

April 23, 2009

Re: Stewardship Council Board Meeting – April 30, 2009

McConnell Foundation
800 Shasta View Drive
Redding, CA



We look forward to seeing you in Redding for the Stewardship Council's board meeting on Thursday, April 30, 2009 beginning at 1:30pm. I am excited to participate in my first board meeting as the Stewardship Council's Executive Director. The materials included in this packet have been provided to you as part of the Stewardship Council's ongoing efforts to provide timely and advance information to the public.

In addition to our board meeting, we will be hosting an interesting and informative field trip on May 1 to the Pit-McCloud watershed area. The planning units within this watershed area will be part of the next phase of the Land Conservation Program work. Members of the public are invited to attend this tour along with the board. For more information and to register to attend the tour, please visit our website at <http://www.stewardshipcouncil.org/index.htm>.

As the attached staff reports indicate, our team has been busy working on key initiatives and business items since our last board meeting. All of our committees met in April and will present several items for consideration and discussion at the board meeting.

- The Youth Investment Program will review Impact Fund grant awards which were acted upon at the April Youth Investment Committee meeting. You will also hear an update on grantmaking activities and progress made on the long-term sustainability plan. A summary of these activities, along with other informational items can be found in Steve Hagler's staff report (attached).
- The Land Conservation Program will report on several key informational items and progress pertaining to the next phase of program work. Specifically, the board will be requested to act upon a Land Conservation Funding Policy. More information on this can be found in Ric Notini's staff report (attached).
- The Fiduciary Committee will recommend action by the full board to revise the Council's Delegation of Authority policy. Proposed changes to the policy have been made at the request of the Council's auditors and pertain to increased controls for check signing authority.
- The Board Development Committee will review details pertaining to its annual board retreat agenda. The closed session retreat is planned for June 11 in Modesto and will include discussions on the Land Conservation Program, communications strategy, and results of the board self assessment.

We appreciate your review and consideration of the attached materials in advance of the meeting and hope this information will help facilitate your participation. We look forward to seeing you soon in Redding!

Sincerely,

Allene Zanger,
Executive Director

- **Fiduciary** – Karen Mills summarizes the recent activities of the Fiduciary Committee. Ms. Mills also presents a committee recommendation to amend the Council's delegation of authority to the Executive Director regarding check signing authority (*ACTION*). Mike Schonherr, Audit Committee member, provides an update on activities related to the 2008 audit. Karen Mills, Treasurer, and Joel Wagner, Finance Manager, review the current financial report and provide an update on the addition of a comingled fund manager to the Council's investment portfolio.
 - **Planning** – Soapy Mulholland provides an overview of Planning Committee activities and presents a recommendation by the committee to adopt a Land Conservation Program Funding Policy (*ACTION*). Ric Notini, Director of Land Conservation, provides a staff report highlighting technical work progress including a review of the donee selection process for the pilot planning units; a report-out on lessons learned from the pilot process; work plans for the next round of planning units; and a review of the process for selecting easement holders for select watershed areas.
 - **Board Development** – Luis Arteaga reports on the results of the March and April Board Development Committee meetings and discusses topics and priorities for the Annual Board Retreat scheduled for June 11, 2009, including the board self-assessment results.
- 6. Public Comment** – Members of the public may address the board relating to any matter within the work of the Stewardship Council. The Council asks people wishing to speak to 1) fill out speaker cards; and 2) turn in speaker cards to staff. Speakers will be limited to **3 minutes**.
- 7. Board Member Announcements and Items** – Council members are given the opportunity to raise issues or communicate news or topics of interest.
- 8. Adjourn Public Meeting**



STAFF REPORT

To: Stewardship Council Board of Directors
From: Steve Hagler, Director of Youth Investment
Date: April 23, 2009
RE: Youth Investment Program Activities

EXECUTIVE SUMMARY

- We are announcing the Impact Fund and Catalyst Fund Round 1 grants in the next two weeks. Initiative Fund Full Proposals are in the review process. Applications for Impact and Catalyst Fund Round 2 are now available on our website. Infrastructure Fund applications are due July 17.
- Since 2006, we have awarded over \$6 million in grants, helping to connect over 140,000 youth to the outdoors.
- The Evaluation Planning Process report outlines research and assessment possibilities.
- Outreach continues to raise the profile of the Youth Investment Program
- Youth Investment Program Officer is expected to be hired in May.

2009 GRANT UPDATE

We received 82 Impact Fund applications, 22 were forwarded through the External Review Panel process to the Youth Investment Committee (YIC) for review. The YIC met and recommended 9 grants for funding.

We received 28 Catalyst Fund applications. The Internal (Staff) Review Panel is currently reviewing applications and decisions will be made within the next two weeks.

UPDATE ON ALL GIVING 2006-2008

We are in our fourth year of grant funding. Over the past 3 years, we have received over \$50 million in grant requests and awarded \$6,421,000 to more than 130 organizations, allowing Stewardship Council funds to help connect more than 140,000 youth to the outdoors.

In addition, our research continues to show that there are very few private funders who target giving to outdoor education. Every year we give out over \$2 million in grant awards, or about 20% of all private foundation funding for outdoor giving in California. While this makes us one of the largest funders in this sector, we also understand how little money this really is for programs that truly can change the lives of the young people they serve.

YOUTH INVESTMENT PROGRAM LONG TERM IMPLEMENTATION PLAN: UPDATE

As part of the long-term strategy process, the board asked staff to engage in an evaluation planning process to examine the potential opportunities for assessing the impact of the Youth Investment Program and its grantmaking. To this end, we retained Blueprint Research and Design to help us conduct the research and to produce a report on ways we might move this work forward.



Staff reviewed Blueprint's report and identified a subset of data collection activities that could be implemented in the short-term. The report and staff recommendation was presented to the YIC at its April meeting.

The YIC accepted the staff's recommendation to pursue an initial set of evaluation activities. A cost/benefit analysis and more in-depth research will be conducted in the ensuing months to help determine how to proceed on longer-term, possibly more costly evaluation initiatives. This is the first milestone in determining the direction the organization will take in its evaluation efforts.

Staff continues to work on many fronts to develop a cohesive long-term sustainability plan, including research into corporate legal structures, alternative revenue streams and potential scenarios for collaborating with other funders and interested stakeholders.

ONGOING OUTREACH

Staff has reached out to potential funders and stakeholders. At the end of April, Steve Hagler attended a briefing held by and for the Board of Directors of the Outdoor Foundation in Washington, DC on the topic of getting children into the outdoors. The event included high level executives in the outdoor retailer industry and featured guest speaker Ken Salazar, Secretary of the Interior. The conversation focused on ways the outdoor industry might collaborate with national efforts to get children and youth outdoors.

Staff continues to follow up on action items from the California Biodiversity Council meeting last fall. In particular, staff has been meeting with a working group that is exploring the feasibility of creating an interactive online database of agency programs that get children and youth outdoors.

The Stewardship Council continues to sponsor and host regional gatherings. Most recently, Sacramento teachers and youth program providers held their third meeting. There will be a Bay Area gathering for teachers and youth program providers in May.

YIP PROGRAM OFFICER UPDATE

Staff is in the final stages of recruiting and interviewing for the new Youth Investment Program Officer position. We expect to have a candidate selected by the beginning of May.

STAFF REPORT

To: Stewardship Council Board of Directors
From: Ric Notini, Director of Land Conservation
Date: April 23, 2009
RE: Land Conservation Program Activities

EXECUTIVE SUMMARY

- **ACTION ITEM** - A funding policy has been developed on the use of Stewardship Council funds for the Land Conservation Program. This policy is being recommended by the Planning Committee for full board approval.
- Stewardship Council staff has developed a process and timeline for evaluating the Land Stewardship Proposals (LSPs) that were received from potential donees at the four pilot projects (Bucks Lake, Kennedy Meadows, Doyle Springs, and McArthur Swamp). Staff anticipates bringing forward a recommendation on the Kennedy Meadows planning unit to the board for consideration at its June 10, 2009 board meeting. Recommendations on the other three pilot sites are scheduled later in 2009.
- Staff has been working on a mid-point lessons learned evaluation of the pilot process. An important aspect of this evaluation is soliciting feedback on the process from a wide variety of interested stakeholders, many of which have directly participated in the pilot process. The preliminary results of this evaluation are already being applied to the next round of work.
- Staff has initiated work on the next round of planning units (round one). This work consists of seeking qualified organizations interested in becoming holders of conservation easements on multiple planning units within three watershed areas comprising a total of 22 planning units - Pit-McCloud, Feather River, and Upper Mokelumne River. It also includes beginning the process of seeking qualified organizations interested in either holding fee-title or becoming a land conservation partner at 11 of the planning units located within those three watershed areas.

FUNDING POLICY (ACTION ITEM)

Over the past year, staff has conducted a preliminary financial analysis of activities related to the Land Conservation Commitment. This analysis included cost projections for the following categories of activities that the Stewardship Council will consider funding:

- costs related to the transfer of fee title or conservation interests to donees;
- costs related to the satisfaction of property tax neutrality requirements; and
- costs of enhancements to the beneficial public values on watershed lands.

This analysis indicated that the total potential cost of the Land Conservation Commitment, including all possible enhancements, is likely to exceed the total funding directly provided to the Stewardship Council.

The purpose of this policy is to establish guidelines on the use of the available funding to support the land conservation program. This policy will help guide future planning and decision-making regarding funding of the long term management and stewardship of the watershed lands and communicate expectations around matching funds and contributions by recipients of donated fee title holdings and conservation easements.

LAND STEWARDSHIP PROPOSAL EVALUATION AND DONEE SELECTION PROCESS

Staff has developed a process for evaluating, recommending, and selecting the most qualified donees for the four pilot projects, taking into consideration the information provided by the potential donees, the management objectives for the planning unit that were adopted by the board as reflected in Volume II of the Land Conservation Plan (LCP), public input received, and other relevant information.

The process includes the creation of an evaluation team consisting of Stewardship Council Land Conservation Program staff, legal counsel, the finance manager, as well as external reviewers. The evaluation team may also include expertise in other specialized areas, as appropriate.

The Kennedy Meadows planning unit will be the first planning unit to be considered for land conservation and conveyance. In December 2008, the Stewardship Council received two land stewardship proposals (LSPs) for Kennedy Meadows. In January the potential donees were invited to give presentations to the Stewardship Council Board on their proposals at the February 11, 2009 board meeting. Following these presentations, the evaluation team conducted a preliminary review of the proposals to identify any additional information needed to formally evaluate the proposals. PG&E staff also conducted an operations analysis of proposals and notified Council staff of their issues/or concerns. On April 4, members of the evaluation team met with the potential donees. The purpose of these meetings was to discuss and resolve issues identified by the evaluation team and PG&E during the preliminary review of the proposals.

The evaluation team is now in the process of completing its evaluation of the proposals and all the supplementary information provided by the potential donees. The evaluation team will also consider public input from public workshops, pertinent correspondence, and comments received on Volume II of the Land Conservation Plan. Staff will then prepare a recommendation for consideration by the Planning Committee. The Planning Committee will meet to consider the recommendation, and if consensus is reached, it will propose an action at the next scheduled board meeting. At this meeting, the board will consider the proposed action and provide an opportunity for public comment.

It is anticipated that staff will have a preliminary recommendation concerning Kennedy Meadows to forward to the Planning Committee for its May 20 meeting. Assuming the committee reaches consensus on a recommendation, it will propose an action at the June 10 board meeting in Modesto.

The LSPs that were received for Bucks Lake, Doyle Springs, and McArthur Swamp are also currently being reviewed. The same general review process described above will be followed for these planning units. The recommendations for donees at these planning units will likely be considered later this year following the Kennedy Meadows recommendation.

LESSONS LEARNED

For the past several months, staff has been conducting a mid-point evaluation of the pilot process. An important aspect of this evaluation has been a series of one-on-one conversations with a wide range of key stakeholders involved in the pilot process to solicit feedback. This evaluation is being documented in a lessons learned document. This document will be completed early this summer. In the meantime, preliminary results of the evaluation are already being incorporated into the next phase of land conservation work.

ROUND ONE PLANNING UNITS

While work progresses on the four pilot project sites, staff has initiated work on the next round of planning units (round one). This work involves 22 planning units located within three different watershed areas - the Pit-McCloud watershed area, the Feather River watershed area, and the Upper Mokelumne River watershed area. In an effort to streamline the process and achieve economies of scale, the land conservation and conveyance process has been organized into two components.

The first component involves seeking qualified organizations interested in becoming holders of conservation easements on multiple planning units within each of the three watershed areas. This is being done through a Request for Qualifications process, with a deadline date for submission of proposals of April 28, 2009.

The second component consists of seeking qualified organizations interested in either holding fee-title or becoming a land conservation partner¹ at individual planning units within the three watershed areas. At this time, organizations are being actively solicited for 11 of the 22 planning units. Planning units not yet selected will be placed in future rounds and processed sequentially. This summer, we will begin hosting public planning workshops for the 11 planning units. The primary purpose of these public workshops is to solicit input from the public on the development of Land Conservation and Conveyance Plans (LCCPs), to conserve and convey the watershed lands located at these sites.

The 3 watershed areas and the 11 planning units are listed below.

Pit-McCloud River Watershed Area:

Fall River Valley, Shasta County

Fall River Mills, Shasta County

Hat Creek, Shasta County

Lake Britton, Shasta County

Feather River Watershed Area:

Butt Valley Reservoir, Plumas County

Humbug Valley, Plumas County

Lake Almanor, Plumas County

Mountain Meadows Reservoir, Lassen and Plumas Counties

Upper Mokelumne River Watershed Area:

Blue Lakes, Alpine County

Lower Bear Area, Amador County

North Fork Mokelumne River, Amador and Calaveras Counties

¹ A land conservation partner would be an organization that could perform or provide activities that promote the beneficial public values associated with the watershed land in coordination with the fee title holder and the conservation easement holder but would not themselves hold either.