



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

### **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 Justice Outside (formerly "Youth Outside"), effectively transferring its remaining youth program net assets to this public charity.

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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 a planned dissolution of the organization. The Board adopted a set of strategic goals and objectives in 2018 for the 2018-2022 time frame and 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 2022 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 near future.

## **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 February 1, 2022, the Board has adopted all 96 Land Conservation and Conveyance Plans (LCCPs) for select properties, 69 land and/or conservation easement donations have closed escrow, 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.

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, Wildlife Heritage Foundation, and Western Shasta Resource Conservation District. The 27 remaining conservation easements will be recorded in 2022 and 2023.

### ***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 38,403 acres: Auburn Area Recreation and Park District, California Department of Forestry and Fire Protection (CAL FIRE), California State Parks, Fall River Resource Conservation District (RCD), Fall River Mills Community Services District (CSD), Madera County, Maidu Summit Consortium, Pit River Tribe, Placer County, Potter Valley Tribe, San Joaquin County Office of Education (SJCOE), Tuolumne County, University of California, and the U.S. Forest Service.

As of February 1, 2022, PG&E has conveyed 17,574 acres of fee title of lands to the Auburn Area Recreation and Park District, CAL FIRE, California State Parks, Fall River Resource Conservation District (RCD), Fall River Mills Community Services District (CSD), Madera County, Maidu Summit Consortium, Pit River Tribe, Placer County, Potter Valley Tribe, San Joaquin County Office of Education (SJCOE), Tuolumne County, University of California, and the U.S. Forest Service with conservation easements or covenants recorded concurrently with the land transfer. Of the total acres recommended for donation, approximately 20,829 acres will transfer, with conservation easements, in 2022.

### ***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 up to \$15 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 – 2021 ten major enhancement projects were awarded totaling \$10 million, including \$5 million for the acquisition and improvements at Sky Mountain Outdoor Education Center. In addition, the Stewardship Council funded 25 capacity building and smaller enhancement projects totaling \$2 million.

In 2020, the Stewardship Council solicited additional proposals for enhancements that may be awarded in the near future, depending on funding availability.

### ***Donations of Lands to Tribal Entities***

The Stewardship Council has encouraged collaboration and dialogue among stakeholders resulting in bold and innovative partnerships between nonprofit conservation organizations, public entities, and Native American tribal entities. These cooperative agreements that provide for the return of ancestral lands to Native Americans is vital for the spiritual and cultural wellbeing of Native Americans. To date, the Stewardship Council has made recommendations to donate fee title to three tribal entities - the Potter Valley Tribe, Pit River Tribe, and the Maidu Summit Consortium. As of December 31, 2021, a total of approximately 4,461 acres have been transferred to tribal entities, with approximately 3,696 acres remaining to transfer in 2022.

### ***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:** Work with partners to ensure remaining fee title donations have signed transaction agreements by Q2 of 2022.

**Objective L1.2:** Work with partners to close remaining fee title donations by the end of 2022.

**Objective L1.3:** Work with affected counties to satisfy the Stipulation requirement that property tax neutrality be achieved by entering into tax neutrality agreements by the end of Q1 2023.

**Objective L1.3:** Work with partners to complete remaining PG&E retained transaction closing by the end of 2023.

**Objective L1.4:** Develop a plan to address escrow closing and endowment payment of all remaining transactions after 2023.

**Goal L2:** 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 L2.1:** Make remaining major enhancement grant awards prior to the 2nd quarter of 2023 by identifying remaining funding and allocating it to competitive proposals.

**Objective L2.2:** Transition grant administration to Sierra Nevada Conservancy for existing enhancement grants by mid-2022.

**Objective L2.3:** Provide written guidance to Sierra Nevada Conservancy to prioritize any additional grant awards to be made following the Stewardship Council's

dissolution.

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

**Objective L3.1:** 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.

**Objective L3.2:** Create a media kit of stories, reports, and content that convey the accomplishments of the organization and provide lessons learned to the conservation community.

**Objective L3.3:** Prepare a final report for the CPUC that specifies how the requirements of the Settlement and Stipulation were met through the Stewardship Council's Land Program work.

## **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 Justice Outside (formerly "Foundation for Youth Investment" and "Youth Outside"). 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 Justice 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 Justice 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 Justice Outside's expenditures of ratepayer funds provided to it via a grant from the Stewardship Council are expended in full compliance with CPUC Decision12-08-001 and the terms of the major grant agreement between the Stewardship Council and Justice Outside, ensuring fulfillment of the Stewardship Council's youth-related responsibilities.

**Objective Y2.2:** As requested by Justice Outside, provide strategic support to Justice 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 Justice Outside board of directors.

## **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.

## **DISSOLUTION**

Now that the Stewardship Council has approved Land Conservation and Conveyance Plans (LCCPs) for the Watershed Lands to be protected by the LCC, the organization is planning to wind down and dissolve. Following PG&E's regulatory submission of the final fee title donation transaction in mid-2022, the organization will begin taking steps to dissolve with an anticipated completion at the end of 2023. Staff have developed a detailed plan to assist with dissolution activities with advice from legal counsel and other organizations that have dissolved in the past. Ultimately, a dissolution plan will be finalized and submitted to the Attorney General's office. Implementing the dissolution plan will result in a thorough and organized process for dissolution that ensures all requirements of the organization have been met.

**Goal D1:** Develop a formal dissolution plan once the board takes an action to dissolve. Implement the plan for the timely dissolution of the Stewardship Council.

**Objective D1.1:** Monitor and report progress on the dissolution plan to ensure completion within budget constraints.

**Objective D1.2:** Fulfill obligations for reporting, accounting, distribution and/or disposal of assets.

**Objective D1.3:** Schedule timely filing of required documents such as dissolution plan, certificates, public notices and tax forms with Secretary of State and IRS.

**Goal D2:** Designate successor organizations and transition duties for responsibilities that extend beyond dissolution.

**Objective O1.1:** Designate an organization for establishment of a public repository for key organizational documents and complete transfer of materials.

**Objective O1.1:** Coordinate Sierra Nevada Conservancy management of extended duties that are comprised of Enhancement Program Administration Activities, Conservation Covenant Activities, Conservation Easement Holder Succession Activities, and SNC update of the Stewardship Council's Final Report to the CPUC.