Pacific Forest and Watershed Lands Stewardship Council

California Public Utilities Commission

Biannual Report
May 26, 2016
Stewardship Council Mission

• To protect and enhance PG&E’s watershed lands and uses
• To invest in efforts to improve the lives of young Californians through connections with the outdoors
As part of a 2003 Settlement Agreement, PG&E agreed to permanently protect approximately 140,000 acres of its watershed lands located primarily in the Sierra Nevada and Cascade mountain ranges and conserve these lands for a broad range of public benefits.

CPUC approved an expenditure of $70 million in ratepayer funds for the planning and implementation of PG&E’s Land Conservation Commitment.
Permanent protection and/or enhancement of the Beneficial Public Values will be achieved through:

- The donation of a significant amount of watershed lands to qualified entities with PG&E retaining lands needed for hydroelectric operations
- The establishment of conservation easements
- The promotion of new collaborative partnerships
- The funding of a variety of enhancement projects
Stewardship Council Roles

• To oversee the planning and implementation of PG&E’s Land Conservation Commitment and ensure the land transactions comply with the requirements of the PG&E Settlement Agreement
• To make recommendations of qualified entities to hold the conservation easements and receive fee donations
• To award grants for enhancement projects on PG&E’s Watershed Lands
Land Conservation and Conveyance Process

Solicit Interest from Donees → Board Recommends Donees → Transaction Negotiations

Board Approves LCCP → FERC/CPUC Approvals → Transaction Completed
The Stewardship Council considers public participation to be an important and key aspect of the land planning and land transfer process, and engages stakeholders throughout the process.
Progress To Date

• The Stewardship Council board has recommended that over 35,000 acres of Watershed Lands be donated to 17 organizations (public agencies, conservation non-profits, and three tribal entities).

• 12 qualified organizations have been selected to hold conservation easements over the Watershed Lands.
Progress To Date

• Stewardship Council’s recommendations of prospective fee and conservation easement holders are nearly complete.

• Negotiations underway on more than 60 transactions.

• Board has adopted 29 Land Conservation and Conveyance Plans (LCCPs) describing how the recommended fee donations and conservation easement transactions comply with PG&E’s Settlement Agreement and protect and enhance the Watershed Lands.
FERC has approved eight of the nine applications filed by PG&E for establishment of conservation easements on lands within FERC license project boundaries.

PG&E has submitted seventeen Advice Letters to the CPUC; one was withdrawn; twelve have been approved.
Land Transactions Completed

• Four donations of fee title have been completed

• Eight conservation easements and two conservation covenants have been recorded, which will protect the Beneficial Public Values of the properties in perpetuity
Plan for Remaining Work

• More than 50 LCCPs to be adopted by Stewardship Council board in next 2-3 years.
• PG&E’s will submit 50 or more Section 851 advice letters to CPUC
• Final set of advice letters anticipated to be filed in 2018
• All transactions anticipated to be completed by mid-2019
• Stewardship Council will cease to operate when work is completed
Grants for Watershed Land Enhancements

• In 2012, Stewardship Council launched a grant program for enhancement projects on PG&E watershed lands
• Grants support physical enhancements, research, surveys, studies, and enhanced land management
• Eligible grantees are fee title recipients and conservation partners
Status of Environmental Enhancement Program

- 18 enhancement projects approved
- $4.8 million awarded or allocated for projects with costs ranging from $14,000 to $1.4 million
- Habitat restoration, cultural resource protection, recreational improvements, forestry research to enhance beneficial public values of forested lands
- 10 additional project proposals in development
Hat Creek Enhancement Project

• Sponsors: Cal Trout, Pit River Tribe, Lomakatsi Restoration

• Habitat restoration, cultural resource protection, recreational improvement, and youth involvement
Youth Investment Program
Youth Investment Program

Connecting underserved California youth to the outdoors

- Park investments
- Support for outdoor programs
- Total PG&E ratepayer funding commitment of $30 million
Collectively, the Stewardship Council and the non-profit we created (Youth Outside) have awarded approximately $16 million in grants for youth programs or park and other infrastructure projects serving over 300,000 youth in the PG&E service area.
Youth Outside

• In 2013, the Stewardship Council transferred the remaining net assets of its youth investment program to Youth Outside to continue our legacy of funding outdoor education programs.

• Youth Outside expends our funds and new funds it generates for grantmaking and for initiatives to reduce the barriers to connecting underserved youth to the outdoors.
Funding Snapshot: $100 Million from PG&E

Source of Funds 2004 through 2015 ($ Millions)
- PG&E: $100.0
- Investment Income: $10.36

Use of Funds 2004 through 2015 ($ Millions)
- Youth Funds Spent: $32.18
- Youth Funds Remaining: $30.15
- Land Funds Spent: $47.80
- Land Funds Remaining: $0.23
Total Expense Allocation 2004 through 2015

- **49%**: Youth
- **42%**: Management
- **10%**: Land
<table>
<thead>
<tr>
<th>Category</th>
<th>2015 Budget</th>
<th>2015 Actuals</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative</td>
<td>1,965,234</td>
<td>1,689,402</td>
<td>275,832</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>1,448,250</td>
<td>477,146</td>
<td>971,104</td>
</tr>
<tr>
<td>Land Program Grants</td>
<td>7,713,900</td>
<td>3,839,728</td>
<td>3,874,172</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>7,000</td>
<td>4,064</td>
<td>2,936</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,134,384</strong></td>
<td><strong>6,010,340</strong></td>
<td><strong>5,124,044</strong></td>
</tr>
</tbody>
</table>

Land Program grants are projected to increase significantly in 2016 due to anticipated increase in pace of transactions.
## 2016 Budget Plan

<table>
<thead>
<tr>
<th>Category</th>
<th>Land Total</th>
<th>Youth Total</th>
<th>OH Total</th>
<th>Annual Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin/Office Operations</td>
<td>325,901</td>
<td>1,628</td>
<td>95,927</td>
<td>423,456</td>
</tr>
<tr>
<td>Board/Public Meetings</td>
<td>42,072</td>
<td>304</td>
<td>9,424</td>
<td>51,800</td>
</tr>
<tr>
<td>Wages and Benefits</td>
<td>1,069,188</td>
<td>8,224</td>
<td>447,215</td>
<td>1,524,627</td>
</tr>
<tr>
<td>Contracted Services</td>
<td>1,161,504</td>
<td>0</td>
<td>58,500</td>
<td>1,220,004</td>
</tr>
<tr>
<td>Grant Awards</td>
<td>6,948,400</td>
<td>0</td>
<td>0</td>
<td>6,948,400</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>12,200</td>
<td>0</td>
<td>2,400</td>
<td>14,600</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>9,559,265</strong></td>
<td><strong>10,156</strong></td>
<td><strong>613,466</strong></td>
<td><strong>10,182,887</strong></td>
</tr>
</tbody>
</table>
Site Visit – PG&E Watershed Lands