

BOARD OF DIRECTORS MEETING
PUBLIC SESSION MINUTES

Sacramento, CA
January 25, 2017
1:00 pm – 2:15 pm

ATTENDANCE

Association of California Water Agencies

Director: Tim Quinn – Absent
Alternate: Dave Bolland – Present

California Department of Fish and Wildlife

Director: Sandra Morey – Present
Alternate: Nancee Murray – Absent

California Farm Bureau Federation

Director: Karen Mills – Absent
Alternate: Noelle Cremers – Present

California Forestry Association

Director: Kirsten Kolpitcke – Absent
Alternate: David Bischel – Absent

California Hydropower Reform Coalition

Director: Pete Bell – Absent
Alternate: Richard Roos-Collins – Absent

California Public Utilities Commission

Director: Allison Brown - Present
Alternate: OPEN

California Public Utilities Commission Appointed Public Members

Director: Art Baggett Jr. – Present
Director: David Muraki – Present
Director: Chris Nota - Present

California Natural Resources Agency

Director: John Laird – Absent
Alternate: Todd Ferrara – Present

California Tribal Interests

Director: Larry Myers – Present
Alternate: Ken Tipon – Absent

Central Valley Regional Water Quality Control Board

Director: Soapy Mulholland – Absent
Alternate: Bob Schneider – Absent

Office of Ratepayer Advocates

Director: Truman Burns – Absent
Alternate: OPEN

Pacific Gas & Electric Company

Director: Mike Schonherr – Present
Alternate: OPEN

Rural County Representatives of California

Director: Lee Adams – Present
Alternate: John Viegas – Absent

State Water Resources Control Board

Director: DeeDee D'Adamo – Absent
Alternate: Jeffrey Parks – Present

Trust for Public Land

Director: Dave Sutton – Absent
Alternate: Ann Cole - Present

U.S. Forest Service

Non-Voting Liaison: Jerry Bird - Present

STEWARDSHIP COUNCIL STAFF

Executive Director Allene Zanger
Deputy Executive Director Heidi Krolick
Director of Finance Scott Broberg
Finance and Operations Manager Aaron Robertson
Director of Land Conservation Jessica Daugherty
Senior Project Manager Chantz Joyce
Senior Project Manager Steve Schweigerdt
Associate Project Manager Lauren Faccinto
Administrative Assistant Robyn White

OTHERS

SUMMARY OF ACTIONS AND RESOLUTIONS TAKEN BY THE BOARD AT THIS MEETING

- Adoption of the minutes of the November 16, 2016 board of directors meeting. **(Consent calendar item)**

- The board approved the proposed Land Conservation and Conveyance Plan (LCCP) for the lands to be retained by PG&E at the Cow Creek planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; The board approved the proposed conservation easement funding agreement between the Stewardship Council and the Shasta Land Trust.
- The board approved the proposed LCCP for the lands to be donated to the United States Forest Service (USFS) at the Eel River planning unit, which LCCP describes how the proposed fee donation and conservation covenant transactions conform to and fulfill the requirements of the 2003 Settlement Agreement and Stipulation.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Blue Lakes planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; The board approved the proposed conservation easement funding agreement between the Stewardship Council and the Mother Lode Land Trust.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Willow Creek planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Kerckhoff Lake planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation.
- The board made a finding of No Significant Public Interest Value for the 9.5 acre service center portion of the Auberry Service Center planning unit in Fresno County.
- The board made a finding of No Significant Public Interest Value for 5 acres within parcels 1053 and 1054 at the Willow Creek planning unit in Madera County.
- The board approved the proposed global change to the conservation easement endowment funding agreement regarding transfer of grant funds to assignee as presented.

ATTENDANCE AND QUORUM

Stewardship Council board president Art Baggett called the roll, declared a quorum, and called the meeting to order.

CONFLICT OF INTEREST DISCLOSURES

Mr. Baggett asked if any board members had a conflict of interest with regard to any of the proposed actions.

Mr. Baggett disclosed he had a conflict of interest regarding several agenda items. These included the action items pertaining to the LCCPs for the Willow Creek and Kerckhoff Lake planning units and the action items pertaining to the proposed finding of No Significant Public Interest Value for parcels at the Willow Creek and Auberry Service Center planning units.

Jerry Bird and Ann Cole both disclosed they had a conflict of interest regarding the action item pertaining to the LCCP for the Eel River planning unit.

Ms. Cole disclosed that she had a conflict of interest regarding the action item pertaining to the proposed global change to the conservation easement endowment funding agreement regarding transfer of grant funds to assignee.

Mike Schonherr said he would not be participating in the discussion or vote on the action items pertaining to the No Significant Public Interest Value Finding for the Auberry and Willow Creek planning units.

PUBLIC COMMENTS

Mr. Baggett invited public comment on general matters, hearing none the meeting continued.

CONSENT CALENDAR

The board approved the consent calendar item as noted above in the summary of actions and resolutions taken at board meeting.

WATERSHED PLANNING COMMITTEE

Director of Land Conservation Jessica Daugherty provided an overview of the Watershed Planning Committee's duties and then called on staff to present the action items.

Cow Creek Planning Unit (ACTION)

Senior Project Manager Chantz Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the proposed revised LCCP for lands to be retained by PG&E at the Cow Creek planning unit. He said that the Shasta Land Trust (SLT) would hold the conservation easement over the retained property. Mr. Joyce explained that the Draft LCCP had initially been released for public comment in June. Due to public comment received, the LCCP had been revised. After noting the nature of the comments received, Mr. Joyce said that there were members of the public in attendance who wanted to comment on the proposed LCCP.

Mr. Baggett invited **Jim Fletter** to address the board. Mr. Fletter stated that he owned 80 acres at the forebay. Mr. Fletter gave two documents to Ms. Daugherty with information regarding his 80 acres and wanted to make sure these documents became part of the public record. He said the blue area on the map shows the location of his property.

Mr. Baggett then invited **David W. Albrecht** to address the board. Mr. Albrecht stated that he feels the map is wrong and felt his comments on the Draft LCCP were ignored by the Stewardship Council. He then discussed concerns pertaining to his water rights. Jeffrey Parks advised Mr.

Albrecht that his concerns were outside the scope of the Stewardship Council's work. Mr. Baggett stated that the water board and FERC processes are distinct from the Stewardship Council's processes.

After an opportunity for board questions and discussion, the board approved the actions as described above in the summary of actions and resolutions taken at board meeting.

Eel River Planning Unit (ACTION)

After Mr. Bird and Ms. Cole left the room, Senior Project Manager Steve Schweigerdt reviewed the Watershed Planning Committee's recommendation that the board approve the proposed LCCP for the lands at the Eel River planning unit that have been recommended for donation to the U. S. Forest Service. He said that the Sierra Nevada Conservancy would hold the conservation covenant over the donated property.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at board meeting.

Blue Lakes Planning Unit (ACTION)

After Mr. Bird and Ms. Cole returned to the room, Mr. Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the proposed LCCP for lands to be retained by PG&E at the Blue Lakes planning unit. He said that the Mother Lode Land Trust (MLLT) would hold the conservation easement over the retained property. Mr. Joyce said that no substantive public comments were received on the LCCP.

Mr. Baggett invited **Ellie Routt**, MLLT's Stewardship Director, to address the board. She introduced new executive director **Adam Stratton**. She thanked the Stewardship Council board and staff for the assistance they provided to MLLT to enhance its organizational capacity. She reviewed the actions that MLLT has taken and noted that they have brought on two new board members increasing their board to a total of seven.

Larry Myers asked Ms. Routt about MLLT's outreach to tribes. Ms. Routt stated that their outreach efforts included sending emails to tribes but they had not received a response. A brief conversation ensued regarding the best practice for reaching out to the tribes. Mr. Myers agreed to assist Mr. Stratton and Ms. Routt on tribal outreach.

After an opportunity for board questions and discussion, the board approved the actions as described above in the summary of actions and resolutions taken at board meeting.

Willow Creek Planning Unit (ACTION)

After Mr. Baggett left the room, Associate Project Manager Lauren Faccinto reviewed the Watershed Planning Committee's recommendation that the board approve the proposed LCCP for lands to be retained by PG&E at the Willow Creek planning unit. She said that the Sierra Foothill Conservancy (SFC) would hold the conservation easement over the retained property. Ms. Faccinto pointed out that she had received a question from a local tribe and that PG&E had been able to answer the question to the tribe's satisfaction.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at board meeting.

Kerckhoff Lake Planning Unit (*ACTION*)

Ms. Faccinto reviewed the Watershed Planning Committee's recommendation that the board approve the proposed LCCP for lands to be retained by PG&E at the Kerckhoff Lake planning unit. She said that the SFC would hold the conservation easement over the retained property. Ms. Faccinto said that no substantive public comment had been received.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at board meeting.

Auberry Service Center Planning Unit (*ACTION*)

After Mr. Schonherr left the room, Ms. Faccinto reviewed the Watershed Planning Committee's recommendation that the board make a finding of No Significant Public Interest Value for a 9.5 acre area at the Auberry Service Center planning unit. If this finding is approved by the board, a conservation easement would not be placed on the subject lands. Ms. Faccinto said the 9.5 acres are covered entirely by asphalt and the subject lands are being used as a PG&E service center.

Ms. Faccinto reported that the Stewardship Council conducted diligence and public outreach on the subject property and then reviewed the results of this effort.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at board meeting.

Willow Creek Planning Unit (*ACTION*)

Ms. Faccinto reviewed the Watershed Planning Committee's recommendation that the board make a finding of No Significant Public Interest Value for 5 acres within parcels 1053 and 1054 at the Willow Creek planning unit. If this finding is approved by the board, a conservation easement would not be placed on the subject lands. Ms. Faccinto said that the 5 acres are greatly impacted by adjacent land use and proximity to the highway as well as power lines running through the property.

Ms. Faccinto reported that the Stewardship Council conducted due diligence and public outreach on the subject property and then reviewed the results of this effort.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at the board meeting.

Global Change to Conservation Easement Endowment Funding Agreement Regarding Transfer of Funds to Assignee (*ACTION*)

After Mike Schonherr returned to the room and Ms. Cole and Mr. Muraki left the room, Executive Director Allene Zanger reviewed the recommendation from Stewardship Council's outside counsel that a global change be made to the conservation easement endowment funding agreement regarding transfer of grant funds to assignees. She explained it would take effect on non-executed funding agreements.

After an opportunity for board questions and discussion, the board made the following conflict of interest findings:

- The Board confirmed that in good faith it agrees that the Stewardship Council will take the proposed action for its own benefit; that the proposed action is fair and reasonable to the Stewardship Council; and that, after reasonable investigation, the Stewardship Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Following the conflict of interest findings, the board approved the action as described above in the summary of actions and resolutions taken at board meeting.

Land Conservation Program Update

After Ms. Cole, Mr. Muraki, and Mr. Baggett returned to the room, Ms. Daugherty provided the board with an update regarding the Land Conservation Program. She said that Stewardship Council and PG&E staff are analyzing the current and previous pace of land transactions and will be recommending process improvements at the March board retreat in an effort to expedite the completion of land transactions.

FIDUCIARY COMMITTEE

Treasurer Mike Schonherr explained the investment update, which reflects the investment policy amendments approved at the November 16, 2016 board meeting. He provided a budget update noting that Stewardship Council expenditures through November 30, 2016 are under budget by \$5 million.

FINAL PUBLIC COMMENTS

There were none.

BOARD MEMBER ANNOUNCEMENTS

Ms. Zanger announced to the public her retirement at the end of June 2017 and introduced Deputy Executive Director Heidi Krolick as the successor Executive Director, effective as of July 1. She explained that she and Ms. Krolick have been working closely together to ensure a smooth transition.

Heidi Krolick and the board congratulated Ms. Daugherty for her recent completion of an MBA graduate course.

ADJOURNMENT

Mr. Baggett adjourned the meeting at approximately 2:15 p.m.

Mike Schonherr, Assistant Secretary