Pacific Forest and Watershed Lands Stewardship Council

PUBLIC SESSION
Meeting of the Board of Directors
Via Live Webcast
July 27, 2022
Welcome and Call to Order

• Welcome
• Call to Order
• Review Zoom tutorial
Helpful tips:

• All attendees will be muted until they are called upon to speak
• Please use “raise hand” feature if you wish to speak
• Please use headset if possible to reduce feedback
• Please be respectful in your comments. **Absolutely no offensive or foul language will be tolerated.**
• Please be sure your computer/phone are fully charged
Introductions and Overview

- Introductions
- Conflict of Interest Disclosure
- Public Comment
- Consent Agenda
- Committee Reports and Requested Actions
- Public Comment
- Board Member Announcements
- Adjourn Meeting
Board Member Roll Call
Public Comment
Consent Agenda

Action:

- Adoption of the minutes of the April 6, 2022 board of directors meeting

- Approval of a change in the principal office for the transaction of business of the Stewardship Council from 3300 Douglas Blvd. Ste. 250; Roseville, CA to the following location:

  8863 Greenback Lane #326
  Orangevale, CA 95662
Fiduciary Committee
Fiduciary Committee

Oversees and makes recommendations regarding legal, financial, and other business matters

- Ensures compliance
- Ensures sound business practices
Fiduciary Committee

- Report from Fiduciary Committee
  a. Financial Update
## 2021 Budget to Actual

<table>
<thead>
<tr>
<th>2021 YTD</th>
<th>Actual Exp 12/31/21</th>
<th>Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</td>
<td>$ 888,277</td>
<td>$ 957,300</td>
</tr>
<tr>
<td>TOTAL CONTRACTUAL EXPENSES</td>
<td>$ 321,626</td>
<td>$ 472,150</td>
</tr>
<tr>
<td>TOTAL PROGRAM EXPENSES</td>
<td>$ 4,980,811</td>
<td>$ 8,516,743</td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$ 6,190,714</td>
<td>$ 9,946,193</td>
</tr>
</tbody>
</table>
## Budget to Actual Through May 2022

<table>
<thead>
<tr>
<th>EXPENSE THROUGH MAY 2022</th>
<th>Actual Exp 5/31/22</th>
<th>Budgeted</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</td>
<td>$ 288,771</td>
<td>$ 423,815</td>
</tr>
<tr>
<td>TOTAL CONTRACTUAL EXPENSES</td>
<td>$ 164,175</td>
<td>$ 210,042</td>
</tr>
<tr>
<td>TOTAL PROGRAM EXPENSES</td>
<td>$ 946,480</td>
<td>$ 3,533,410</td>
</tr>
<tr>
<td>UNCATEGORIZED EXPENSES</td>
<td>$ 159,538</td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td>$ 1,558,963</td>
<td>$ 4,167,267</td>
</tr>
</tbody>
</table>
Stewardship Council
Investment Flash Report
As of June 30, 2022

<table>
<thead>
<tr>
<th>Investment Manager allocation (6/30/22)</th>
<th>Market Value 6/30/22 $</th>
<th>Allocation 6/30/22 %</th>
<th>Expense Ratio (%)</th>
<th>% Return Last 3 Mos</th>
<th>% Return ytd 2022</th>
<th>% Return Last 15M 2022</th>
<th>% Return 12/08-6/22</th>
<th>% Yield 7/22/22</th>
<th>Duration (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewardship Council (Total net)</td>
<td>13,161,363</td>
<td>100.0</td>
<td>0.11</td>
<td>-0.3</td>
<td>-1.4</td>
<td>16.1</td>
<td>17.4</td>
<td>2.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Vanguard ST Bond Index Fd Adm (net)</td>
<td>0</td>
<td>0.0</td>
<td>0.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barclays 1-5 year Government/Credit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard Ultra ST Bd Fd Adm (net)</td>
<td>6,349,362</td>
<td>48.2</td>
<td>0.10</td>
<td>-0.1</td>
<td>-1.1</td>
<td></td>
<td></td>
<td>2.9</td>
<td>0.9</td>
</tr>
<tr>
<td>DFA One-Year Fixed Income Inst (net)</td>
<td>4,468,676</td>
<td>34.0</td>
<td>0.13</td>
<td>-0.2</td>
<td>-1.5</td>
<td></td>
<td></td>
<td>2.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Vanguard Federal Money Market (net)</td>
<td>2,343,326</td>
<td>17.8</td>
<td>0.11</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
<td></td>
<td>1.5</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Yield for DFA One-Year Fixed Income as of 6/30/22

Definition of “Yield Curve” from Investopedia.com:
A line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates.

Definition of “Yield Spread” from Barron’s Dictionary of Finance and Investment Terms:
The difference in yield between various issues of securities. In comparing bonds it usually refers to issues of different credit quality.

U.S. Treasury Yield Curves

Yield Spread to Governments (of the Merrill Lynch 1-3 yr Corporate Bond Index)

Prepared by Berla Investment Consulting (7/2022)
### Stewardship Council US Treasury Purchases

**Berla Investment Consulting – July 2022**

<table>
<thead>
<tr>
<th>Face Value In millions ($)</th>
<th>Investment - Maturity</th>
<th>Approximate Current Yield (to maturity) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5</td>
<td>US Treasury Bill – October 2022</td>
<td>2.5</td>
</tr>
<tr>
<td>2.0</td>
<td>US Treasury Bill – January 2023</td>
<td>3.0</td>
</tr>
<tr>
<td>2.0</td>
<td>US Treasury Bill – July 2023</td>
<td>3.0</td>
</tr>
<tr>
<td>1.0</td>
<td>US Treasury Note – November 2023</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Approximately $5MM remaining in the Vanguard Federal Money Market fund for current expenditures
Audit Committee
• 2021 Audit Report
Board Development and Dissolution Planning Committee
ACTION:
The Board approves the Stewardship Council’s Updated Strategic Plan 2022 through Dissolution
ACTION:
The Board approves the dissolution of the Stewardship Council and preparation of a Plan of Dissolution upon submission of the 851 Advice Letter Filing for the final donated transaction.
Land Conservation Program
POSSIBLE ACTION: That the Board rescind the fee title donation recommendation for any transaction that does not have a Purchase and Acquisition Agreement signed by all parties. The donation for CAL FIRE at the Pit River and Tunnel Reservoir planning unit does not have a signed PAA
ACTION: Conflict of interest findings

The Board confirms that it in good faith agrees that:

• The Council will take the proposed Action for its own benefit

• The proposed Action is fair and reasonable to the Council

• After reasonable investigation, that the Council could not have obtained a more advantageous arrangement with reasonable effort under the circumstances
ACTION to be requested: The Stewardship Council Board awards an Enhancement Grant for $275,000 to Bear Yuba Land Trust for the Pines to Mines Trail project
Pines to Mines Trail Enhancement Grant

- Realign trail to new bridge and avoid crawl under penstock
- $275,000
- Feasibility completed
ACTION: The Stewardship Council Board awards an Enhancement Grant for $275,000 to Bear Yuba Land Trust for the Pines to Mines Trail project.
<table>
<thead>
<tr>
<th>Summary</th>
<th>Total Land Transactions</th>
<th>Escrow Closed/Conservation Easement Recorded</th>
<th>In Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Land Transactions</td>
<td>96</td>
<td>76</td>
<td>20</td>
</tr>
<tr>
<td>Total Acres</td>
<td>140,537</td>
<td>68,756</td>
<td>71,781</td>
</tr>
<tr>
<td>Acres of Donated Lands</td>
<td>38,411</td>
<td>22,056</td>
<td>16,355</td>
</tr>
<tr>
<td>Donated Transactions</td>
<td>40</td>
<td>34</td>
<td>6</td>
</tr>
<tr>
<td>Acres of Land Retained by PG&amp;E</td>
<td>102,144</td>
<td>46,700</td>
<td>55,426</td>
</tr>
<tr>
<td>Retained Transactions</td>
<td>56</td>
<td>42</td>
<td>14</td>
</tr>
</tbody>
</table>
## Recent Closings

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Fee Title/CE Holder</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Fall River Mills</td>
<td>PRT/SLT</td>
<td>1,826</td>
</tr>
<tr>
<td>Eel River</td>
<td>PG&amp;E/MLT</td>
<td>5,660</td>
</tr>
<tr>
<td>Bear River BYLT</td>
<td>CAL FIRE/BYLT</td>
<td>267</td>
</tr>
<tr>
<td>Cow Creek</td>
<td>CAL FIRE/SLT</td>
<td>2,246</td>
</tr>
<tr>
<td>NF Mokelumne River</td>
<td>PG&amp;E/MLLT</td>
<td>2,351</td>
</tr>
</tbody>
</table>
New Fall River Mills
Donation to Pit River Tribe
Shasta Land Trust
CE holder
Eel River
Retained by PG&E
Mendocino Land Trust
CE holder
Bear River
Donation to Cal Fire
Bear-Yuba Land Trust
CE holder
Cow Creek
Donation to CAL FIRE
Shasta Land Trust
CE holder
North Fork
Mokelumne River
Retained by PG&E
Mother Lode Land Trust
CE holder
Sky Mountain Tour
Fall River Lake Trail Opening
Public Comment and Announcements

- Final public comment
- Board member announcements
- Adjournment