

FEE TITLE DONEE RECOMMENDATION MANZANITA LAKE 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 Manzanita Lake planning unit, located in Madera County, consists of 8 legal parcels encompassing approximately 475 acres of land. Approximately 255 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 255 acres of land have been made available for fee title donation. Stewardship Council staff received and evaluated two land stewardship proposals (LSPs), one from Madera County and one from the North Fork Mono Tribe.

Based upon review and evaluation of the proposals and follow up discussions with both organizations, staff has developed, and the Watershed Planning Committee has recommended:

Madera County as the prospective recipient of fee title to approximately 220 acres available for donation within parcel 1045.

PG&E to retain fee title to approximately 35 acres within six parcels (parcels 1045, and 1048-1052) originally identified as available for donation, but constrained. This acreage is in addition to the 220 acres originally designated by PG&E for retention in this planning unit.

If this recommendation for a fee donation is endorsed by the Stewardship Council Board (Board), PG&E would negotiate the transaction agreements with Madera County. Madera County would negotiate the conservation easement with the entity to be recommended to hold the conservation easement, and the Stewardship Council would develop a Land Conservation and Conveyance Plan (LCCP) for the lands to be donated. If this recommendation for PG&E retention of certain parcels is approved by the Board, PG&E and the entity that will be recommended by the Board to hold the conservation easement would negotiate a conservation easement for the lands that would be retained by PG&E in this planning unit, and the

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").

Stewardship Council would develop a Land Conservation and Conveyance Plan (LCCP) for that property.

The public will have an opportunity to review and provide comment on a proposed LCCP. Adoption of the LCCP by the Board would be the final step in the Stewardship Council's process.

I. INTRODUCTION AND BACKGROUND

a. Planning Unit Description

The Manzanita Lake planning unit, part of the Crane Valley FERC Project, is located in Madera County, approximately three miles south of Bass Lake and one mile north of the town of North Fork. Manzanita Lake, with 26 surface acres and an average depth of 6.5 feet, is the most prominent and accessible feature of the planning unit and is located at an elevation of 2,850 feet. The Lake provides for recreational day-use including picnicking, fishing, as well as non-motorized boating. The planning unit also includes portions of the North Fork Willow Creek, South Fork Willow Creek, and Peckinpah Creek. Riparian habitats associated with these features support unique plant communities and provide important habitat for wildlife, including migratory and resident bird species.

Native Americans who reside in the area actively gather and use plants within the planning unit for traditional purposes. Several known ethnobotanical sites are located in the planning unit on the north end of Manzanita Lake. These resources include manzanita, wormwood, white sedge, soaproot, buckwheat, bracken fern, oak, and willow.

The majority of acreage available for donation is located north of Manzanita Lake and is accessed by Madera County Road 222. The acreage is bordered by Sierra National Forest land to the north and consists primarily of dense chaparral and mixed conifer forest.

b. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from four organizations interested in acquiring fee title to lands available for donation within this planning unit. A list of the organizations that submitted SOQs is attached. Based on a review of the SOQs, Madera County, Coursegold RCD, and the North Fork Mono Tribe were invited to submit LSPs. LSPs were received from Madera County and the North Fork Mono Tribe.

In evaluating LSPs, the following factors were considered:

- The potential donees' 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 donees;
- The management objectives for the Manzanita Lake 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.

II. EVALUATION

Staff evaluated LSPs received, and conducted follow-up discussions with Madera County and the North Fork Mono Tribe. Based on staff's evaluation of the LSPs and follow up discussions, staff developed, and the Watershed Planning Committee has recommended:

Madera County as the prospective recipient of fee title to approximately 220 acres available for donation within parcel 1045.

PG&E to retain fee title to approximately 35 acres within six parcels (parcels 1045, and 1048-1052) originally identified as available for donation, but constrained. This acreage is in addition to the 220 acres originally designated by PG&E for retention in this planning unit.

Staff's evaluation of Madera County and its LSP is further described below.

a. Donee Organizational Capacity

Madera County currently owns and maintains the 240 acre Awahnee Hills Regional Park in partnership with Friends of Awahnee Hills Park (FAHP). Awahnee Park has undergone a multi-year rehabilitation to preserve historic structures and to develop new pedestrian and equestrian trails and restore native landscape. In 2005, the County secured a grant to construct two miles of trails on the property. More recently, the County received a \$475,000 Proposition 84 Grant to implement a small education center and overlook as well as ADA parking improvements and lighting. The County contracts with FAHP to maintain park facilities. FAHP maintains an on-site manager and is responsible for maintenance of the park facilities.

The County has identified they do not have personnel or committed funds for park maintenance or improvements. For this reason, they propose to partner with the Coarsegold Resource Conservation District (RCD) and Yosemite Sequoia Resource Conservation and Development Council (RCDC) to achieve land management and implement proposed recreational enhancements at the site. Coarsegold RCD has partnered with a variety of landowners to implement and direct land management activities similar to those proposed at the site. Specifically, Coarsegold RCD has been successful in securing funding for and implementing a variety of fuel management projects with different landowners in the region, as well as serving in partnership with California Department of Fish and Wildlife to manage a Wildlife Habitat Improvement Project for a 512 acre property 15 miles from the town of North Fork.

Yosemite Sequoia RCDC has assisted a number of partners including counties, RCDs, Fire Safe Councils, and others in project development, and grant applications, as well as supporting projects intended to promote community education and engagement in resource conservation work.

b. Donee Financial Capacity

The financial capacity of Madera County was evaluated based on a review of the county's annual operating budget. Based on a review of this budget, and the proposed involvement of the Coarsegold RCD and Yosemite Sequoia RCDC, the county appears to possess the financial capacity to own and manage the lands being recommended for fee title donation.

c. Management Objectives

Volume II of the LCP established certain management objectives for the Manzanita Lake planning unit (see Volume II Planning Unit Report with attachments). As described below, Madera County is seeking fee title to lands within the Manzanita Lake planning unit to achieve a number of proposed management activities consistent with the management objectives established in Volume II.

Madera County proposes to undertake the following objectives and activities on lands conveyed to it in the Manzanita Lake planning unit:

- Develop and maintain hiking and equestrian trails, campgrounds, and day use sites including picnic areas.
- Implement fuels management measures, and restore native forest species on the property.

d. Funding and Financial Costs

The Stewardship Council has adopted a Land Conservation Program Funding Policy pertaining to funding certain costs associated with the transfer of fee title, including funding certain enhancement costs. The Stewardship Council has also adopted a policy and guidelines on funding property tax neutrality.

In accordance with these policies and guidelines, the Planning Committee recommends that Madera County work with Stewardship Council staff to develop a management and enhancement proposal that describes proposed management and enhancement activities, including the funding requested from the Stewardship Council as well as other potential sources of funding. The actual amount of funding to be provided by the Stewardship Council would be determined subsequent to the Stewardship Council's review of such a proposal.

e. Requirements of the Settlement and Stipulation

A Stewardship Council recommendation that Madera 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. Stewardship Council would work with the County to ensure that any fee conveyance achieves property tax neutrality.

A conservation easement will be established on the lands within the Manzanita Lake 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 any lands conveyed to Madera 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 Manzanita Lake planning unit and the future preservation and enhancement of the BPVs may benefit from the participation of land conservation partners. For the purposes of this recommendation, land conservation partners are defined as organization, other than the prospective fee title donee or conservation easement holder, involved in future activities on the donated lands that contribute to the preservation and enhancement of the BPVs.

Madera County intends to work with Coarsegold RCD and Yosemite Sequoia RCDC to implement many of the land management activities, and to develop and manage recreational facilities. Coarsegold RCD submitted a letter in support of the County's proposal and confirming their interest in partnering.

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.

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 Manzanita Lake planning unit is attached.

IV. NEXT STEPS

If this recommendation is approved by the Board at the June 25, 2014 meeting, staff would invite Madera County to negotiate specific terms of the transactions with PG&E and the recommended conservation easement holder, and the Stewardship Council would develop a Land Conservation and Conveyance Plan for the lands to be donated. In addition, staff would work with Madera County to further develop an enhancement proposal and funding request for the Board's future consideration. If this recommendation for PG&E retention of certain parcels is approved by the Board, PG&E and the entity that will be recommended by the Board to hold the conservation easement would negotiate a conservation easement for the lands that would be retained by PG&E in this planning unit, and the Stewardship Council would develop a Land Conservation and Conveyance Plan for that property.

Adoption of an 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

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

Manzanita Lake Planning Unit

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

<http://lcp.stewardshipcouncil.org/Vol 2/pdf/39 1 ManzanitaLakeText.pdf>

The aerial map to the Manzanita Lake Planning Unit can be found at this link:

<http://www.stewardshipcouncil.org/documents/maps/Manzanita%20Aerial.pdf>

The existing conditions maps to the Manzanita Lake Planning Unit can be found at this link:

<http://www.stewardshipcouncil.org/documents/maps/Manzanita%20Existing%20Conditions.pdf>



Manzanita Lake Planning Unit
Organizations That Submitted a
Statement of Qualifications
for Fee-Title Interests

Coarsegold Resource Conservation District
North Fork Mono Tribe
Madera County
San Joaquin County Office of Education (SJCOE)

SUMMARY OF KEY PUBLIC OUTREACH ACTIVITIES AND PUBLIC COMMENTS ASSOCIATED WITH THE MANZANITA LAKE 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 entity/individual submitted comments concerning the Manzanita Lake 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:

- Work with local partners such as Coarsegold Resource Conservation District and Eastern Madera County Fire Safe Council to implement a fuels reduction program for the lands by the Willow Creek Crossing/Old Central Camp Road.
- Assess recreational use of lands identified as available for donation along South Fork Willow Creek. Coordinate with North Fork Community Development Council to assess opportunities for recreational and/or cultural uses.
- Seek opportunities for a trail easement on PG&E properties adjacent and nearby Manzanita Lake to enhance recreational access to Manzanita Lake from the town of North Fork.

PUBLIC INFORMATION MEETING FOR THE MANZANITA LAKE PLANNING UNIT

A public information meeting was hosted by the Stewardship Council on April 21, 2011 at the Clovis Veterans Memorial Hall in Clovis, California. The meeting concerned the following eight planning units: Kings River, Kern River, Wishon Reservoir, Auberry Service Center, Willow Creek, Kerckhoff Reservoir, Bass Lake and Manzanita Lake. A total of 18 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. There were no comments made at the meeting that pertained specifically to the Manzanita Lake planning unit.