

INITIAL FEE TITLE DONEE RECOMMENDATION LAKE ALMANOR PLANNING UNIT

EXECUTIVE SUMMARY

The Stewardship Council was created to oversee PG&E's 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 Lake Almanor Planning Unit, located in Plumas County, consists of 205 parcels encompassing approximately 30,000 acres of land, of which approximately 1,629 acres have been identified as available for fee title donation (see attached map). The Stewardship Council received land stewardship proposals (LSPs) from two organizations interested in receiving a donation of fee title to lands located in this planning unit – Plumas County and the Maidu Summit Consortium.² Plumas County has expressed interest in acquiring approximately 57 acres of land within one parcel (Parcel 423) that encompasses the area spanning the mouth of Bailey Creek on the west side of the Lake Almanor peninsula. The Maidu Summit Consortium has expressed interest in acquiring the remaining acreage that is available for donation, totaling approximately 1,572 acres of land located in 21 parcels (Parcels 373, 374, 375, 376, 377, 393, 394, 400, 408, 410, 411, 426, 428, 457, 479, 483, 494, 508, 509, 511, 514).

Staff has completed its evaluation of Plumas County's LSP, but is awaiting additional proposal information from the Maidu Summit Consortium before completing its evaluation of the Maidu Summit Consortium's LSP. Any recommendation or action concerning the Maidu Summit Consortium's proposal has been deferred pending receipt and review of this information. Accordingly, at this time, staff has developed the following recommendation which was endorsed by the Planning Committee:

Plumas County is recommended to receive a fee title donation to approximately 57 acres of land available for donation within 1 parcel (Parcel 423).

Donation of this land to Plumas County would achieve common ownership of the Bailey Creek Open Space Corridor and ensure coordinated resource management and enhancement.

If this recommendation is adopted by the Stewardship Council Board (Board), Stewardship Council staff would work with the prospective donee on the development of a management and

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").

² The acreage Plumas County and the Maidu Summit Consortium have interest in are distinct and their respective fee title interests do not overlap.

funding agreement. This agreement would be developed in coordination with the development of a Land Conservation and Conveyance Plan (LCCP). The proposed management and funding agreement and proposed LCCP would then be presented to the Planning Committee and Board for consideration and approval at a future date.

I. Introduction and Background

a. Planning Unit Description

The Lake Almanor Planning Unit consists of approximately 30,000 acres of land currently owned by PG&E and is located in Plumas County (see attached map). The planning unit is comprised of 205 legal parcels, most of which are inundated by the 27,000 acre Lake Almanor. The lands that are available for donation are primarily located along the southeastern shore, western shore, or the northern arm of the reservoir, known as Last Chance Marsh.

Lake Almanor is primarily surrounded by United States Forest Service (USFS) land and private property. Adjacent USFS lands on the western and northwestern shores are managed by the Lassen National Forest. Adjacent USFS lands along the southwestern and southeastern shores are managed by the Plumas National Forest. Lake Almanor is adjacent to the towns of Chester and Prattville, as well as several small communities and summer resorts.

The lands along the western and northern shores near Chester, as well as the northernmost arm of the reservoir, are primarily undeveloped and provide the highest habitat values in the planning unit. With habitat that transitions from shallow open water to marsh, these areas are particularly important habitat for waterfowl and other birds, and several rare plants. In addition, the reservoir area supports a gradually increasing number of nesting Bald Eagles and Osprey. The California Audubon Society has designated the entire reservoir area an Important Bird Area due to its importance to nesting and wintering waterfowl but also for a number of special status species such as Willow Flycatcher, Sandhill Crane, and Yellow Warbler.

Lake Almanor, and the undeveloped forest lands around the reservoir, has additional value as open space by providing a natural and scenic viewshed for recreational users on the lake as well as travelers on the Lassen Scenic Byway.

Water-based recreation is a primary use of Lake Almanor by both visitors and residents. Most use occurs during the summer, when area facilities host many boaters, anglers, campers, and other outdoor enthusiasts. Recreation needs are served by the many public and private facilities dispersed around most areas of the shoreline. The marsh is popular for waterfowl hunting during the fall and provides good bird watching opportunities. Many of the facilities along the west shore of the lake are linked by the Lake Almanor Recreation Trail (LART), a paved 9.5-mile USFS-managed pedestrian and bike trail that traverses public and private property.

Forested lands within the planning unit encompass approximately 2,400 acres and are located within the boundaries of six PG&E Timber Management Units (TMUs). Five of the TMUs are managed entirely or primarily under a Sustainable Timber Management prescription. This means that sustained timber production is regarded as the highest and best use of the land while emphasis is also placed on protecting water quality, wildlife and fisheries habitat, soils, carbon

sequestration, and cultural resources. The sixth TMU encompasses lands immediately on the lake shore and is primarily managed under a salvage prescription, where harvests are primarily conducted for forest and watershed health purposes.

Although grazing does not currently occur on the planning unit, the meadows near Chester and Last Chance Marsh did support grazing under PG&E leases until the late 1990s. Grazing was discontinued due to water quality concerns.

The area now covered by Lake Almanor was once known as Big Meadow, part of the ancestral homeland of the Mountain Maidu tribe of Native Americans, and the location of several Maidu villages. Many cultural sites associated with the Maidu were inundated by the reservoir, but important sites (including burial sites) still exist on and near the shoreline. The Maidu and other Native Americans continue to reside in the area and maintain an active interest in cultural resources and traditional practices in the Lake Almanor vicinity.

The Lake Almanor Planning Unit report, which describes the BPVs and management objectives associated with the planning unit, is attached. PG&E estimates its management costs for the planning unit average approximately \$438,300 annually, of which a major portion of these costs are associated with managing the shoreline and water surface activities (i.e., PG&E retained lands).

b. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from seven organizations interested in acquiring fee title to lands available for donation within this planning unit. A list of organizations that submitted SOQs is attached. Of these organizations, the following three organizations were invited to submit LSPs:

- Plumas County
- Maidu Summit Consortium
- Native American Land Conservancy

Prior to submitting LSPs, Stewardship Council staff agreed to meet with the interested organizations as a group and provided a professional facilitator to facilitate collaborative discussions among the organizations. Collaborative meetings took place on April 15, 2010 and September 8, 2010, and included between 25 and 30 attendees representing a variety of organizations. The focus of these meetings was to discuss the interests of potential donee organizations, management objectives, and desired outcomes for the Lake Almanor and Humbug Valley Planning Units.

On November 12, 2010, LSPs were received from Plumas County and the Maidu Summit Consortium. The proposal submitted by the Maidu Summit Consortium was incomplete. Therefore, staff requested additional information. This information is expected to be submitted in the near future. The proposal submitted by Plumas County was determined to be complete.

In evaluating Plumas County's LSP, the following factors were considered:

- An evaluation of the potential donee's programmatic, financial, and legal capacity to maintain the property interest so as to preserve and/or enhance the beneficial public values of the planning unit;
- Anticipated funding needs of the potential donee;
- The management objectives for the Lake Almanor Planning Unit as set forth in Volume II of the Land Conservation Plan (LCP);
- Public comments received regarding the desired qualifications of potential donees and the future stewardship of the planning unit;
- The requirements of the Settlement and Stipulation; and,
- Other relevant policies, procedures, and goals adopted by the Stewardship Council.

At this time, staff has completed its evaluation of Plumas County's LSP and is recommending a donation of fee title to Plumas County. Once Stewardship Council staff receives additional information requested from the Maidu Summit Consortium, it will complete its evaluation of its LSP and may recommend an additional donation of lands within this planning unit to the Maidu Summit Consortium.

II. EVALUATION

Plumas County has expressed interest in acquiring approximately 57 acres of land within one parcel (Parcel 423) that encompasses the area spanning the mouth of Bailey Creek on the west side of the Lake Almanor peninsula. Staff has completed its evaluation of Plumas County's LSP and recommends the donation of the 57 acres to Plumas County.

a. Donee Organizational Capacity

Plumas County appears to possess the organizational capacity and experience to own and manage fee title to the land recommended for donation, as summarized below.

- Plumas County is governed by a five-member Board of Supervisors and has over 40 departments including Public Works, Environmental Health, Planning, Facility Services, Code Enforcement, Farm Advisor, County Administration, and Board of Supervisors.
- Plumas County has demonstrated a capacity to own and manage land for recreation and conservation-related purposes as it currently manages the 100-acre Gasner Park in Quincy and the 160 acre Taylorsville Park, Campground, and Rodeo Grounds. In addition, Plumas County has more than 25 years of experience in carrying out habitat restoration, management, and monitoring projects as a member and primary sponsor of the Feather River Coordinated Resource Management Group. Plumas County also administers the Plumas Watershed Forum, a multi-million dollar program that has implemented more than 30 projects in the past four years, including watershed restoration, public education and outreach, water quality monitoring, water and forestry research, and long-term management planning.

- Plumas County has standards and best practices regarding land ownership and management in the form of a General Plan that guides growth and development as well as codes, ordinances, and policies established to protect public health and safety.
- Day-to-day management of the donated land would be coordinated with management of the rest of the adjacent Bailey Creek Open Space Corridor, which is the responsibility of the Walker Ranch Community Services District (WRCSD), a special district governed by the Plumas County Board of Supervisors. The WRCSD has a general manager and shares staff resources with the 380 employees working for Plumas County.

b. Donee Financial Capacity

The Stewardship Council's review of Plumas County's financial capacity consisted of an evaluation of the organization's annual operating budget and financial statements, and consideration of the current and projected management and enhancement costs and funding in relation to the organization's financial capacity. Based on this review, staff concluded that Plumas County would have the financial ability to manage the lands being recommended for donation and to preserve and/or enhance the BPVs associated with these lands.

c. Management Objectives

Volume II of the LCP established certain management objectives for the Lake Almanor Planning Unit (see Volume II Planning Unit Report with attachments). Plumas County is seeking a fee title donation of approximately 57 acres of land within one parcel that encompasses the area spanning the mouth of Bailey Creek on the west side of the Lake Almanor peninsula to achieve a number of proposed management activities, which are described below. Plumas County's proposed management activities appear to be consistent with the established management objectives.

Donation of this parcel to Plumas County would achieve common ownership of the Bailey Creek Open Space Corridor and ensure coordinated resource management and enhancement. Specific management activities identified in the County's proposal include:

- Resource surveys, including an initial assessment of biological and cultural resources.
- Forest and fuels reduction in coordination with the County Fire Safe Council and the California Department of Fish and Game.
- Cold water flow management for fisheries in conjunction with a number of natural resource partners.
- A management plan for the Bailey Creek Corridor in conjunction with mitigation measures and monitoring for the Lakefront at Walker Ranch project.
- Possible cold water augmentation and/or trail development if feasible.

d. Funding

Consistent with the Stewardship Council's Land Conservation Funding Policy, the Stewardship Council may elect to fund certain costs related to the transfer of fee title, satisfaction of property tax neutrality requirements and/or costs of enhancements to the beneficial public values on watershed lands. Any costs to be funded by the Stewardship Council would be identified in a management and funding agreement to be developed by the Stewardship Council in coordination with Plumas County, the prospective donee.

e. Requirements of the Settlement and Stipulation

The Stewardship Council's recommendation that Plumas County 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 conservation easement would include an express reservation of rights for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, and compliance with any Federal Energy Regulatory Commission (FERC) license, FERC license renewal, or other regulatory requirements on lands to be retained by PG&E. On lands to be conveyed to Plumas County the grant deed would reserve to PG&E similar rights for operation and maintenance of hydroelectric facilities and associated water delivery facilities.

The Stewardship Council would work with PG&E and Plumas County to ensure the land conveyance of this parcel achieves property tax neutrality.

f. Conservation Partners

The permanent protection of the Lake Almanor Planning Unit, and the future preservation and enhancement of the BPVs, may involve, and benefit from, the participation of land conservation partners. For 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 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.

No formal land conservation partners were identified in the Plumas County LSP for the Lake Almanor Planning Unit. Instead, Plumas County has indicated it would continue to work through established forums in which it has already partnered with other agencies and organizations to identify and reconcile stakeholder interests, including the Feather River Coordinated Resources Management Group and the Almanor Basin Watershed Advisory Committee.

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 Lake Almanor Planning Unit is attached. Additional public comments received concerning this recommendation will be presented to the Board for consideration.

IV. NEXT STEPS FOLLOWING PLANNING COMMITTEE RECOMMENDATION

If this recommendation is adopted by the Stewardship Council Board, staff would invite the prospective donee to negotiate specific terms of the transaction with PG&E and would work with the prospective donee to develop a management and funding agreement. The development of management and funding agreement would be coordinated with the development of a LCCP.

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

ATTACHMENTS AND REFERENCE MATERIAL

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