



## FEE TITLE DONEE RECOMMENDATION LOWER DRUM 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,<sup>1</sup> 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 Lower Drum planning unit, located in Nevada and Placer counties, consists of 45 parcels encompassing approximately 1,106 acres of land. Approximately 721 acres have been identified by PG&E as lands outside of Federal Energy Regulatory Commission (FERC) project boundaries and not necessary for current and future utility operations. Therefore, these lands have been made available for fee title donation, with the remaining approximately 385 acres to be retained by PG&E. The Stewardship Council received land stewardship proposals (LSPs) from three organizations interested in receiving a donation of fee title to lands in this planning unit: Placer County, Placer County Water Agency, and the Auburn Area Recreation and Park District. Based on a review of Placer County's LSP, follow-up discussions with Placer County, and consultation with the Watershed Planning Committee (Planning Committee), Stewardship Council staff developed the following recommendation which was endorsed by the Planning Committee:

**Placer County (County)** is being recommended to receive fee title to approximately 15 acres within one parcel (parcel 871).

The County was the only potential donee that expressed fee title interest in parcel 871. Therefore, Stewardship Council staff is making an initial recommendation concerning this parcel. Stewardship Council staff would continue to work with the Placer County Water Agency and the Auburn Area Recreation and Park District to assess the possibility of additional land transfers within the Lower Drum planning unit involving these two organizations.

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 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 Board for consideration and approval at a future date.

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<sup>1</sup> 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").

## I. INTRODUCTION AND BACKGROUND

### *a. Planning Unit Description*

The Lower Drum planning unit is located in close proximity to the City of Auburn, and offers both recreation and open space opportunities. The elevation of this planning unit ranges between 700 to 2,000 feet. It is located in the Sierra Nevada foothills and is composed of small reservoirs, oak and pine woodlands, wetlands, and grasslands. The lands are located predominantly in Placer County with one small parcel located in Nevada County along Interstate 80. The lands in the vicinity of the planning unit are either privately owned or owned by the Bureau of Land Management, California Department of Fish and Game (DFG), Bureau of Reclamation, or Placer County.

The Lower Drum planning unit provides suitable habitat for a variety of species within its reservoirs, riparian corridors along the Bear River, oak and pine woodlands, and grasslands. Special status species found in this planning unit include the California red-legged frog, foothill yellow-legged frog, northwestern pond turtle, and numerous bat species.

Fishing and hiking are the primary recreational activities within this planning unit. Most of the recreational facilities within the planning unit are focused at Halsey Forebay, which is stocked with fish by DFG, making it a popular local fishing spot. Additional reservoirs located within the planning unit include Rock Creek, Halsey Afterbay, and Wise Forebay. However, few recreational enhancements have been developed at these locations.

Forest resources within the Lower Drum planning unit consist of 255 acres of low elevation pine and mixed hardwood forests within two Timber Management Units. Current PG&E timber management consist of salvage only, in which management activities are restricted to mitigating for watershed and forest health issues, including emergency salvage harvesting following insect attack or a catastrophic event.

The Southern Maidu and Washoe once lived in the area around the Lower Drum planning unit. At the time of drafting the Land Conservation Plan (LCP), four historic and/or prehistoric sites had been identified within the planning unit. However, only limited portions of the planning unit have been inventoried for cultural resources.

### *b. Description of Parcel 871*

As shown on the attached planning unit map (note, parcel 871 is shown on planning unit map #2), parcel 871 contains a total of 21 acres of primarily wooded canyon lands. The parcel is directly surrounded by DFG property and private lands. The parcel can be accessed from the County maintained Milk Ranch Road, which is located north of the parcel. A PG&E electric distribution line runs through the center of the parcel. PG&E leases 15 acres of the parcel to the County for a campground caretaker's mobile home, campground water treatment facility, and public hiking trails.

PG&E's Bear River Canal and Pineroft Spillway run through the eastern and southern portions of the parcel, respectively, and would be retained by PG&E. Given the location and characteristics of the Bear River Canal, which essentially bisects the eastern portion of the

parcel, the County is only interested in fee title to the westerly portion of the parcel, totaling 15 acres. This portion of the parcel has been leased by the County from PG&E since 1973. The County has indicated that the physical barrier imposed by the canal structure and future maintenance and access activities associated with the canal structure makes the development and use of recreational amenities on the easterly portion infeasible.

A further description of this planning unit, including the BPVs and the management objectives that were previously approved by the Board for this planning unit, is included in the attached excerpted section of Volume II of the LCP.

*c. Donee Evaluation Process*

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

- Auburn Area Recreation and Park District
- Placer County
- Placer County Water Agency

Pursuant to this recommendation, a total of 15 acres of the 721 acres available for donation are being recommended for donation at this time. The County was the only potential donee that expressed fee title interest in this 15 acre area. Stewardship Council staff would continue to work with the Placer County Water Agency and the Auburn Area Recreation and Park District to assess the possibility of additional land transfers within the Lower Drum planning unit.

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

- An evaluation of the potential donees' programmatic, financial, and legal capacity to maintain the property interest so as to preserve and/or enhance the BPVs of the planning unit;
- Anticipated funding needs of the potential donees;
- The management objectives for the Lower Drum planning unit as set forth in Volume II of the Land Conservation Plan;
- 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.

After completing an evaluation of the County's LSP, Stewardship Council staff is recommending a donation of 15 acres to the County, as requested.

## II. EVALUATION

The County is being recommended to receive a donation of fee title to 15 acres of land available for donation in this planning unit. This recommendation is based on a determination that the County possesses the organizational and financial capacity to own and manage fee title to this land as further described below.

### *a. Donee Organizational Capacity*

The organizational capacity of the County is summarized below.

- The County has financial and organizational resources to own and operate the approximately 15-acre area being recommended for transfer to them. Under a PG&E lease, the County has managed this property since 1973 as part of the 207-acre Bear River Campground. The campground is a public facility that offers family and group campsites, day use areas, five miles of multiple-use trails and several access points for fishing, rafting, swimming and gold panning.
- The County currently leases 192 acres of adjacent land from the State of California (California Department of Fish and Game) to maintain the Bear River Campground, day use areas, trails, and open space for public benefit.
- The County has established standards and practices to own and manage property, in the form of a General Land Use Plan that guides growth and development as well as codes, ordinances, and policies established to protect public health and safety.
- The County owns and manages over 200 properties, including over 1,800 acres of parks, 164 acres of landscaped grounds, 79 miles of trails, and 198 acres of open space.
- The County Parks Division has 27 full-time employees and hires seasonal staff.
- The County has indicated that they have a history of successful partnerships with a variety of local stakeholders and volunteer organizations. For example, the County has partnered with local and regional land conservation organizations including Placer Land Trust (proposed conservation easement holder for Lower Drum planning unit), Truckee Donner Land Trust, and Trust for Public Land. These partnerships have included the implementation of multiple conservation projects, with the County assuming various roles such as funding partner, conservation easement holder, and fee title owner with maintenance and management responsibility. At the Bear River Campground specifically, individual volunteers and groups such as the Meadow Vista Trails Association and Boy Scouts of America have assisted the County with trail rehabilitation work and maintenance, construction of water crossings, campground cleanup, kiosk development, painting projects, and grading rough areas of the day use areas with a tractor.

### *b. Donee Financial Capacity*

The financial capacity of the County was evaluated based on a review of its operating budget for the current fiscal year and proposed budget for the next fiscal year, as well as financial statements for the three most recent fiscal years. Based on a review of financial statements

submitted, the County appears to possess the financial capacity to own and manage the lands available for donation and being recommended for transfer within the Lower Drum planning unit.

*c. Management Objectives*

Volume II of the Land Conservation Plan established certain management objectives for the Lower Drum planning unit (see attached Volume II Planning Unit Report). The County is seeking fee title to 15 acres of land within the Lower Drum planning unit to achieve a number of proposed management activities that are described below and appear to be consistent with the established management objectives.

The County has expressed an interest in acquiring approximately 15 acres of land that it currently leases from PG&E and operates as part of the Bear River Campground. The campground is a public facility that offers family and group campsites, day use areas, five miles of multiple-use trails and several access points for fishing, rafting, swimming and gold panning. The campground area is a very popular attraction for tourists and local citizens. It provides access to the Bear River and is an important recreational amenity in close proximity to the nearby urban center of Auburn.

The County would continue to provide baseline management in accordance with the Bear River Campground Maintenance Management Plan, which includes regular patrols of the campground by the Sheriff's Department. Specific proposed management activities and enhancements identified in the County's LSP include:

- Preserve the majority of the 15 acres as open space to protect wildlife habitat, scenic values, and provide continuity in the management of the adjacent campground.
- Remove remaining residential amenities and miscellaneous improvements such as electrical and water pipes and outdated signs that were previously developed by the County for a campground host. The County would also like to reserve the right to construct improvements to again allow a caretaker to have a temporary trailer on the parcel in the future. In addition, the County would like to reserve the right to construct a public water system to serve visitors to the adjacent campground.
- Regrade the area where the former caretaker resided to a more natural topography.
- Maintain the existing sheds in the event they are needed at a later date for park operations.
- Develop a trail rest area by installing a bench and an interpretive kiosk to educate the public on various themes, such as plants, fish, and wildlife.
- Work with adjacent land owners to develop a contiguous multi-use trail (i.e., hikers, bicyclists, and equestrians) through the property that would link to an existing trail network.

- In accordance with a tree preservation ordinance, preserve native oak and other species of trees and provide educational programs to promote tree awareness on the value of maintaining and planting trees.
- Potentially implement a bridge crossing the Pineroft Spill Channel which would connect the Bear Creek Campground to an existing five-mile trail network located to the south of the Pineroft Spill Channel.

*d. Funding and Financial Costs*

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 the County, the prospective donee.

*e. Requirements of the Settlement and Stipulation*

The Stewardship Council's recommendation that Placer 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 Stewardship Council would work with PG&E and the County to ensure the land conveyance of these parcels achieves property tax neutrality.

PG&E currently manages one lease on the 15 acres identified for donation in this recommendation. The lease permits the County to maintain and manage a caretaker's homesite, public hiking trails, and water treatment facilities. Pursuant to this recommendation, this area is being proposed for transfer to the County, which would honor the existing uses provided under their lease.

A conservation easement will be established on the lands within the Lower Drum planning unit. The conservation easement for lands that are donated will 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 FERC license, FERC license renewal, or other regulatory requirements on lands to be retained by PG&E. On lands to be conveyed to the County, the grant deed would reserve to PG&E similar rights for operation and maintenance of hydroelectric facilities and associated water delivery facilities.

*f. Conservation Partners*

The permanent protection of the Lower Drum 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 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.

Stewardship Council staff would work with the prospective donees 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.

The County has proposed a partnership with the Meadow Vista Trails Association to help develop and maintain a trail that would run through the property. The Meadow Vista Trails Association is a “membership-based organization dedicated to the establishment, improvement, and maintenance of walking, biking, and equestrian trails within Meadow Vista and the neighboring communities of Christian Valley, Clipper Gap, Applegate, and Weimar.” The County has an established partnership with this organization to help maintain its existing trails at the Bear River Campground.

The County also indicated that the Boy Scouts of America would help construct and install an interpretive kiosk and other proposed enhancements, as appropriate. The Boy Scouts of America troops from Meadow Vista and Colfax previously partnered with the County to implement similar projects at the Bear River Campground.

### 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 Lower Drum planning unit is attached. Additional public comments received concerning this recommendation will be provided to the Board for consideration.

### IV. RATIONALE FOR RECOMMENDATION

Stewardship Council staff is recommending that fee title to the subject 15 acres be donated to the County for the following reasons:

1. Donation of these lands would further one of the key goals of the Land Conservation Commitment of donating lands to a qualified organization with the financial and organizational capacity to preserve and enhance the BPVs.
2. The County appears to have sufficient capacity and interest in preserving and enhancing the BPVs associated with these lands.
3. Donation of these lands to the County would significantly increase the likelihood that the existing use of the land and its contribution to the preservation and enhancement of the BPVs would continue.



4. Donation of these lands to the County would increase the likelihood that the proposed management activities and enhancements described in section II would occur.

#### V. NEXT STEPS

If the recommendation is endorsed by the Board, the Stewardship Council 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

- Lower Drum Planning Unit Map
- LCP Volume II Planning Unit Report for Lower Drum Planning Unit
- Organizations that Submitted SOQs for Lands Available in the Lower Drum Planning Unit
- Summary of Key Public Outreach Activities and Public Comments Associated with the Lower Drum Planning Unit