAL FIRE currently owns and operates three demonstration state forests in the Sierra and Cascade ranges, encompassing a total of 14,004 acres. These demonstration state forests are used for applied research leading to technology transfer, as well as recreation. A brief description of the existing UC and CAL FIRE research and demonstration forests is provided in Table 1 below.

Table 1. UC and CAL FIRE Research Forests in the Sierra and Cascade Ranges ¹

Name	County	Acres	Dominant Vegetation
<i>University of California</i>			
Baker Forest	Plumas	120	Mixed conifer
Blodgett Forest	El Dorado	4,300	Sierra Nevada mixed conifer
Whitaker Forest	Tulare	320	Giant sequoia, mixed conifer
Sub-Total		4,740	

California Department of Forestry and Fire Protection

LaTour	Shasta	9,033	Mixed conifer
Mountain Home	Tulare	4,807	Giant sequoia, mixed conifer
Mount Zion	Amador	164	Mixed conifer
Sub-Total		14,004	
Grand Total		18,744	

¹ Note: The Pacific Southwest Research Station, a division of USFS, also owns and operates 7 experimental forests encompassing a total of 31,132 acres in the Sierra and Cascade ranges.

RECOMMENDED FEE TITLE DONATION ORGANIZATIONS

Based on an evaluation of the proposals, follow-up discussions with the interested organizations, and consultation with the Planning Committee, staff is forwarding three recommendations endorsed by the Planning Committee involving the recommended donation of fee title to a combined total of approximately 11,500 acres of forested lands located in the Pit River, Tunnel Reservoir, and Lake Spaulding planning units as follows:

- Approximately 1,484 acres of land available for donation at the Lake Spaulding planning unit, and 3,100 acres of land available for donation at the Pit River planning unit, are being recommended for donation to UC.
- Approximately 5,220 acres of land available for donation at the Pit River planning unit, and 1,796 acres available for donation at the Tunnel Reservoir planning unit, are being recommended for donation to CAL FIRE.

UC and CAL FIRE appear to possess the financial and organizational capacity to preserve and enhance the BPVs as further detailed in the individual recommendations.

Notwithstanding possible additional recommendations in the future, and including the previously recommended donations of 3,323 acres to CAL FIRE at the North Fork Mokelumne and Cow Creek planning units, the proposed donations, if approved, would result in a significant expansion of the existing research and demonstration state forests in the Sierra and Cascade ranges. These donations would incorporate additional forest types and locations not currently represented and broaden the ability of UC and CAL FIRE to conduct and facilitate research, education and outreach, the benefits of which would extend well beyond the boundaries of the forested lands and result in an enduring contribution to the conservation of California's forests.

Moreover, the Pit River planning unit would become the centerpiece of a major new collaborative research and demonstration state forest owned and operated by UC and CAL FIRE and dedicated to research, education, outreach, and the preservation and enhancement of sustainable forestry and other BPVs. This new research and demonstration forest would consist of lands owned and managed separately by UC and CAL FIRE, respectively, but co-located to

leverage the complementary strengths of each organization. These new research and demonstration state forest lands would promote increased collaboration among UC, CAL FIRE, and other existing and potential new partners such as the California Department of Fish and Game, Native American entities, the Pacific Southwest Research Station, the California State University system, UC Cooperative Extension, and Shasta College.

Staff is also recommending, contingent on the board's endorsement of these recommendations, that the board support staff working with UC and CAL FIRE to develop a management and funding agreement for enhancements directly related to the proposed expansion of the research and demonstration state forests. Such funding could be used for construction of research facilities, including related infrastructure (e.g., a network of monitoring stations), and funding for research grants and education projects related to the BPVs.

The funding of such enhancements would be detailed in a management and funding agreement that would be forwarded to the Planning Committee and board for review and approval, subsequent to the board's approval of the subject fee title donation recommendations.

Finally, the BPVs associated with these lands would be protected by conservation easements to be held by qualified organizations to be recommended in the near future.

Further details concerning each of the subject fee title recommendations are provided in the attached documents.