

FEE TITLE DONEE RECOMMENDATION FOR FALL RIVER MILLS PLANNING UNIT – FALL RIVER RESOURCE CONSERVATION DISTRICT

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 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 were preliminarily 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 were preliminarily made available for fee title donation, with the remaining 640 acres to be retained by PG&E.

The Stewardship Council received and evaluated land stewardship proposals (LSPs) seeking fee title donations to lands in this planning unit from four organizations: The Bureau of Land Management (BLM), Fall River Resource Conservation District ("Fall River RCD" or "RCD"), Fall River Valley Community Services District (Fall River Valley CSD), and the Pit River Tribe.

The Stewardship Council Board of Directors (Board) previously approved four fee title recommendations at this planning unit. In May 2012, the Board recommended the donation of three parcels, encompassing approximately 34 acres, to the Fall River Valley CSD. In September 2012, the Board recommended the donation of 19 parcels, encompassing approximately 2,514 acres to the BLM. Subsequent to its submittal of an LSP, BLM confirmed that it could not pursue the land donation due to requirements of the Stipulation relating to Section 4(e) of the Federal Power Act. On March 12, 2014, the Board recommended the donation of 4 parcels, encompassing approximately 523 acres, to the Fall River RCD. In 2015, the Board recommended adding an additional 18 acres to the Fall River RCD recommendation.

Based on review of the LSPs, follow-up discussions with the interested organizations, and site visits, the Stewardship Council has developed the following additional fee title donation

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").

recommendation, which has been endorsed by the Watershed Planning Committee (Planning Committee) for this planning unit:

Fall River Resource Conservation District as the prospective recipient of fee title to approximately 450 acres available for donation within 6 parcels (103-107, 109).

If this fee donation recommendation is endorsed by the Board, the Stewardship Council would work with the Fall River RCD on the development a Land Conservation and Conveyance Plan (LCCP) and facilitate the negotiation of a conservation easement. The proposed LCCP would then be presented to the Planning Committee and Board for consideration and approval. The proposed LCCP would be made available for public review and comment before it is approved by the Board.

Previously, the Board selected Shasta Land Trust as the prospective holder of the conservation easements to be established at the Fall River Mills planning unit.

I. INTRODUCTION AND BACKGROUND

a. *Planning Unit Description*

The description below is inclusive of the entire planning unit, of which approximately 450 acres are the subject of this fee title recommendation. 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 River 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 located adjacent to the town of Fall River Mills. The 71 parcels of land comprising this planning unit are located adjacent to private lands and lands owned and managed by the BLM.

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 a lack of development, the steepness of the Pit River Canyon, and limited recreation facilities. Lands behind the town of Fall River Mills located near the Pit 1 Forebay and Fall River Pond provide an open space area for the town. 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 recreational 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. 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 that were made available for donation: a grazing lease on 300 acres in the vicinity of the Pit 1 Forebay, a grazing lease on 26 acres near the Pit 1 Weir, and a recreation lease associated with the Hat Creek Rifle and Pistol Club. Additionally, there is an informal day use area managed by the Fall River Lion's Club, located downstream of the Pit 1 Powerhouse.

The planning unit has two PG&E Timber Management Units (TMUs) consisting of second-growth mixed conifer and eastside pine stands, along with oaks and incense-cedar. 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, while a small area in the western portion of the planning unit is managed for multiple-uses.

This area is within the ancestral territory of the Pit River Tribe, specifically the Ajumawi and Illmawi bands of the Pit River Tribe. Cultural resources have been found 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 Lands Recommended for Donation to RCD

Parcels 103-107, 109

Parcel 103

This parcel is unimproved open space, located north of State Highway 299 and west of the Pit River, completely surrounded by other PG&E land. The parcel contains a total of 76 acres, all of which are available for fee title donation. The parcel has mixed-conifer, hardwood forest interspersed with juniper and sage. Access to the parcel is by an unimproved dirt road off the north side of State Highway 299, which crosses the PG&E property to the east. The parcel is utilized by the Hat Creek Rifle and Pistol Club.

Parcel 104

This parcel is unimproved open space, located north of State Highway 299 and west of the Pit River. The parcel is located adjacent to BLM, USFS, and private land to the north, with PG&E land surrounding the parcel on all other sides. The parcel contains a total of 75 acres, all of which are available for fee title donation. The land consists of upland sage and juniper. Access to the parcel is by an unimproved dirt road off the north side of State Highway 299, which crosses PG&E land south and east of the property. The parcel is utilized by the Hat Creek Rifle and Pistol Club.

Parcel 105

This parcel is primarily encumbered by the lease to the Hat Creek Rifle and Pistol Club for their shooting club and ranges. The parcel is completely surrounded by other PG&E land, with the exception of the northwest corner, which is adjacent to BLM land. The leased area is improved with a number of club facilities including two range structures (one for handguns and one for rifles), various storage vans, portable restrooms, and other associated facilities. These improvements have been constructed by the tenant and will remain the tenant's property. The

total acreage of this parcel is 73 acres, all of which is available for fee title donation. The existing lease agreement will be assigned to the new fee title owner. Access to the parcel is off the north side of State Highway 299, approximately one mile east of the Pit River Bridge.

Parcel 106

This parcel is unimproved open space, located north of State Highway 299 and west of the Pit River. The parcel is bordered to the north by USFS, to the west by BLM, and to the south and east by PG&E. The parcel contains a total of 73 acres, all of which are available for fee title donation. The land consists of upland sage and juniper. Access to the parcel is by an unimproved dirt road off the north side of State Highway 299, which crosses PG&E lands to the east of the property. The parcel is utilized by the Hat Creek Rifle and Pistol Club.

Parcel 107

This parcel is a 243 acre legal parcel, with land located both north and south of State Highway 299 and is completely surrounded by PG&E land. A portion of the land to the north, where the access road to club facilities crosses the parcel, is encumbered by the lease to the Hat Creek Rifle and Pistol Club. This lease will be assigned to the new fee title owner.

Parcel 109

This 179 acre legal parcel lies adjacent to Parcels 103, 104, 107, 110, and 112, and is bisected by both State Highway 299 and the Pit River. BLM land is located north of the parcel. The portion of the property on the north side of State Highway 299 is primarily open space with access from the highway.

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 SOQs 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 Resource Conservation District
- Pit River Tribe

After an initial round of LSPs was submitted for the planning unit prior to 2015, recommendations were made for a portion of the acres to be donated in fee, while the remaining acres were anticipated to be retained by PG&E. In 2018, the Stewardship Council and PG&E land staff conducted a desk review and field review of the additional lands that were anticipated to be retained by PG&E. PG&E staff assessed the remaining acres that did not fall within Federal Energy Regulatory Commission (FERC) project boundaries, and were not required for current or future utility operations. The Board then agreed to solicit additional Land Stewardship Proposals for available lands in the planning unit, from two key regional stakeholders, The Fall River Resource Conservation District and the Pit River Tribe. The Stewardship Council evaluated this additional round of LSPs for the planning unit in November and December of 2018. 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 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

Fall River RCD

The Fall River RCD is being recommended to receive a donation of fee title to lands within the Fall River Mills planning unit as follows:

Fall River Resource Conservation District as the prospective recipient of fee title to approximately 450 acres available for donation within 6 parcels (103-107, 109).

The Stewardship Council's recommendation is based on a determination that the Fall River RCD appears to have sufficient financial and organizational capacity to own and manage fee title to the 450 acres of land that are the subject of this recommendation. Additionally the RCD has proposed to maintain and improve the recreational, educational and professional use of the property for youth and adults.

a. Donee Organizational Capacity

The RCD was established in 1957 by the Shasta County Board of Supervisors. The RCD maintains its office in the town of McArthur and leases some of its office space to the Natural Resource Conservation Service. The RCD is a public entity responsible for resource conservation in a geographical area encompassing 1,149,000 acres across four counties, with the majority of that acreage in Shasta County. The RCD promotes watershed management practices that take into consideration: land use; soil loss and productivity; water quantity and quality; wildlife populations and habitat; and, the social and economic factors within a certain drainage basin.

As with all RCDs in California, the directors of the RCD are required to reside in their district. As representatives of their community, directors have the responsibility to assess local conservation needs and to develop programs to meet those needs. Since its establishment, the RCD Board of Directors has been comprised of individuals with varied backgrounds and experience. The experience of the current directors includes agricultural practices, forestry, land

management, and knowledge of the local history and recreational opportunities in the district. Currently, the directors of the RCD are appointed by the County Board of Supervisors.

The RCD is run by its board of directors, utilizing volunteer advisory committees and consultants to assist on specific management projects to maintain low overhead expenses. The RCD currently has seven local volunteer directors and four part time employees that are partially funded through grazing revenue and grants. These include an Executive Director, range manager, NRCS Field Technician, and outreach coordinator.

The RCD manages resources by utilizing watershed management practices, which incorporate the relationship between land use, soil loss and productivity, water quantity and quality, wildlife populations and habitat, as well as the social and economic factors within a certain drainage basin. As a public entity, the RCD is required to follow all federal and state rules pertaining to hiring, purchasing, awarding of contracts, and accounting practices.

In 2009 the RCD was awarded a grant of approximately \$190,000 from the Shasta Resource Advisory Committee (RAC) to conceive, plan, and implement a sustainable natural resources management project with a socioeconomic development goal in the Hat Creek and Burney Creek watersheds of Shasta County on portions of the Shasta/Trinity and Lassen National Forests. The RCD received an additional grant from the RAC in 2011 for approximately \$94,000 to continue with the Burney Hat Creek project.²

b. Donee Financial Capacity

The financial capacity of the RCD was evaluated based on a review of the organization's financial statements for the past five years. Based on a review of financial statements submitted, the RCD appears to possess the financial capacity to own and manage the lands being recommended for transfer to them within the 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 RCD 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 by the Fall River RCD include:

- Preserve and Enhance Recreation
- Develop a noxious weed management program
- Restore habitat

² The Shasta RAC was established as part of the Secure Rural Schools and Community Self-Determination Act by Congress in 2000. The intent of the Act was to restore payments to counties that historically occurred from the federal government when timber harvesting in federal lands was high. The RAC is composed of fifteen appointed individuals, representing three categories for balanced decision making. Five individuals are grouped into either an economic, ecological, or an elected/public category. The group administers roughly \$300,000 of funds each year that are awarded through a competitive grant program.

- Conduct a cultural resource survey
- Develop a comprehensive management plan
- Make the property available for educational programs and to law enforcement officers for training.

Historically, the land has been leased for over 40 years by the Hat Creek Rifle and Pistol Club who raise funds through grants and memberships to manage the club's resources. These resources are enjoyed by the general public as well as state and local agencies and organizations, including State Parks Law Enforcement, Shasta County Sheriff's Department, California Highway Patrol, Venture Crews, and local Boy Scout troops.

d. Funding and Financial Costs

Transaction Costs

The Fall River RCD has requested \$10,000 for transaction funding from the Stewardship Council for reimbursement of actual costs.

Land Ownership and Management Activities and Enhancements to Beneficial Public Values

The Fall River RCD is in the initial stage of scoping potential enhancement projects for the subject parcel and will work with the Stewardship Council and other stakeholders on the development of potential project proposals. Potential enhancement projects may include cultural resource protection, improved and new fencing and habitat restoration. In 2012, the Club hired a consultant to develop an Environmental Stewardship plan for the property. The plan outlined several best management practices which have since been implemented. In 2017, the Club had an additional environmental inspection completed by the National Rifle Association. This review resulted in a couple of additional improvements to the best management practices being implemented. The RCD will work with the Club to continue to implement and improve the management practices implemented on the property.

Tax Neutrality

Pursuant to the Stewardship Council's Guidelines for Achieving Property Tax Neutrality, the Stewardship Council would provide funding for in lieu payments of lost property taxes associated with the 450 acre land donation. Annual property taxes on the parcel being recommended for transfer to the Fall River RCD are approximately \$2,945, with a lump sum payment of approximately \$73,600. The Stewardship Council would work with PG&E and Shasta County to determine the amount and final payment method necessary to achieve property tax neutrality.

e. Requirements of the Settlement and Stipulation and additional requirements

The Stewardship Council's recommendation that the Fall River RCD 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. Two key 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 RCD, 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 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. Land conservation partners are defined as organizations other than PG&E or the conservation easement holder that become involved in future activities on the retained lands that contribute to the preservation and enhancement of the BPVs. Land conservation partners may be organizations that expressed interest in enhancement activities on the properties via a land stewardship proposal or organizations otherwise identified during or after the development of the Land Conservation and Conveyance Plan (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. The Stewardship Council would work with the recommended fee title donees and the holders of the conservation easements and evaluate opportunities for land conservation partners. The Fall River RCD has ongoing relationships with many local organizations including the Pit River Tribe, the Natural Resource Conservation Service, Spring Rivers Foundation and California State Parks.

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. ALTERNATIVES

In addition to evaluating the proposal submitted by the Fall River RCD, the Stewardship Council evaluated an alternative consisting of PG&E retaining some or all of the lands available for donation in the subject parcels is summarized below.

PG&E Retention:

Some or all of the lands being recommended for donation within the subject parcel could be retained by PG&E. The retention of the 450 acres by PG&E would result in continuing the current management regime, subject to a newly established conservation easement. However, it should be noted that some or all of these lands could be transferred at some future date by

PG&E to a new landowner. Although the new landowner would be required to manage these lands subject to the conservation easement, the type and level of management could change from PG&E's current management regime.

V. NEXT STEPS FOLLOWING PLANNING COMMITTEE RECOMMENDATION

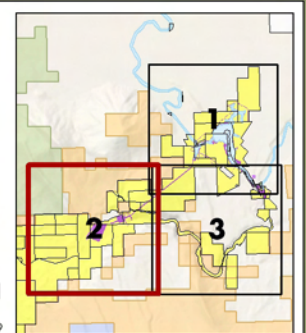
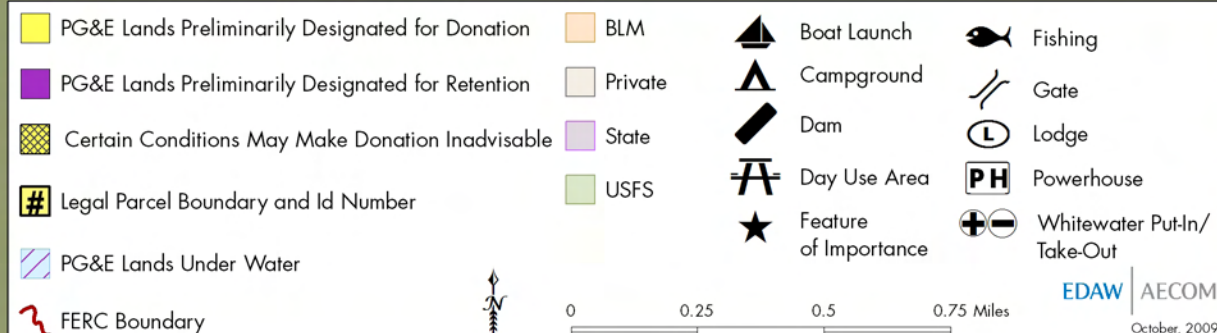
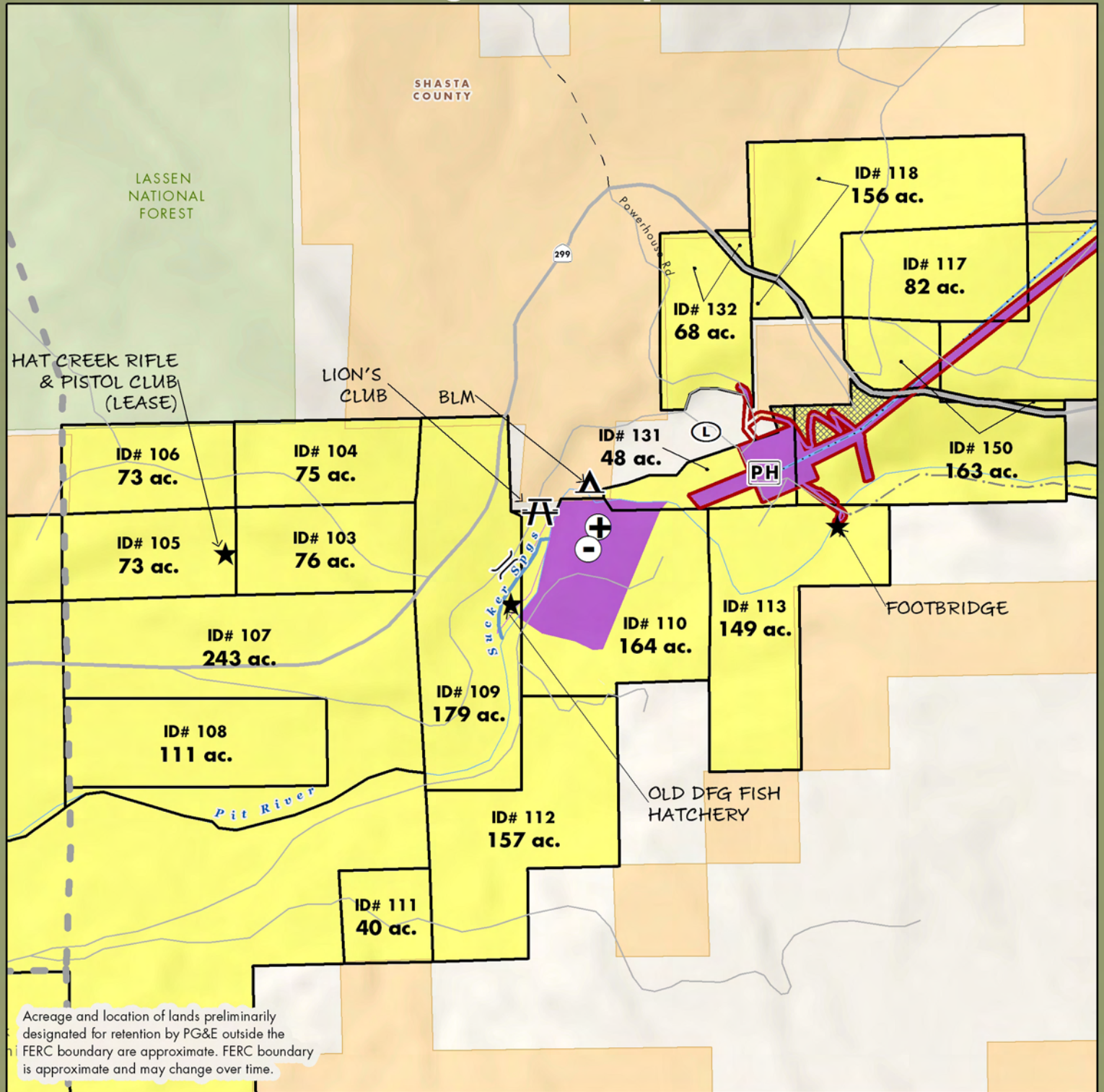
If the Board approves this recommendation on January 23, 2019 the Stewardship Council would invite the Fall River RCD to negotiate specific terms of the transaction and the conservation easement with PG&E and the prospective conservation easement holder, respectively. The conservation easement will be incorporated into the LCCP developed for the planning unit.

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

ATTACHMENTS AND REFERENCE MATERIAL

- Fall River Mills Planning Unit Map
- LCP Volume II Report for 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 2



FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

Existing Conditions & Uses

Overview

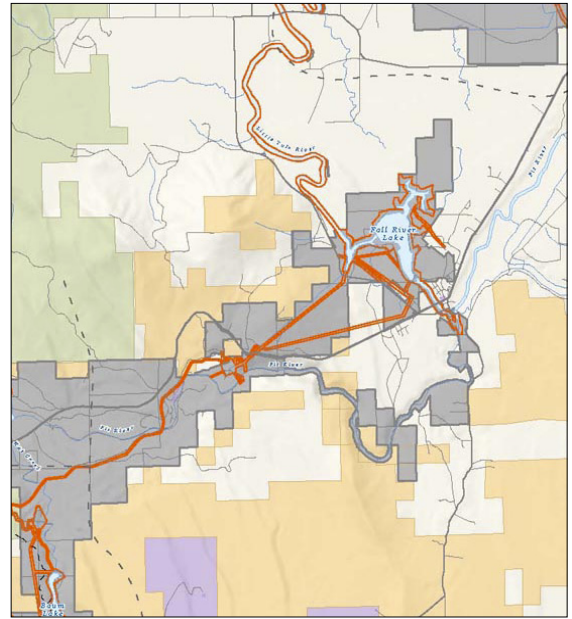
- Scenic lake and river corridor adjacent to the town of Fall River Mills; 5,310 acres in Shasta County
- 4,732 acres outside the FERC boundary; 578 acres inside the FERC boundary
- Part of Pit 1 Project (FERC #2687); New License issued March 2003

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,



Pit River near Pit 1 Powerhouse



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.

Fall River Mills Planning Unit Existing Conditions

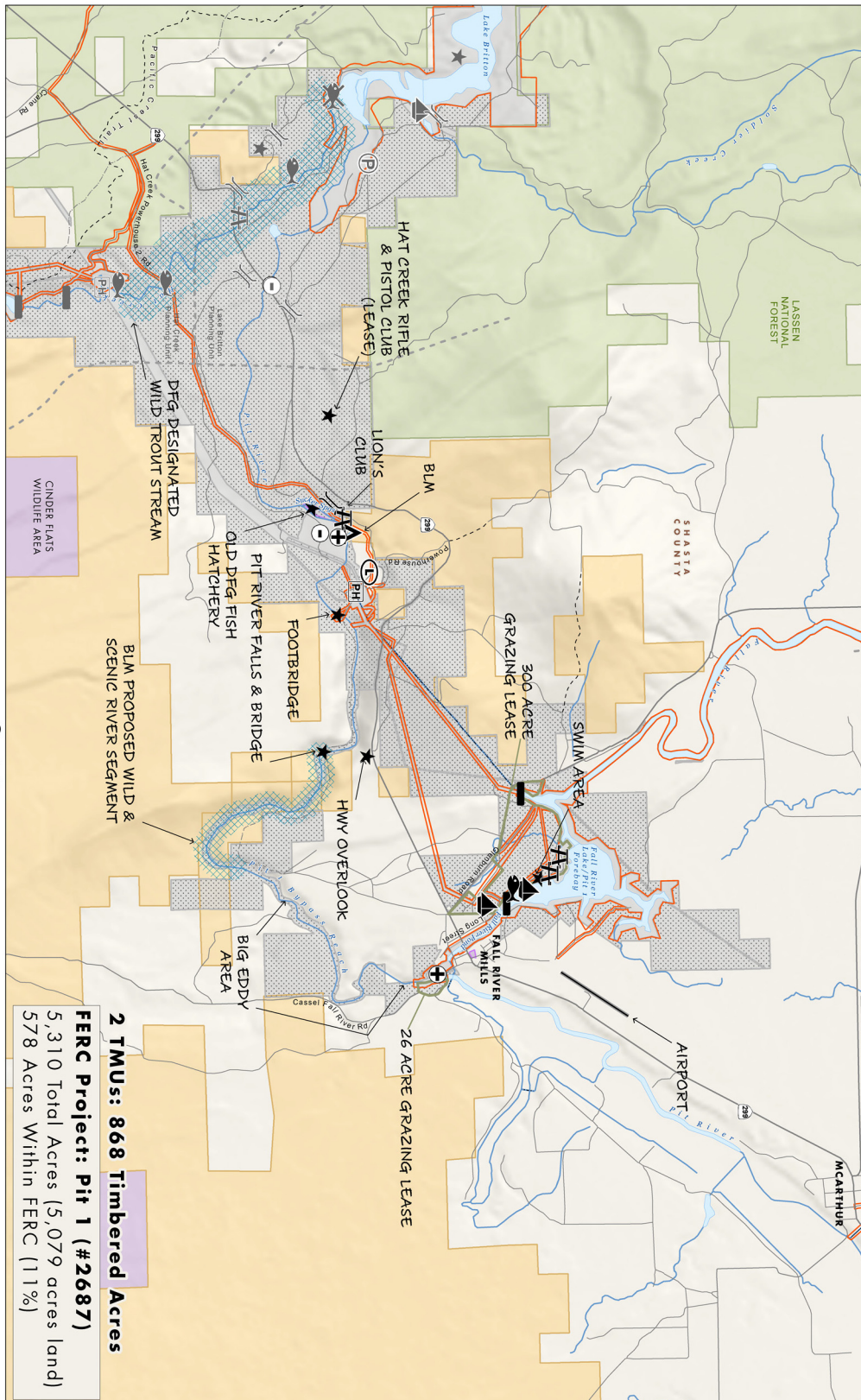
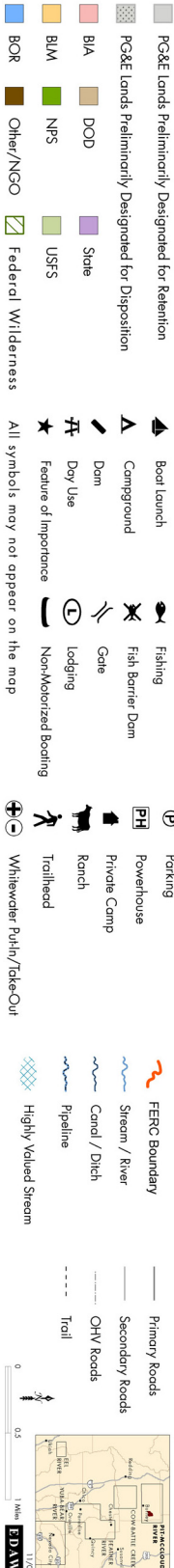


Figure PM-5

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.

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

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

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

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.

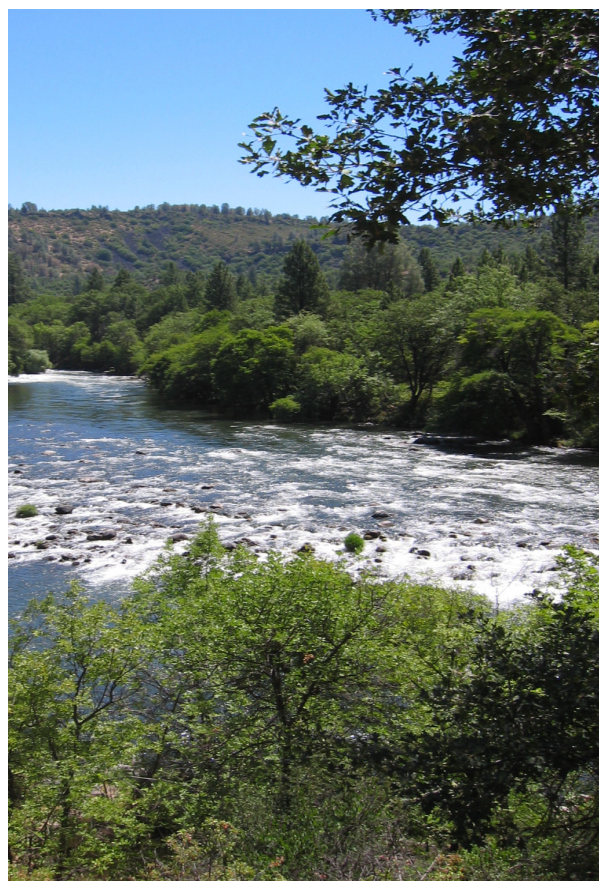
There are currently two grazing leases within the planning unit. The Stewardship Council looks to preserve this important economic use as part of the long-term management of the Fall River Mills Planning Unit. To support this effort, we anticipate a baseline conditions report

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

FALL RIVER MILLS PLANNING UNIT

Pit-McCloud River Watershed

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.

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.