

BOARD OF DIRECTORS MEETING
PUBLIC SESSION MINUTES

Anderson, CA
June 15, 2016
1:00 pm – 2:00 pm

ATTENDANCE

Association of California Water Agencies

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

California Department of Fish and Wildlife

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

California Farm Bureau Federation

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

California Forestry Association

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

California Hydropower Reform Coalition

Director: Pete Bell – Present
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 - Absent

California Natural Resources Agency

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

California Tribal Interests

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

Central Valley Regional Water Quality Control Board

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

Office of Ratepayer Advocates

Director: Truman Burns – Present
Alternate: Cherie Chan – Absent

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: OPEN

U.S. Forest Service

Non-Voting Liaison: Jerry Bird - Absent

STEWARDSHIP COUNCIL STAFF

Executive Director Allene Zanger
Deputy Executive Director Heidi Krolick
Director of Finance Scott Broberg
Director of Land Conservation (outgoing) Ric Notini
Director of Land Conservation (incoming) Jessica Daugherty
Senior Project Manager Toby Perry
Senior Project Manager Chantz Joyce
Land Conservation Program Associate Lauren Faccinto
Executive Assistant Robin Flynn
Office Administrator Pam Mayers
Administrative Assistant Robyn White

OTHERS

Members of the public were also present.

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

- The board adopted the minutes of the April 27, 2016 board of directors meeting. (**Consent calendar item**)
- The board approved the amendments to the Policy on Delegation of Authority as presented. (**Consent calendar item**)
- The board delegated authority to the Watershed Planning Committee to approve the amount of Stewardship Council funds provided to Mendocino Land Trust for landowner relations, monitoring, and legal defense of the conservation easement to be established on PG&E retained lands at the Eel River planning unit. (**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 Wishon Reservoir planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; and approved the proposed conservation easement funding agreement between the Stewardship Council and the Sierra Foothill Conservancy.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Fall River Valley planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; and approved the proposed conservation easement funding agreement between the Stewardship Council and Ducks Unlimited.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Lower Drum (Old Airport) planning unit, which LCCP describes how the proposed conservation easement transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation; and approved the proposed conservation easement funding agreement between the Stewardship Council and the Placer Land Trust.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Lower Drum (Rock 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; and approved the proposed conservation easement funding agreement between the Stewardship Council and the Placer Land Trust.
- The board approved the selection of the Sierra Foothill Conservancy as the prospective holder of the conservation easements to be established at the Manzanita Lake planning unit in Madera County.
- The board rescinded its previous fee title recommendation that Plumas County receive a donation of 57 acres at the Lake Almanor planning unit.
- The board approved increasing the total amount of conservation easement endowment funding for the four conservation easements that Mother Lode Land Trust will hold at the Kennedy Meadows, Lower Bear Area, and North Fork Mokelumne River planning units from \$463,214 to \$768,214; and shortened the Dispute Notice Period for this action to five business days after the meeting minutes are distributed.

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 the action items related to the Wishon Reservoir LCCP and the selection of a conservation easement holder for Manzanita Lake. David Muraki disclosed he had a potential perceived conflict of interest regarding the action items related to the Lower Drum (Old Airport) and Lower Drum (Rock Creek) LCCPs.

PUBLIC COMMENTS

Mr. Baggett invited members of the public to address the board.

Mr. David Albrecht, who owns land adjacent to the Cow Creek planning unit, said that the Draft Cow Creek LCCP has many errors, including an incorrect property boundary. He said that the proposed conservation easement would be partially located on private property. He expressed concern that the LCCP does not recognize the adjudicated water rights of him and others, and that the LCCP would promote public access. He said that to conduct its annual inspection, the conservation easement holder will need to travel across two miles of private lands. He said that there should be a statement in the LCCP that the conservation easement holder's right of access does not create a right of public access. He also requested that after the Stewardship Council corrects the errors in the Draft LCCP that it be recirculated for another 30 day public comment period.

Ms. Mills asked about the legal boundaries of the property. Mr. Schonherr said that the conservation easement has a legal description, which is accurate. The board requested that Mr. Albrecht submit his comments on the Draft LCCP in writing.

CONSENT CALENDAR

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

BOARD DEVELOPMENT COMMITTEE

Mr. Baggett presented Jessica Daugherty with a plaque for her service on the Stewardship Council board as a secondary representative of the Trust for Public Land. The board congratulated Jessica on her new role as the Stewardship Council's Director of Land Conservation.

The board also thanked three staff members, who are departing the Stewardship Council this summer, for their many contributions and noted they will be individually recognized at the board dinner this evening: Ric Notini – outgoing Director of Land Conservation; Lauren Kelly – Director of Operations; and Toby Perry – Senior Project Manager.

WATERSHED PLANNING COMMITTEE

Wishon Reservoir Planning Unit, Fresno County (PG&E retained lands) (ACTION)

After Mr. Baggett left the room, Senior Project Manager Toby Perry reviewed the Watershed Planning Committee's recommendation that the board approve the LCCP for the lands to be retained by PG&E at the Wishon Reservoir planning unit, located in Fresno County and consisting of approximately 1,190 acres. Mr. Perry said no comments were received on the Draft LCCP during the public comment period which ran from March 24, 2016 through April 22, 2016. Mr. Perry said the LCCP includes a proposed conservation easement funding agreement between the Stewardship Council and Sierra Foothill Conservancy that the Planning Committee has recommended the board approve.

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 LCCP for the lands to be retained by PG&E at the Wishon Reservoir planning unit, and the proposed conservation easement funding agreement.

Fall River Valley Planning Unit, Shasta County (PG&E retained lands) (ACTION)

After Mr. Baggett returned to the room, Senior Project Manager Chantz Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the LCCP for the lands to be retained by PG&E at the Fall River Valley planning unit, located in Shasta County and consisting of approximately 236 acres. Mr. Joyce said the LCCP included a proposed conservation easement funding agreement between the Stewardship Council and Wetlands America Trust (Ducks Unlimited) that the Planning Committee has recommended the board approve.

Mr. Baggett invited the following member of the public to address the board:

Mr. Robert Utterback, stakeholder, said that he manages a ranch that borders the Fall River Valley planning unit. Mr. Utterback said he and five adjoining neighbors are concerned that since the LCCP supports outdoor recreation, the public would be allowed to trespass across their land in order to access the creek, which is currently land locked. Chantz Joyce then referred the board to the language of concern which is found in Section 1, paragraph 4 of the LCCP narrative. Mr. Schonherr said that the LCCP narrative is not a legal document; however, the conservation easement that will be placed over the PG&E property is a binding legal instrument and it cannot and does not create rights that extend beyond the PG&E property. Mr. Schonherr said if people are using adjacent landowner's property to access the creek then they are trespassing. Mr. Utterback thanked the board for the clarification.

Following public comment and an opportunity for board questions and discussion, the board approved the proposed LCCP for the lands to be retained by PG&E at the Fall River Valley planning unit, and the proposed conservation easement funding agreement.

Lower Drum (Old Airport) Planning Unit, Placer County (PG&E retained lands) (ACTION)

After Mr. Muraki left the room, Mr. Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the proposed LCCP for a portion of the lands to be retained by PG&E at the Lower Drum (Old Airport) planning unit, located in Placer County and consisting of approximately 200 acres of land. Mr. Joyce said two emails and five phone call were received on the Draft LCCP during the public comment period which ran from March 24, 2016 through April 22, 2016. He said stakeholders had requested paper copies of the LCCP and maps with more detail. Stakeholders also had questions or concerns about the impact of the proposed transaction on PG&E rates, and continued fishing access. Mr. Joyce said the LCCP included a proposed conservation easement funding agreement between the Stewardship Council and Placer Land Trust that the Planning Committee has recommended the board approve.

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 proposed LCCP for a portion of the lands to be retained by PG&E at the Lower Drum (Old Airport) planning unit, and the proposed conservation easement funding agreement.

Lower Drum (Rock Creek) Planning Unit, Placer County (PG&E retained lands) (ACTION)

Mr. Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the LCCP for a portion of the lands to be retained by PG&E at the Lower Drum (Rock Creek) planning unit, located in Placer County and consisting of approximate 191 acres of land, which LCCP describes how the proposed transaction conforms to and fulfills the requirements of the 2003 Settlement Agreement and Stipulation. Mr. Joyce said no comments were received on the Draft LCCP during the public comment period which ran from March 24, 2016 through April 22, 2016. Mr. Joyce said the LCCP included a proposed conservation easement funding agreement between the Stewardship Council and Placer Land Trust that the Planning Committee has recommended the board approve.

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 LCCP for a portion of the lands to be retained by PG&E at the Lower Drum (Rock Creek) planning unit, and the proposed conservation easement funding agreement.

Manzanita Lake Planning Unit (ACTION)

After Mr. Baggett left the room and Mr. Muraki returned to the room, Deputy Executive Director Heidi Krolick presented the Planning Committee's request that the board approve the selection of the Sierra Foothill Conservancy as the prospective holder of the conservation easements to be established at the Manzanita Lake planning unit in Madera County.

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 recommendation that Sierra Foothill Conservancy be selected to hold the conservation easements over the lands at the Manzanita Lake planning unit.

Lake Almanor Planning Unit (ACTION)

After Mr. Baggett returned to the room, Director of Land Conservation Ric Notini presented the Planning Committee's recommendation that the board rescind its recommendation that Plumas County receive a fee title donation to 57 acres of land in the Lake Almanor planning unit. Since the board's action on February 15, 2011 to recommend that fee donation, Plumas County has become unresponsive to requests from staff to commence working on the transaction. A formal letter was sent to County officials on March 11, 2016 stating that if no response is received within 45 days, the Stewardship Council would assume the county was no longer interested in moving forward. Following the 45 days, staff called and emailed representatives of the county and to date, no response to the letter and other contacts has been received.

After an opportunity for board questions and discussion, the board approved rescinding the fee title recommendation involving the County of Plumas.

Endowment Funding – Mother Lode Land Trust (ACTION)

Ms. Krolick presented the Planning Committee's recommendation that the board approve an increase in the total amount of endowment funding awarded to Mother Lode Land Trust (MLLT) for four of the eight conservation easements it will hold by \$305,000 due to the complexity of the subject properties. This funding will be used by MLLT for monitoring, landowner relations, and enforcement of its conservation easements.

With regard to the proposed action to increase the amount of endowment funding, staff recommends that the board approve of shortening the Dispute Notice Period for this action to five business days after the meeting minutes are distributed.

After an opportunity for board questions and discussion, the board approved an increase in endowment funding granted to the MLLT for the four conservation easements that MLLT will hold at the Kennedy Meadows, Lower Bear Area, and North Fork Mokelumne River planning units from \$463,214 to \$768,214; and shortened the Dispute Notice Period to five business days after the meeting minutes are distributed.

LAND CONSERVATION PROGRAM UPDATE

Mr. Notini provided the board with an update on the land conservation program.

FIDUCIARY COMMITTEE

Fiduciary Committee Chair, Truman Burns, provided an overview of the committee's purpose, and then provided the board with a financial update.

AUDIT COMMITTEE

Audit Committee Member, Karen Mills, provided an overview of the committee's purpose. She then provided the board with a report on the 2015 audit, noting that the Stewardship Council received a clean report. She said that a copy of the approved audit was included in the board meeting packet.

FINAL PUBLIC COMMENTS

There were no further requests from the public to address the board.

ADJOURNMENT

Mr. Baggett adjourned the meeting at approximately 2:00 p.m.

Mike Schonherr, Assistant Secretary