

BOARD OF DIRECTORS MEETING
PUBLIC SESSION MINUTES

Sacramento, CA
September 21, 2016
1:00 pm – 2:00 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 – Present
Alternate: Noelle Cremers – Absent

California Forestry Association

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

California Hydropower Reform Coalition

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

California Public Utilities Commission

Director: Allison Brown - Absent
Alternate: OPEN

California Public Utilities Commission Appointed Public Members

Director: Art Baggett Jr. – Absent
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 – Absent
Alternate: Ken Tipon – Absent

Central Valley Regional Water Quality Control Board

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

Office of Ratepayer Advocates

Director: Truman Burns – Present
Alternate: OPEN

Pacific Gas & Electric Company

Director: Mike Schonherr – Absent
Alternate: OPEN

Rural County Representatives of California

Director: Lee Adams – Absent
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 - Absent

STEWARDSHIP COUNCIL STAFF

Executive Director Allene Zanger
Director of Finance Scott Broberg
Director of Land Conservation Jessica Daugherty
Senior Project Manager Chantz Joyce
Associate Project Manager 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

- Adoption of the minutes of the June 15, 2016 board of directors meeting. (**Consent calendar item**)

- Approval of request that authority be delegated to the Executive Director to enter into grant agreements in a total amount not-to-exceed \$75,000 to fund the retention of consultants with specialized expertise to perform certain feasibility and initial CEQA-related work for projects the Maidu Summit Consortium is considering at Humbug Valley and Lake Almanor; approval of the shortening of the Dispute Notice Period for this action to 5 business days after the board meeting minutes are distributed. **(Consent calendar item)**
- Approval of request that authority be delegated to the Watershed Planning Committee to increase the amount of conservation easement endowment funding provided to Sequoia Riverlands Trust and Bear Yuba Land Trust. **(Consent calendar item)**
- Approval of request that authority be delegated to the Watershed Planning Committee to approve a capacity building grant to the Maidu Summit Consortium for financial consultant services. **(Consent calendar item)**
- Approval of request that authority be delegated to the Youth Investment Committee to approve grants awards for youth program initiatives utilizing the Stewardship Council's remaining youth program funds; approval of the shortening of the Dispute Notice Period for this action to 5 business days after the board meeting minutes are distributed. **(Consent calendar item)**
- The board approved the proposed LCCP for the lands to be donated to Fall River Mills Community Services District at the Fall River Mills 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 Shasta Land Trust.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Mountain Meadows 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 Feather River Land Trust.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Lower Drum (Halsey) 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 (Upper Pinecroft) 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 Lake McCloud 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 Western Shasta Resource Conservation District.
- The board approved the proposed LCCP for the lands to be retained by PG&E at the Lake Spaulding (Lindsey 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; and approved the proposed conservation easement funding agreement between the Stewardship Council and the Bear Yuba Land Trust.

ATTENDANCE AND QUORUM

Stewardship Council board vice president Soapy Mulholland called the roll, declared a quorum, and called the meeting to order.

CONFLICT OF INTEREST DISCLOSURES

Ms. Mulholland asked if any board members had a conflict of interest with regard to any of the proposed actions. David Muraki disclosed he had a conflict of interest regarding the action items related to the Placer Land Trust holding conservation easements at the Lower Drum planning unit.

PUBLIC COMMENTS

Ms. Mulholland invited members of the public to address the board.

Mr. David Albrecht, who owns land adjacent to the Cow Creek planning unit, said that he was disappointed that he and other members of the public were only given 30 days to review and comment on the Draft Cow Creek Land Conservation and Conveyance Plan (LCCP) and that the Stewardship Council still has not responded to the comments he submitted and has not reissued another draft of the LCCP. He complained that he has not had any interactive feedback with staff about his comments since the June board meeting when he addressed the board. He said that he understands a new draft of the LCCP will be released to the public for comment in October and that it is very important that the date for release of the revised draft LCCP not be delayed.

Mr. Albrecht asked if the public can view the comments submitted regarding this LCCP. Ms. Zanger responded that to date the Stewardship Council has not posted on the Stewardship Council website the comments submitted on Draft LCCPs but that the comments are presented at the board meeting when the LCCP is brought before the board for approval. Mr. Albrecht said that he would like to see the other comments that were submitted on the Cow Creek Draft LCCP. He said he is looking forward to seeing the revised Draft LCCP in October, and in particular, it needs to be clear in the LCCP that public access through private land is not being granted. He said the conservation easement as currently worded implies that a right of public access through private lands is granted.

CONSENT CALENDAR

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

WATERSHED PLANNING COMMITTEE

Fall River Mills Planning Unit, Shasta County (CSD) (ACTION)

Senior Project Manager Chantz Joyce reviewed the Watershed Planning Committee's recommendation that the board approve the LCCP for the lands to be donated to the Fall River Valley Community Services District (CSD) at the Fall River Mills planning unit, located in Shasta County and consisting of approximately 34 acres. Mr. Joyce said no comments were received on the Draft LCCP during the public comment period which ran from July 22, 2016 through August 20, 2016. Mr. Joyce said the LCCP includes a proposed conservation easement funding agreement between the Stewardship Council and Shasta Land Trust that the Planning Committee has recommended the board approve.

Mountain Meadows, Lassen and Plumas Counties (PG&E retained lands) (ACTION)

Mr. 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 Mountain Meadows planning unit, located in Lassen and Plumas Counties and consisting of approximately 7,058 acres. Mr. Joyce said comments were received on the Draft LCCP during the public comment period which ran from June 7, 2016 through July 7, 2016, including a petition signed by about 200 people. He said that staff spoke to the submitter of the petition and determined that their primary concern was not with the LCCP but with a fencing project that was proposed by a stakeholder, which would have restricted public access at the site. He said that the board's approval of the LCCP would not constitute approval of the fencing project. Mr. Joyce said the LCCP includes a proposed conservation easement funding agreement between the Stewardship Council and the Feather River Land Trust that the Planning Committee has recommended the board approve.

After an opportunity for board questions and discussion, the board approved the proposed LCCP for the lands to be retained by PG&E at the Mountain Meadows planning unit, and the proposed conservation easement funding agreement.

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

After David 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 (Halsey) planning unit, located in Placer County and consisting of approximately 546 acres of land. Mr. Joyce said no comments were received on the Draft LCCP during the public comment period which ran from July 22, 2016 through August 20, 2016. Mr. Joyce said the LCCP included a proposed conservation easement funding agreement between the Stewardship Council and the 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 actions for its own benefit; that the proposed actions are 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 (Halsey) planning unit, and the proposed conservation easement funding agreement.

Lower Drum (Upper Pinecroft) 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 (Upper Pinecroft) planning unit, located in Placer County and consisting of approximate 50 acres of land. Mr. Joyce said public comments were received on the Draft LCCP during the public comment period, which ran from June 7 to July 7, 2016. He said that two comments were in support of the LCCP and that the Stewardship Council also received comments from two Native American entities. The tribal entities requested that they be consulted as the project progresses and that they be given the opportunity to protect any cultural resources found on the property. Mr. Joyce said that Jessica Daugherty intends to reach out to those Native American entities to discuss their interest in the properties. Mr. Joyce said the LCCP included a proposed conservation easement funding agreement between the Stewardship Council and the Placer Land Trust that the Planning Committee has recommended the board approve.

Ms. Mulholland invited Otis Wollan, who owns land in the vicinity of the Lower Drum planning unit, to speak. Mr. Wollan said the placement of a conservation easement on the property is important to the community of Colfax, noting that the Colfax community uses the adjacent campground regularly. Mr. Wollan said he spoke with Will Stockwin of the Colfax City Council who is in favor of the Stewardship Council board approving the LCCP.

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 actions for its own benefit; that the proposed actions are 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 (Upper Pinecroft) planning unit, and the proposed conservation easement funding agreement.

Lake McCloud Planning Unit, Shasta County (PG&E Retained Lands) (ACTION)

After Mr. Muraki returned to the meeting, Mr. 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 Lake McCloud planning unit, located in Shasta County and consisting of approximate 833 acres of land. Mr. Joyce said no comments were received on the Draft LCCP during the public comment period which ran from July 22, 2016 through August 20, 2016. Mr. Joyce said the LCCP includes a proposed conservation easement funding agreement between the Stewardship Council and the Western Shasta Resource Conservation District that the Planning Committee has recommended the board approve.

After an opportunity for board questions and discussion, the board approved the LCCP for the lands to be retained by PG&E at the Lake McCloud planning unit, and the proposed conservation easement funding agreement.

Lake Spaulding (Lindsey Lakes) Planning Unit, Nevada 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 Lake Spaulding (Lindsey Lakes) planning unit, located in Nevada County and consisting of approximate 857 acres of land. He noted that the proposed conservation easement includes provisions about the future management of the site that were negotiated by PG&E and the U.S. Forest Service. The conservation easement would require PG&E to use reasonable efforts to continue to manage its property consistent with the roadless area provisions of the Tahoe National Forest Land and Resource Management Plan that are applicable to the adjacent lands managed by the U.S. Forest Service. Mr. Joyce reported that no comments were received on the Draft LCCP during the public comment period which ran from July 22, 2016 through August 20, 2016. He noted that after the notice of proposed board meeting actions was disseminated to stakeholders, the Stewardship Council received a letter from the United Auburn Indian Community of the Auburn Rancheria (UAIC) making a request similar to that of the Native American entities that submitted comments on the Lower Drum Draft LCCP. He said that Ms. Daugherty intends to reach out to UAIC to discuss their letter.

Mr. Joyce said the LCCP includes a proposed conservation easement funding agreement between the Stewardship Council and that Bear Yuba Land Trust that the Planning Committee has recommended the board approve.

Ms. Mulholland invited Marty Coleman-Hunt, executive director of the Bear Yuba Land Trust (BYLT), to speak. Ms. Coleman-Hunt said the U.S. Forest Service wanted to acquire fee title to this property because of the importance of the Grouse Ridge Roadless Area Designation. When that effort was unsuccessful, she said that they tried to no avail to find a way to ensure the U.S. Forest Service would have the option of acquiring the property in the event that PG&E were to discontinue its hydro operations in that area. She said that BYLT, as the holder of the conservation easement on the properties, would collaborate with the U.S. Forest Service to ensure that the management regime that PG&E agreed to in the conservation easement is monitored. She noted that Dave Sutton had been a champion for this result. Ms. Coleman-Hunt concluded her remarks by stating that they have appreciated the support and cooperation of everyone.

After an opportunity for board questions and discussion, the board approved the LCCP for a portion of the lands to be retained by PG&E at the Lake Spaulding (Lindsey Lakes) planning unit, and the proposed conservation easement funding agreement.

Fall River Mills Planning Unit - FRRCD Recommendation (ACTION)

Mr. Joyce presented the Watershed Planning Committee's recommendation that the board approve the Fall River Resource Conservation District (RCD) as the fee title recipient of approximately 18 acres within Parcel 137 at the Fall River Mills planning unit. He noted that the Stewardship Council board had selected the RCD to be the prospective fee title holder of 523 acres in that planning unit in March 2014.

After an opportunity for board questions and discussion, the board approved the recommendation as noted above.

LAND CONSERVATION PROGRAM UPDATE

Land Conservation Program Director, Jessica Daugherty, provided the board with an update on the land conservation program.

Mr. Joyce reviewed the revisions to the Lower Drum Rock Creek LCCP that were made after the Stewardship Council board approved the LCCP. He said that the revisions concern the following matters: the addition of right to construct a helipad as one of the hydro rights; the addition of a reference in the conservation easement to the existing third party use of the property by the Sheriff's Office for training exercises; clarification of the hydro operating zone boundary in the conservation easement; and the addition of a note regarding a pending eminent domain proceeding by the Nevada Irrigation District. Mr. Joyce said that given the nature of these revisions, staff does not think it is necessary to send the revised LCCP out to the public for a second comment period and that PG&E intends to submit the revised LCCP to the California Public Utilities Commission along with its request for regulatory approval of the conservation easement transaction. No concerns were expressed by board members about proceeding in this manner.

FIDUCIARY COMMITTEE

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

FINAL PUBLIC COMMENTS

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

ADJOURNMENT

Ms. Mulholland adjourned the meeting at approximately 2:00 p.m.

Mike Schonherr, Assistant Secretary