

FEE TITLE DONEE RECOMMENDATION COW CREEK PLANNING UNIT

EXECUTIVE SUMMARY

The Stewardship Council was created to oversee Pacific Gas and Electric's (PG&E) Land Conservation Commitment, as set forth in the Settlement and Stipulation,¹ to protect over 140,000 acres of land and to preserve and enhance, on an overall basis, the following six beneficial public values (BPVs): protection of the natural habitat of fish, wildlife, and plants; preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and, historic values. The Stewardship Council is responsible for developing a land conservation plan and recommending qualified organizations to become involved in the future stewardship of these lands.

The Cow Creek planning unit, located in Shasta County, consists of 10 legal parcels encompassing approximately 2,312 acres of land. Approximately 2,266 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 2,266 acres of land have been made available for fee title donation. Stewardship Council staff received and evaluated one land stewardship proposal (LSP) from the California Department of Forestry and Fire Protection (CAL FIRE) seeking fee title to all of the land available for donation in this planning unit (with the exception of 15 acres in one parcel identified as constrained) for expansion of the Demonstration State Forest system. Based on an evaluation of CAL FIRE's proposal, follow-up discussions with CAL FIRE, and consultation with the Watershed Planning Committee (Planning Committee), Stewardship Council staff developed the following recommendation which was endorsed by the Planning Committee:

CAL FIRE to become the prospective recipient of fee title to approximately 2,251 acres available for donation within eight parcels (parcels 292-299).

PG&E to retain fee title to approximately 15 acres available for donation within parcel 293.

If this recommendation is adopted by the Stewardship Council Board (Board), Stewardship Council staff would work with the prospective donee on the development of a management and funding agreement. This agreement would be developed in coordination with the development of a Land Conservation and Conveyance Plan (LCCP). The proposed management and funding agreement and proposed LCCP would then be presented to the Board for consideration and approval.

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 Cow Creek planning unit is located in Shasta County, 16 miles east of the City of Redding. It is intersected by Mill Creek and South Cow Creek through the center and eastern portions of the planning unit, respectively. The site is characterized by riparian and aquatic habitat along these two creeks, with a mixed conifer forest primarily located on the western portion of the planning unit.

Many bird species may forage and breed within the riparian areas. The planning unit is located within critical winter range for deer, and the Whitmore area is considered a corridor for deer migrating to fawning and summering areas.

There is limited recreation use within the planning unit due to limited access. Many secondary unimproved dirt roads in the planning unit are not well maintained or signed and navigation can be difficult. There is some recreation at the Mill Creek Bridge, which provides local people with an area to swim in the creek, as evidenced by a rope swing and rock dam swim area. Additionally, some hunting for deer and turkey occurs within the planning unit, and unauthorized OHV use has also been observed.

Forest resources include mixed conifer forest consisting of ponderosa pine, grey pine, California black oak, incense-cedar, and blue oak. A diverse shrub component includes dense stands of Himalayan blackberry, poison oak, willow species, Oregon grape, manzanita, and scattered California buckeye. Below the canopy are annual grasslands and open meadows. The planning unit currently contains one Timber Management Unit (TMU) consisting of 1,007 timbered acres. The TMU is managed under a Sustainable Timber Management prescription, meaning that sustained timber production is regarded as the highest and best use of the land while also placing an emphasis on protecting water quality, wildlife and fisheries habitat, soils, carbon sequestration, and cultural resources.

There are several privately-owned ranches nearby, primarily south of the planning unit on the south side of South Cow Creek. Most of the planning unit lands outside the FERC boundary are currently grazed under two grazing licenses.

The Cow Creek planning unit lies within the ancestral territory of the Central Yana people. There are three recorded cultural resource sites within the FERC Project area. The primary grazing lessee noted that evidence of the Miller homestead is visible within the planning unit, indicating there are likely additional cultural resources within the planning unit.

b. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from four organizations interested in acquiring fee title to lands available for donation within this planning unit. A list of organizations that submitted SOQs is attached. Based on a review of the SOQs, CAL FIRE, Shasta County and the Western Shasta Resource Conservation District were invited to submit LSPs. CAL FIRE was the only organization that submitted an LSP.

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

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

II. EVALUATION

Staff's evaluation of CAL FIRE's LSP included follow-up discussions with CAL FIRE. Based on this evaluation, CAL FIRE is being recommended to receive a donation of fee title to lands within the Cow Creek planning unit as follows, subject to compliance with all of the requirements of the Land Conservation Commitment:

CAL FIRE as the prospective recipient of fee title to approximately 2,251 acres available for donation within eight parcels (parcels 292-299).

This recommendation is based on a determination that CAL FIRE appears to have sufficient financial and organizational capacity to hold and maintain fee title interests on these lands, and that the addition of these lands to the Demonstration State Forest system would result in the preservation and/or enhancement of the BPVs. Staff's evaluation of CAL FIRE and its LSP is further described below.

a. Donee Organizational Capacity

CAL FIRE is a major resource management, protection, and emergency response department within the California Natural Resources Agency. CAL FIRE's mission is to serve and safeguard the people and protect the property and resources of California through its offices of Fire Protection, Resources Management, and State Fire Marshal. CAL FIRE has a wide breadth and depth of expertise in land management, archaeology, forestry, and other natural resource sciences, fire protection, law enforcement and recreation. With 4,700 permanent and 3,100 seasonal employees, including over 100 Registered Professional Foresters, CAL FIRE is responsible for protecting over 31 million acres of California's privately-owned wildlands, providing emergency services within 35 of California's 58 counties, and managing the Demonstration State Forest system.

CAL FIRE manages a network of eight Demonstration State Forests across California that encompasses a total of 71,000 acres. This network includes the 9,033 acre LaTour Demonstration State Forest in eastern Shasta County. The eight Demonstration State Forests are managed for sustainable forestry, applied research and demonstration projects on forest management, public recreation, education, fish and wildlife habitat, and watershed protection.

The lands in this planning unit of interest to CAL FIRE would expand and complement the network of existing Demonstration State Forests across the state of California.

At each of the Demonstration State Forests, CAL FIRE works in cooperation with a variety of entities to implement research, fuels management, and fire protection activities. In Shasta County, CAL FIRE maintains an active role in research and professional forestry. CAL FIRE is a member of the Sierra-Cascade Intensive Forest Management Research Cooperative, maintains a close working relationship with the USDA Forest Service Pacific Southwest Research Station in Redding, and hosts several of their study installations at LaTour Demonstration State Forests. CAL FIRE maintains a close working relationship with the Department of Fish and Game and cooperates on joint wildlife studies at LaTour Demonstration State Forest. CAL FIRE maintains an active presence in local government, community, professional, conservation and recreation organizations in this area. CAL FIRE currently works with a large number of groups in Shasta County, including the Western Shasta Resource Conservation District and the Cow Creek Watershed Management Group, where CAL FIRE holds a seat on the Board.

CAL FIRE supported and participated in the development of the Cow Creek Watershed Fuel Reduction Plan, the Lakehead Area Strategic Fuel Reduction Plan, and the Fire Safe Plan for the Shingletown Community. CAL FIRE's Shasta Trinity Unit (SHU) Vegetation Management Program implements cost-share projects for wildlife habitat improvement, noxious weed control, range improvement and wildfire hazard reduction, primarily through prescribed burning and Conservation Camp inmate labor. In Shasta County, Vegetation Management Program (VMP) projects include an 850 acre wildlife habitat enhancement project in McArthur Swamp to improve waterfowl habitat. The SHU has participated in Defensible Space Residential Chipping Programs in the Community of Shingletown, which provided free chipping services to homeowners clearing vegetation around their structures in compliance with Fire Safe clearance codes and to fuelbreak projects throughout the Unit.

b. Donee Financial Capacity

CAL FIRE's financial capacity 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, CAL FIRE appears to possess the financial capacity to own and manage the lands being recommended for donation in the Cow Creek planning unit.

According to CAL FIRE's proposal, the lands in the Cow Creek planning unit, if donated to CAL FIRE, would become part of the Demonstration State Forest system. The Demonstration State Forest system is generally self-sufficient in that its expenses are primarily funded through annual timber harvest revenues. The program also has other earned revenue (recreation leases, etc.) and routinely applies for and receives grant funding. Revenues and expenses are dependent on timber harvest plans and prevailing timber prices. However, annual budgets have remained relatively consistent and the system also receives "in-kind" services from other CAL FIRE programs as needed.

c. Management Objectives

Volume II of the LCP established certain management objectives for the Cow Creek planning unit (see Volume II Planning Unit Report with attachments). As described below, CAL FIRE is

seeking fee title to lands within the Cow Creek planning unit to achieve a number of proposed management activities, which are consistent with the established management objectives.

CAL FIRE is seeking a fee title donation of approximately 2,251 acres on eight parcels to establish a new Demonstration State Forest. This Demonstration State Forest would be incorporated into the existing Demonstration State Forest system which supports monitoring, adaptive management, and research on best forest management practices. The management of the lands donated to CAL FIRE and incorporated into the Demonstration State Forest system would be subject to oversight by the California Board of Forestry. This oversight would include review and approval of a management plan to guide the management of the lands.

Development of a Demonstration State Forest at the Cow Creek planning unit would achieve several of the recommended potential measures identified under the sustainable forestry objective for the planning unit and would align with the overall management objectives identified under the sustainable forestry BPV.

The Cow Creek planning unit provides a representative site for research and demonstration in a low-elevation, northern Sierra forest and woodland vegetation complex. The unit would be available for forest, rangeland, habitat, watershed, and climate research and monitoring; adaptive management; and demonstration of best management practices for small landowners. Additionally, Demonstration State Forests are managed for a variety of recreation and habitat management objectives consistent with the BPVs. CAL FIRE proposes to undertake the following objectives and activities on lands conveyed to it in the Cow Creek planning unit:

- Establish a Demonstration State Forest that would encompass all the donated lands within the Cow Creek planning unit with a part time forest manager and other staff as needed.
- Implement a sustainable forestry research program focused on demonstrating best management practices for watershed protection. An important part of sustainable forestry for the Cow Creek planning unit would be the implementation and demonstration of forest and rangeland management practices to maintain forest cover and protect soils, regenerate oaks, and reduce fuels and wildfire hazard.
- Develop a comprehensive, multi-resource management and sustained yield plan. The management plan would address biological resources, recreation, and cultural values.
- Promote opportunities to study, mitigate, and adapt to climate change through management, research, and demonstration.
- Seek public input on the development of the management plan through requests to the public for comments, public meetings, as well as via the Board of Forestry and Fire Protection plan review and approval process and California Environmental Quality Act.
- Implement an ecosystem monitoring and adaptive management program that includes a forest-wide, multi-resource inventory and monitoring system.
- Implement habitat protection and restoration in the context of a working forest landscape. Activities would be aimed at developing a robust forest ecosystem with a wide range of wildlife habitat features, providing for habitat resilience to wildfire and implementing habitat restoration projects.

- Implement educational and recreational activities such as a rustic campground, public tours and hikes, displays, self-guided tours and/or science camps similar to activities implemented on other Demonstration State Forests. Activities would be intended to demonstrate the features of and best management practices for a working forest.
- Implement a program to protect cultural and historic resources. CAL FIRE has a department-wide cultural resources management plan that details measures for protection of cultural resources, which applies to all the Demonstration State Forests. The Cow Creek planning unit, if donated to CAL FIRE, would also be covered by this management plan. The Demonstration State Forests and the department's archeology staff have extensive experience with protecting cultural resources, accommodating tribal land use, and providing education opportunities where appropriate.

Finally, CAL FIRE has indicated that it would maintain and manage the two existing grazing licenses at the Cow Creek planning unit. Its management of the grazing activities would include assessing and monitoring range conditions to protect soil, water and habitat. It would also involve managing vegetation, noxious weed abatement, and assessing adequacy of existing fencing. CAL FIRE.

d. Funding

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

e. Requirements of the Settlement and Stipulation

The Stewardship Council's recommendation that CAL FIRE receive fee title to certain lands available for donation within this planning unit is subject to compliance with all the requirements of the Land Conservation Commitment. Several of these requirements are highlighted below.

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

PG&E currently manages two grazing licenses on lands available for fee title donation within the Cow Creek planning unit. Consistent with the Settlement Agreement, agreements for economic uses must be honored. Accordingly, the two agreements, which encumber lands available for fee title donation, would be assigned to CAL FIRE at closing.

A conservation easement will be established on the lands within the Cow Creek planning unit. The conservation easement for lands that are donated will include an express reservation of rights for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, and compliance with any FERC license, FERC license renewal, or other regulatory requirements on lands to be retained by PG&E. On lands to be conveyed to CAL

FIRE, 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 Cow Creek planning unit and the future preservation and enhancement of the BPVs may benefit from the participation of land conservation partners. For the purposes of this recommendation, land conservation partners are defined as organization, other than the prospective fee title donee or conservation easement holder, involved in future activities on the donated lands that contribute to the preservation and enhancement of the BPVs. Land conservation partners may be identified in the LSPs submitted by organizations interested in a fee title donation, or during or after the development of the LCCP. Such organizations and activities may be eligible for Stewardship Council funding, depending on the type of organization, proposed activities, availability of funds, and other factors. Staff would work with the prospective organizations recommended for donation of fee title and conservation easements in this planning unit and evaluate opportunities for land conservation partners. The results of this effort would be reflected in the management and funding agreements and LCCP.

CAL FIRE identified potential partnerships for management and enhancement activities with the Western Shasta Resource Conservation District, Cow Creek Watershed Management Group, USDA Forest Service Pacific Forest Southwest Research Station, and the California Department of Fish and Game. Letters of support from each of these organizations are included in CAL FIRE's LSP.

The LaTour Demonstration State Forest has a memorandum of understanding with the California Department of Fish and Game that formalizes a cooperative research and monitoring program to study the effects of different silvicultural practices on wildlife habitat. This agreement would extend to the Cow Creek planning unit, if donated. Moreover, CAL FIRE is a leading member of the California Growth and Yield Model Cooperative, an organization dedicated to improving existing models to project forest growth and development under different management treatments. CAL FIRE also contributes to the Sierra-Cascade Intensive Forest Management Research Cooperative, a group of research organizations, landowners, and agencies dedicated to advancing applied silvicultural research. CAL FIRE would work with these same entities to conduct and promote research on the Cow Creek planning unit.

CAL FIRE collaborates with many community organizations on fire prevention and fire hazard reduction activities. CAL FIRE partnered with Shasta County Fire Safe Council to develop shaded fuel breaks at Rock Creek, Walker Mine, and Lower Springs using conservation camp inmate labor. Similar projects have also been implemented in partnership with the Trinity County Resource Conservation District, Shasta-Trinity and Lassen National Forests, and private timberland owners. CAL FIRE also partnered with the Western Shasta Resource Conservation District on fuel break installation and maintenance in the communities of Old Shasta, Shasta Lake, Ingot, Centerville, Whitmore, and Shingletown. CAL FIRE expects to cooperate with most of these entities on fuels management projects and potentially recreation and habitat management activities for the Cow Creek planning unit.

CAL FIRE collaborates with archaeology departments and programs at state universities to assist in protecting historic and prehistoric archaeological resources. The universities conduct surveys and California Environmental Quality Act (CEQA) analysis to protect archaeological resources

on CAL FIRE properties and facilities (e.g., Demonstration State Forests, fire stations, conservation camps, and Unit headquarters) and on private or state lands where CAL FIRE implements its Vegetation Management Program and California Forest Improvement Program projects. This mutually beneficial collaboration has existed for 23 years, providing training opportunities for the universities and their students, while offering low-cost archaeological and environmental review services to CAL FIRE.

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

IV. RATIONALE FOR RECOMMENDATION

Staff is recommending that fee title to the 2,251 acres of lands available be donated to CAL FIRE for the following reasons:

1. Donation of these lands would further one of the key goals of the Land Conservation Commitment of donating lands to a qualified organization with the financial and organizational capacity to preserve and enhance the BPVs.
2. CAL FIRE has significant capacity and interest in preserving and/or enhancing the BPVs associated with these lands based on their years of experience managing the Demonstration State Forest lands for similar resource values.
3. Lands donated to CAL FIRE would become part of the Demonstration State Forest system and subject to oversight by the California Board of Forestry, including policies and procedures requiring public review and input of CAL FIRE's management activities.
4. CAL FIRE has proposed the following actions and activities that would contribute to the preservation and/or enhancement of BPVs:
 - Enhance management of a recently created plantation and potentially conduct additional stand rehabilitation.
 - Enhance fuels management beyond current practices.
 - Create a research and demonstration program where one has not existed before.
 - Enhance recreation in the near term by improving management of unauthorized vehicle use.
 - Enhance public education by adding signs, and hosting public and private tours to demonstrate research and best management practices.
 - Enhance protection of biological resources through comprehensive surveys, inventory, management, and monitoring and sharing this information with

- government agencies, landowners, and the general public through CAL FIRE's forest resources information system.
- Enhance opportunities for education and preservation of historical and cultural values through surveys and inventory of historical resources and cultural sites, as required by law and Governor's Executive Order, and incorporating this information into the Management Plan for Historic Buildings and Archaeological Sites.
5. Donation of these lands to CAL FIRE would advance the burgeoning field of sustainable forestry and climate change research by providing CAL FIRE with additional lands for research and demonstration, with benefits that would extend well beyond the watershed lands.

V. NEXT STEPS

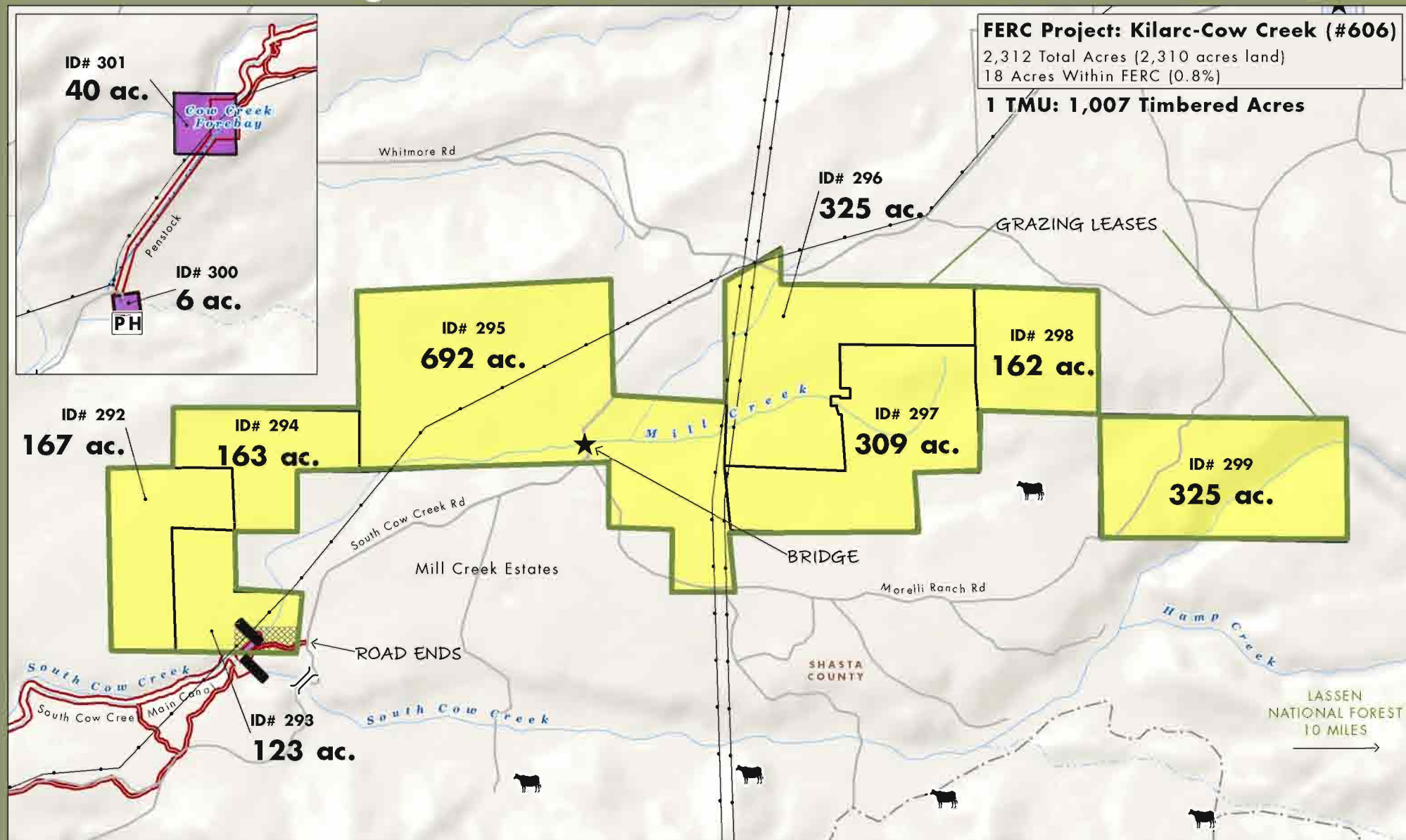
If this recommendation is adopted by the Board, staff would invite CAL FIRE to negotiate specific terms of the transactions with PG&E and would work with CAL FIRE to develop a management and funding agreement. The development of a management and funding agreement would be coordinated with the development of an LCCP.

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

ATTACHMENTS AND REFERENCE MATERIAL

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

Cow-Battle Creek Watershed Cow Creek Planning Unit



PG&E Lands Preliminarily Designated for Donation
 PG&E Lands Preliminarily Designated for Retention

Certain Considerations May Make Donation Inadvisable
 Legal Parcel Boundary and Id Number
 Private

Dam
 Feature of Importance

Gate
 Powerhouse
 Ranch

FERC Boundary
 OHV Road
 T-Line

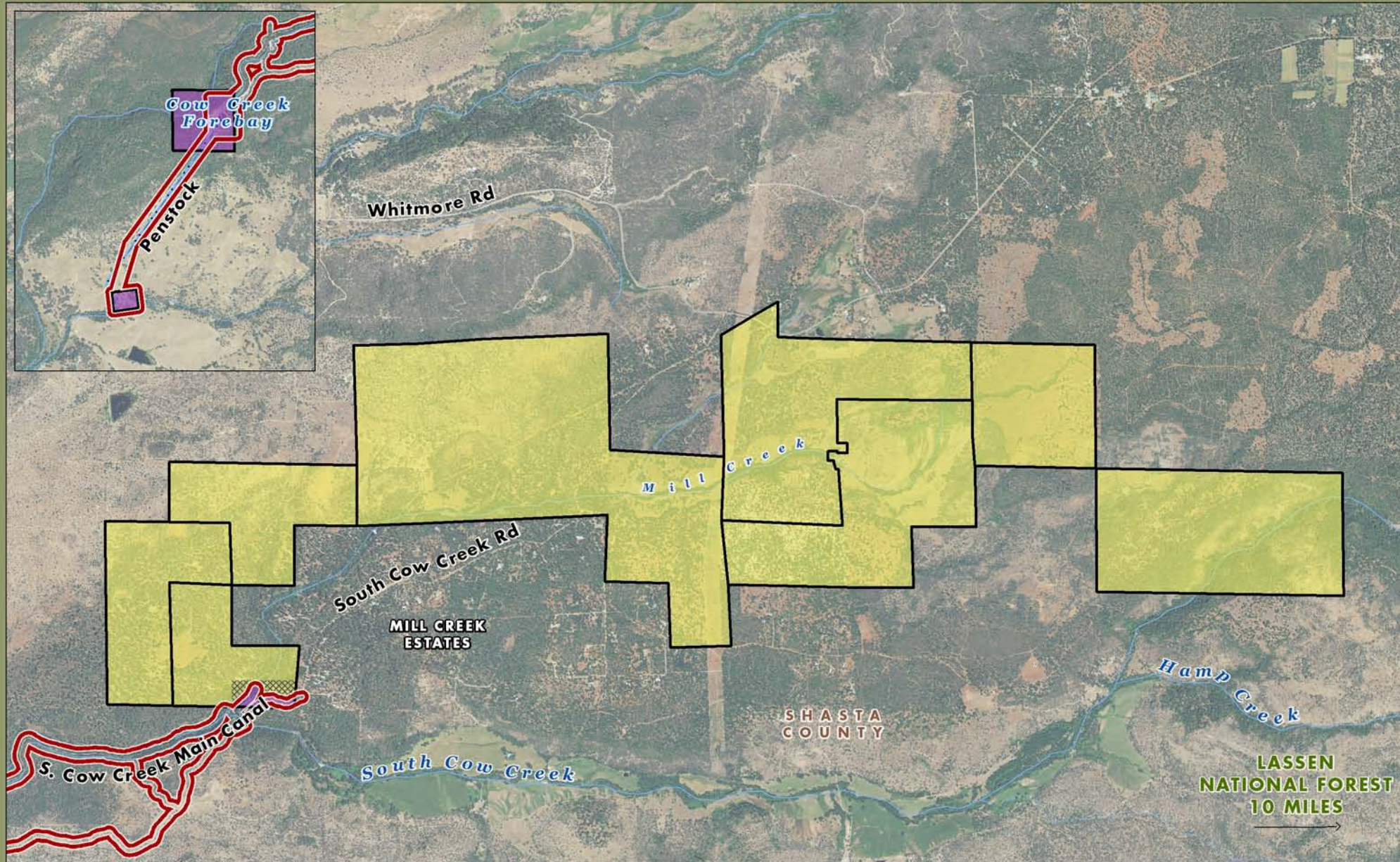
Acreage and location of lands preliminarily designated for retention by PG&E outside the FERC boundary are approximate. FERC boundary is approximate and may change over time.

0 0.5 1 Miles



October, 2010
AECOM

Cow-Battle Creek Watershed Cow Creek Planning Unit



- PG&E Lands Preliminarily Designated for Donation
- Certain Considerations May Make Donation Inadvisable
- FERC Boundary
- PG&E Lands Preliminarily Designated for Retention

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.



COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed

Existing Conditions & Uses

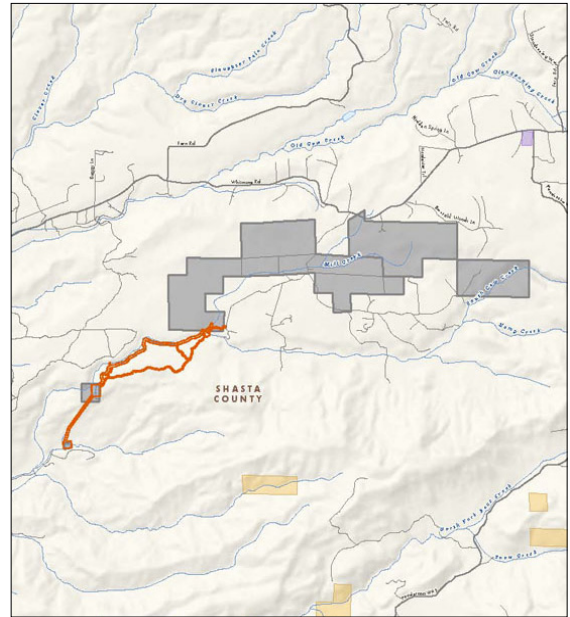
Overview

- 2,310 acres of semi-timbered rangeland in Shasta County
- 2,292 acres outside the FERC boundary; 18 acres inside the FERC boundary
- Part of the Kilarc-Cow Creek Project (FERC #606); License expired March 2007

As shown in Figure CB-5, the Cow Creek Planning Unit is located in Shasta County, just southwest of the rural community of Whitmore and approximately 16 miles east of the City of Redding. The planning unit includes infrastructure associated with the Kilarc-Cow Creek FERC Project (FERC #606), specifically facilities associated with the Cow Creek portion of the project that are located on South Cow Creek. Although there are a few hydropower facilities within the planning unit, nearly all (99.3%) of the planning unit is outside the FERC boundary. Planning unit lands are composed of semi-timbered grazing land surrounded by private property. The surrounding private lands are primarily ranches, timberlands, and rural



Mill Creek



Cow Creek Planning Unit
Shasta County

residential developments including a large rural subdivision named Mill Creek Estates (see Figure CB-5).

Decommissioning Process

The current FERC license for the Kilarc-Cow Creek Project expired on March 27, 2007. PG&E filed a Notice of Intent to File Application for a New License for the project in early 2002 and started the relicensing process. However, PG&E signed the Kilarc-Cow Creek Project Agreement in 2005 with resource agencies and other project stakeholders. PG&E will seek to decommission the Kilarc-Cow Creek FERC Project, through the process and timeline to be submitted to FERC in a surrender application. PG&E will continue to operate the project under the terms and conditions of the existing license until the license expires, and then on annual licenses issued by FERC until the project is decommissioned. Currently, PG&E is operating the Kilarc-Cow Creek Project under a one year license extension, issued by FERC, until March 31, 2008.

Cow Creek Planning Unit Existing Conditions

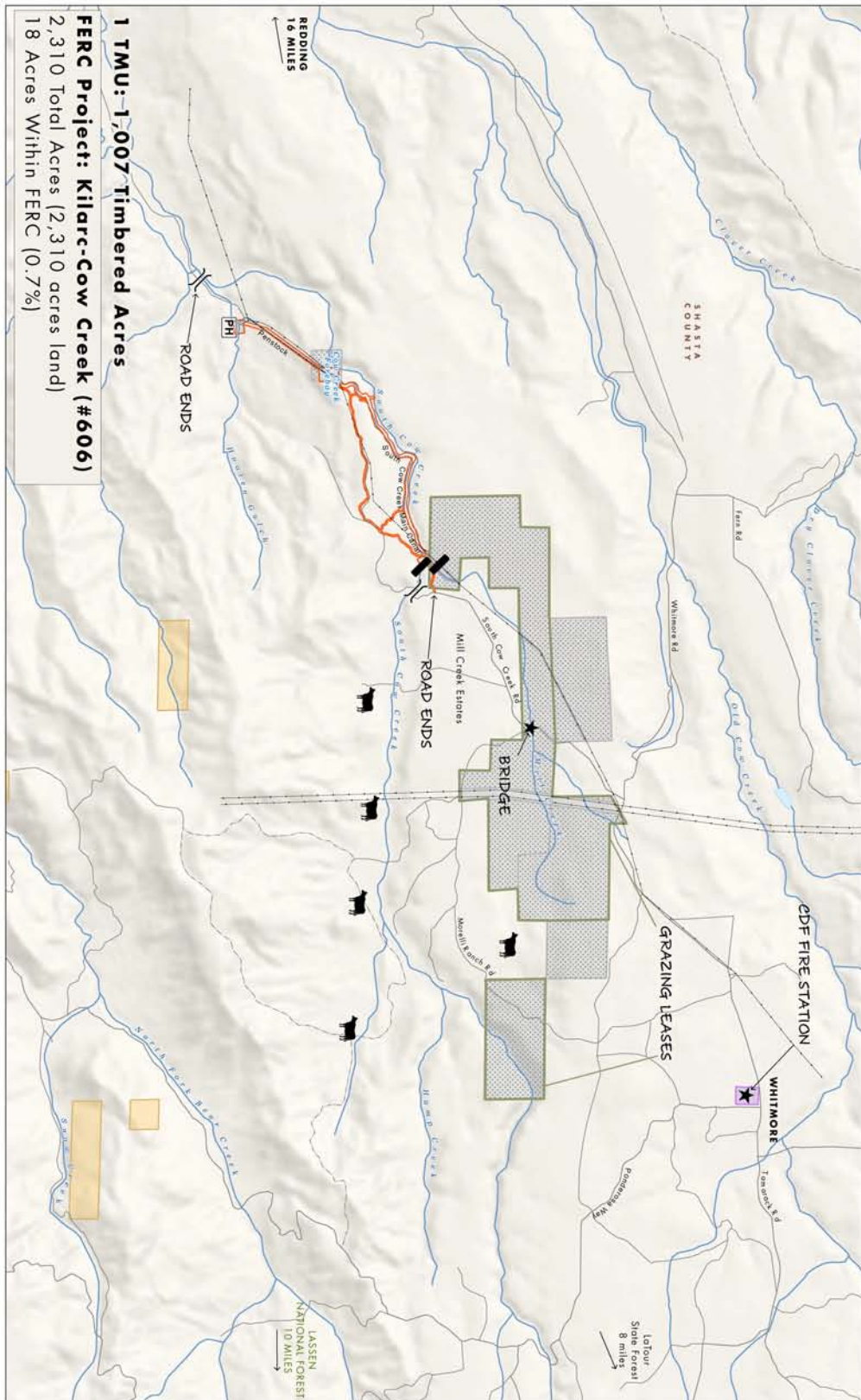
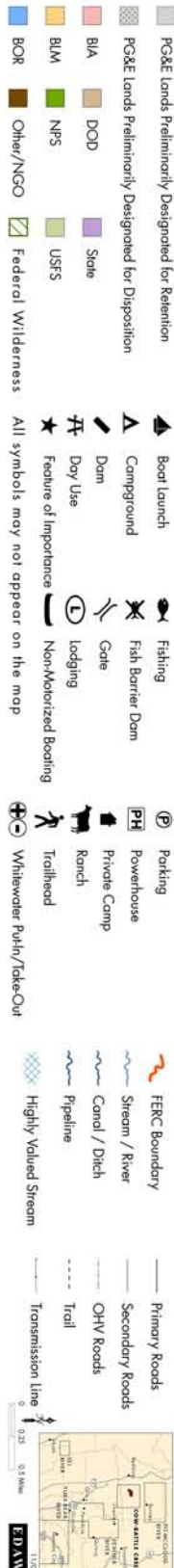


Figure CB-5

COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed

Fish, Plant, and Wildlife Habitat

The Cow Creek Planning Unit provides riparian and aquatic habitat at the forebay and along Mill Creek and South Cow Creek, which run through the center and eastern portions of the planning unit, respectively. Because this FERC Project has not been relicensed in many years, specific (i.e., confirmed) habitat and species information for the FERC lands within the planning unit is very limited. In addition, the vast majority of the planning unit is not included within the Kilarc-Cow Creek FERC boundary, and it is likely that no habitat or species composition studies have been performed.

Many bird species may forage and breed within the riparian areas, along the creeks or at the Cow Creek Forebay. Additionally, foothill yellow-legged frog and northwestern pond turtle may occur. The planning unit is within critical winter range for deer, and the Whitmore area is considered a corridor for deer migrating to fawning and summering areas. Feral pigs have also been observed within the Whitmore area, and evidence of these animals was identified at the planning unit on a site visit. At least three noxious weed species were observed on planning unit lands during a site visit: medusahead, yellow star-thistle, and Himalayan blackberry.

Freshwater marsh or seeps are common within the region and may occur near South Cow Creek and the Cow Creek Powerhouse and Forebay. Wetlands are located near the springs at the headwaters of Mill Creek. The creek also supports both wet and dry meadows adjacent to the creek channel. Aquatic species found in South Cow Creek include brown and brook trout, native resident fishes, and fall-run chinook salmon and steelhead. Late fall-run and possibly spring-run chinook salmon also utilize South Cow Creek. Other aquatic species that could be present within South Cow Creek include foothill yellow-legged frog (documented occurrence below the forebay) and California red-legged frog, both special status species. The need for analysis of species and habitats will likely be addressed in the decommissioning process;

however, decommissioning studies may include only a very small portion of the planning unit.

Open Space

The Shasta County General Plan recognizes that agricultural lands provide privately maintained open space, contributing to both the rural character of the county and its open, natural landscape. Open space values are found throughout the planning unit. The primary land uses are grazing and timber production and there is a lack of development and recreation facilities. These land uses are congruent with the surrounding 50,000+ acres of agricultural and timber lands.

Outdoor Recreation

There is very little recreation use within the planning unit due to limited access; many secondary unimproved dirt roads in the planning unit are not well maintained or signed and navigation can be difficult. There is some recreation at the Mill Creek Bridge (see Figure CB-5). The bridge provides local people with an area to swim in the creek, as evidenced by a rope swing and rock dam swim area. Additionally, some hunting for deer and turkey occurs within the planning unit, and unauthorized OHV use has also been noted. LaTour State Forest and Lassen National Forest are located within approximately



Annual grassland

COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed



Mixed oak woodland & grassland

ten miles. These public recreation areas, together with the recreation areas in the nearby Kilarc Reservoir Planning Unit, provide a larger variety and quantity of recreation activities and facilities than those available within the planning unit and thus receive greater use.

Forest Resources

Forest resources include mixed conifer forest consisting of ponderosa pine, grey pine, California black oak, incense-cedar, and blue oak. A diverse shrub component includes dense stands of Himalayan blackberry, poison oak, willow species, Oregon grape, manzanita, and scattered California buckeye. Below the canopy are annual grasslands and open meadows.

There is one PG&E Timber Management Unit (TMU) for the planning unit consisting of 1,007 timbered acres. The TMU is managed under a Sustainable Timber Management prescription, meaning that sustained timber production is regarded as the highest and best use of the land while also placing an emphasis on protecting water quality, wildlife and fisheries habitat, soils, carbon sequestration, and cultural resources. The forebay and powerhouse parcels (not included in the TMU) are small and consist of oak and grey pine.

Recently, there has been a brush removal project in the planning unit to remove manzanita from the powerline right-of-way as well as from

the large northwestern area that is not grazed. Currently, approximately 300 acres of brush have been cleared in preparation for conifer replanting, with 220 acres of the 300 acres already replanted and the remaining 80 acres scheduled for replanting in the spring of 2008. Replanting of conifers on cleared areas has (and will) create even-age plantations. PG&E also plans on harvesting and rehabilitating (i.e., back to conifer from brush) the entire planning unit in 2007. The Timber Harvesting Plan filed for the 2007 harvest identifies removing unhealthy or overmature overstory trees, leaving a portion of healthy overstory trees, and removing dead, dying, and diseased understory trees. According to one of the grazing lessees, the most recent harvest was 30 years ago.

Agricultural Uses

According to Jan Thielemann's book on the history of the community of Whitmore, ranching has been vital to the Whitmore area since it was first settled in the mid-1800s. There are several ranches nearby, primarily south of the planning unit on the south side of South Cow Creek. Most of the planning unit lands outside the FERC boundary are currently grazed under two grazing leases. One lease covers the majority of the lands (1,467 acres) within the planning unit. The second lease (324 acres) covers the eastern parcel. Approximately 473 acres are not under a lease due to the lack of available forage.



Mill Creek meadows, mixed oak forest & chaparral

COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed

Around 75 to 80 head of cattle are grazed each year on the larger leased area from the beginning of October to March. Hay is used to supplement feed from December to March. The grazing lessee for the larger area has been grazing cattle in this planning unit for 55 years and also grazes cattle at the Burney Gardens Planning Unit. This lessee has performed some controlled burns in the western portion of the planning unit to reduce manzanita in an attempt to provide more forage. Grazing information for the second, smaller grazing lease is not available.

Historic Resources

The Cow Creek Planning Unit lies within the ancestral territory of the Central Yana people. Skirmishes between Yana populations and European settlers led to massacres between 1847 and 1867, leaving the Yana population at less than 100 individuals.¹ The South Cow Creek Hydroelectric System was constructed in 1907 to supply electricity for copper mining activities, and was acquired by PG&E in 1919 from the Northern California Power Company.

There are three recorded sites within the FERC Project area. The primary grazing lessee noted that evidence of the Miller homestead is visible within the planning unit, indicating there are likely additional cultural resources within the planning unit. Most of the five cultural resource studies that have been previously conducted for the FERC Project were not performed within the planning unit and were not performed to current standards. Documentation of the presence of and impacts to cultural resources may be addressed in the decommissioning process; however, these studies will likely only cover a very small portion of the planning unit.



Mill Creek swimming hole

Stewardship Council Recommendations

The Stewardship Council recommends that the land and land uses at the Cow Creek Planning Unit be preserved and enhanced by focusing on enhancing agricultural uses and cultural resources, while also protecting natural resources and enhancing sustainable forestry management. In presenting the Recommended Concept provided here (see Figure CB-6), our objective is to protect and enhance agricultural uses, cultural and biological resources, as well as enhance sustainable forestry. While most of the acreage is outside the FERC boundary, all recommended measures must be coordinated with the decommissioning process to avoid inconsistent or duplicative recommendations. When the decommissioning process is completed, the planning unit will need to be re-evaluated based on the outcome, in close coordination with community stakeholders and all interested parties.

COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed

Objective: Preserve and enhance biological, cultural and agricultural resources, and enhance sustainable forestry management.

As shown on Table CB-3, the Stewardship Council has identified a number of preservation and/or enhancement measures that may contribute to the conservation management program for the Cow Creek 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.

Fish, Plant, and Wildlife Habitat

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

Wetlands, meadows, marsh, and seeps that occur or may occur within the planning unit suggest there could be special status species present, though little study of habitat resources within the planning unit has occurred. In order to preserve and enhance the habitat and resources found here, the Stewardship Council recommends that baseline studies and plans be



Oak woodland

developed to gain a clear understanding of the resources. If special status species are found and protection and/or enhancement measures appear to be needed or feasible, a wildlife and habitat management plan could be developed as appropriate. Management of the property to preserve and enhance habitat will also include addressing noxious weeds. We recommend close coordination with grazing lessees, the Cow Creek Watershed Management Group, and other resource-focused organizations working in the area. All planning should be considered in conjunction with the rangeland management plan.

Open Space

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

This concept would preserve open space through permanent conservation easements. 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 management in order to provide appropriate recreation use.

The planning unit is not a recreation destination and current recreation use is probably low. With the presence of nearby large recreation areas such as Lassen National Forest, Thousand Lakes Wilderness, and LaTour State Forest, development of extensive recreation facilities within the planning unit is not warranted. However, the Whitmore area is becoming more developed, and therefore, local resident use of the planning unit may increase. The Stewardship Council recommends monitoring recreation use within the planning unit to identify any problems or impacts from recreation and the need for additional management of recreation use. If

COW CREEK PLANNING UNIT

Cow-Battle Creek Watershed

additional facilities or management is needed, efforts should be coordinated with the grazing lessees and management of forest and agricultural resources.

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 Cow Creek Planning Unit forest resources are currently undergoing changes to enhance timber production and forest health. Additionally, the planning unit is situated near expanding rural development in a fire-prone area. 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, fire management and response, and management of plantations. The fuels, fire management and response, and forest management plans should be developed in conjunction with rangeland, and noxious weed management plans. We expect that all of these plans would be developed in coordination with adjacent landowners, CDF, the community of Whitmore, Cow Creek Watershed Management Group, and grazing lessee 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.

Grazing currently occupies almost 1,800 acres of the planning unit and has been vital to the region since it was first settled in the mid-1800s. The Stewardship Council looks to preserve this resource and important economic use as part of



Mixed oak & ghost pine woodlands

the long-term management of the Cow Creek area. To support this effort, we anticipate a baseline conditions report will be required to describe current agricultural, physical, and overall conditions of the area, including current uses and state of improvements. From this, specific determinations can be made to identify and manage grazing practices in balance with other uses and values of the property. To provide better livestock management, the Stewardship Council recommends updating deteriorating fencing and evaluating the need for additional fencing.

The planning unit could also provide opportunities to educate local residents and visitors on appropriate grazing and sustainable forestry practices to enhance their perceptions and appreciation for working landscapes and their value to habitats and local economies. The Stewardship Council recommends evaluating the potential for educational facilities/programs in coordination with grazing lessees, the community of Whitmore, CDF, Cattleman's Associations, and the Cow Creek Watershed Management Group.

Preservation of Historic Values

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

There are homesteads and potentially other cultural resources within the planning unit. The

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Cow-Battle Creek Watershed

Stewardship Council aims to support an increased understanding of these resources and ensure they are appropriately protected. To meet this objective, we recommend that cultural resource studies be conducted to understand the resources found in the Cow Creek Planning Unit and that appropriate management plans be developed and implemented. Throughout this effort, the Stewardship Council recommends close coordination with Native American entities.

Endnote

¹ The Pit River Tribe now represents the Yana people, as some members of the Tribe are of Yana decent.



Cow Creek Planning Unit

Registered Organizations that Submitted Statements of Qualifications for Lands Available for Donation

California Department of Forestry and Fire Protection (CAL FIRE)

Friends of Cow Creek Preserve

Shasta County

Western Shasta Resource Conservation District

SUMMARY OF KEY PUBLIC OUTREACH ACTIVITIES AND PUBLIC COMMENTS ASSOCIATED WITH THE COW CREEK 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, seven people submitted comments concerning the Cow Creek 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:

- Support for the lands available for donation to be transferred to Shasta County, Western Shasta Resource Conservation District, and the Cow Creek Watershed Management Group
- Support for the preservation of open space in the Whitmore area
- Prohibit motorized travel, firearms, and fires
- Use adaptive management approaches to ensure recreation adapts to changing conditions
- Conduct a full environmental/ecological study before donating any lands
- Develop a recreation plan to determine appropriate land uses and carry capacity
- Ensure that the terms of the conservation easement are enforced
- Avoid any possible conflict with the Cow-Kilarc decommissioning project
- Maintain and conserve the land and existing uses, including open space; timber; grazing; flora; fauna; and wildlife for the benefit of present and future residents
- Restrict public access to protect adjacent lands from vandalism
- Concern expressed that changes to Kilarc/German Ditch will impact adjacent adjudicated/riparian water rights

PUBLIC INFORMATION MEETING FOR THE COW CREEK PLANNING UNIT

A public information meeting was hosted by the Stewardship Council on March 24, 2011 at the Millville Grange Hall in Palo Cedro, California. The meeting concerned the following eight planning units: Battle Creek, Burney Gardens, Cow Creek, Iron Canyon Reservoir, Kilarc, Lake McCloud, Pit River, and Tunnel Reservoir. A total of 49 people attended and participated in the

meeting, representing a wide variety of interests, including local and federal governments, community organizations, and community members. The meeting was advertised via an e-mail sent to contacts in our database, an announcement posted on the Stewardship Council's web site, a press release in the local newspaper, and a postcard sent to all landowners on record that reside within one mile of any PG&E parcel associated with the eight planning units that were the focus of the meeting.

The purpose of this meeting was to: (1) provide a review and update on the Stewardship Council's Land Conservation Program; and, (2) solicit additional public input on future stewardship of the eight planning units. During the meeting, participants were invited to ask questions and provide comments on the eight planning units. Stations were set up with maps, other pertinent information, and easels with blank paper. Below is a summary of comments for the Cow Creek Planning Unit that were recorded on the easels and provided on comment cards.

Cow Creek

- Restrict public access (due to fire hazards)
- Restrict hunting
- Increase fuels management along South Cow Creek
- Manage feral pigs
- Organizations submitting a land stewardship proposal should acknowledge concerns of adjacent landowners regarding access, OHV use, and safety (fire and firearms)
- Prescriptive and deeded rights should be protected if land is transferred to a new owner

ADDITIONAL CORRESPONDENCE SUBMITTED

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

- Support for the Western Shasta Resource Conservation District to hold the conservation easement
- Support for local entities to develop and collaboratively manage a sustainable conservation preserve on donated lands
- Preserve native plants and wildlife habitat
- Reduce and manage fuels loads to protect property and adjacent landowners
- Retain rural agriculture and forestry production
- Preserve and enhance recreational facilities and outdoor educational opportunities in the area
- Prohibit OHV use to preserve wildlife habitat
- Develop outdoor education programs for K-12 schools and Shasta College

- Develop trails for hikers and horseback riders
- Restore the forest and implement a long-term timber management program in collaboration with Shasta College, Natural Resource Conservation Service (NRCS), and the University of California Cooperative Extension program (UCCE)
- Seek opportunities to preserve and enhance grazing opportunities through irrigation, UCCE research, and implementation of NRCS's best management practices
- Concern expressed about possible PG&E retention of any lands available for donation
- Assess and develop educational opportunities for the public and youth to learn about the Pit River Indian culture, such as signage, cultural resource center, and model villages