



## **Stewardship Council Strategic Plan Goals and Objectives: 2018 – Dissolution in 2022**

### **INTRODUCTION**

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) is a private, non-profit foundation established in 2004 as part of the 2003 Settlement Agreement and Stipulation<sup>1</sup> with Pacific Gas and Electric Company (PG&E) and the California Public Utilities Commission (CPUC). The Settlement Agreement and Stipulation, which remain the guiding documents for the work of the Stewardship Council, were developed based on input from a diverse range of environmental, public interest, regulatory, and corporate interests.

Under the terms of the Settlement Agreement and Stipulation, the Stewardship Council's role is to oversee PG&E's Land Conservation Commitment and to develop a strategy to undertake and to fund environmental enhancement activities on PG&E's watershed lands (Watershed Lands). The Land Conservation Program is focused on implementing the Land Conservation Plan (LCP) to ensure that over 140,000 acres of Watershed Lands located across 21 counties in the Sierra Nevada Range and Eel River Watershed are preserved and enhanced for the following six beneficial public values (BPVs): outdoor recreation, sustainable forestry, agriculture uses, habitat protection, open space preservation, and the protection of historic and cultural resources. The permanent protection, preservation, and enhancement of the BPVs will be achieved through the donation of a significant portion of the Watershed Lands to qualified entities, establishment of conservation easements and associated funding on the Watershed Lands, promotion of new collaborative partnerships, and funding of a variety of environmental enhancement projects.

The Stewardship Council is also responsible for implementing a youth investment program with funding provided by PG&E in accordance with the CPUC decision approving the Settlement Agreement as modified by the CPUC in August 2012. In 2010, the Stewardship Council established the Foundation for Youth Investment (now known as Youth Outside) to create a permanent program to generate funds for youth programs focusing on outdoor education and experiences. In 2013, the Stewardship Council awarded a \$10.7 million grant to Youth Outside, effectively transferring its remaining youth program net assets to this public charity. A document describing the history of the youth investment program is attached as Appendix A.

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<sup>1</sup> Modified Settlement Agreement, decision (D).03-12-035 and Stipulation Resolving Issues Regarding the Land Conservation Commitment approved by the California Public Utilities Commission in Decision 03-12-035 (Dec. 18, 2003).



The Stewardship Council is unique in many ways. The scale of our land conservation and youth investment efforts, our substantial funding (\$70 million for the land conservation program and \$30 million for the youth investment program), and the diversity of interests united on the Stewardship Council Board of Directors (the Board), which must make all decisions by consensus, has provided us with a unique opportunity to not only complete the work envisioned in the Settlement Agreement, but to also promote environmental and youth development leadership in California and the nation.

The purpose of this document is to present an updated set of goals and objectives that will guide the Stewardship Council's work through 2022 which is the projected dissolution of the organization. The Board adopted a set of strategic goals and objectives in June 2016 for the 2016-2018 time frame. The Board and staff have been actively working to achieve those goals. Due to the dynamic nature of our work, this document has been updated to include recent revisions to the timeline associated with completion of our mission and to establish goals and objectives for the period of 2018 through dissolution.

To provide context for these goals and objectives, this document highlights the public benefits of the Land Conservation and Youth Investment programs that have been achieved or will be achieved in the next several years.

## **SUMMARY OF CURRENT AND FUTURE PUBLIC BENEFITS**

### **LAND CONSERVATION PROGRAM**

The goal of the Land Conservation Program is to achieve the permanent protection and enhancement of the six BPVs across the Watershed Lands as described above. The Stewardship Council's work will yield valuable public benefits, including the establishment of conservation easements (or, in the case of donations of lands to federal agencies, another form of satisfactory assurance) on the Watershed Lands, the donation of Watershed Lands to qualified entities whose ownership will ensure the protection of the BPVs, the funding of a variety of environmental enhancement projects, and the promotion of new collaborative partnerships.

The Stewardship Council has worked diligently to achieve its land conservation mission. As of May 2, 2018, 31 land and/or conservation easement donations have closed escrow, the Board has adopted 65 Land Conservation and Conveyance Plans (LCCPs) for select properties, we have launched a grantmaking program for enhancement projects on PG&E Watershed Lands, and we have promoted the formation of collaborative partnerships.

#### ***Protection of BPVs through Conservation Easements***

The BPVs on all the Watershed Lands will be protected by conservation easements (or, in the case of donations of lands to the U.S. Forest Service, a conservation covenant).

Conservation easements will be held by nonprofit and public entities with experience holding conservation easements. The conservation easement holders are responsible for monitoring uses of the lands on a regular basis to ensure compliance with the conservation easement

terms and can take enforcement action if necessary to protect the BPVs. The Stewardship Council is providing endowments to each conservation easement holder to fund the cost of annual monitoring, administration, and legal defense and enforcement of the conservation easements. The organizations which have been recommended by the Board to hold conservation easements are familiar with local stakeholders and issues and are well qualified to protect the conservation values of the Watershed Lands in perpetuity.

As of May 2, 2018, the Board has selected the following entities as prospective conservation easement holders (or, in the case of donations of lands to the U.S. Forest Service, Sierra Nevada Conservancy as the conservation covenant holder) on approximately 140,000 acres of Watershed Lands: Bear Yuba Land Trust, California Department of Fish and Wildlife, Ducks Unlimited, Feather River Land Trust, Mendocino Land Trust, Mother Lode Land Trust, Northern California Regional Land Trust, Placer Land Trust, Sequoia Riverlands Trust, Shasta Land Trust, Sierra Foothill Conservancy and Western Shasta Resource Conservation District. In 2017, eleven conservation easements and one conservation covenant were recorded. Staff anticipates twelve conservation easements and two conservation covenants will be recorded in 2018. The Board plans to complete its recommendations of prospective conservation easement holders by December 2018. In addition, staff plans to bring all LCCPs to the Board by December 2020 for approval. By the end of 2021, all conservation easements (or, in the case of donations of lands to the U.S. Forest Service, a conservation covenant) are expected to be recorded on the Watershed Lands.

#### ***Donation of Lands to Qualified Entities***

The Board has selected the following entities as prospective recipients of fee title donations of Watershed Lands totaling approximately 36,000 acres: Auburn Area Recreation and Park District, California Department of Forestry and Fire Protection, California State Parks, Fall River Resource Conservation District (RCD), Fall River Mills Community Services District, Madera County, Maidu Summit Consortium, Pit River Tribe, Placer County, Potter Valley Tribe, San Joaquin County Office of Education, Tuolumne County, University of California, and the U.S. Forest Service. The Stewardship Council expects to complete its recommendations of prospective recipients of fee title donations by December 2018.

As of May 2, 2018, PG&E has conveyed fee title of lands to the University of California, Tuolumne County, U. S. Forest Service, Auburn Area Recreation and Park District, Placer County, and Fall River RCD with conservation easements or covenants recorded concurrently with the land transfer.

#### ***Enhancing Beneficial Public Values through Grantmaking***

In 2012, the Stewardship Council launched its Environmental Enhancement Program which began by identifying high priority enhancement projects drawing on information and ideas generated by stakeholders through the Stewardship Council's public outreach process, as well as input from the recommended future landowners and conservation easement holders. Overall, the Enhancement Program is expected to result in approximately \$13 million in grants being awarded for projects that enhance the BPVs of the Watershed Lands and promote productive partnerships involving landowners, conservation easement holders, local

communities, youth, and other stakeholders. The projects include habitat restoration, recreational trails and facilities, cultural resource protection and interpretation, forest research, management plans, planning and feasibility studies, and biological surveys.

From 2012 – 2017 five major enhancement projects were awarded totaling \$4 million. In addition, the Stewardship Council funded 19 capacity building and smaller enhancement projects totaling \$1.6 million. The Board also allocated \$5 million to support a Sierra Nevada youth camp.

Stewardship Council staff recently re-evaluated its Enhancement Program and in 2017 invited select organizations to participate in a competitive round of funding. The program solicited concept proposals in September 2017 and the Stewardship Council received 25 proposals. The Enhancement Review Committee comprised of Board members and a representative from Sierra Nevada Conservancy considered the concept proposals in November 2017 and invited 10 applicants to proceed with full proposals for funding consideration. The Enhancement program expects to award up to an additional \$2 million through this competitive process.

### ***Donations of Lands to Tribal Entities and the Promotion of Collaborative Partnerships***

The Stewardship Council has encouraged collaboration and dialogue among stakeholders resulting in groundbreaking partnerships between nonprofit conservation organizations, public entities, and Native American tribal entities. To date, the Stewardship Council has made recommendations to donate fee title to three tribal entities including the Potter Valley Tribe, Pit River Tribe, and the Maidu Summit Consortium. The Board has approved two LCCPs to the Potter Valley Tribe in the Eel River Watershed totaling 892 acres. It is anticipated that the two fee title transfers will close escrow in the fall and winter of 2018.

The Board made a recommendation for the Pit River Tribe to be the fee donee for 850 acres at the Hat Creek Planning Unit. This LCCP is anticipated to be brought to the Board in 2018.

In addition, three of five LCCP recommendations with the Maidu Summit Consortium (MSC) at the Lake Almanor and Humbug planning units have been approved by the Board. The 2,325 acre property at Humbug Valley, also known as Tasmam Kojom is an example of the creation of a collaborative partnership among the Maidu Summit Consortium, the California Department of Fish and Wildlife (CDFW), and the Feather River Land Trust (FRLT) to preserve and enhance the BPVs at the Humbug Valley property in the Feather River Watershed. The Maidu Summit Consortium and CDFW are working collaboratively to develop a land management plan to protect the BPVs on the property.

### ***Land Conservation Program Goals and Objectives***

**Goal L1:** Ensure that conservation easements (or, in the case of donations of lands to the U. S. Forest Service, conservation covenants), are established on all Watershed Lands (with the exception of those lands approved as No Significant Public Interest Value [NSPIV]) to protect the BPVs in perpetuity, honor existing economic uses, preserve continued public access, and allow for continued operation and maintenance of hydroelectric facilities and associated water

delivery facilities.

**Objective L1.1:** By the end of 2021, provide sufficient funding to all selected conservation easement holders to enable them to monitor and enforce the terms of the conservation easements established on the Watershed Lands in perpetuity as transactions close.

**Objective L1.2:** Ensure the closings of all properties and the establishment of funding agreements with the Sierra Nevada Conservancy to facilitate reimbursement for the costs it will incur as the holder of conservation covenants over lands donated to the U.S. Forest Service.

**Objective L1.3:** Complete final Board approval of all NSPIV findings by June, 2018. Continue effort to ensure CPUC approval of NSPIV methodology for the Board NSPIV determinations.

**Goal L2:** Work with the transaction parties to facilitate the completion and recording of all remaining fee title transfers and conservation easements by the end of 2021.

**Objective L2.1:** Complete the recommendation of qualified organizations with capacity to hold conservation easements and organizations to be the recipient of fee title on all of the Watershed Lands by December 2018.

**Objective L2.2:** Work with transaction parties to ensure LCCPs for all fee title donated lands are brought to the Planning Committee for consideration by July 2019.

**Objective L2.3:** Ensure that the Board approved deadline of April 2020 for all Draft LCCPs to be conditionally approved by the Planning Committee can be achieved and that all conditionally approved LCCPs be brought to the Board for action by December 2020.

**Objective L2.4:** Continue to work to identify and help implement efficiencies in the preparation of transaction documents and the conduct of transaction work to assist PG&E, fee title donees, and conservation easement donees in completing all the transaction work.

**Objective L2.5:** Work with affected counties to satisfy the Stipulation requirement that property tax neutrality be achieved. At its November, 2017 meeting the Board approved an amendment to the Tax Neutrality agreement that established a one-time lump sum payment as the standard payment process when lands are transferred to organizations that are exempt from paying property taxes. This amendment has streamlined the process of Tax Neutrality agreements.

**Goal L3:** Implement an environmental enhancement program that promotes partnerships and

achieves tangible and sustainable enhancements which improve the character, quality, and public enjoyment and/or protection of the BPVs across the Watershed Lands.

**Objective L3.1:** Foster local community and youth involvement in the design, implementation, and maintenance of enhancement projects on Watershed Lands utilizing funding from the Stewardship Council.

**Objective L3.2:** By the end of 2018, allocate the majority of the remainder of the funds set aside for the Enhancement program to a set of priority projects with the aim of maximizing the benefits and impact of the Enhancement program.

**Objective L3.3:** By dissolution, ensure all enhancement funds have been spent or a process has been developed to identify and administer any remaining enhancement funding.

**Objective L3.4:** Any funds not needed for operating costs to complete the land donations recommended by the Board will be used to make enhancement project grant awards.

**Objective L3.5:** Do not fund an enhancement project if doing so would result in LCCP for subject property being conditionally approved by the Planning Committee any later than April 2020.

**Goal L4:** Ensure continued public engagement as required by the Settlement Agreement in connection with the implementation of the Land Conservation Program.

**Objective L4.1:** Maintain a current and informative web site and use other tools (e.g., email announcements, public meetings and workshops, and both formal and informal solicitation of public comments) to inform and obtain input from the public and all key stakeholders on the decisions and recommendations of the Stewardship Council.

**Goal L5:** Preserve and enhance reasonable Public Access to the Watershed Lands.

**Objective L5.1:** Make recommendations for fee title donations and conservation easement holders that are based, in part, on consideration of the capacity and interest of the recommended organizations to preserve and enhance public access.

**Objective L5.2:** Where applicable, ensure conservation easements establish an enforceable requirement for continued reasonable public access.

**Objective L5.3:** Approve and fund environmental enhancement projects that where desirable and appropriate preserve and enhance public access to the Watershed Lands.

## **YOUTH INVESTMENT PROGRAM**

Since 2006, well over 340,000 youth in PG&E's service territory have benefited from life-changing outdoor experiences made possible by grants and special initiatives of the Stewardship Council and Youth Outside (formerly "Foundation for Youth Investment"). Tapping the \$30 million provided to the Stewardship Council for the youth investment program, these two organizations have collectively awarded nearly \$18 million in grants to support a diverse range of organizations that positively influence the lives of youth through outdoor activities. These programs have far-reaching impacts ranging from health and fitness, to growth and leadership, to promoting environmental stewardship. Specifically, funds have been provided to programs that improve access to high-quality outdoor experiences, enhance the cultural relevancy of the programming offered by the providers, or create an innovative approach to reaching underserved youth. The Stewardship Council's grantmaking also invested in the development and renovation of parks and natural spaces, especially in low-income urban communities. Since 2006, more than \$5 million in infrastructure grants were made to projects ranging from community and school gardens to playgrounds and sports field enhancements.

### ***Youth Investment Program Goals and Objectives***

**Goal Y1:** Provide educational, recreational, and conservation and stewardship opportunities for youth (up to the age of 26) on Watershed Lands.

**Objective Y1.1:** Via the enhancement projects funded and supported by the Land Conservation Program, promote and implement opportunities to provide significant and meaningful conservation and stewardship opportunities for youth on Watershed Lands.

**Objective Y1.2:** Collaborate with Youth Outside, the California Council of Land Trusts (CCLT), the land trust community, and youth service providers to develop model programs providing educational, recreational, and/or stewardship opportunities for youth on the Watershed Lands.

**Goal Y2:** Work with Youth Outside to achieve to the maximum extent possible prior to the Stewardship Council's dissolution the following goals that led to the Stewardship Council's creation of that organization: to leverage the Stewardship Council's initial investments in the youth program; and to fulfill the CPUC's expectation that (a) the youth program funds will be expended to provide greater resources to connect children, youth, and young adults in the PG&E service territory to nature, parks, open spaces, and the outdoors (particularly serving the needs of underserved youth), and (b) a reasonable portion of the youth program funds would be used to provide seed money that would establish a permanent program for young people who are least likely to enjoy the wonder of California's natural beauty.

**Objective Y2.1:** Ensure Youth Outside's expenditures of ratepayer funds provided to it via a grant from the Stewardship Council are expended in full compliance with CPUC Decision 12-08-001 and the terms of the major grant agreement between the Stewardship Council and Youth Outside.

**Objective Y2.2:** As requested by Youth Outside, provide strategic support to Youth Outside through the efforts of Stewardship Council board members and staff, and our partners.

**Objective Y2.3:** Continue our practice of appointing qualified and committed individuals to fill the Stewardship Council's seat on the Youth Outside board of directors.

**Objective Y2.4:** Develop a plan for ensuring fulfillment of the Stewardship Council's youth-related responsibilities through dissolution, and accountability of funds under the major grant agreement with Youth Outside.

**Goal Y3:** Continue to identify ways to establish a permanent program to connect underrepresented youth to the outdoors.

**Objective Y3.1:** Collaborate with Youth Outside to help it achieve the desired outcome that led to its creation, namely the development of a permanent program to connect underserved youth to the outdoors.

**Objective Y3.2:** Support the creation of a center located on PG&E Watershed Lands that would provide a permanent place to connect underserved youth to the outdoors.

**Goal Y4:** Strategically utilize the remaining youth program funds, which the Stewardship Council retained when it transferred youth program funds to Youth Outside, to reduce the barriers to connecting underrepresented youth with the outdoors and with the field of land conservation.

**Objective Y4.1:** Continue the Stewardship Council's history of impactful grant making with our remaining youth program funds in partnership with other organizations.

**Objective Y4.2:** Provide support to CCLT to further its implementation of the Conservation Horizons Initiative, which goals and expected outcomes include connecting all Californians with protected lands in ways meaningful to them, and engaging diverse members of communities in the planning and implementation of land trust projects and programs.

## **ORGANIZATION**

### ***Organizational Goals and Objectives***

The Stewardship Council's organizational goals will focus on maintaining the institutional knowledge and resources to complete its remaining work in a timely manner, while also ensuring the organization is operating in a transparent, efficient, fiscally responsible, and legally compliant manner. In addition, the Stewardship Council will continue planning and preparing for its eventual dissolution.



**Goal O1:** Continue to practice strong governance and strive to maintain a vital and engaged board and staff to reflect the needs of the organization as it moves toward completing its mission. Identify opportunities to enhance board and staff development and engagement practices to promote an inclusive culture of optimism, transparency, and learning.

**Objective O1.1:** Promote an organizational culture where both board members and staff are afforded opportunities to continually learn, grow, and engage in the work of the organization.

**Objective O1.2:** Develop and implement dynamic operational plans and structures that create efficiencies, retain knowledge, and minimize risk for the organization.

**Goal O2:** Maintain sound financial management oversight and legal and regulatory practices that support our operational and programmatic work and investments as we work to fulfill the organization's mission.

**Objective O2.1:** Maintain strong internal controls, especially as the staffing model shifts to meet the needs of the organization as major milestones are reached.

**Objective O2.2:** Ensure investment strategy matches the liquidity needs of the organization as the land conservation program completes major milestones.

**Objective O2.3:** Ensure appropriate level of oversight and grantee accountability for grants awards made by the Stewardship Council.

**Goal O3:** Uphold the Stewardship Council's commitment to transparency by continually striving to provide tools, resources, and opportunities that allow the public to access information and engage in a meaningful way with the organization and its programs.

**Objective O3.1:** Provide accurate, timely, and relevant information and resources to stakeholders via the Stewardship Council's website, publications, and stakeholder database.

**Objective O3.2:** Provide ongoing opportunities for public and stakeholder input at Stewardship Council board meetings, meetings with stakeholders, or via email or US mail.

**Objective O3.3:** Deliver biannual reports to the California Public Utilities Commission regarding the work of the organization and in compliance with the requirements of the Stipulation and Settlement Agreement.

**Goal O4:** Prepare and implement a plan for the eventual dissolution of the Stewardship Council. Elements will include but not be limited to the following: (1) establishment of a public repository for key organizational documents; (2) incorporating into major grant agreements a long term accountability mechanism for expenditure of ratepayer funds; (3) a mechanism to report the

physical and economic impacts of the Land Conservation Commitment over the initial period of its implementation; (4) accounting, distribution and/or disposal of assets; (5) filing of dissolution plan, certificates, public notices and tax forms with Secretary of State and IRS.