

FEE TITLE RECOMMENDATION FALL RIVER MILLS 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 Fall River Mills planning unit, located in Shasta County, consists of 71 legal parcels encompassing approximately 4,837 acres of land. Approximately 4,197 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 640 acres to be retained by PG&E. The Stewardship Council received land stewardship proposals (LSPs) from three organizations for lands within the Fall River Mills planning unit. Based on an evaluation of these LSPs and follow-up discussions with the potential donees, Stewardship Council staff developed the following recommendation, which was endorsed by the Watershed Planning Committee:

Fall River Valley Community Services District as the prospective recipient of fee title to approximately 34 acres available for donation that wholly or partially encompasses three parcels (parcels 119, 124, and 171).

The Watershed Planning Committee also recommended that the Stewardship Council Board (Board) reserve to a future date a decision whether it would support certain enhancements proposed by the Fall River Community Services District.

Stewardship Council staff will further assess the possibility of additional fee donee recommendations for land available for donation within the planning unit.

If this recommendation is endorsed by the Board, Stewardship Council staff would work with the prospective donee on the development of a management and funding agreement. In addition, PG&E, the Fall River Valley CSD, and the recommended conservation easement holder organization would negotiate the conservation easements that would be established for these watershed lands. Following Stewardship Council review of the proposed conservation easements, the conservation easements and the management and funding agreement would be incorporated into a Land Conservation and Conveyance Plan (LCCP). The draft LCCP will 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.

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").

I. INTRODUCTION AND BACKGROUND

a. *Planning Unit Description*

The Fall River Mills planning unit consists of approximately 4,837 acres of land currently owned by PG&E and located in Shasta County (see attached map). The planning unit is comprised of 71 legal parcels that contain the Pit 1 Forebay, Fall River Pond, and several miles of the Fall and Pit River corridors and surrounding lands. The Fall River flows into the Pit 1 Forebay and, below the Forebay, into the Fall River Pond, both of which are surrounded by the town of Fall River Mills. The unit is surrounded by private property and public lands managed by the Bureau of Land Management (BLM) and additional PG&E watershed lands.

The Fall River Mills planning unit contains extensive river, riparian and terrestrial habitat resources. There are many aquatic species that inhabit the site, including the endangered Shasta Crayfish and Northwestern Pond Turtle, a special status species. Due to the large number of avian species that use the greater Fall River Area and its importance in maintaining bird populations, the Audubon Society has designated this area as an Important Bird Area.

Open space values are found throughout the planning unit due to the absence of development, the steepness of the Pit River Canyon, and limited recreation facilities. Lands behind the town of Fall River Mills at the Pit 1 Forebay and Fall River Pond consist of open space. Lands along Highway 299 provide a viewshed for the highway and scenic overlook across from the Pit River Falls. A section of the Pit River that starts near the end of Big Eddy (beginning on the BLM land) and continues to the Pit River Falls has been proposed by the BLM as a Wild and Scenic River segment.

The majority of the planning unit's recreation facilities are located at the Pit 1 Forebay and Fall River Pond, adjacent to the town of Fall River Mills. At the forebay, facilities include a group picnic area, swim beach, boat ramp, and day use area. Facilities at the Fall River Pond include a boat launch and picnic site. Americans with Disabilities Act (ADA)-compliant facilities were recently constructed or improved at both sites as a result of the FERC New License Order. These lands and facilities serve as a community park for Fall River Mills. Whitewater boating access is also available at two locations within this planning unit.

PG&E currently manages three leases on lands available for donation: a grazing lease on 300 acres in the vicinity of the Pit 1 Forebay, a 26 acre grazing lease near the Pit 1 Weir, and a recreation lease for the Hat Creek Rifle and Pistol Club. Additionally, there is an informal day use area managed by the Fall River Lion's Club, located below the Pit 1 Powerhouse.

The planning unit has two PG&E Timber Management Units (TMUs) that encompass 888 acres of timber and consist of second-growth mixed conifer and eastside pine stands, along with oaks and incense-cedar. The TMU that encompasses the majority of the timberland within the planning unit (covering the Fall River Mills area west to about the Sucker Springs Creek area) is currently managed by PG&E under a salvage prescription. The TMU for the second smaller area in the western portion of the planning unit is managed for multiple-uses.

This planning unit is located within the ancestral territory of the Pit River Tribe, specifically the Ajumawi and Illmawi bands of the Tribe. There are a number of cultural resources within this planning unit, including two major settlement areas and several potentially significant

Traditional Cultural Properties. Portions of the planning unit have been recommended as eligible for the National Register of Historic Places as an historic district.

b. Description of Parcels 119, 124, and 171

Parcel 119

Parcel 119 consists of a 30 acre legal parcel that is entirely available for fee title donation. The parcel is located near Fall River Mills and is accessed by an unimproved dirt road extending from Grand Rapids Avenue. The parcel is close to the convergence of the Fall and Pit rivers.

Parcel 124

Parcel 124 consists of a three acre parcel that is entirely available for fee title donation. The property is bisected by the Cassel Fall River Road and was formerly used as PG&E's Fall River Mills service center and office. More recently, the office building was leased for use by the Fall River Community Library. The land, building, and associated facilities are available for donation.

Parcel 171

Parcel 171 is located off Cassel Fall River Road and consists of approximately two acres, of which one acre is located within a FERC Project boundary and will be retained by PG&E. The other acre is available for fee title donation.

c. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from nine 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 four organizations were invited to submit LSPs:

- BLM (Alturas Field Office)
- Fall River Valley Community Services District (Fall River Valley CSD)
- Fall River Resource Conservation District (Fall River RCD)
- Pit River Tribe (subsequently withdrew interest)

Pursuant to this recommendation, a total of 34 acres of the 4,197 acres available for donation are being recommended for donation at this time. The LSP received from the Fall River RCD did not express an interest in the 34 acres addressed by this recommendation. The Pit River Tribe and the Fall River Valley CSD were the only two organizations who expressed interest in these 34 acres. At this time, the Pit River Tribe has elected to not move forward with plans to obtain fee title interest in any of the PG&E watershed lands.

In evaluating the LSPs, 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 beneficial public values of the planning unit;

- Anticipated funding needs of the potential donees;
- The management objectives for the Fall River Mills 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.

Stewardship Council staff will continue to work with the Bureau of Land Management, Fall River Resource Conservation District, and the Fall River Valley CSD to further assess the possibility of additional recommendations for fee title donations within the planning unit.

II. EVALUATION

The Fall River Valley CSD is being recommended to receive a donation of fee title to lands within the Fall River Mills planning unit as follows, subject to compliance with all of the requirements of the Land Conservation Commitment:

Fall River Valley CSD as the prospective recipient of fee title to approximately 34 acres available for donation that wholly or partially encompasses three parcels (Parcels 119, 124, and 171).

Staff's recommendation is based on a determination that the Fall River Valley CSD appears to have sufficient financial and organizational capacity to own and manage fee title to the 34 acres of land addressed in this recommendation.

a. Donee Organizational Capacity

The organizational capacity of the Fall River Valley CSD is summarized below.

- The Fall River Valley CSD is a public entity that was created in 1904 to provide water, sewer, and park services to residences and businesses in the area along State Highway 299. The 34 acres of interest to the Fall River Valley CSD are within the district boundaries.
- The Fall River Valley CSD currently owns a small community park in the town of Fall River Mills which includes a baseball diamond, play yard, picnic tables, and a Veterans' Hall. The park is maintained through a contract with the Fall River Lions Club.
- The Fall River Valley CSD has existing partnerships with the Fall River Historical Society, Pit River Tribe, Fall River Resource Conservation District, Pit Resource Conservation District, the Fall River Lions Club, and the Friends of the Mayfly to provide multiple benefits for the local community and the general public by managing and enhancing the recreational, environmental, and educational uses around the community of Fall River Mills.

- The Fall River Valley CSD hosted public meetings from January through July of 2010 to obtain public input on the preparation of their LSP. A total of approximately 70 individuals attended these meetings and provided input on the development of the LSP.
- Members of the Fall River Valley CSD and its partner organizations have experience with grant writing and local fund raising. Past efforts have benefited the Burney Fall River Education Foundation, the Lyons Park in Fall River Mills, and the Mt Crook Historical Society.

b. Donee Financial Capacity

The financial capacity of the Fall River Valley CSD was evaluated based on a review of its operating budget for the current year, as well as financial statements for the three most recent fiscal years. Based on this review, the Fall River Valley CSD appears to possess the financial capacity to own and manage the lands being recommended for donation in the Fall River Mills planning unit.

c. Management Objectives

Volume II of the LCP established certain management objectives for the Fall River Mills planning unit (see Volume II Planning Unit Report with attachments). The Fall River Valley CSD is seeking fee title to lands within the planning unit to achieve a number of proposed management activities, which are described below and appear to be consistent with the established management objectives.

Specific management activities identified in the Fall River Valley CSD proposal include:

- Construct a kiosk with educational materials at the historic site of the Fall River Feed Mill near the falls. The display will describe wildlife, green energy production and historic events of the Fall River Valley.
- Develop a public day-use area with a trail and viewing area of the Fall River Falls.
- Develop a viewing area at the end of Grand Rapids Street and to provide viewing access from the west side of the falls.

The Fall River Valley CSD proposal also indicates that it is considering pursuing the permitting and construction of a small hydroelectric plant and a community swimming pool. According to the Fall River Valley CSD, its interest in the lands is not dependent on these potential improvements. Accordingly, staff did not consider these potential improvements in its evaluation of the Fall River Valley CSD's proposal.

d. Requirements of the Settlement and Stipulation

The Stewardship Council's recommendation that the Fall River Valley CSD receives 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. A couple of these requirements are highlighted below.

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

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 FERC license, FERC license renewal, or other regulatory requirements on lands to be retained by PG&E. On lands to be conveyed to the Fall River Valley CSD, the grant deed would reserve to PG&E similar rights for operation and maintenance of hydroelectric facilities and associated water delivery facilities.

e. Conservation Partners

The permanent protection of the Fall River Mills 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 Fall River Valley CSD and the prospective organization(s) recommended for 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 Fall River Valley CSD has existing partnerships with the Fall River Historical Society, Pit River Tribe, Fall River Resource Conservation District, Pit Resource Conservation District, the Fall River Lions Club, and the Friends of the Mayfly to provide multiple benefits for the local community and the general public by managing and enhancing the recreational, environmental, and educational uses around the community of Fall River Mills. These relationships would be employed on lands acquired from PG&E. As an example, the Fall River Lions Club currently performs the maintenance of a small park through an agreement with the Fall River Valley CSD.

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 Fall River Mills planning unit is attached.

IV. RATIONALE FOR RECOMMENDATION

Staff is recommending that fee title to the 34 acres of lands available for donation be conveyed to the Fall River Valley CSD for the following reasons:



1. The Fall River Valley CSD has significant interest in preserving and enhancing the BPVs associated with these lands as described in their LSP.
2. Donation of these lands to the Fall River Valley CSD would increase the likelihood that the BPVs would be preserved and enhanced in the future.

V. NEXT STEPS

If that recommendation is approved by the Board on May 2, 2012, the Stewardship Council would invite the prospective donee to negotiate specific terms of the transactions with PG&E and would work with the prospective donee to develop a management and funding agreement. The development of a management and funding agreement would be coordinated with the development of a LCCP.

In addition, Stewardship Council staff will make a recommendation of a prospective conservation easement holder as part of a separate recommendation to the Watershed Planning Committee and Board.

The draft LCCP will 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.

ATTACHMENTS AND REFERENCE MATERIAL

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

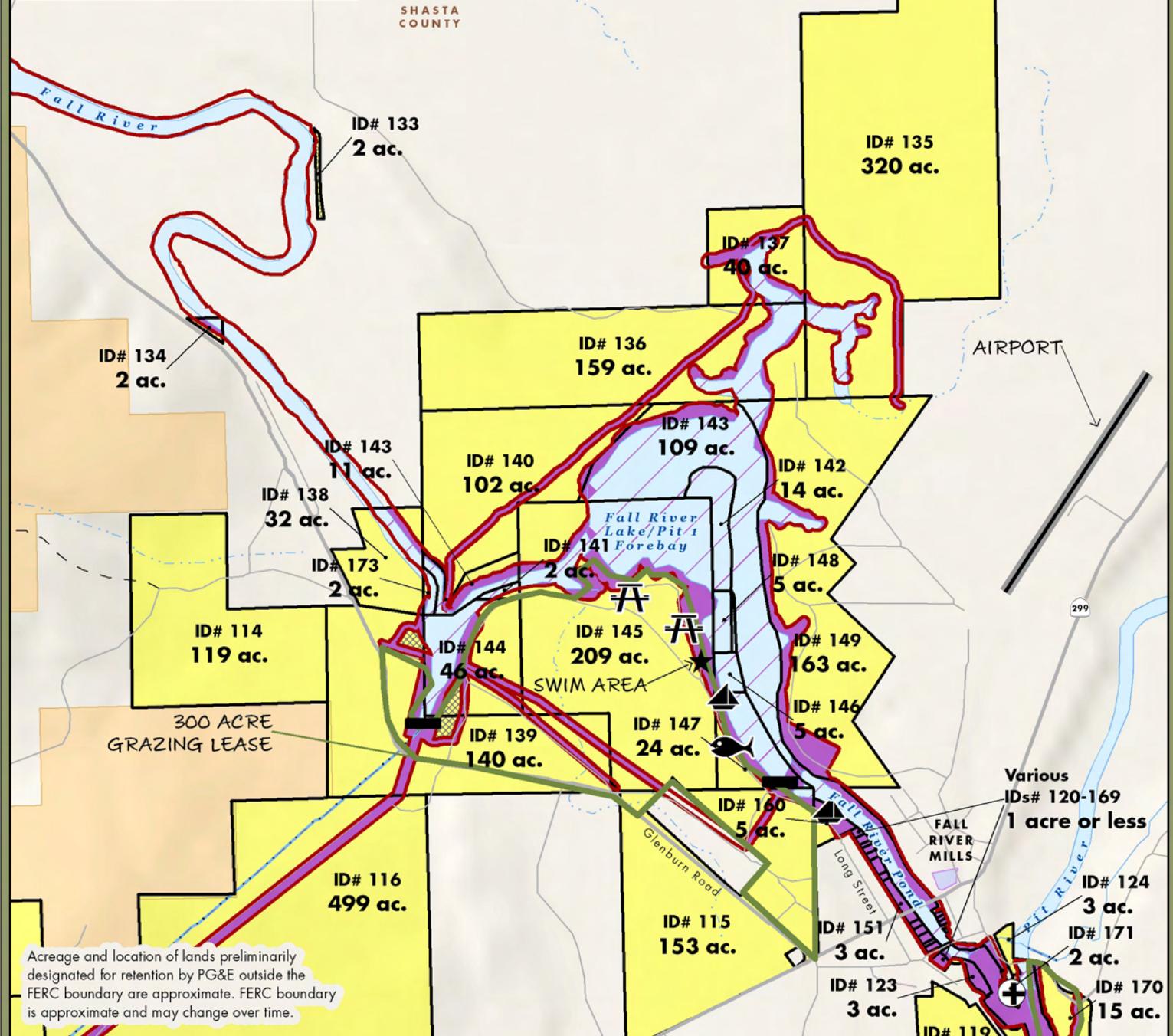
Fall River Mills Planning Unit: Map 1

2 TMUs: 888 Timbered Acres

FERC Project: Pit 1 (#2687)

4,837 Total Acres (4,644 acres land)

578 Acres Within FERC (11%)



PG&E Lands Preliminarily Designated for Donation

BLM

PG&E Lands Preliminarily Designated for Retention

Private

Certain Conditions May Make Donation Inadvisable

State

Legal Parcel Boundary and Id Number

USFS

PG&E Lands Under Water

FERC Boundary

Boat Launch

Campground

Dam

Day Use Area

Feature of Importance

Fishing

Gate

Lodge

Powerhouse

Whitewater Put-In/Take-Out



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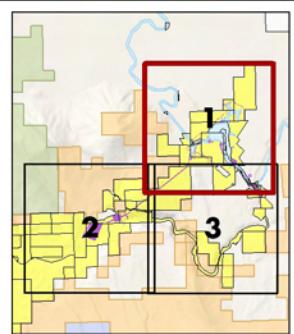
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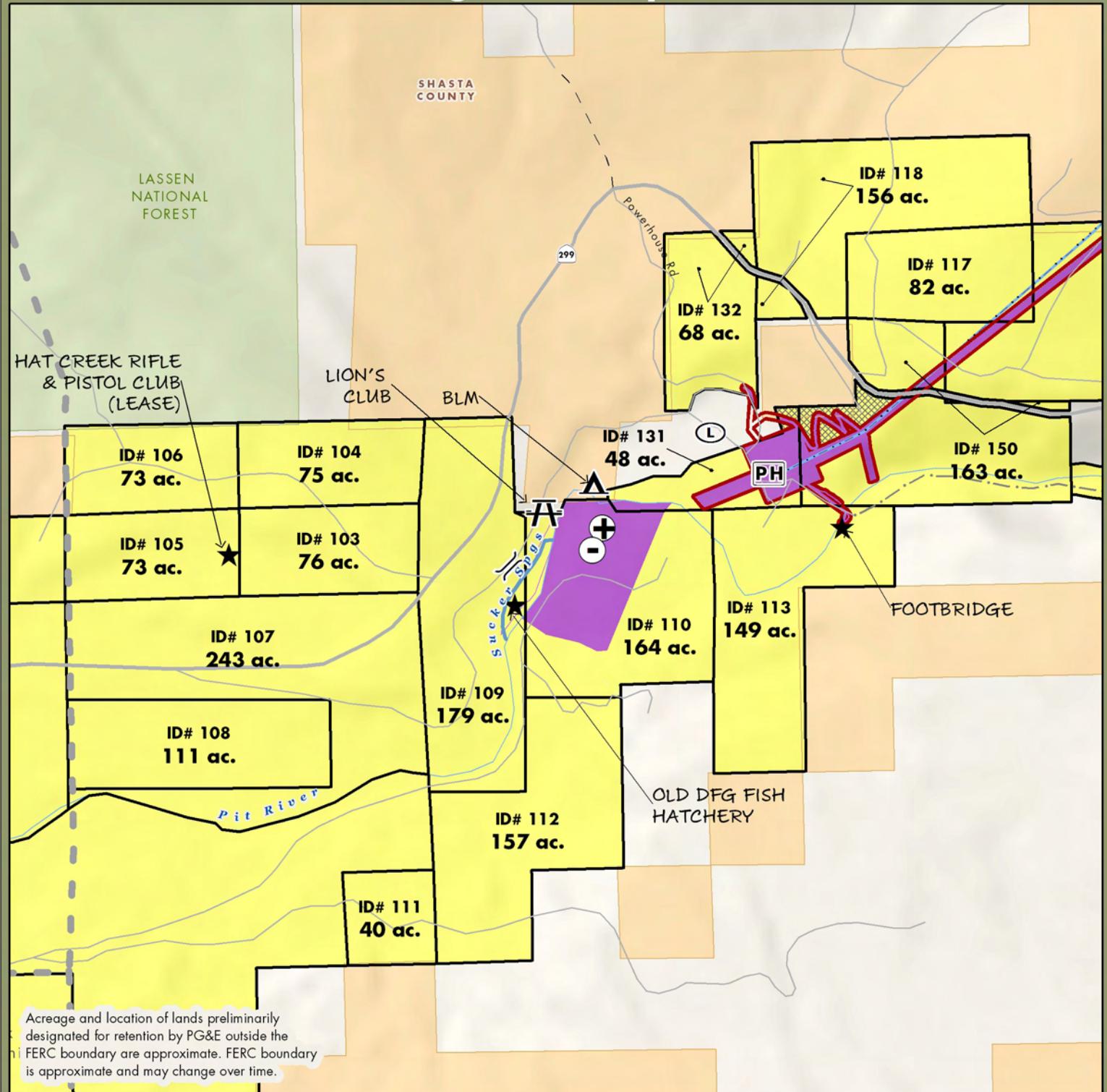
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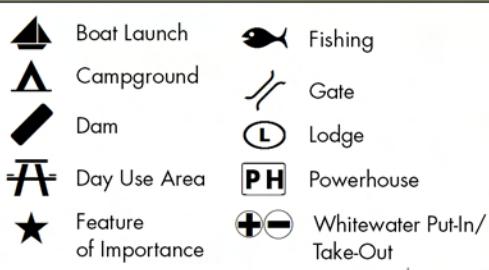


Fall River Mills Planning Unit: Map 2

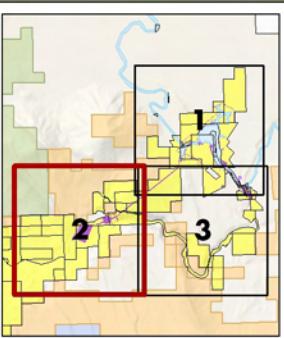


Acreage and location of lands preliminarily designated for retention by PG&E outside the FERC boundary are approximate. FERC boundary is approximate and may change over time.

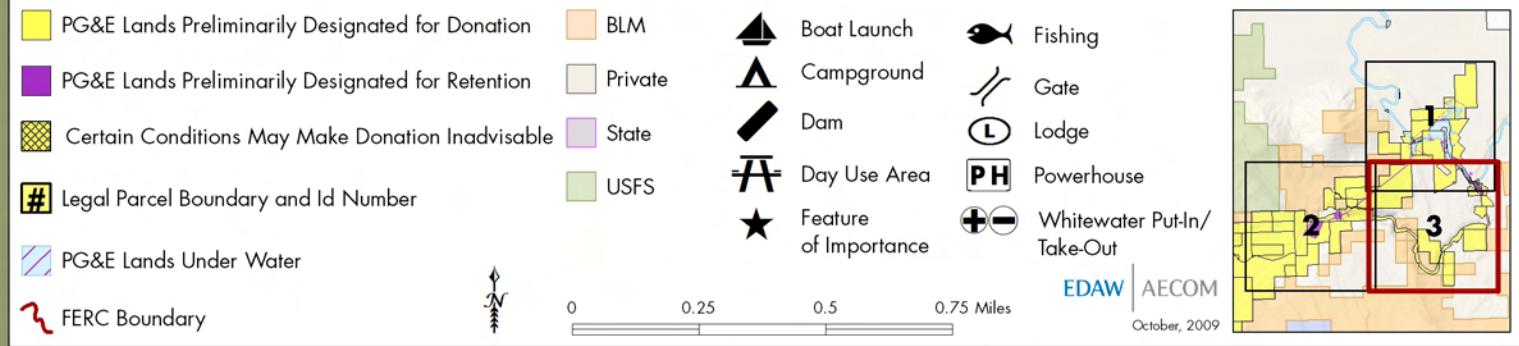
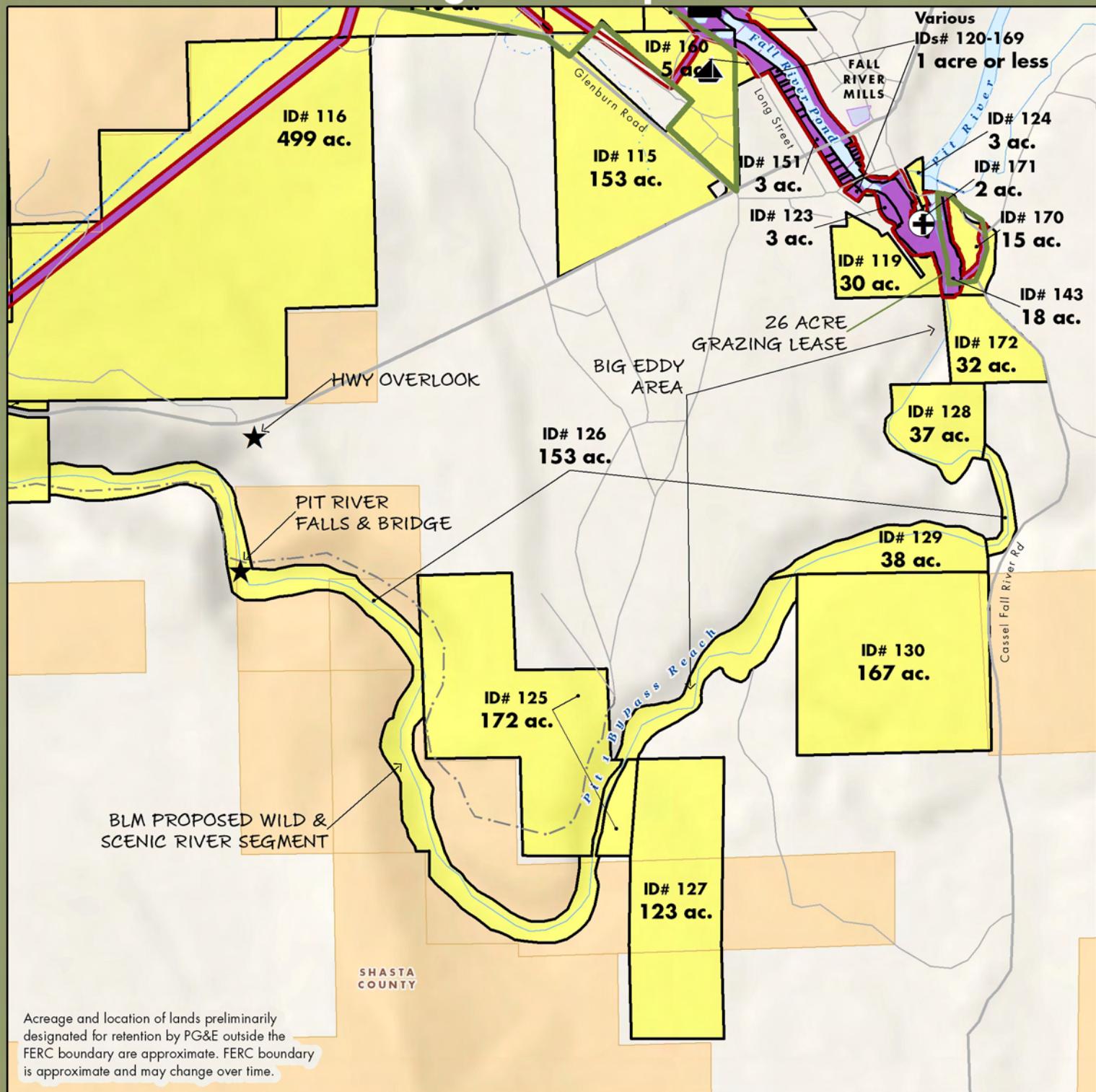
- PG&E Lands Preliminarily Designated for Donation
 - PG&E Lands Preliminarily Designated for Retention
 - Certain Conditions May Make Donation Inadvisable
 - Legal Parcel Boundary and Id Number
 - PG&E Lands Under Water
 - FERC Boundary
 - BLM
 - Private
 - State
 - USFS



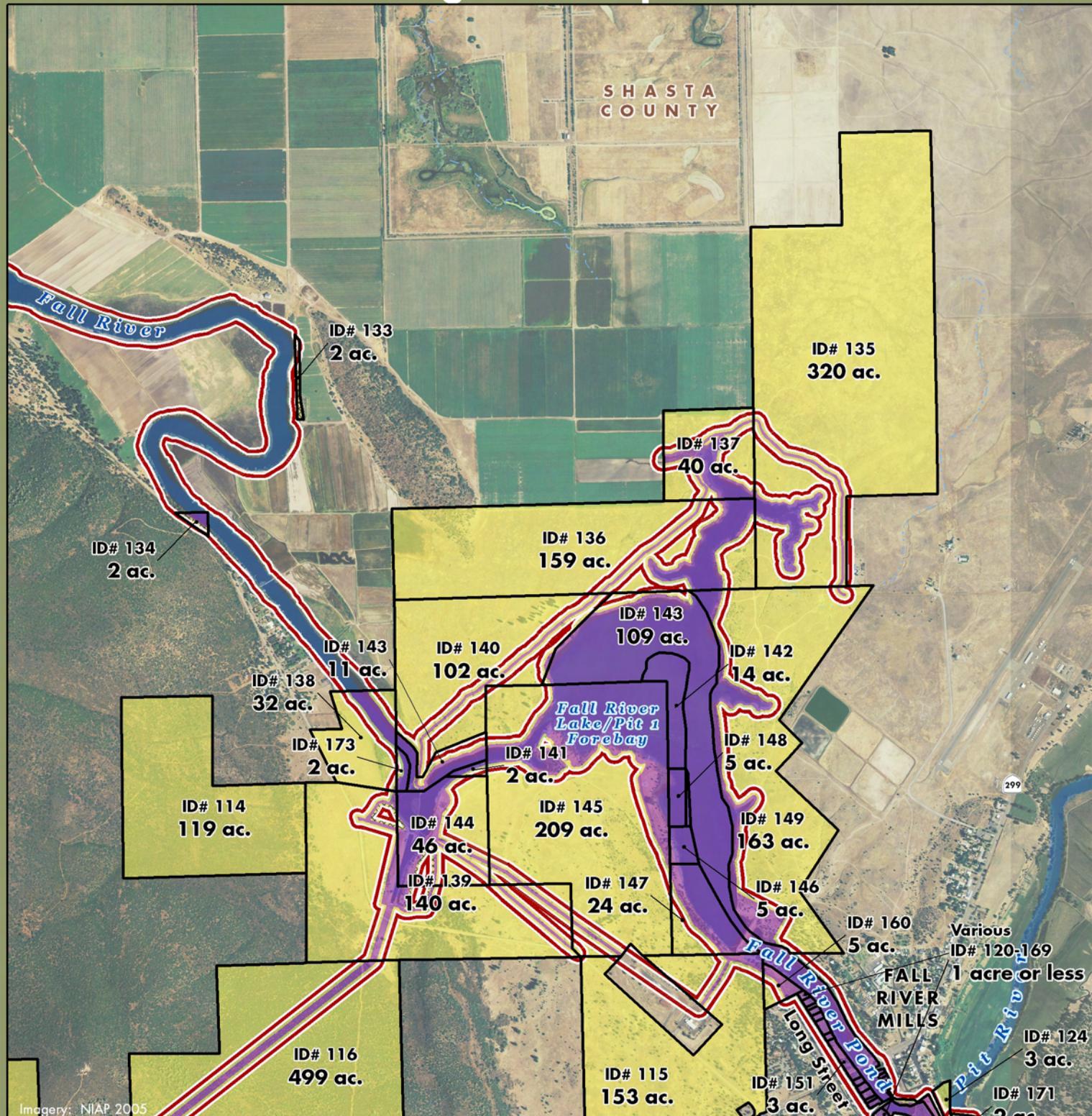
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Fall River Mills Planning Unit: Map 3



Fall River Mills Planning Unit: Map 1



PG&E Lands Preliminarily Designated for Donation

FERC Boundary

PG&E Lands Preliminarily Designated for Retention

Legal Parcel Boundary and Id Number

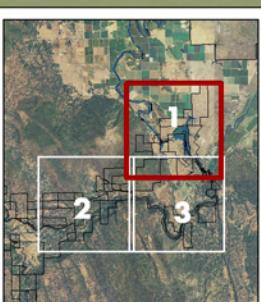
Certain Conditions May Make Donation Inadvisable

Acreage and location of lands preliminarily designated for retention by PG&E outside the FERC boundary are approximate. FERC boundary is approximate and may change over time.

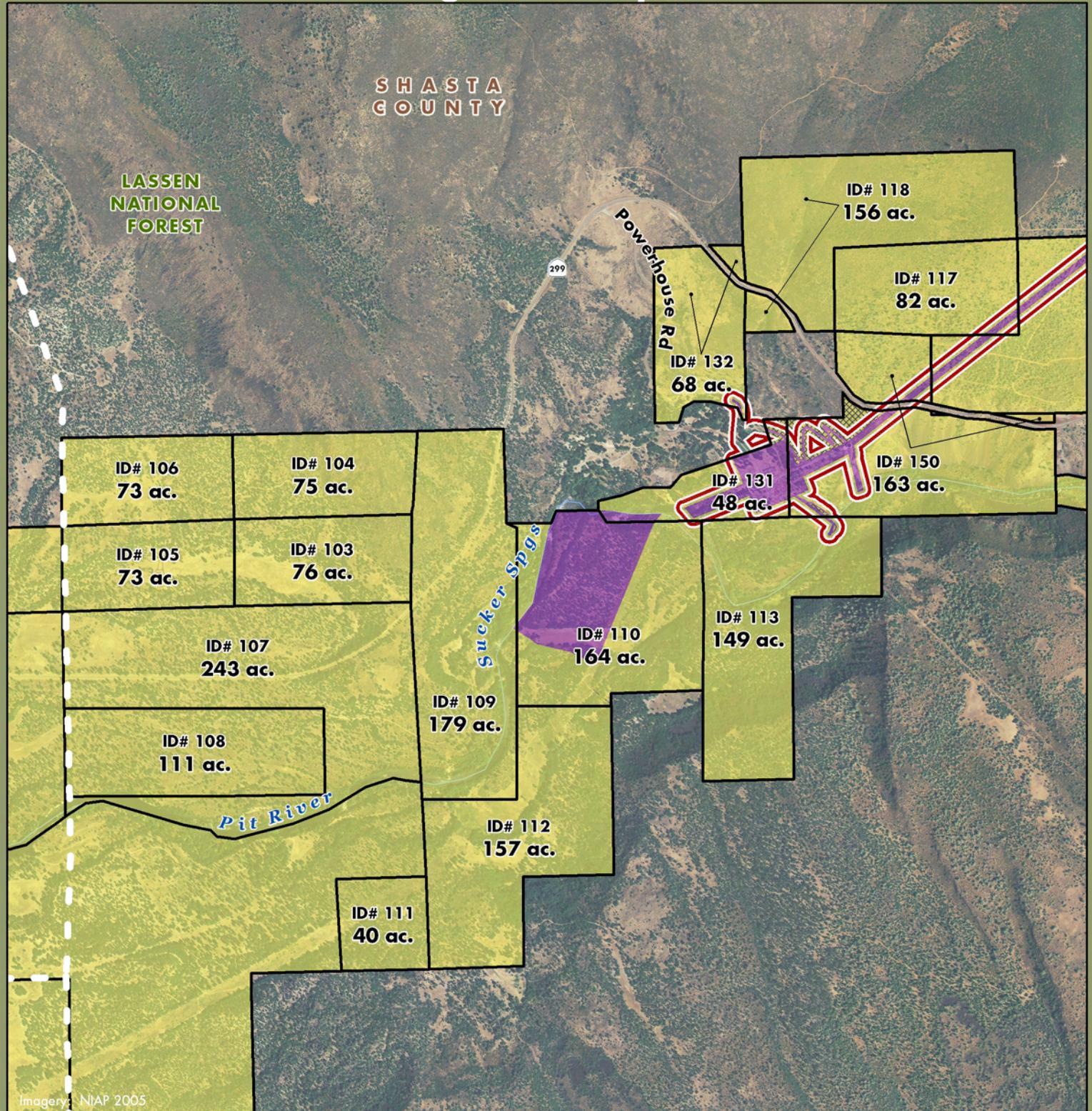
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Fall River Mills Planning Unit: Map 2



 PG&E Lands Preliminarily Designated for Donation

 FERC Boundary

 PG&E Lands Preliminarily Designated for Retention

 Legal Parcel Boundary and Id Number

 Certain Conditions May Make Donation Inadvisable

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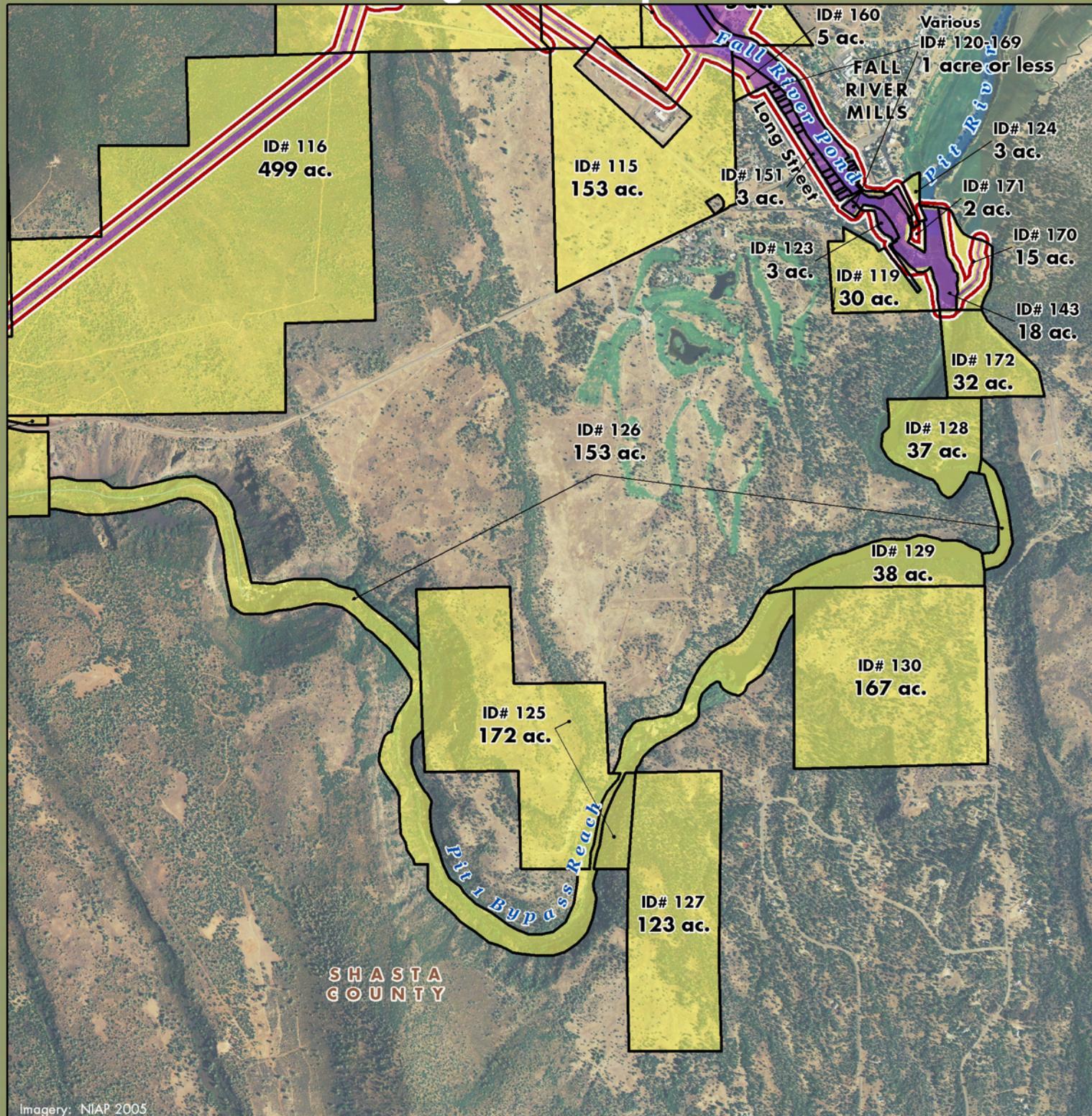
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Fall River Mills Planning Unit: Map 3



Imagery: NIAP 2005

 PG&E Lands Preliminarily Designated for Donation

 FERC Boundary

 PG&E Lands Preliminarily Designated for Retention

 Legal Parcel Boundary and Id Number

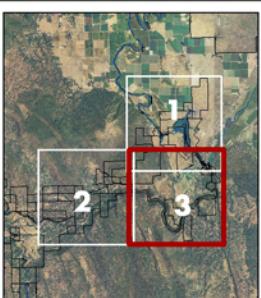
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October, 2009



FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

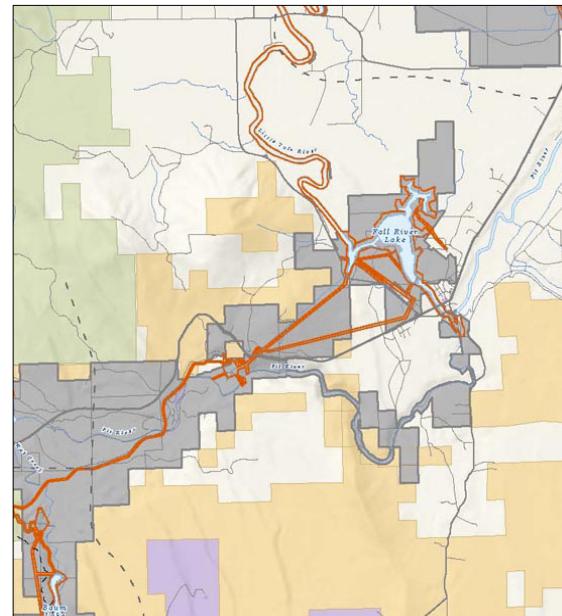
Existing Conditions & Uses

Overview

- Scenic lake and river corridor adjacent to the town of Fall River Mills; 5,310 acres in Shasta County
- 4,732 acres outside the FERC boundary; 578 acres inside the FERC boundary
- Part of Pit 1 Project (FERC #2687); New License issued March 2003

The Fall River Mills Planning Unit is located in Shasta County adjacent to the town of Fall River Mills. The planning unit contains Pit 1 Forebay, Fall River Pond, and several miles of the Fall and Pit River corridors and surrounding lands (see Figure PM-5). The Fall River flows into the 222-acre Pit 1 Forebay (also called Fall River Lake) and, below the forebay, the 0.7-mile long Fall River Pond, which are surrounded by the town of Fall River Mills.

The 6.7-mile section of the Pit River from the confluence with the Fall River to the Pit 1 Powerhouse is referred to as the Pit 1 bypass reach, as most of the Fall River waterflow into the Pit River is bypassed into the powerhouse. The Pit 1 bypass reach includes a slow moving,



Fall River Mills Planning Unit
Shasta County

pond-like section called the Big Eddy, a canyon, and the Pit River Falls. The reach downstream of the Big Eddy is a fast moving, moderate gradient river confined within steep canyon walls. The Pit River slows and flattens past the powerhouse as it nears the confluence with Lake Britton in the Lake Britton Planning Unit.

The planning unit contains lands that are part of the Pit 1 Hydroelectric Project (FERC #2687) as well as infrastructure consisting of several dams and weirs in the Fall River Mills area, the Pit 1 Powerhouse downstream, and water conveyance structures supplying the powerhouse. The unit is primarily surrounded by private property and BLM land, with one U.S. Forest Service (USFS) parcel adjoining the western portion of the planning unit. In the Pit River bypass reach, a private lodge and a BLM campground are on lands adjacent to the planning unit. In addition to two grazing leases, there are leases within this planning unit for a rifle and pistol club, and a residential house in the town of Fall River Mills.



Pit River near Pit 1 Powerhouse

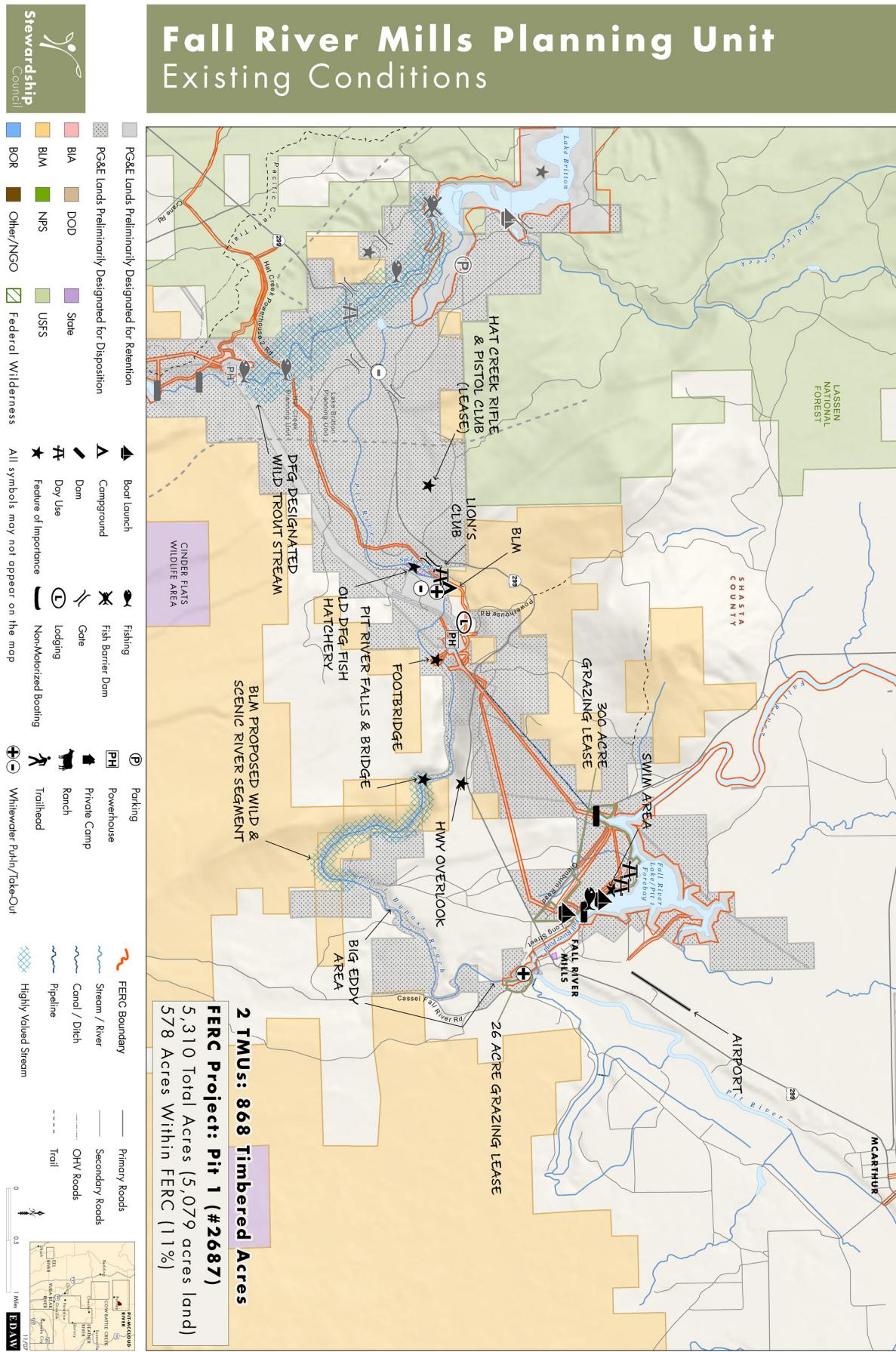


Figure PM-5

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

Fish, Plant, and Wildlife Habitat

Due to the large amount of riparian habitat and presence of both rivers and impoundments within the planning unit, there are many aquatic species that inhabit the site, including both warm and coldwater fish species, mollusks, northwestern pond turtle, and Shasta crayfish. Northwestern pond turtles, a special status species, are found throughout the Fall River Pond and in three main groups within the Pit River in this planning unit. The endangered Shasta crayfish is found in two areas of the planning unit, Sucker Springs Creek and the Pit River. A former DFG fish hatchery at Sucker Springs Creek is currently being restored by the USFWS Shasta Crayfish Recovery Team to provide Shasta crayfish habitat.

The planning unit also provides extensive terrestrial habitat. There are three bald eagle nests within the planning unit, and wintering bald eagles have also been seen using the Pit River within this planning unit and at Pit 1 Forebay. Bank swallows can be seen in an area of cliffs at the Pit 1 Forebay. Five species of bats use the planning unit and its facilities for foraging and roosting. Due to the large number of avian species that use the greater Fall River Area and its importance in maintaining bird populations, the Audubon Society has designated this area as an Important Bird Area. One special status plant species has also been identified in the planning unit. The recent Pit 1 License Order requires several habitat measures and management plans.¹

Open Space

Due to a lack of development, steepness of the Pit River Canyon, and limited recreation facilities, open space values are found throughout the planning unit. Lands behind the town of Fall River Mills at the Pit 1 Forebay and Fall River Pond provide an open space area for the town. Lands along Highway 299 provide the viewshed for the highway and scenic overlook across from the Pit River Falls. A section of the Pit River from near the end of Big Eddy (beginning on BLM land) to the Pit River Falls has been

proposed by BLM as a Wild and Scenic River segment.

The Shasta County General Plan recognizes that rivers, creeks, and associated riparian corridors and floodplains within the county are major open space resources. The General Plan also recognizes that agricultural lands provide privately maintained open space, which contributes to both the rural character of the county and its open, natural landscape.

Outdoor Recreation

The majority of the planning unit's recreation facilities are located at the Pit 1 Forebay and Fall River Pond, adjacent to the town of Fall River Mills. At the forebay, facilities include a group picnic area, swim beach, boat ramp, and day use area. Facilities at Fall River Pond include a boat launch and picnic site. An Americans with Disabilities Act (ADA) accessible fishing platform and several other ADA facilities such as trails, parking, restrooms, and picnic tables are also provided. These sites were recently constructed or improved as a result of the Pit 1 License Order.

These lands and facilities serve as a community park for Fall River Mills and experience such issues as graffiti, off-highway vehicle (OHV) use, dumping, and vandalism. It is likely that PG&E will station a caretaker near the Pit 1 Forebay



Group picnic area at Pit 1 Forebay

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed



Cattle grazing near Pit 1 Forebay

Dam to reduce these problems. PG&E plans to clean up the site of a former trap shooting club at the Pit 1 Forebay. The recent Pit 1 License Order requires the development of two plans addressing recreation management as well as development and maintenance of recreation facilities.

There are few recreation facilities south of Fall River Pond. The Pit River Lodge (formerly owned by PG&E) is located at the Pit 1 Powerhouse, and a small day use area just downstream of the powerhouse has historically been managed by the Lion's Club for public use. In the same area, a BLM campground also provides whitewater boating access and day use facilities. As shown in Figure PM-5, the Hat Creek Rifle and Pistol Club leases land north of Highway 299, at the western end of the planning unit.

Whitewater boating access is available at a number of locations within this planning unit. The Pit 1 bypass reach and Pit River below the Pit 1 Powerhouse provide for two whitewater runs, one from Fall River Mills to the BLM campground near Pit 1 Powerhouse and one from the BLM campground to the Highway 299 bridge. PG&E has proposed a put-in site at Cassel Bridge in Fall River Mills to provide access to the first whitewater run; this would be the only formal recreation facility in the Pit 1 bypass reach. There has been little recorded use of the whitewater runs during yearly flushing flows (only 36 kayakers over several days in

the last three years). PG&E is investigating the provision of whitewater flows during the period of September 15 to October 30 as part of the Pit 1 License Order.²

Forest Resources

This planning unit contains 868 acres of timber within two PG&E Timber Management Units (TMUs). Forest resources consist of scattered second-growth pine stands, including Jeffrey and ponderosa pine, and do not include any plantations or late successional stands. The primary TMU within the planning unit (covering the Fall River Mills area west to about the Sucker Springs Creek area) is currently managed by PG&E under a Salvage prescription, meaning that management activities are restricted to mitigating for watershed and forest health issues, including emergency salvage harvesting following insect attack or a catastrophic event. A small area in the western portion of the planning unit is managed for Multiple-Uses, meaning that protection and uses of other resources and facilities may preclude sustained timber management as the highest and best use of portions of the TMU.

Agricultural Uses

Currently, two grazing leases exist within the Fall River Mills area. The first is a 300-acre grazing lease on the southwestern side of Pit 1 Forebay



Pit River Canyon near Pit 1 Powerhouse

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

for 33 head of cattle. Cattle are allowed to graze at the forebay during the late spring and part of the fall to control yellow starthistle in recreation areas. The second grazing lease is a 26-acre lease for two horses on the east side of the Pit River near the confluence with the Fall River. There was a third lease along the north and east side of the Pit 1 Forebay for cattle grazing from April to July; however, the lease was terminated due to death of the lessee. As part of the relicensing for the adjacent Hat Creek Project, a grazing lease that extended from the Pit 1 Powerhouse to and along Hat Creek was terminated in 2001.



Pit River Falls

Historic Resources

There are a number of cultural resources within this planning unit including many sites around the Pit 1 Forebay and along the Pit 1 bypass reach. This area is within the ancestral territory of the Pit River Tribe, specifically the Ajumawi and Illmawi bands of the tribe. At least two major settlement areas, the villages of Wennehahle and Dawchtahpit, are known to be present in the canyon along with a resource procurement place and several potential Traditional Cultural Properties that are important spiritually. In addition, the Pit 1 Hydroelectric Project has been recommended as eligible for the National Register of Historic Places (NRHP) as an historic district. The recent License Order for the Pit 1 Project required the development of a Pit 1 Historic Properties Management Plan (HPMP) to manage cultural resources.

Stewardship Council Recommendations

The Stewardship Council recommends that the land and land uses at the Fall River Mills Planning Unit be preserved and enhanced by focusing on the importance of the recreation facilities to the local community as well as the special habitat values and species within the planning unit. In presenting the Recommended Concept provided here, our objective is to

protect and enhance habitat resources while maintaining existing recreation use and enhancing the quality of the recreation experience.

Objective: Preserve and enhance biological, agricultural and cultural resources, as well as enhance recreation opportunities and sustainable forestry management.

As shown in Table PM-3, the Stewardship has identified a number of preservation and/or enhancement measures that may contribute to the conservation management program for the Fall River Mills Planning Unit. Additional detail and background regarding these potential measures can be found in the Supporting Analysis for Recommendations, provided under separate cover. These measures are intended to be illustrative in nature, not prescriptive, and will be amended, deleted, or augmented over time in coordination with future land owners and managers to best meet the objective for this planning unit.

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Fish, Plant, and Wildlife Habitat

Objective: Preserve and enhance habitat in order to protect special biological resources.

The Falls River Mills Planning Unit is known to contain important habitat for several aquatic and terrestrial special status species. In order to preserve and enhance the habitat and resources found here, the Stewardship Council recommends that baseline studies be developed to gain a clear understanding of the resources (particularly outside the FERC boundary where little information is available). These studies will likely be followed by management plans to ensure implementation of preservation and enhancement measures for specific resources. Management of the property to preserve and enhance habitat will also include addressing noxious weeds. Other recommended measures emphasize control of vehicle access and restoration of areas damaged by unauthorized OHV use, monitoring of shoreline use, Shasta crayfish interpretive programs, and ensuring adequate care of a shooting club's lease site. Coordination with Pit 1 Project plans, ongoing Shasta Crayfish habitat restoration at the former fish hatchery, and with Native American entities regarding restoration in sensitive cultural resource areas, is also anticipated.



Road at Pit 1 Forebay

Open Space

Objective: Preserve open space in order to protect natural and cultural resources, viewsheds, agricultural land uses, and the recreation setting.

The lands within the planning unit comprise a large portion of the open space viewsheds for the Falls River Mills community, for travelers on Highway 299, and for visitors to adjacent camping and lodge facilities. This concept would preserve open space through permanent conservation easements and would enhance the viewshed by working with PG&E to reduce graffiti on the Pit 1 Forebay Dam. Conservation easements would describe all prohibited uses to maintain open space values, including the level of uses allowed and the requirement to maintain scenic qualities.

Outdoor Recreation

Objective: Enhance recreational facilities in order to provide additional recreation opportunities.

The Falls River Mills Planning Unit provides many of the most popular recreation facilities used by residents of the Falls River Mills community, and provides the potential for new and enhanced recreation experiences near that community and at other more remote locations. As shown in Figure PM-6, the Stewardship Council looks to enhance these opportunities by recommending evaluation of opportunities to expand and improve community park developments and enhance recreation opportunities within the Pit 1 bypass reach. We recommend enhancements focused on providing parking and trail facilities in the Pit 1 Powerhouse area, increasing opportunities for youth education and recreation, and enhancing ADA accessibility. The Stewardship Council also recommends evaluating opportunities to support community park development by the Fall River Weir and evaluating the safety of the Pit River Falls Bridge in conjunction with the Fort Crook Historical Society. Recreation enhancements should be

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coordinated with the BLM, adjacent landowners, and Pit 1 Project plans.

Sustainable Forestry

Objective: Develop and implement forestry practices in order to contribute to a sustainable forest, preserve and enhance habitat, as well as to ensure appropriate fuel load and fire management.

The Fall River Mills Planning Unit contains nearly 900 acres of timberland, primarily managed for salvage only rather than sustained timber production. Due to the proximity of the town of Fall River Mills and other factors, management of fuel loads and wildfires have special importance. The Stewardship Council recommends that future care and management of the land include developing a long-term vision for forest management in the area, addressing silvicultural practices, holistic watershed management, fuels management, and fire management and response. The fire management and response, forest, and fuels management plans should be developed in conjunction with the noxious weed, rangeland, and wildlife and habitat management plans, as well as relevant Pit 1 Project plans. We expect that all of these plans would be developed in coordination with adjacent landowners, lessees, and BLM management and practices as appropriate.

Agricultural Uses

Objective: Preserve and enhance grazing in order to support associated economic benefits, as well as to protect open space and habitat resources.

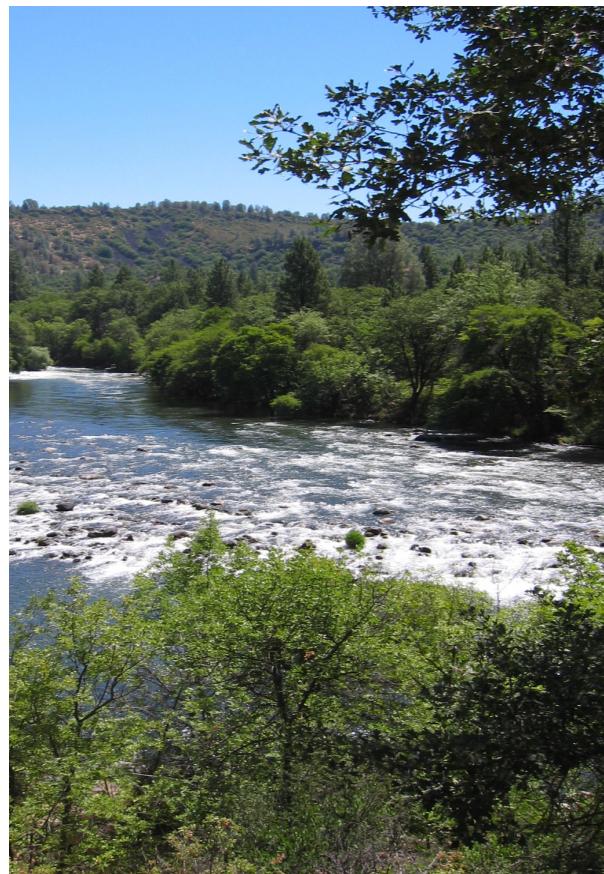
There are currently two grazing leases within the planning unit. The Stewardship Council looks to preserve this important economic use as part of the long-term management of the Fall River Mills Planning Unit. To support this effort, we anticipate a baseline conditions report

will be required to describe current agricultural, physical, and overall biological conditions of the area, as well as to assess the potential for the reintroduction of additional grazing opportunities. From this, specific determinations can be made to identify and manage grazing practices in balance with other uses and values of the property.

Preservation of Historic Values

Objective: Identify and manage cultural resources in order to ensure their protection.

The Fall River Mills Planning Unit is known to contain important Native American cultural resources and historical resources related to hydropower development, and there is a high likelihood additional cultural resources are present. The Stewardship Council aims to support an increased understanding of these resources and ensure they are appropriately



Pit River near the BLM Campground

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protected. To meet this objective, we recommend that cultural resource studies be conducted to understand the resources within the unit (particularly outside the FERC cultural resource study area, where less information is available), and that appropriate plans be developed and implemented. A specific recommendation is also made to determine potential noise impacts from the Hat Creek Rifle and Pistol Club on Native American traditional cultural resource practices in the area. This measure should be coordinated with the club and any other potentially affected parties. Throughout this effort, the Council recommends close coordination with Native American entities. Development of the cultural resources management plan should be consistent with the Final Pit 1 HPMP.

Endnotes

¹ Pit 1 License Order habitat-related measures include monitoring of Shasta crayfish and bald eagles, minimum flows, flushing flows, development of a Shasta Crayfish Technical Review Committee, bat surveys, and recording of incidental observations of peregrine falcons. A number of plans are also required in the License Order including a Shasta crayfish management plan, vegetation management plan, foothill yellow-legged frog protection plan, and northwestern pond turtle protection plan.

² A fish stranding study and further refinement of acceptable whitewater boating flows are proposed in a Phase 2 study on the impacts of potential whitewater boating flows.



Fall River Mills Planning Unit

Registered Organizations That Submitted Statement of Qualifications for Lands Available for Donation

County of Shasta
Environmental Education Council of Marin
Fall River Lions Club
Fall River Resources Conservation District
Fall River Valley Community Services District
Pit River Tribe
Spring Rivers Foundation
US Bureau of Land Management
US Forest Service - Lassen National Forest

SUMMARY OF KEY PUBLIC OUTREACH ACTIVITIES AND PUBLIC COMMENTS ASSOCIATED WITH THE FALL RIVER MILLS 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, five comments were submitted concerning the Fall River Mills Planning Unit. Comments were received via email, the Stewardship Council website, and hardcopy letters. 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:

- Consideration of the Pit River Park's historical and recreational value to the local community.
- Support for the land available for donation to transfer to the BLM in order to enhance public access along segments recommended for National Wild and Scenic River status.
- Coordinate studies involving the Hat Creek Rifle and Gun Club with the club and any other potentially affected parties.
- Support for the preservation and enhancement of the recreation facilities to support the local economy.
- Concern for equal consideration for and preservation of all historical resource values.

PUBLIC INFORMATION MEETING FOR THE FALL RIVER MILLS PLANNING UNIT

A public information meeting for the Fall River Mills, Fall River Valley, Hat Creek, and Lake Britton planning units was hosted by the Stewardship Council on October 29, 2009 at the Veterans of Foreign Wars Hall in Burney, California. A total of 33 people attended and participated in the meeting, representing a wide variety of interests, including local and federal governments, community organizations, and community members. The primary purpose of this meeting was to solicit public input on the development of the Land Conservation and Conveyance Plans (LCCP) to preserve and enhance the Fall River Mills, Fall River Valley, Hat Creek, and Lake Britton planning units.

During the meeting, participants were invited to provide comments at the four planning unit stations, focusing on two topics: the potential priority measures proposed for the above listed planning units, and important qualifications of future land owners and conservation easement holders. A summary of the public comments concerning the Fall River Mills Planning Unit is provided below.

General Comments/Potential Priority Measures to Preserve and Enhance the BPVs

- Develop trails along the east side of Fall River Lake
- Develop a hiking trail along the Pit River to the Pit River Falls

- Develop a trail all the way from Fall River Mills to the Pit 1 Powerhouse
- Noxious weed control is critical
- Enhancing habitat for wildlife and birds is important
- Maintain existing Lion's Club day use area on the Pit River
- Maintain Hat Creek Rifle & Pistol Club in present location

Important Qualifications of Future Landowners and Conservation Easement Holders

- Should have local interest and knowledge
- Experience with noxious weed management
- Interest in acting as a “sound board” for local community (i.e. access, tribal, weeds, ranchers, economic)

ADDITIONAL CORRESPONDENCE SUBMITTED

The Stewardship Council also received other public comments and letters from individuals and organizations regarding the future management of the Fall River Mills Planning Unit, as summarized below:

- Prohibit OHV use due to potential impacts on wildlife habitat and soils.
- Support for the lands available for donation to be transferred to the Pit River Tribe.
- Assess and develop educational opportunities for the public and youth to learn about the Pit River Indian culture, such as signage, a cultural resource center, and model villages.
- Concern that enhanced public access will impact sensitive riparian habitat.