

FEE TITLE DONEE RECOMMENDATION BEAR RIVER PLANNING UNIT

EXECUTIVE SUMMARY

The Stewardship Council was created to oversee Pacific Gas and Electric's (PG&E) Land Conservation Commitment, as set forth in the Settlement and Stipulation,¹ to protect over 140,000 acres of land and to preserve and enhance, on an overall basis, the following six beneficial public values (BPVs): protection of the natural habitat of fish, wildlife, and plants; preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and, historic values. The Stewardship Council is responsible for developing a land conservation plan and recommending qualified organizations to become involved in the future stewardship of these lands.

The Bear River planning unit, located in Nevada and Placer Counties, consists of 44 parcels encompassing approximately 6,763 acres of which 5,113 acres were identified by PG&E as lands outside of Federal Energy Regulatory Commission (FERC) project boundaries and not necessary for its current and future utility operations and were preliminarily made available for fee title donation. However, based on a more recent evaluation, PG&E determined that the number of acres currently available for donation is 1,650.

Based on a review of the LSP submitted by the University of California and follow up discussions, Stewardship Council staff has developed the following recommendation, which has been endorsed by the Watershed Planning Committee (Planning Committee),

University of California, Center for Forestry (UC) as the prospective recipient of fee title to approximately 1,650 acres within 13 parcels at the Bear River planning unit (parcels 836, portions of 837 and 838, portions of 845-851, 854, portions of 855 and 857).

Additionally, the Planning Committee acknowledges that Pacific Gas and Electric (PG&E) will retain fee title to approximately 3,462 acres of land originally identified as available for donation. This acreage is in addition to the 1,650 acres originally designated by PG&E for retention in this planning unit.

If this recommendation is endorsed by the Board, Stewardship Council staff would work with UC on the development of a management and funding agreement. This agreement would be developed in coordination with the development of a Land Conservation and Conveyance Plan (LCCP), and would then be presented to the Planning Committee and Board for consideration and approval.

¹ California Public Utilities Commission Decision 03-12-035, December 18, 2003 (the "Settlement") and the Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the "Stipulation").

The draft LCCP would be made available for public review and comment before it is reviewed and approved by the Watershed Planning Committee and the Board. Adoption of the LCCP by the Board would be the final step in the Stewardship Council's process for selecting donees for the subject property. Placer Land Trust and Bear Yuba Land Trust have previously been recommended as the prospective conservation easement holders at the Bear River planning unit.

I. INTRODUCTION AND BACKGROUND

a. Planning Unit Description

The Bear River planning unit is located in Nevada and Placer counties, approximately 20 miles north of the city of Auburn. Surrounded primarily by the Bureau of Land Management (BLM) and U.S. Forest Service (USFS) lands, this planning unit ranges in elevation from 2,400 to 5,200 feet. Planning unit lands parallel Interstate 80 and cross meadowland, densely forested canyons, and landscape that has been transformed by hydraulic gold mining. This planning unit is associated with the Drum-Spaulding Federal Energy Regulatory Commission (FERC) Project No. 2310 and contains several hydropower facilities, including six powerhouses and associated infrastructure such as canals and flumes.

The Bear River planning unit, located in Nevada and Placer counties, consists of 44 legal parcels, comprising a total of approximately 6,763 acres. of which 5,113 acres were identified by PG&E as lands outside of Federal Energy Regulatory Commission (FERC) project boundaries and not necessary for its current and future utility operations and were preliminarily made available for fee title donation. However, based on a more recent evaluation, PG&E determined that the actual number of acres that are currently available for donation is 1,650 acres.

PG&E currently manages four leases or licenses, all or in part on lands available for donation within the Bear River planning unit. Land is leased to Nevada Irrigation District for an employee home site on parcel 838 and there are three telecommunication leases on Parcel 846. Consistent with the PG&E Land Conservation Commitment, the conservation easements must honor existing agreements for economic; therefore, the agreements that encumber lands recommended for fee title donation will be assigned to the fee title donee at closing.

b. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from eleven organizations interested in acquiring fee title to lands available for donation in the planning unit. A list of organizations that submitted an SOQ is attached. The following five organizations submitted an LSP for the Bear River planning unit:

- California Department of Forestry and Fire Protection
- The University of California, Center for Forestry
- US Forest Service
- Tsi-Akim Maidu Tribe
- Nevada County Land Trust (subsequently withdrew fee interest)

II. EVALUATION

a. *Donee Organizational Capacity*

Located in the College of Natural Resources on the UC Berkeley Campus, the Center for Forestry serves as part of the University of California's system wide Division of Agriculture and Natural Resources. It assembles interdisciplinary teams of campus faculty, Cooperative Extension specialists and advisors, students, and staff from various agencies and organizations to develop research projects, outreach and public education activities, and policy analysis on issues affecting the state's forested lands.

The mission of UC is to sustain forested ecosystems through scientific inquiry. To this end, the UC seeks to create and disseminate knowledge concerning ecosystem processes, human interactions and value systems, and restoration and operational management practices. UC functions as a hub where multidisciplinary research teams are organized, financial support is developed, and science-based outreach is coordinated.

UC's research forests provide opportunities for field experiments, applied science and hands-on learning opportunities. According to UC's LSP, the University of California has conducted a successful basic and applied program that has materially contributed to the sustainable management of forested lands since 1910. Several hundred peer-reviewed journal publications and 76 dissertations have involved research at UC's Blodgett Research Forest. Research has covered disciplines including silviculture, wildlife management, stream ecology, fires science, plant demography, carbon dynamics, insect and disease interactions, and air pollution.

UC believes that the forces of global changes (climate warming, air pollution, and invasive species) pose unprecedented threats and society must develop better strategies for the natural resource management in a world of ongoing global change. UC's primary responsibility is to manage the forests owned in fee title by the Regents of the University of California. These forests are an integral part of the system of wildlands maintained by the University of California's Natural Reserve System, which includes 36 sites and over 135,000 acres. UC maintains forest inventory databases and related data, as well as a full library of articles and reports that are publicly accessible.

UC's four research stations have an explicit focus on understanding the science and stewardship of working forests. These four forests range in size from the 80 acre Baker Forest/Summer Camp in Plumas County to Blodgett Forest, which is 4,270 acres in El Dorado County. The two other forests – Russell Research Station and Whitaker Forest - are 283 and 320 acres in size, respectively.

UC is headquartered at the Blodgett Forest Research Station owned by the University of California since 1933. The Blodgett Forest Research Station is located at approximately 4,000' elevation in the mixed conifer vegetation type. This research forest is UC's largest, at approximately 4,270 acres in size and contains large public meeting spaces, housing for researchers, and heavy equipment.

Blodgett is used for research, outreach and education. The current management involves research and demonstration into sustainable forest management practices to produce forest products over the long term while minimizing impacts to water quality, wildlife habitat, fire risk and other environmental benefits. Management is accomplished using a mix of even aged (40% of area) and uneven-aged (40%) silvicultural systems, and 20% reserve stands for comparison. The goal

is to inform the broader public about the pros and cons of different treatments rather than to promote a single preferred approach.

There are between four and seven experienced full-time staff at Blodgett, which varies annually depending on funding and research needs. Seasonal staff also fluctuates. Currently UC has three Registered Professional Foresters who implement THPs and provide logistical and technical support to researchers; maintain a comprehensive forest inventory and environmental monitoring program; archive data and geospatial information; conduct applied research; and open other forest sites that have been snowed in all winter.

UC staff has indicated that their forestry standards generally exceed the Forest Practice Rules and include the following measures (except when a specific research goals dictates otherwise):

- maintaining higher than required minimum stocking levels on partial cut harvests (selection, thinning, shelterwood seed cuts, etc.)
- maintaining higher numbers and larger diameter seed trees than required for selection and seed/shelterwood methods
- often extending watercourse protection zones beyond the minimum distances required by the rules
- maintaining roads at a high standard even between harvest operations (according to the Forest Practice Rules, in most cases, road maintenance is only required up to three years following the completion of a THP)

In addition, ongoing programs supported by UC facilities include the Forestry Institute for Teachers, the Sierra Nevada Adaptive Management Program, and UC Forestry Camp. Public education is offered through existing partnerships with K-12 educational institutions and county-based 4H programs.

b. Donee Financial Capacity

With limited information on the Center of Forestry, financial capacity was based on a review of 2014 financial statements of the entire UC system. As of June 30, 2014 assets totaled \$56.8B and liabilities totaled \$42.1B. In addition, UC currently has \$9.0B in endowments with \$1.8B unrestricted. Based on a review of the 2014 financial statements submitted, UC appears to possess the financial capacity to own and manage the lands being recommended for donation to UC at the Bear River planning unit.

c. Management Objectives

UC's proposal revolves around one key question: *How can California's working forests located in key watersheds above major water supply systems be managed to sustainably provide essential ecosystem and climate benefits over the next century?*

In order to address this question, UC's proposes a "UC Sierran Forest Global Change Network". UC is proposing to install a research and monitoring network specifically designed to measure emerging stressors to develop adaptive management strategies; measure energy and water balances to understand the role of forested watersheds and water supply; monitor air pollution and its effect on trees and plants; and monitor invasive species.

UC's proposal indicates that acquiring parcels in the Bear River planning unit will provide it with an opportunity to build an infrastructure needed to address challenges of California's actively managed forests. These lands, together with existing research forests and other PG&E Watershed Lands recommended for donation to UC, would permit UC to test approaches to mitigate and adapt to the manifold effects of a changing climate across the gradient in order to ensure insights gained are broadly applicable. The goal is to develop a research, education, and outreach program using field-based empirical studies that are guided by good experimental design. This foundation will provide valuable insights on how best to steward the Sierra Nevada forests now and in the future.

UC proposes to implement a diverse array of experimental forest stands to learn which structures will be most resilient over the coming decades. UC's interest in the lands at the Bear River planning unit is to advance sustainable forestry practices that are appropriate for watersheds in California, enhance the diversity of natural habitats, and protect cultural resources while accounting for the changes and uncertainty introduced by the forces of global change. From an operational perspective, UC wants to explore and develop a range of approaches that meet the common mixture of demands on actively managed forests in California.

More specifically, UC is proposing the following:

- Develop a research forest that would be split into three primary management categories (reserves, even-aged, and uneven-aged) which would then be further split among specific silviculture systems. UC would implement treatments that would include all methods of silviculture allowed under the California Forest Practice Act to ensure relevance to working forests in the state. Other non-commercial regimes would be studied such as different methods of site preparation to ensure regeneration, different levels of vegetation control to minimize competition and limit spread of invasive species, and different intensities of thinning to promote wood production and the growth of big trees. The performance of all of these management strategies would be evaluated using treatments replicated across latitudinal gradients to understand effects of climate change.
- Conduct research-level inventories of forest stands, wildlife, stream, and archaeological/cultural resources during the first summer field season after fee transfer. Permanent fixed plots will also be developed and marked.
- Design and test protocols for invasive species monitoring.
- Survey existing roads and address any illegal activities.
- Install year-round weather stations at each site that measure air temperature, precipitation, relative humidity, wind speed and direction, incoming radiation, snow melt timing, and soil moisture. In addition, install passive ozone monitors during the snow free months. Other sensor arrays for other pollutants (e.g., nitrogen) could be added as conditions warrant.

d. Funding

The estimated annual property tax amount associated with the 1,650 acres recommended for donation is approximately \$37,230. The lump sum payment that would be needed to satisfy property tax neutrality if the donated lands were exempt from property taxes would be approximately \$930,800. This number was calculated based on the methodology described in the Property Tax Neutrality Methodology adopted on June 27, 2012 by the Stewardship Council.

The Stewardship Council will provide funding to satisfy the property tax neutrality requirement of the Stipulation.

e. Requirements of the Settlement and Stipulation

The Stewardship Council's recommendation that UC receive fee title to certain lands available for donation within this planning unit is subject to compliance with all the requirements of the Land Conservation Commitment. Several of these requirements are highlighted below.

The Stewardship Council would work with PG&E and Nevada and Placer counties to ensure the conveyance of these parcels achieves property tax neutrality.

Conservation easements will be established on the lands within the planning unit and will honor existing agreements for economic uses and protect reasonable public access.

The grant deed would reserve to PG&E rights for operation and maintenance of hydroelectric facilities and associated water delivery facilities.

f. Conservation Partners

The permanent protection of the planning unit, and the future preservation and enhancement of the BPVs, may involve, and benefit from, the participation of land conservation partners. For the purposes of this recommendation, land conservation partners are defined as organizations other than the prospective fee title donee or conservation easement holder that become involved in future activities on the donated lands and that contribute to the preservation and enhancement of the BPVs. Land conservation partners may be identified in the LSPs submitted by organizations interested in a fee title donation, or during or after the development of the LCCP. Such organizations and activities may be eligible for Stewardship Council funding, depending on the type of organization, proposed activities, availability of funds, and other factors. Staff would work with the prospective organizations recommended for donation of fee title and conservation easements in this planning unit and evaluate opportunities for land conservation partners. The results of this effort would be reflected in the management and funding agreements and LCCP.

III. PUBLIC COMMENTS

The Stewardship Council has implemented a public outreach program to engage stakeholders and solicit public input on the development and implementation of the land conservation plan. A summary of key public outreach activities and public comments associated with the planning unit is attached.

IV. NEXT STEPS FOLLOWING PLANNING COMMITTEE RECOMMENDATION

If the Board approves this recommendation on September 17, 2015, the Stewardship Council would invite UC to negotiate specific terms of the transaction and the conservation easement with PG&E and the prospective conservation easement holder, respectively. The conservation easements would be incorporated into the LCCP developed for the planning unit. The Stewardship Council would work with UC to develop a management and funding agreement in coordination with the development of the LCCP.

The proposed LCCP would be made available for public review and comment before it is approved by the Board. Adoption of the LCCP by the Board would be the final step in the Stewardship Council's process for selecting donees.

ATTACHMENTS AND REFERENCE MATERIAL

- Bear River Planning Unit Map
- LCP Volume II Planning Unit Report for Bear River Planning Unit
- List of Registered Organizations That Submitted SOQs for Lands Available in the Bear River Planning Unit
- Summary of Key Public Outreach Activities and Public Comments Associated with the Bear River Planning Unit

Bear River Planning Unit

The Bear River Planning Unit report located in LCP Volume II can be found at this link:

[Bear River Planning Unit Report](#)

The aerial map to the Bear River Planning Unit can be found at this link:

[Bear River Aerial Map](#)

The existing conditions maps to the Bear River Planning Unit can be found at this link:

[Bear River Existing Conditions Map](#)



Bear River Planning Unit
Organizations That Submitted a
Statement of Qualifications
for Fee-Title Interests

Bureau of Land Management
California Department of Forestry and Fire Protection
Cherokees of California
Enterprise Rancheria
Nevada County Land Trust
Placer County Water Agency
Placer Land Trust
San Joaquin County Office of Education
T'si Akim Maidu
United States Forest Service – Tahoe National Forest
University of California – Center for Forestry

SUMMARY OF KEY PUBLIC OUTREACH ACTIVITIES AND PUBLIC COMMENTS ASSOCIATED WITH THE BEAR RIVER PLANNING UNIT

PUBLIC REVIEW OF VOLUMES I AND II OF THE LCP

The draft Land Conservation Plan (LCP) Volumes I and II were released in June 2007 for a 60-day public comment period. During this time, the Stewardship Council held ten public meetings to publicize the availability of the Draft LCP and to encourage public comment. During public review of Volumes I and II of the LCP, one individual submitted comments concerning the Bear River planning unit. The comments were reviewed and responded to individually, and the text in the Draft LCP was revised as appropriate.

Public comments emphasized the following regarding the future management of the property:

- Importance of open space near the Bear Valley Meadow and vicinity
- Continuation of restoration efforts and sustainable forest management

PUBLIC INFORMATION MEETING FOR THE BEAR RIVER PLANNING UNIT

A public information meeting was hosted by the Stewardship Council on April 14, 2011 at the Auburn Parks and Recreation District Community Center in Auburn, California. The meeting concerned the following six planning units: Bear River, Chili Bar, Fordyce Lake, Lake Spaulding, Lower Drum, and Narrows. A total of 58 people attended and participated in the meeting, representing a wide variety of interests, including local and federal governments, community organizations, and community members. The meeting was advertised via an e-mail sent to contacts in our database, an announcement posted on the Stewardship Council's web site, a press release in the local newspaper, and a postcard sent to all landowners on record that reside within one mile of any PG&E parcel associated with the six planning units that were the focus of the meeting.

The purpose of this meeting was to: (1) provide a review and update on the Stewardship Council's Land Conservation Program; and, (2) solicit additional public input on future stewardship of the six planning units. During the meeting, participants were invited to ask questions and provide comments on the eight planning units. Stations were set up with maps, other pertinent information, and easels with blank paper. Below is a summary of comments related to the Bear River planning unit and Yuba-Bear watershed area that were recorded on the easels and provided on comment cards.

Bear River Planning Unit

- The Bear Valley Meadow area in Parcel 839 provides many public recreation opportunities year round, making it the "crown jewel" of the area
- Protect archaeological/cultural sites and provide interpretation of these sites if appropriate
- Develop a trail and trailhead off Hwy 20 (with parking and restrooms) to Rollins Lake Reservoir

- Prohibit OHV use in the meadow area and provide enforcement
- Support PG&E partnerships with conservation organizations to restore, preserve, and enhance recreation opportunities
- Ensure consistent land ownership and management to protect the integrity of the ecosystem
- Prevent the upstream migration of *Didymosphenia G*, an invasive algae that adversely affects fisheries
- Provide trail easements to support the development of a trail along the Bear River, as proposed to FERC in the “Integrated Bear River Concept”
- Develop a trailhead and loop trails in the area north of Drum Forebay up to Bear Valley and the Sierra Discovery Trail
- Install hitching posts at the Sierra Discovery Trail Maintain vehicle access to all parcels for hunting, fishing, recreation, firewood collecting, etc.
- The conservation easement should be flexible to adapt over time
- For each of the beneficial public values, define the level of sustainability that will occur by parcel, planning unit, and watershed

General Comments received for the Yuba Bear Watershed Area

- Mineral resources should be included as a beneficial public value
- Lands available for donation should be transferred to an entity that will preserve and enhance public access
- Provide adequate time for the public to review and provide comments on the land stewardship proposals, proposed done recommendations, and conservation easements