

FEE TITLE DONEE RECOMMENDATION FALL RIVER VALLEY PLANNING UNIT

EXECUTIVE SUMMARY

The Stewardship Council was created to oversee PG&E's Land Conservation Commitment, as set forth in the Settlement and Stipulation,¹ to protect over 140,000 acres of land and to preserve and enhance, on an overall basis, the following six beneficial public values (BPVs): protection of the natural habitat of fish, wildlife, and plants; preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and, historic values. The Stewardship Council is responsible for developing a land conservation plan and recommending qualified organizations to become involved in the future stewardship of these lands.

The Fall River Valley planning unit, located in Shasta County, consists of four parcels encompassing approximately 236 acres of land, of which 191 acres have been identified as available for fee title donation. In December 2010, the Stewardship Council Board of Directors (Board) recommended the donation of one parcel encompassing approximately 129 acres to the Fall River Resource Conservation District (RCD) and for PG&E to retain the other 62 acres of land previously available for donation. The RCD subsequently withdrew interest in acquiring the recommended parcel.

The Stewardship Council has continued to evaluate opportunities for the recommendation of additional donations of land within this planning unit. Based on a review of the LSPs, follow-up discussions with the potential donee organizations, and site visits, Stewardship Council staff proposed the following recommendation which has been endorsed by the Watershed Planning Committee (Planning Committee):

PG&E to retain fee title to approximately 129 acres made available for donation within one parcel (parcel 181).

If this recommendation is accepted by the Stewardship Council Board PG&E and Ducks Unlimited (DU), the entity which the Board previously selected to hold the conservation easement at this planning unit, would negotiate the conservation easement for all the lands in the Fall River Valley planning unit.

The proposed conservation easement will be incorporated into a Land Conservation and Conveyance Plan (LCCP) developed for the planning unit. The public will have an opportunity to review and provide comment on the proposed LCCP. Comments received will be shared with the Planning Committee before the Planning Committee forwards the proposed LCCP to the Board for its review and approval. Adoption of the LCCP by the Board would be the final step in the Stewardship Council's process.

¹ California Public Utilities Commission Decision 03-12-035, December 18, 2003 (the "Settlement") and the Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the "Stipulation").

I. INTRODUCTION AND BACKGROUND

a. *Planning Unit Description*

The Fall River Valley planning unit consists of approximately 236 acres of land currently owned by PG&E and located in Shasta County east of the town of Dana (see attached map). The planning unit is comprised of four legal parcels that extend from the Fall River and contain several water bodies including Fall River, Spring Creek, Lava Creek, and Ivy Horr northern and southern ponds.

The Fall River Valley planning unit is primarily surrounded by private and Tribal lands, with the Bureau of Land Management's (BLM) Timbered Crater Wilderness Study Area located north of Lava Creek and the two ponds, and additional public lands to the west.

The planning unit features a range of habitats, mostly forested, with grasslands along a gas pipeline at the northern end of the lands bordering the Fall River, and intermittent wetland areas. The Fall River Valley was designated by the Audubon Society as an Important Bird Area based on the approximately 17 species of sensitive bird species that breed in the area and the significant number of migratory and wintering birds that use the valley. The riverbank hosts a heron rookery. The Fall River was also designated as a Wild Trout stream by the California Department of Fish and Wildlife and contains trophy rainbow trout. Some of the largest remaining populations of federally endangered Shasta crayfish are found in Spring Creek and other nearby water bodies.

Recreational use of the northern parcels is limited due to the lack of public access across adjacent private property. However, the public can access the planning unit via the Fall River, where fishing is popular. Boating access (paddle boats and boats with electric motors only) is available nearby at the California Trout, Inc.'s Fishing Access. A fence across Spring Creek at Spring Creek Road prevents boaters or anglers from accessing planning unit lands in Spring Creek.

There is one Timber Management Unit on the planning unit consisting of 79 acres of second-growth eastside pine stands. Current PG&E timber management is considered salvage only, in which management activities are restricted to mitigating for watershed and forest health issues, including emergency salvage harvesting following insect attack or a catastrophic event.

Most of the planning unit is forested with little to no understory vegetation. Grazing is limited to the area along the pipeline and at the northern end near the Fall River. Currently, there is one grazing license for cattle use on approximately 140 acres within the planning unit that generates \$500 in annual revenue.

The planning unit is located within the Pit River Tribe's ancestral territory and is within the historic area of Fort Cook, established in 1857. Therefore, it may contain cultural resources and remains of the historic fort.

The section of Volume II of the Land Conservation Plan (LCP) describing the Fall River Valley planning unit, including the BPVs and the management objectives that were previously approved by the Stewardship Council board for this planning unit, is attached.

b. Donee Evaluation Process

The Stewardship Council received statements of qualifications (SOQs) from seven organizations interested in acquiring fee title to lands available for donation within this planning unit. A list of organizations that submitted SOQs is attached. Of these organizations, the following three organizations submitted Land Stewardship Proposals (LSPs):

- BLM (Alturas Field Office)
- Fall River Resource Conservation District
- Pit River Tribe

In December 2010, the Board recommended the donation of one parcel encompassing approximately 129 acres to the RCD and for PG&E to retain the other 62 acres of land previously available for donation. Following operational review of the property by PG&E and the RCD, and the identification of the location of the split between retained and donated lands, the RCD subsequently withdrew interest in acquiring the recommended parcel.

II. EVALUATION

a. PG&E Retention

According to PG&E, its management of the watershed lands is guided by a number of considerations, including optimizing benefits to PG&E customers, shareholders, and the environment. The retention of the lands within the Fall River Valley planning unit by PG&E, at least in the near term, would likely result in continuing the current management regime, subject to a conservation easement.

b. Requirements of the Settlement and Stipulation

Staff's recommendation that PG&E retain fee title to 129 acres of land previously recommended for donation within the planning unit is subject to compliance with all the requirements of the Land Conservation Commitment. Several of these requirements are highlighted below.

- A conservation easement would be established on lands owned by PG&E within the planning unit.
- The conservation easement would include an express reservation of right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission (FERC) license, FERC license renewal or other regulatory requirements.

c. Conservation Partners

The permanent protection of the Fall River Valley planning unit, and the future preservation and enhancement of the BPVs, may involve, and benefit from, the participation of land conservation partners. For the purposes of this recommendation, land conservation partners are defined as organizations other than the prospective fee title donee or conservation easement holder that become involved in future activities on the donated lands and that contribute to the preservation and enhancement of the BPVs. Land conservation partners may be identified in the LSPs submitted by organizations interested in a fee title donation, or during or after the development

of the LCCP. Such organizations and activities may be eligible for Stewardship Council funding, depending on the type of organization, proposed activities, availability of funds, and other factors. Staff would work with the PG&E and the holder of the conservation easement and evaluate opportunities for land conservation partners.

III. PUBLIC COMMENTS

The Stewardship Council has implemented a public outreach program to engage stakeholders and solicit public input on the development and implementation of the land conservation plan. A summary of key public outreach activities and public comments associated with the Fall River Valley planning unit is attached.

IV. NEXT STEPS

If the Board approves this recommendation on June 25, 2014, PG&E and DU will negotiate a conservation easement for the lands that will be retained by PG&E in this planning unit. After review by the Stewardship Council, the proposed conservation easement will be incorporated into a Land Conservation and Conveyance Plan (LCCP) developed for the planning unit. The public will have an opportunity to review and provide comment on the proposed LCCP and the comments received will be shared with the Planning Committee before the Planning Committee forwards the proposed LCCP to the Board for its review and approval. Adoption of the LCCP by the Board would be the final step in the Stewardship Council's process.

ATTACHMENTS AND REFERENCE MATERIAL

- Fall River Valley Planning Unit Map
- LCP Volume II Planning Unit Report for Fall River Valley Planning Unit
- Organizations that Submitted SOQs for Lands Available in the Fall River Valley Planning Unit
- Summary of Key Public Outreach Activities and Public Comments Associated with the Fall River Valley Planning Unit

Fall River Valley Planning Unit

The Fall River Valley Planning Unit report located in LCP Volume II can be found at this link:

<http://lcp.stewardshipcouncil.org/Vol 2/pdf/01 1 FallRiverValleyText.pdf>

The aerial map to the Fall River Valley Planning Unit can be found at this link:

<http://www.stewardshipcouncil.org/documents/maps/Fall%20River%20Valley%20Aerial.pdf>

The existing conditions maps to the Fall River Valley Planning Unit can be found at this link:

<http://www.stewardshipcouncil.org/documents/maps/Fall%20River%20Valley%20Existing%20Conditions.pdf>

Fall River Valley Planning Unit

Registered Organizations that Submitted Statements of Qualifications for Lands Available for Donation

County of Shasta

Fall River Resources Conservation District

Environmental Education Council of Marin

Pit River Tribe

Spring Rivers Foundation

US Forest Service - Lassen National Forest

US Bureau of Land Management

SUMMARY OF KEY PUBLIC OUTREACH ACTIVITIES AND PUBLIC COMMENTS ASSOCIATED WITH THE FALL RIVER VALLEY PLANNING UNIT

PUBLIC REVIEW OF VOLUMES I AND II OF THE LCP

The Draft Land Conservation Plan (LCP) Volumes I and II were released in June 2007 for a 60-day public comment period. During this time, the Stewardship Council held ten public meetings to publicize the availability of the Draft LCP and to encourage public comment. During public review of Volumes I and II of the LCP, 11 comments were submitted concerning the Fall River Valley Planning Unit. Comments were received via email, the Stewardship Council website, and hardcopy letters. The comments were reviewed and responded to individually, and the text in the Draft LCP was revised as appropriate.

Public comments emphasized the following regarding the future management of the property:

- Enhance public boating and fishing access.
- Limit boat launching (if allowed) at the proposed day use area to non-motorized vessels.
- Limit the proposed parking area off McArthur Road to ten cars.
- Install signage to inform the public about fishing regulations and adjacent private and tribal land ownership.
- Manage noxious weeds, both terrestrial and aquatic.
- Seek information from government agencies and other entities that have documented terrestrial and aquatic resources in the area.
- Conduct cultural resource and ethnographic studies.

PUBLIC INFORMATION MEETING FOR THE FALL RIVER VALLEY PLANNING UNIT

A public information meeting for the Fall River Mills, Fall River Valley, Hat Creek, and Lake Britton planning units was hosted by the Stewardship Council on October 29, 2009 at the Veterans of Foreign Wars Hall in Burney, California. A total of 33 people attended and participated in the meeting, representing a wide variety of interests, including local and federal governments, community organizations, and community members. The primary purpose of this meeting was to solicit public input on the development of the Land Conservation and Conveyance Plans (LCCP) to preserve and enhance the Fall River Mills, Fall River Valley, Hat Creek, and Lake Britton planning units.

During the meeting, participants were invited to provide comments at the four planning unit stations, focusing on two topics: the potential priority measures proposed for the above listed planning units, and important qualifications of future land owners and conservation easement holders. A summary of the public comments concerning the Fall River Valley Planning Unit is provided below.

General Comments/Potential Priority Measures to Preserve and Enhance the BPVs

- Install boat launch on the Fall River

- Control public access along the Fall River
- Limit boat access to car-top boats only because this is an environmentally sensitive reach of river

Important Qualifications of Future Landowners and Conservation Easement Holders

- Conservation easement holders should have prompt communication with fee title holders regarding potential issues or violations

ADDITIONAL CORRESPONDENCE SUBMITTED

The Stewardship Council also received other public comments and letters from individuals and organizations regarding the future management of the Fall River Valley Planning Unit, as summarized below:

- Prohibit OHV use due to potential impacts on wildlife habitat and soils.
- Assess and develop educational opportunities for the public and youth to learn about the Pit River Indian culture, such as signage, a cultural resource center, and model villages.
- Protect cultural resources, including traditional and medicinal plants, Native American artifacts, and human remains.
- Address sedimentation and erosion that is impacting habitat and water quality.
- Eradicate Eurasian watermilfoil, an invasive aquatic weed that is moving upstream.
- Support for the lands available for donation to be transferred to the Pit River Tribe.
- Concern that public access will impact sensitive riparian habitat and result in vandalism and misuse of the property.