

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

1807 13TH STREET, SUITE 103
 SACRAMENTO, CALIFORNIA 95811
 (916) 445-8448
 FAX (916) 323-0280
www.wcb.ca.gov

State of California
 Natural Resources Agency
 Department of Fish and Game
WILDLIFE CONSERVATION BOARD

Minutes
 September 13, 2011

ITEM NO.	PAGE NO.
1. Roll Call	2
2. Funding Status — Informational	5
3. Special Project Planning Account	10
4. Proposed Consent Calendar (Items 5—8 and 10—15)	10
*5. Approval of Minutes — June 2, 2011	11
*6. Recovery of Funds	11
*7. Mill Creek Forest Restoration	13
Del Norte County	
*8. Sacramento River National Wildlife Refuge,	18
La Barranca Unit, Riparian Restoration, Phase II	
Mono County	
9. Windsor Oaks Habitat Restoration	21
Sonoma County	
*10. Wheeler Ridge, Expansion 4	26
Mono County	
*11. Carmel River Lagoon Ecosystem Protective Barrier	29
Monterey County	
*12. Allensworth Ecological Reserve, Expansion 26	32
Tulare County	
*13. Western Riverside County MSHCP,	35
Expansions 10 and 11	
Riverside County	
*14. Carlsbad/Northwest San Diego County MHCP	41
HCPLA/NCCP 2010 (Perkins)	
San Diego County	
*15. Wildlife Connectivity Mapping (Change of Scope).....	45
Statewide	
16. Arcata Community Forest Expansion (Morris)	51
Humboldt County	

* Consent Calendar

ITEM NO.	PAGE NO.
17. Eel River Wildlife Area	56
Salt River Unit Wetland Restoration	
Humboldt County	
18. Leavitt Lake Conservation Easement	61
Lassen County	
19. Gualala River Forest Conservation Easement	66
Sierra County	
20. McLaughlin Reserve Facilities Renovation	75
Lake County	
**21. Dos Rios Ranch	77
Stanislaus County	
22. San Joaquin River Parkway,	78
San Joaquin Hatchery Public Access and Trail	
Fresno County	
23. Southern Sierra Nevada Mountains,	83
Rudnick Ranch	
Kern County	
24. City of Carlsbad	89
Habitat Management Plan/NW HCPLA 2009 (Bridges)	
San Diego County	
25. Hollenbeck Canyon Wildlife Area,	93
Expansion 4	
San Diego County	
26. Long Potrero East	97
San Diego County	
27. Disclosure of Appraisal Information	102
Statewide	
Program Statement	119

**Was withdrawn from consideration

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

1807 13TH STREET, SUITE 103
SACRAMENTO, CALIFORNIA 95811
(916) 445-8448
FAX (916) 323-0280
www.wcb.ca.gov

WILDLIFE CONSERVATION BOARD

Minutes

September 13, 2011

The Wildlife Conservation Board met on Tuesday, September 13, 2011, at the State Capitol, Room 112 in Sacramento, California. Mr. Charlton H. Bonham, Director of the Department of Fish and Game, called the meeting to order at 2:00 P.M., introduced himself and asked each Board member/staff to introduce themselves. At that time, the following Board members/staff were present: Ms. Karen Finn, Program Budget Manager, Department of Finance; Mr. Jim Kellogg, President of the Fish and Game Commission; Assembly Member Richard Gordon; Mr. David Miller, Assembly Member Allen's representative; Ms. Natalya Kulagina, Mr. Donnelly's Executive Assistant; Mr. John Donnelly, Executive Director of the Wildlife Conservation Board; Senator Jean Fuller; and Ms. Tina Andolina, Senator Wolk's representative.

1. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

Charlton H. Bonham, Member
Director, Department of Fish and Game

Ana Matosantos, Member
Director, Department of Finance
Vice, Karen Finn, Program Budget Manager

Jim Kellogg, Member
President, Fish and Game Commission

JOINT LEGISLATIVE ADVISORY COMMITTEE

Senator Jean Fuller

Senator Fran Pavley

Senator Lois Wolk
Vice, Tina Andolina

Assembly Member Michael Allen
Vice, David Miller

Assembly Member Richard Gordon

Assembly Member Jared Huffman
Vice, Diane Colborn

EXECUTIVE DIRECTOR

John P. Donnelly

Wildlife Conservation Board Staff Present:

John P. Donnelly, Executive Director
Dave Means, Assistant Executive Director
Peter Perrine, Assistant Executive Director
Roxanne Woodward, Budget and Fiscal Officer
Scott McFarlin, Public Land Management Specialist IV
Natalya Kulagina, Executive Assistant
William Gallup, Senior Land Agent
Liz Yokoyama, Senior Land Agent
Colin Mills, Staff Counsel
Nancy Templeton, Staff Counsel
Brian Gibson, Senior Land Agent

Erin Ingenthron, Office Technician
Jasen Yee, Associate Budget Analyst
Terry Roscoe, Public Land Management Specialist IV
Randy Nelson, Senior Land Agent
Chad Fien, Public Land Management Specialist IV
Celestial Baumbach, Office Technician
Mary Westlake, Staff Services Analyst
Teri Muzik, Senior Land Agent
Jon Wilcox, Senior Land Agent
Marilyn Cundiff, Public Land Management Specialist IV
Ashley Lackey, Staff Services Analyst

Others present:

Jeff Single, Department of Fish and Game
Eric Hayne, Department of Fish and Game
Jim Martin, Department of General Services
Joe Navari, Ducks Unlimited, Inc.
John Ranlett, Ducks Unlimited, Inc.
Virginia Getz, Ducks Unlimited, Inc.
Darrell Wood, Wood Ranch
Ramsey Wood, Wood Ranch
Tim Todaro, Back County Land Trust
Rich Padula, Landowner
Jeff McGreary, Ducks Unlimited, Inc
Steve Thompson, Steve Thompson, LLC
Tasha Newman, California Strategy Group
Sandy Dean, Mendocino Redwood Company
Darla Guenzler, CA Council of Land Trusts
Scott Ferguson, The Conservation Fund
Anya Perron-Burdick, The Center for Social and Environmental Stewardship
Nancy Lesa, Ph.D., The Center for Social and Environmental Stewardship

Melinda Marks, San Joaquin River Conservancy
Spiridon Filios, Greenwalt, LLC
William Filios, Greenwalt, LLC
Michael Beck, Endangered Habitats League
EJ Remson, The Nature Conservancy
Marlyce Myers, The Nature Conservancy
Pablo Garza, The Nature Conservancy
William Tippetts, The Nature Conservancy
Greg Porteous, Assembly Republican Office of Policy
Dave Sutton, Trust for Public Land
Virginia Esperanza Lorne, Trust for Public Land
Rebecca Kramer, Center for Natural Land Management
Amanda Freeman, River Partners
Mark Andre, City of Arcata
Maya Kepner, STUC
George Barnett, Back County Land Trust

Mr. Donnelly welcomed everyone to the Board meeting and announced that, with the departure of Chairman McCamman, we have to elect new Chairperson. **Mr. Kellogg made a motion nominating Mr. Charlton H. Bonham, Director of the Department of Fish and Game, as the new Chairman of the Wildlife Conservation Board. Ms. Finn seconded the motion.**

Motion carried.

Mr. Donnelly reported that a couple of weeks ago there was a request by the Assembly Member Halderman and Senator LaMalfa before the Joint Legislative Audit Committee to complete an audit on the Wildlife Conservation Board's (WCB) Acquisition Program. The request failed to get enough votes to go forward and, therefore, we will not be going forward with the audit. Mr. Donnelly acknowledged that he truly appreciates Senator Lois Wolk's (who serves on the Joint Legislative Audit Committee and was present at the hearing, and is also a member of the WCB Legislative Advisory Committee) confidence, support and guidance on behalf of the WCB. Ms. Finn asked if the Joint Legislative Audit Committee was interested in something specific or general.

Mr. Donnelly responded that the Committee had received a set of questions concerning Board's Acquisition Program. Mr. Donnelly reported that staff is in the process of responding in letter form with supporting materials and added that the letter will go to all the members of the Joint Legislative Audit Committee as well as to the WCB members.

Mr. Donnelly read the questions which surrounded the WCB's Acquisition Program.

Mr. Donnelly asked if there were any questions or comments. There were none.

Mr. Donnelly moved to the next item on the agenda. Mr. Donnelly pointed out that, at the request of the Board member Karen Finn to track bond cash on WCB's agendas, this information is presented in a "Summary of Bond Cash Proceeds" in this particular item. Mr. Donnelly mentioned that this information is presented a little bit differently from what we did for the last Board meeting and explained that the current version breaks our encumbrances versus our expenditures. Ms. Finn thanked the staff of the WCB for providing this information and added that the Department of Finance is trying to help reduce excess bond proceeds sitting in the banks and make sure that we are being as efficient as possible when we sell bonds.

Mr. Donnelly asked if there were any questions on this item. There were none.

2. Funding Status – Informational

(a) 2011-12 Wildlife Restoration Fund Capital Outlay Budget

Budget Act	\$1,000,000.00
Previous Board Allocations	<u>-0.00</u>
Unallocated Balance	\$1,000,000.00

(b) 2011-12 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,663,000.00
Previous Board Allocations	<u>-0.00</u>
Unallocated Balance	\$20,663,000.00

(c) 2010-11 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,668,000.00
Previous Board Allocations	<u>-35,000.00</u>
Unallocated Balance	\$20,633,000.00

(d) 2009-10 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,668,000.00
Previous Board Allocations	<u>-5,505,523.00</u>
Unallocated Balance	\$15,162,477.00

(e) 2007-08 Habitat Conservation Fund Capital Outlay Budget
(2011-12 Reappropriation)

Budget Act	\$20,674,000.00
Previous Board Allocations	<u>-13,584,547.36</u>
Unallocated Balance	\$7,089,452.64

(f) 2006-07 Habitat Conservation Fund Capital Outlay Budget
(2009-10 Reappropriation)

Budget Act	\$20,699,000.00
Previous Board Allocations	<u>-12,236,727.30</u>
Unallocated Balance	\$8,462,272.70

(g) 2006-07 Safe Neighborhood Parks, Clean Water, Clean Air, and
Coastal Protection Bond Fund Capital Outlay Budget
(2010-11 Reappropriation)

Budget Act	\$15,224,000.00
Previous Board Allocations	<u>-12,800,109.00</u>
Unallocated Balance	\$2,423,891.00

(h)	1999-00 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund Capital Outlay Budget	
	Continuously Appropriated [Sec. 5096.350 (a)(1), (2), (4) & (7)]	\$36,100,000.00
	Previous Board Allocations	<u>-29,792,243.45</u>
	Unallocated Balance	\$6,307,756.55
(i)	2004-05 California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (San Joaquin River Conservancy Projects)	\$11,000,000.00
	Previous Board Allocations	<u>-4,077,802.94</u>
	Unallocated Balance	\$6,922,197.06
(j)	Chapter 983, Statutes of 2002, Oak Woodlands Conservation Act	
	Budget Act (2009-10 Reappropriation)	\$4,800,000.00
	Previous Board Allocations	<u>-4,586,689.51</u>
	Unallocated Balance	\$213,310.49
(k)	2001-02 California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund Capital Outlay Budget	
	Continuously Appropriated (Section 5096.650)	\$273,000,000.00
	Previous Board Allocations	<u>-210,362,061.63</u>
	Unallocated Balance	\$62,637,938.37
(l)	2003-04 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 Capital Outlay Budget (Section 79568) (2010-11 Reappropriation)	
	Budget Act	\$32,500,000.00
	Previous Board Allocations	<u>-21,681,299.35</u>
	Unallocated Balance	\$10,818,700.65
(m)	2002-03 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 Capital Outlay Budget	
	Continuously Appropriated (Sections 79565 and 79572), including Chapter 81, Statutes of 2005	\$814,350,000.00
	2003-04 Budget Act Transfer to HCF from Section 79565	-21,000,000.00
	2004-05 Budget Act Transfer to HCF from Section 79565	-21,000,000.00
	2005-06 Budget Act Transfer to HCF from Section 79565	-4,000,000.00
	2005-06 Budget Act Transfer to HCF from Section 79572	-3,100,000.00
	2006-07 Budget Act Transfer to HCF from Section 79572	-17,688,000.00

	2007-08 Budget Act Transfer to HCF from Section 79572	-5,150,000.00
	2008-09 Budget Act Transfer to HCF from Section 79572	-1,000,000.00
	Previous Board Allocations	<u>-659,811,975.65</u>
	Unallocated Balance	\$81,600,024.35
(n)	2010-11 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Budget Act (San Joaquin River Conservancy Projects)	\$3,380,000.00
	Previous Board Allocations	<u>-0.00</u>
	Unallocated Balance	\$3,380,000.00
(o)	2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Budget Act (San Joaquin River Conservancy Projects)	\$10,000,000.00
	Previous Board Allocations	<u>-0.00</u>
	Unallocated Balance	\$10,000,000.00
(p)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (San Joaquin River Conservancy Projects)	\$10,000,000.00
	Previous Board Allocations	<u>-75,000.00</u>
	Unallocated Balance	\$9,925,000.00
(q)	2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Budget Act (NCCP Section 75055(c))	\$10,000,000.00
	Previous Board Allocations	-0.00
	2010-11 Budget Act Reversion	<u>-3,000,000.00</u>
	Unallocated Balance	\$7,000,000.00
(r)	2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Chapter 2, Statutes of 2009 (SB 8)	\$24,000,000.00
	Previous Board Allocations	<u>-2,826,896.00</u>
	Unallocated Balance	\$21,173,104.00

(s)	2008-09 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2011-12 Reappropriation)	
	Budget Act (NCCP Section 75055(c))	\$25,000,000.00
	Previous Board Allocations	<u>-8,098,550.00</u>
	Unallocated Balance	\$16,901,450.00
(t)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (NCCP Section 75055(c))	\$25,000,000.00
	Previous Board Allocations	<u>-13,880,862.00</u>
	Unallocated Balance	\$11,119,138.00
(u)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(1)),	\$14,293,000.00
	Previous Board Allocations	<u>-13,411,582.00</u>
	Unallocated Balance	\$881,418.00
(v)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(2)),	\$14,293,000.00
	Previous Board Allocations	<u>-11,628,437.48</u>
	Unallocated Balance	\$2,664,562.52
(w)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(4))	\$4,762,000.00
	Previous Board Allocations	<u>-1,795,600.00</u>
	Unallocated Balance	\$2,966,400.00
(x)	2006-07 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Continuously Appropriated (Section 75055a)	\$164,700,000.00
	Previous Board Allocations	<u>-38,945,000.00</u>
	Unallocated Balance	\$125,755,000.00

Continuously Appropriated (Section 75055(b))	\$123,525,000.00
Previous Board Allocations	<u>-71,562,867.50</u>
Unallocated Balance	\$51,962,132.50

RECAP OF FUND BALANCES

Wildlife Restoration Fund (a)	\$1,000,000.00
Habitat Conservation Fund (b), (c), (d), (e) and (f)	\$72,010,202.34
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (g) and (h)	\$8,731,647.55
California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Fund (i), (j) and (k)	\$69,773,445.92
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (l) and (m)	\$92,418,725.00
Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (n), (o), (p), (q), (r), (s), (t), (u), (v), (w) and (x)	\$263,728,205.02

RECAP OF NATURAL HERITAGE PRESERVATION TAX CREDIT ACT OF 2000

Chapter 113, Statutes of 2000 and Chapter 715, Statutes of 2004 Tax credits awarded through June 30, 2008	\$48,598,734.00
Chapter 220, Statutes of 2009 (effective January 1, 2010) Tax credits awarded	\$0.00

SUMMARY OF BOND CASH PROCEEDS

The following summary provides the status of the up-front general obligation bond sale proceeds that the Wildlife Conservation Board has received since the spring of 2009.

<u>Bond Fund</u>	<u>Authorized GO Bond Proceeds</u>	<u>Expenditures thru August 23, 2011</u>	<u>Encumbrances as of July 31, 2011</u>	<u>Cash Balances Includes Encumbrances</u>
Proposition 12	\$7,833,444.42	\$4,790,828.24	\$2,451,242.00	\$591,374.18
Proposition 40	\$52,763,470.74	\$35,223,197.46	\$23,259,445.21	-\$5,719,171.93
Proposition 50	\$99,161,920.79	\$34,252,894.59	\$42,578,039.03	\$22,330,987.17
Proposition 84	\$185,719,637.97	\$103,248,987.81	\$47,432,590.10	\$35,038,060.06
Proposition 1E	\$37,485,238.22	\$11,219,717.48	\$12,704,438.49	\$13,561,082.25
Grand Total	\$382,963,712.14	\$188,735,625.58	\$128,425,754.83	\$65,802,331.73

3. Special Project Planning Account — Informational

The Board has historically used a special project account to provide working funds for staff evaluation (appraisals, engineering, preliminary title reports, etc.) of proposed projects. Upon the Board's approval of a project, all expenditures incurred and recorded in the Special Project Planning Account are transferred to the Board approved project account which then reduces the Special Project Planning Account expenditures. This procedure provides a revolving account for the pre-project expenses.

Some appropriations now made to the Board do not include a specific budgeted planning line item appropriation necessary to begin a project without prior Board authorization. Pre-project costs are a necessary expenditure in most all capital outlay projects. The Special Project Planning Account is available to be used for these costs.

The Board, at the May 6, 1986 meeting, authorized the Executive Director to use up to 1% of a budgeted appropriation to set up and maintain an appropriate planning account with the provision it would be reported to the Board as an informational item.

Accordingly, a planning account has been set up as follows:

Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Fund	\$5,000.00
Habitat Conservation Fund.....	\$35,000.00
Wildlife Restoration Fund	\$10,000.00
Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	\$130,000.00

4. Proposed Consent Calendar (Items 5—8 and 10—15)

Mr. Donnelly reported that we receive a clarification letter in reference to the item #9 (Windsor Oaks Habitat Restoration, Sonoma County) and asked to pull this item from Consent Calendar for discussion.

It was moved by Mr. Kellogg that the Wildlife Conservation Board approve the Consent Calendar Items 5—8 and 10—15 as proposed in the individual agenda explanations.

- *5. Approval of Minutes — June 2, 2011

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve the Minutes of the June 2, 2011 meeting.

- *6. Recovery of Funds

The following projects previously authorized by the Board are now completed, and some have balances of funds that can be recovered and returned to their respective funds. It is recommended that the following totals be recovered and that the projects be closed.

\$26,193.00 to the **Habitat Conservation Fund**

\$7,660.00 to the **California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund**

\$124,294.22 to the **Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006**

HABITAT CONSERVATION FUND

Carrizo Plain Ecological Reserve, Land Transfer, San Luis Obispo County

Allocated	\$5,000.00
Expended	<u>-0.00</u>
Balance for Recovery	\$5,000.00

Los Banos Wildlife Area, Gadwall Unit, Merced County

Allocated	\$922,375.00
Expended	<u>-901,182.00</u>
Balance for Recovery	\$21,193.00

Total Habitat Conservation Fund **\$26,193.00**

CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL PROTECTION FUND

Marks Ranch, Monterey County

Allocated	\$2,195,000.00
Expended	<u>-2,187,340.00</u>
Balance for Recovery	\$7,660.00

**Total California Clean Water, Clean Air, Safe
Neighborhood Parks, and Coastal Protection Fund** **\$7,660.00**

**SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD
CONTROL, RIVER AND COASTAL PROTECTION FUND OF 2006**

Canada de Los Osos Ecological Reserve, Expansion 1, Santa Clara
County

Allocated	\$1,908,200.00
Expended	<u>-1,882,001.86</u>
Balance for Recovery	\$26,198.14

Cow Creek Conservation Area, Expansion 2 (JS Ranch), Shasta County

Allocated	\$1,340,000.00
Expended	<u>-1,321,368.00</u>
Balance for Recovery	\$18,632.00

Fieldstone Habitat Conservation Plan, Expansion 1, San Diego County

Allocated	\$20,000.00
Expended	<u>-6,154.00</u>
Balance for Recovery	\$13,846.00

San Diego County MSCP/HCPLA 2009 (Helix-Lambron), San Diego
County

Allocated	\$10,000.00
Expended	<u>-2,760.00</u>
Balance for Recovery	\$7,240.00

San Diego County MSCP/HCPLA 2009 (Wildcat Canyon), San Diego
County

Allocated	\$10,000.00
Expended	<u>-1,380.00</u>
Balance for Recovery	\$8,620.00

Tejon Ranch, Los Angeles/Kern County

Allocated	\$15,800,000.00
Expended	<u>-15,760,241.92</u>
Balance for Recovery	\$39,758.08

Upper Mission Creek / Big Morongo Canyon Conservation Area
(Consolidated Investment Fund), Riverside County

Allocated	\$10,000.00
-----------	-------------

Expended	-0.00
Balance for Recovery	\$10,000.00

Total Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006	\$124,294.22
--	---------------------

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve the Recovery of Funds for the projects listed on pages 8 through 10 of the agenda and close the project accounts. Recovery totals include \$26,193.00 to the Habitat Conservation Fund; \$7,660.00 to the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund; and \$124,294.22 to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.

Motion carried.

- *7. Mill Creek Forest Restoration \$550,000.00
Del Norte County

This proposal was to consider the allocation for a grant to the Smith River Alliance for a cooperative project with the California Department of Parks and Recreation (DPR) and Save-the-Redwoods League (SRL) to restore approximately 1,200 acres of early-stage native forest on the Mill Creek Unit of the Del Norte Coast Redwoods State Park in Del Norte County.

LOCATION AND SURROUNDING USES

The Mill Creek property is a 40 square mile area located approximately 6 miles southeast of Crescent City in Del Norte County, California. Characterized by steep mountainous terrain typical of the Coast range, with an elevation of 200-2,400 feet above sea level, Mill Creek is bordered by Jedediah Smith Redwoods State Park to the north, Del Norte Coast Redwoods State Park to the west, Smith River National Recreation Area to the east, and private industrial timberlands to the south. The property primarily encompasses the Mill Creek and Rock Creek watersheds - tributaries to the wild and scenic Smith River.

PROJECT DESCRIPTION

Once home to vast stands of ancient redwoods, Mill Creek was intensively managed for commercial timber harvest from the 1950's to 2000. Much of the forest's natural diversity was lost as a result of commercial harvest of nearly all of property's ancient trees, replaced by tightly spaced young trees planted for future harvest. In addition, logging often occurred down to the water's edge, degrading the riparian environment and its associated stream system. Miles of roads were built to facilitate timber harvest.

The Mill Creek property offers a premier opportunity to combine cutting-edge forest restoration with the restoration of fish and wildlife habitat, providing protection and opportunity for recovery of critically important salmon and steelhead populations, including the federally endangered coho salmon. Recognizing the need to implement a coordinated ecological restoration program over several years, SRL and the State Coastal Conservancy sponsored development of Interim Management Recommendations (IMR) to guide immediate restoration activities that must be undertaken until a long-term integrated ecological restoration plan is developed. The IMR identified forest restoration as one of three major activities needing immediate attention.

The goal of ecosystem rehabilitation is to promote self-sustaining ecosystem processes by reducing the footprint of past land use activities and promoting the development of old-forest characteristics. Achieving this goal will optimize benefits to indigenous fish and wildlife habitat, while providing opportunities for compatible public park use, research and education. The vision is to restore the Mill Creek property to its natural state, with large old-growth trees and fish filled streams flowing through a diverse landscape. In time, the natural balance of the forest will be restored. Replicable best practices will be defined for the restoration of other former industrial forest lands statewide where clear-cutting and other high-impact practices were implemented.

Two earlier phases of this project, funded by WCB in 2004 and 2008, began the process of protecting and promoting the conservation values at Mill Creek by decommissioning roads and implementing other aquatic and terrestrial ecosystem enhancements and monitoring. So far nearly 50 miles of logging roads have been removed, over 3,200 acres of previously logged and replanted forest land have been thinned to achieve greater growth rates and more natural stand density and composition, more than 20 in-stream large woody debris structures have been installed, a native plant nursery at the former mill site has been built, and over 150 acres of riparian conifers have been reestablished in alder dominated areas.

The IMR identified approximately 14,000-acres of young, dense, un-thinned stands on the property that would benefit from ecological thinning to promote forest health, with 5,600 high priority forest acres to be treated as soon as possible. These stands are between 18-31 years-old and have between 500 and 2000 trees per acre (TPA). Old-growth redwood forests in the area average around 32 TPA. To date, over 3,200 acres of this high priority forest have been treated. Over the next four years, this project will thin an additional 1,200 acres and conduct avian monitoring on treated and untreated stands to assess the project in terms of land bird distribution and abundance. Because birds respond quickly to changes in their environment, they are excellent indicators of the success of restoration and

management practices. Ultimately, this project will restore old-forest characteristics to benefit marbled murrelet, northern spotted owl, Pacific fisher, and other sensitive species.

The ecological thinning prescriptions for this project will use variable density thinning as the primary tool for expediting the creation of late successional forest characteristics and restoring native species composition. Variable density thinning facilitates natural forest development by creating uneven spacing between trees. The prescriptions will create widely spaced trees in pockets scattered throughout the stand. The trees selected to remain will be the larger, healthier trees and those species such as coast redwood and sitka spruce that are underrepresented in the stand. The space created between selected trees will reduce competition by making additional light, nutrients and water available for remaining trees. Trees can then attain fuller crowns, grow larger with more complex structure over a shorter period of time.

The wider spacing will also prevent or delay the stand from entering the competitive exclusion stage of stand development. This stage is characterized by low levels of biodiversity within the stand and slowed progress towards the development of late successional characteristics. Wide spacing also encourages the establishment of subdominant conifers (adding habitat and complexity to the mid canopy) and the retention of understory plants (providing habitat and food for additional organisms) as seen in old growth forests. The larger trees will help to improve aquatic habitat by providing more shade for streams, more stable slopes and eventually better recruitment of large woody debris for structure in streams. By encouraging trees to grow larger faster, the project will also accelerate the development of fire resistant traits characteristic of older forests.

Interspersed among the areas with fewer trees will be clumps where higher tree densities will be retained. High density areas will add to the heterogeneity of tree spacing and increase the complexity of the forest as a whole. Trees in the clumps will grow more slowly, thereby adding to the variety of tree sizes within a stand. The tree clumps may also provide diversity of cover for wildlife, and trees in the clumps may be less vulnerable to bear damage.

The project will advance the ecological integrity of the property by shortening the competitive exclusion phase by 30 to 50 years or more, propelling forests into a mid-successional stage of development.

WCB PROGRAM

The proposed project will be funded through the Forest Conservation Program and meets the program's goal of promoting the ecological integrity and economic stability of California's diverse native forests for all their public benefits through forest restoration of productive managed forest lands, forest reserve areas, redwood forests, and other forest types.

MANAGEMENT OBJECTIVES AND NEEDS

The primary long-term goal of this project is to promote the development of old-forest characteristics at Mill Creek, which will optimize benefits to indigenous fish and associated wildlife habitat, while providing opportunities for compatible public park use, research, and education. The vision is to restore the Mill Creek forest's ecological integrity, with large old trees and fish-filled streams prevailing over a diverse landscape. In time, forest processes will be restored and essential habitat for salmon and up to 26 sensitive species will be protected. These characteristics of a mature forest are relatively self-sustaining. Also, as mentioned earlier, encouraging trees to grow larger faster will accelerate the development of the fire resistant traits characteristic of older forests, resulting in lower risk of fire and lower long-term management costs.

The project area will be managed long-term by DPR as part of the Del Norte Coast Redwoods State Park. The project is supported by and consistent with local and regional plans including the Mill Creek IMR, the Smith River Anadromous Fish Action Plan, DFG's Recovery Strategy for California Coho Salmon, Smith River National Recreation Area Management Plan, DPR General Plan Amendment and Mitigated Negative Declaration, and the General Management Plan for Redwood National and State Parks.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$550,000.00
Save-the-Redwoods League	435,000.00
Department of Parks and Recreation	<u>34,164.00</u>
TOTAL	\$1,079,164.00

Project costs will be for salaries and wages, vehicle expenses, supplies/equipment, restoration contracts, monitoring, and project administration.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Public Resources Code Section 75055 (a). This source

provides funding to promote of the ecological integrity and economic stability of California's diverse native forests for all their public benefits through restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The DFG has reviewed this proposal and recommends it for funding by the WCB. All permits for this project have been obtained. The DPR, as lead agency, prepared a Mitigated Negative Declaration for the project pursuant to the provisions of the California Environmental Quality Act (CEQA). Staff considered the Mitigated Negative Declaration and has prepared proposed, written findings documenting WCB's compliance with CEQA. Subject to approval of this proposal by the WCB, the appropriate Notice of Determination will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$550,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, Public Resources Code Section 75055 (a); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$550,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, Public Resources Code Section 75055 (a); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *8. Sacramento River National Wildlife Refuge, \$632,000.00
La Barranca Unit, Riparian Restoration, Phase II
Tehama County

This proposal was to consider the allocation for a grant to River Partners for a cooperative project with the U.S. Fish and Wildlife Service (USFWS) to restore 116± acres of riparian habitat located on the 1,066-acre Sacramento National Wildlife Refuge, La Barranca Unit, in Tehama County.

LOCATION AND SURROUNDING USES

The La Barranca Unit is located along the west bank of the Sacramento River at River Mile 237.5R, seven miles south of Red Bluff in Tehama County. The 1,066-acre La Barranca Unit is owned by the USFWS and managed as part of the Sacramento River National Wildlife Refuge (SRNWR). The La Barranca Unit is bounded on the east by the Sacramento River, the west by privately owned orchards, and the south and north by other portions of the SRNWR that have been previously restored or are already comprised of remnant habitat.

PROJECT DESCRIPTION

The Sacramento Valley was once filled with a rich mosaic of riparian habitats, which have constantly changed through dynamic ecological processes. Those historic habitats are much reduced, non-native weeds are prevalent, and the natural processes of the river system now are controlled by levees and dams. As such, passive riparian restoration is no longer possible. Non-native invasive weeds that inhibit seedling establishment of native riparian vegetation and a diminished flood disturbance regime that limit natural establishment of floodplain riparian communities make it necessary to conduct the active horticultural restoration that is planned for the project. The project will facilitate the establishment of native riparian habitat that would not return without active restoration.

The ecological goal for the project is to plant a diverse mosaic of riparian communities. This project will accomplish the following three goals: 1) restore 116± acres of riparian floodplain habitats to complement adjacent remnant and restored forests, 2) promote the recovery of neotropical migrant and resident birds and other terrestrial species including western yellow-billed cuckoo, and 3) improve floodplain and in-channel conditions for anadromous fish such as Chinook salmon and steelhead trout. The project will also provide numerous benefits for the growing human population of the Central Valley through improved water quality, flood damage reduction, increased recreational opportunities, and improved aesthetics.

Over time, the area will dynamically evolve in complexity through erosion, scour, overbank flooding, and sediment deposition. These processes will drive the pattern of plant succession that dictates its use by wildlife. Restoring 116± acres on the La BARRANCA Unit will complement 955 previously restored acres in the reach. Upon completion of the project, there will be a total of 3,032 restored acres in the Red Bluff reach of the SRNWR.

The proposed work at La BARRANCA Unit will entail preparing the field for planting by disking, modifying the existing irrigation system to provide water to the new seedlings, hand planting native riparian plants, and maintenance for three years using selective herbicide application, mowing, hand weeding and irrigation. River Partners will oversee the collection and propagation of plant materials, site preparation and design, planting, maintenance, monitoring, and reporting during the 3-year restoration implementation phase of the project.

WCB PROGRAM

The proposed project will be funded through the California Riparian Habitat Conservation Program and meets the program's goal of increasing riparian habitat across California by implementing riparian habitat restoration and enhancement projects.

MANAGEMENT OBJECTIVES AND NEEDS

The project's management objectives, which are implementation standards for achieving the ecological objectives, are to meet or exceed survival of at least 80% planted woody and herbaceous plants by December 2012. Once the plants are established, the USFWS will manage the project site in the long term as set forth in its Sacramento River National Wildlife Refuge Comprehensive Conservation Plan. In addition, the USFWS will open the site to appropriate public recreation upon completion of the restoration.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$632,000.00
River Partners	<u>\$17,222.00</u>
TOTAL	\$649,222.00

Project costs will be for project management and monitoring, project planning and design, administrative costs, materials (grass seed, cartons, stakes, etc.), plant propagation, site preparation, cutting collection, planting, vegetation maintenance (irrigation, labor and supplies, weeding, disking, spraying, mowing, predator control, and herbicides), and installation of a project sign.

FUNDING SOURCE

The proposed funding source is the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f), Proposition 1E, which allows for the enhancement or restoration of riparian habitat within a floodplain or flood corridor, and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The DFG has reviewed this proposal and recommends it for funding by the WCB. The Department of Water Resources, as lead agency, prepared a Mitigated Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA). Staff considered the Mitigated Negative Declaration and has prepared proposed, written findings documenting the WCB's compliance with CEQA. Subject to approval of this proposal by the WCB, the appropriate Notice of Determination will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$632,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786 (e/f)(1E); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$632,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786 (e/f)(1E); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

9. Windsor Oaks Habitat Restoration \$640,000.00
Sonoma County

This item was pulled from Consent Calendar for discussion per Mr. Donnelly's request.

This proposal was to consider the allocation for a grant to the Center for Social and Environmental Stewardship (The Center) for a cooperative project with Windsor Oaks Vineyard to restore and enhance wildlife and pollinator habitat by installing hedgerows, restoring riparian habitat, installing cavity nesting bird boxes, and enhancing bee habitat on privately owned land located in Sonoma County. Mr. Scott McFarlin of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The 700-acre project site is located in eastern Sonoma County, one mile north of the town of Windsor and 12 miles north of the City of Santa Rosa. The property is protected by a conservation easement held by the Sonoma County Agricultural Preservation and Open Space District. Immediately to the north lies the Sotoyome Highlands Open Space preserve, which provides a wildlife habitat connection to the Russian River one mile north of the property. Agricultural lands are located on the south and west of the property. Two streams originate on the project site, one of which, Windsor Creek, currently supports a population of steelhead, and currently supports a population of steelhead, and DFG has documented coho salmon to be present during or after 1990. Additional habitat improvement projects are underway downstream in attempts to reestablish this population.

PROJECT DESCRIPTION

This 4± acre project will restore and enhance canopy cover for wildlife migratory corridors, increase plant species diversity to support beneficial insect and pollinator populations, and reduce soil erosion on the Windsor Oaks property. The enhanced ecological landscape will directly support local fish and wildlife populations including the endangered coho salmon, the threatened steelhead, the declining western bluebird, and beneficial insect and native-bee populations.

The project includes riparian habitat restoration, hedgerow installation, native plant installation, consultation, farmer educational workshops and seminars, and community days of celebration. The overall project can be broken down into to the following four components.

The first component is the installation of four hedgerows. These hedgerows will result in a total increase of 1.4 acres of habitat for beneficial insects, native bees and wildlife. Each hedgerow location was

chosen to address site-specific requirements. One hedgerow will increase beneficial insect populations adjacent to a vineyard block infested with insect pests. The hedgerow plant species selected for this location are shade tolerant and attract beneficial insects known to prey on pest species including leafhoppers, thrips and mites. The other three hedgerows will reduce soil erosion and increase corridor and foraging habitat for wildlife, beneficial insect and pollinator populations. Hedgerow plant species selected for these locations are sun and drought tolerant and produce increased canopy cover for migratory wildlife.

The second component of the project consists of two riparian restoration projects that will enhance migratory and foraging habitat between Windsor Oaks' 350 acre Forever Wild Open Space, the Russian River corridor, and adjacent properties including the Sotoyome Highlands Open Space and Foothills Regional Park. Installing riparian trees and understory shrub species will increase shade producing canopy cover and populations of terrestrial and aquatic insects, reduce the loss of nutrient-rich top-soil, and help to increase sequestration of carbon. The total acreage to be restored in the second component is 2.3 acres of the overall 4, with a total length of 2,410 linear feet, and an average width of 25 feet.

The third component consists of providing expertise and services of The Center and local experts to install cavity-nesting bird boxes in suitable habitat and implement barn modifications to support a roosting bat colony. The Center will develop and guide Windsor Oaks management to create a long-term management plan.

The fourth component of the project is community education and outreach. This is an ideal project to be utilized as a demonstration project to nearby farmers due to its diversity of improvements proposed on a single site. Therefore, The Center will use this project as a model for nearby landowners to undertake similar beneficial projects. The Center will host three landowner education workshops and eight community volunteer days to provide community members and farmers with opportunities to witness and learn about the diverse components of the Windsor Oaks project. Workshops will include guest speaker presentations and guided tours of all project components, including color maps and educational hand-outs to increase awareness of ecological restoration on agricultural land.

The project is designed to provide a wide diversity of habitats on this working farm and to provide corridors for fish and wildlife to move between existing protected habitats. The new wildlife and beneficial insect habitats will allow the landowner to reduce the use of pesticides while maintaining or even improving agricultural production. Finally, the project will be used as a model for nearby landowners to undertake similar beneficial projects.

WCB PROGRAM

The proposed project will be funded through the Ecosystem Restoration on Agricultural Lands Program and meets the program's goal of assisting landowners in developing sustainable wildlife friendly practices on their properties that co-exist with their agricultural operations. This project will provide a wide diversity of habitats on this working farm and providing corridors for fish and wildlife to move between existing protected habitats. The new wildlife and beneficial insect habitats will allow the landowner to reduce the use of pesticides while maintaining or even improving agricultural production. As this project is an agricultural based project, most of the project is concentrated on the southern portion of the property, where most of the agricultural uses are concentrated to maximize the benefits of public funds.

MANAGEMENT OBJECTIVES AND NEEDS

To ensure the project's success the grantee and landowner have agreed to jointly manage and maintain the improvements for 25 years, pursuant to the terms and conditions of the grant. In addition, both parties will use Beneficial Management Practices identified by the Fish Friendly Farming program. If at any time during the life of the project, the grantee is unable to manage and maintain the project improvements, they will refund to the State of California an amortized amount of funds based on the number of years left on the project life.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$640,000.00
The Center	54,299.20
Windsor Oaks Vineyards and Winery	<u>176,370.13</u>
TOTAL	\$870,669.32

Project costs will be for planting and irrigation, nursery plants, materials, vegetation maintenance, consulting, and project signs; and project design, construction supervision, and administration.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act, (Proposition 84), Public Resources Code Section 75055(d)(4), which allows for assisting farmers in integrating agricultural activities with ecosystem restoration and wildlife protection, and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

This restoration project is exempt from the California Environmental Quality Act (CEQA) under Class 4 of the Categorical Exemptions, California Code of Regulations, Title 14, Section 15304 as a minor alteration to land, because the project will consist of a minimal amount of earthmoving and there will be no negative impacts to the physical environment that would reduce its ability to produce native or agricultural plants. Subject to approval by the WCB, the appropriate Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for funding by the WCB.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$640,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) Public Resources Code Section 75055(d)(4), authorize staff to enter into appropriate agreements necessary to accomplish this project, and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. McFarlin introduced Dr. Nancy Leas, Executive Director of The Center for Social and Environmental Stewardship; and Ms. Anya Perron-Burdick, M.S., Project Manager with The Center for Social and Environmental Stewardship, who were in the audience and available to answer questions.

Ms. Finn asked to confirm why this item was pulled from Consent Calendar. Mr. Donnelly explained that the Wildlife Conservation Board (WCB) received a letter of clarification on several items with the most highlighted question being about the budget for each component of the project (the hedgerow installation, riparian habitat restoration, bird boxes, community outreach and education, etc.). While each one of those activities is identified as a component within the overall project and the costs are itemized for each component within the grant agreement, the costs are considered estimates and it is hard to specify the exact amount that will be spent on each component; we have the latitude to move funds from one component to another in the grant as long as we do not itemize the individual cost on the board item description and costs will not go over the total amount approved for the overall project. Mr. Donnelly added that we will be responding back to all of the individual's concerns.

Mr. Bonham asked if there were any questions or comments on this item. There were none.

It was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$640,000.00 from the Safe

Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84) Public Resources Code Section 75055(d)(4), authorize staff to enter into appropriate agreements necessary to accomplish this project, and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

At this moment, Mr. Bonham acknowledged the presence of Ms. Diane Colborn, Assembly Member Huffman's representative.

Mr. Bonham requested that now the Board move to discuss item #27 (Disclosure of Appraisal Information, Statewide); (the item starts on page 102, and the discussion starts on page 116 of this document).

- *10. Wheeler Ridge, Expansion 4 \$730,000.00
Mono County

This proposal was to consider the allocation for a grant to Eastern Sierra Land Trust (ESLT) to acquire in fee 56± acres of land for protection of deer range habitat and migration corridor for the Round Valley mule deer herd, and to provide for future wildlife oriented public use opportunities. The acquisition expands on existing adjacent public lands owned by the Bureau of Land Management (BLM) and previous Wildlife Conservation Board (WCB) funded conservation easement projects.

LOCATION AND SURROUNDING USES

The property is located just off Lower Rock Creek Road, approximately five miles southwest of Tom's Place and Crowley Lake and 20 miles northwest of Bishop. The property is within the only migratory corridor for the Round Valley mule deer herd and is located in a very narrow strip of land (approximately one mile wide) between Wheeler Ridge on the west, and Lower Rock Creek canyon/gorge on the east. The WCB previously approved a number of grants beginning in 2007 to assist in conservation easement and fee title acquisition for the purpose of protecting the Round Valley mule deer herd within the Wheeler Ridge Conceptual Area Protection Plan. To date 151 acres have been protected, and, with the addition of this proposed fee acquisition, the total protected area will be about 207 acres.

PROJECT DESCRIPTION

The property is zoned for rural residential use. Potential development is a real threat to the subject property with the completion of numerous residential improvements in the area and growing trend towards the subdivision of larger parcels into rural residential subdivisions. Habitat loss and disturbance associated with rural subdivisions and other uses including recreational, energy and commercial development are considered the top factors in the area impacting the deer herd size and viability.

The purpose of acquisitions in the Wheeler Ridge area is to preserve, maintain and enhance critical Round Valley mule deer winter range, holding area and migration corridor habitat. The secondary purpose is to maintain opportunities for wildlife viewing and to preserve habitat for the numerous other species that utilize this region. Species that will benefit include mule deer, Sierra Nevada bighorn sheep, mountain lion and neo-tropical migratory and riparian obligate birds, raptors, upland game species, upland mammals, reptiles and amphibians.

WCB PROGRAM

The proposed acquisition is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the Department of Fish and Game (DFG), grant funds to other governmental entities or nonprofit organizations to acquire real property or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, offer potential for suitable wildlife-oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological values of property through development of a Land Acquisition Evaluation (LAE)/Conceptual Area Protection Plan (CAPP). The LAE/CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and, if approved, later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

When acquired, this property will be managed by the ESLT. It is anticipated that the area would be suitable for passive recreational uses, as the habitat is maintained in conjunction with other properties within the Wheeler Ridge Area.

TERMS

The property has been appraised as having a fair market value of \$1,037,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The property owner has agreed to sell the property for \$720,000.00. The terms and conditions of the proposed grant provide that WCB staff must review and approve all title documents, appraisals, preliminary reports, documents connected with the purchase and sale that include escrow instructions and instruments of conveyance prior to disbursement of funds into the established escrow account. In the event of breach of the grant terms, the WCB can seek specific performance or require that title to the property be transferred to WCB or another qualifying entity.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	<u>\$720,000.00</u>
TOTAL	<u>\$720,000.00</u>
<u>Other Project Related Costs:</u>	<u>\$10,000.00</u>

TOTAL WCB ALLOCATION

\$730,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related expenses, including DGS appraisal review costs.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(a) that allows for the acquisition and protection of deer and mountain lion habitat.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$730,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(a) for the grant and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$730,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(a) for the grant and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *11. Carmel River Lagoon Ecosystem Protective Barrier \$145,000.00
Monterey County

This proposal was to consider the allocation for a grant to the Monterey County Water Resources Agency to prepare a feasibility study evaluating the potential for installation of an environmental protection barrier floodwall located at the Carmel River Lagoon in Monterey County.

LOCATION AND SURROUNDING USES

The barrier location to be studied is between the City of Carmel and the Carmel River Lagoon, which lies within the California State Parks' Carmel River State Beach and Lagoon in Monterey County. The preferred location for a possible future floodwall will be identified and evaluated by the feasibility study.

PROJECT DESCRIPTION

The Carmel River forms a seasonally brackish lagoon environment at the mouth of the Carmel River. The lagoon is subject to frequent emergency actions to reduce the potential for flooding of nearby low-lying structures in the City of Carmel at high flow and tide stages. Emergency actions include mechanical breaching of the beach which results in a loss of aquatic habitat and undesirable consequences to fish and wildlife, including impacts to the State threatened species steelhead trout and California red-legged frog. The installation of a floodwall barrier would allow the lagoon to rise significantly, lessening the necessity of manual beach breaching. The project is to develop a feasibility study to identify and evaluate alternatives to the placement of an ecosystem protection flood barrier in the lagoon, thereby allowing water to rise to a higher elevation and increased volume, which should enhance habitat values without flooding critical nearby infrastructure.

WCB PROGRAM

The project will be funded through the Wildlife Conservation Board's (WCB) Habitat Enhancement and Restoration Program, which allows for the restoration of habitats for native fisheries and threatened and endangered species habitats.

MANAGEMENT OBJECTIVES AND NEEDS

The feasibility study is to determine project design alternatives to maximize flood control and habitat restoration goals for the Lagoon. The study will identify long-term management needs and requirements both with and without future project implementation.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	<u>\$145,000.00</u>
TOTAL	\$ 145,000.00

The funds will be used by the Monterey County Water Resources Agency to conduct a literature search for geomorphology and historical changes in the Carmel River Lagoon, evaluate the upstream and downstream effects of installing a floodwall, determine whether a floodwall can reduce or prevent flooding of nearby infrastructure, coordinate inter-agency consultation to evaluate alternatives to project design and location, and determine environmental permitting requirements.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), Public Resources Code Section 75055(b), which allows for the development of scientific data, habitat mapping and other research information necessary to determine the priorities for restoration and acquisition statewide. Upon completion of the project, the WCB will be reimbursed by the Department of Fish and Game (DFG) from funds pursuant to Fish and Game Code Section 1501.5 (b). The mitigation funds will be provided by and will be disbursed consistent with the Settlement Agreement among the DFG, National Oceanic Atmospheric Administration (NOAA), and California American Water (CalAm). This settlement was entered into and requires implementation of measures to reduce the impact to steelhead trout and their habitat due to the operations of California American Water Company operations in the Carmel River.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The planning and design work undertaken is statutorily exempt from California Environmental Quality Act (CEQA) under Title 14 CCR, Section 15262, Feasibility and Planning Studies. The proposed authorization is for feasibility planning and design of the Carmel River Lagoon Ecosystem Barrier and involves only feasibility planning for possible future actions not yet authorized or funded. Upon the WCB's approval, staff will file a Notice of Exemption with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for funding by the WCB.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$145,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b);

authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that that the Wildlife Conservation Board approve this project as proposed; allocate \$145,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *12. Allensworth Ecological Reserve, Expansion 26 \$2,900.00
Tulare County

This proposal was to consider the donation of .50± acres of land for expansion of the Department of Fish and Game's (DFG) Allensworth Ecological Reserve (Reserve). The Reserve consists mostly of valley grassland areas interspersed with wetland areas and supports a number of special status species, including the State and federally-listed endangered San Joaquin kit fox.

LOCATION AND SURROUNDING USES

The subject property is located within the boundaries of Reserve, in the southeast region of the San Joaquin valley, northwest of the City of Delano and southwest of the City of Earlimart in Tulare County. The surrounding area consists of a patchwork of Reserve properties and private land holdings. Most of the surrounding private lands are in agricultural use including alfalfa, cotton, milo, vineyards and various types of orchards. Located west of the Reserve is the Colonel Allensworth State Park. To the north is the U.S. Fish and Wildlife Service Pixley National Wildlife Refuge and to the southwest is the U.S. Fish and Wildlife Service Kern National Wildlife Refuge.

Over the last 15 years the Board has approved projects to help acquire and protect nearly 3,000 acres of land in and around the Reserve. In total the Reserve encompasses nearly 6,000 acres of protected lands and provides habitat key to the survival and recovery of several endangered or sensitive species such as the greater sandhill crane, merlin, western pond turtle, San Joaquin kit fox, blunt-nosed leopard lizard, vernal pool fairy shrimp, and the Tipton kangaroo rat. The valley sink scrub community found at the Reserve is also one of the best remaining examples of such a community in the southern San Joaquin Valley.

PROJECT DESCRIPTION

Acquisition of the subject property will connect two portions of the Reserve and reduce the number of private in-holdings within the Reserve. The subject property is unimproved, level, fallow agriculture land, vegetated with a variety of native and non-native grasses and shrubs.

WCB PROGRAM

The proposed acquisition is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the DFG, grant funds to other governmental entities or nonprofit organizations to acquire real property or rights in real property and accept

federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological values of property through development of a Land Acquisition Evaluation (LAE)/Conceptual Area Protection Plan (CAPP). The LAE/CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and, if approved, later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

The 0.50± acre property being acquired represents a nominal addition to the nearly 6,000 acre Reserve and eliminates an in-holding resulting in more efficient management of the site. The management and operations of the property will be absorbed under the existing DFG management and operations budget of the Reserve.

TERMS

The property has not been formally appraised because the property owners have agreed to donate the property at no cost. The terms and conditions of the proposed acquisition provide that staff of the WCB review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

<u>Other Project-Related Costs:</u>	<u>\$2,900.00</u>
TOTAL WCB ALLOCATION	\$2,900.00

It is estimated that \$2,900.00 will be needed to cover internal project-related expenses including site assessment, escrow, title costs, and Department of General Services / Department of Finance transaction review costs.

FUNDING SOURCE

The proposed funding source for this project is the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund of 2006 (Proposition 12), Public Resources Code Section 5096.350(a)(3). The purposes of this project are consistent with the proposed funding source that allows for the acquisition and protection habitat for threatened and endangered species.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, including establishing reserves under Fish and Game Code Section 1580, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$2,900.00 from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund of 2006 (Proposition 12), Public Resources Code Section 5096.350(a) (3) for the acquisition and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$2,900.00 from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund of 2006 (Proposition 12), Public Resources Code Section 5096.350(a) (3) for the acquisition and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *13. Western Riverside County MSHCP, \$1,042,500.00
Expansions 10 and 11
Riverside County

This proposal was to consider the acceptance of two U.S. Fish and Wildlife Service Habitat Conservation Planning Land Acquisition grants and the approval to subgrant these federal funds to the Western Riverside County Regional Conservation Authority (Authority) and to consider the allocation for two Wildlife Conservation Board (WCB) grants to the Authority for a cooperative project with the Trust for Public Land (TPL) to acquire in fee two separate properties totaling 169± acres. The project will help implement the Western Riverside County's Multiple Species Habitat Conservation Plan (MSHCP) by increasing wildlife habitat cores and linkages and providing habitat for threatened and endangered species in southwestern Riverside County.

The loss of habitat in southern California has resulted in the development of several habitat conservation plans in the region, one of which is the Western Riverside County MSHCP. This plan covers an area totaling 1.2 million acres and includes 146 species. The key component of the plan is to assemble a 500,000 acre conservation area to help secure survival of the 146 species. This acreage goal includes approximately 346,000 acres of existing public and quasi-public lands and 153,000 acres of additional non-public land. To date, approximately 43,447 of the 153,000 acres of habitat have been acquired using a combination of local, State and federal funding.

LOCATION AND SURROUNDING USES

Expansion 10

The subject property, commonly referred to as the Reden site, is located near the intersection of Amaretto Road and Barbara Trail, in the community of Aguanga. This community is located approximately 20 miles east of the City of Temecula, just north of the intersection of State Highways 371 and 79, near the southwest border of the County of Riverside. In general the Aguanga area is rural in nature with scattered modest single family dwellings or mobile homes on lots ranging from 5 to 20 acres. Much of the land in the area is vacant, hilly to mountainous and generally arid except for some interspersed seasonal streams and creeks.

The subject property is located within an important core conservation area identified in the MSHCP. This core area of reserve lands is connected to other protected lands located further west of Tule Creek. On a regional basis, the property is located between San Bernardino National Forest to the north and the Cleveland National Forest to the south. Conserved lands in the vicinity include 150± acres adjacent and to the south of the subject, owned and managed by the Authority.

The subject property consists of two contiguous parcels, rectangular in shape, 155± total acres in size. The site is unimproved and vacant except for scattered trees and indigenous plants. The terrain is mostly rolling, raw rural land with some interspersed small valley areas and a seasonal creek. The site has a zoning designation of R-R-5 which stands for rural residential with a five acre minimum lot size and could be developed with a density of one residential dwelling unit per five acres. Small ranchettes were recently developed in the immediate vicinity. Due to the scarcity of water, the area is not conducive to agricultural use.

The property contains important biological resources, including vital chaparral habitat, coastal sage scrub habitat, and desert scrub habitat for the Quino checkerspot butterfly, a federally-listed endangered species, and the least Bell's vireo, a State-listed endangered species. Other species on the property, some of which are listed as endangered and species of concern include Bell's sage sparrow, cactus wren, golden eagle, Los Angeles little pocket mouse, bobcat, mountain lion, Stephens' kangaroo rat and western pond turtle.

Expansion 11

The subject property, commonly referred to as the Greenwald site, is located on the north side of Greenwald Avenue, approximately two miles south of State Highway 74 and east of Interstate 15, in the northeast corner of the City of Lake Elsinore. The property is situated adjacent and to the west of the north gate to the residential community of the City of Canyon Lake.

This 14-acre property, roughly rectangular in shape, is vacant and unimproved. The property is zoned C1-Neighborhood Commercial and has approved development entitlements including a Tentative Parcel Map, Commercial Design Review and Conditional Use Permit. Although development in the area is stalled as a result of the economic downturn, the property is proposed for commercial development, including three commercial buildings and associated infrastructure, two parking areas and open space. While this area is largely vacant at present, newer residential and commercial planned development could provide future housing in this area. While currently stalled, approved tentative maps account for approximately 1,258 units and could go as high as 4,616 units.

Topography of the site is typical of the hill-and-valley land with multiple drainage features that are found within the foothills of the San Jacinto Valley. The area surrounding the property is characterized in large part by the rugged hills which rise upwards to the east from Interstate 15, and upwards to the north from Railroad Canyon Road and the San Jacinto River. The subject property is located in a critical conservation area within the Western Riverside County MSHCP and serves as an integral habitat

linkage to other conserved lands further north and south. Conserved lands in the vicinity of the property include land owned by the Bureau of Land Management to the northeast and south. On a regional basis, the property is also located between the Cleveland National Forest to the west and to Lake Perris and the Department of Fish and Game (DFG) managed San Jacinto Wildlife Area to the northeast.

This linkage focuses on conservation of key habitats such as coastal sage scrub, grassland and southern willow scrub riparian. The coastal sage scrub on site provides nesting, foraging, and dispersal habitat for the threatened Coastal California gnatcatcher. Other species likely to be present on the property, some of which are listed as endangered and species of concern include Quino checkerspot butterfly, Bell's sage sparrow, Grasshopper Sparrow, loggerhead shrike, yellow warbler, Cooper's hawk, California horned lark, Stephens' kangaroo rat, western burrowing owl, and bobcat.

WCB PROGRAM

The proposed grants and subgrants of federal funds for the two acquisition projects are being considered under the WCB's Land Acquisition Program. The acquisition program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires/provides funds to facilitate the acquisition of lands and interests in lands that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. The two projects have been reviewed and approved by the DFG under its Natural Community Conservation Plan program, substantiating the biological values of the properties and recommending them for funding. The USFWS grant proposed for acceptance and accepted for this project has also been reviewed and approved by the DFG as a participant in the USFWS Land Acquisition Grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

The Authority proposes to manage the properties as part of the MSHCP Reserve System (Reserve) to provide permanent protection of habitat for populations of federal and State-listed endangered and threatened species that occupy the Reserve, and to increase regional wildlife habitat cores and linkages that will connect existing habitat reserve areas throughout western Riverside County. As part of its obligation under the MSHCP, the Authority retains a Reserve Manager to ensure that management actions, including removal of exotic species, fencing and public access are consistent with the MSHCP. The MSHCP sets forth the

financing plan for implementation, including annual monitoring and management of Reserve lands and the establishment of an endowment to provide for monitoring and management in perpetuity. Management costs of the acquired parcels will be provided by operating funds from the Authority.

TERMS

The acquisition project involves the acceptance of a USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$832,500.00, and the authorization to enter into two agreements to subgrant the federal funds to the Authority to assist in its acquisition of the two properties. The acquisition project also involves two proposed WCB grants to the Authority, totaling \$1,017,500.00, which would provide the 55 percent non-federal match as required by the USFWS grant. The terms and conditions of the proposed WCB grants and the subgrants of USFWS grant funds to the Authority and TPL provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow accounts established for the acquisitions. The subject properties will be encumbered by notices of the terms of the grant and subgrant agreements. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

Expansion 10

The property has been appraised as having a fair market value of \$450,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and USFWS. The USFWS funds in the amount of \$202,500.00 require a non-federal match in the amount of \$247,500.00 that would be provided by the WCB's funding allocation for a proposed grant.

Expansion 11

The property has been appraised as having a fair market value of \$1,400,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the DGS and USFWS. The USFWS funds in the amount of \$630,000.00 require a non-federal match in the amount of \$770,000.00 that would be provided by the WCB's funding allocation for a proposed grant. The TPL facilitated this proposed acquisition and will initially enter into the WCB grant and subgrant as grantee and subgrantee, respectively, and purchase the property. TPL will transfer the property to the Authority in a concurrent escrow. The Authority will also enter into the WCB grant and subgrant and own and manage the property as successor grantee and successor subgrantee, respectively.

PROJECT FUNDING

The proposed funding breakdown for the acquisition projects is as follows:

	<u>Exp. 10</u>	<u>Exp. 11</u>
Wildlife Conservation Board	\$ 247,500.00	\$ 770,000.00
<u>WCB-subgrant of USFWS Funds</u>	<u>\$ 202,500.00</u>	<u>\$ 630,000.00</u>
TOTAL Purchase Price	\$ 450,000.00	\$1,400,000.00
<u>Other Project Related Admin. Costs</u>	<u>\$ 5,000.00</u>	<u>\$ 20,000.00</u>
TOTAL WCB ALLOCATION	\$ 252,500.00	\$ 790,000.00
TOTAL WCB ALLOCATION	\$1,042,500.00	

It is estimated that a total of \$25,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. The project proponents, including the TPL and the Authority, will fund all other project-related administrative costs for the acquisitions, including but not limited to environmental assessments, appraisals, surveys, escrow, and title insurance costs.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 (Proposition 84), Public Resources Code Section 75055(c). The purposes of this project are consistent with the proposed funding source that allows funding for grants to implement or assist in the establishment of Natural Community Conservation Plans.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisitions have been reviewed pursuant to the California Environmental Quality Act (CEQA) and are proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, Notices of Exemption will be filed with the State Clearinghouse. The DFG has reviewed the acquisition proposals and recommends them for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve the acquisition projects as proposed; allocate \$1,042,500.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, (Proposition 84), Public Resources Code

Section 75055(c) for the two grants and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$832,500.00, and authorize the two subgrants of these funds; authorize staff to enter into appropriate agreements necessary to accomplish the projects; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve the acquisition projects as proposed; allocate \$1,042,500.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, (Proposition 84), Public Resources Code Section 75055(c) for the two grants and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$832,500.00, and authorize the two subgrants of these funds; authorize staff to enter into appropriate agreements necessary to accomplish the projects; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *14. Carlsbad/Northwest San Diego County MHCP \$1,256,250.00
HCPLA/NCCP 2010 (Perkins)
San Diego County

This proposal was to consider the acceptance of a U.S. Fish and Wildlife Service Habitat Conservation Planning Land Acquisition grant and the approval to subgrant these federal funds to the Center for Natural Lands Management (CNLM) and to consider the allocation of a Wildlife Conservation Board (WCB) grant to the CNLM to acquire in fee 156± acres of land. The acquisition will help protect core areas of habitat for the benefit of the federally and State-listed species found on the property, specifically the federally and State-listed as threatened California coastal gnatcatcher, preserve key regional wildlife linkages and help implement the existing Northwest San Diego County Multiple Habitat Species Conservation Plan (MHSCP), a joint Habitat Conservation Plan and Natural Community Conservation Plan.

LOCATION AND SURROUNDING USES

The subject property is located at the northern terminus of Lone Jack Road and west of Rancho Summit Road in northwest San Diego County. The property abuts, but is just outside, the northern city limits of Encinitas and the southwestern city limits of San Marcos. The corporate boundary of the City of Carlsbad is less than one-quarter mile distant to the west. The property is east of Interstate 5 and west of Interstate 15.

The San Diego region has been identified as a major “hot spot” for biodiversity and species endangerment while experiencing very rapid growth in population and urban development. The WCB has been an active partner in protecting habitat in San Diego for several years. In the vicinity of the proposed project, the WCB has participated in projects that have protected nearly 1,000± acres of habitat throughout the years.

In 1991, the State of California enacted the Natural Community Conservation Planning (NCCP) Act that closely complements the habitat conservation planning (HCP) process of the federal Endangered Species Act of 1973, as amended. California is the only state to enact such a law. Soon after the State enacted the NCCP Act, the northwestern seven cities of San Diego County (Carlsbad, Encinitas, Escondido, Oceanside, Solana Beach, San Marcos and Vista) with the help of the San Diego Association of Governments (SANDAG), chose to pursue a regional umbrella NCCP/HCP plan to address the growing conflict between conservation and development for the 175 square miles within their city boundaries. This subregional plan was finalized in March of 2003, and is referred to as the Northwest San Diego County Multiple Habitat Conservation Program (MHCP).

The MHCP covers 61 species, including 22 federally listed as endangered or threatened and 39 unlisted species. To date, only the City of Carlsbad

(City) has a completed and permitted subarea plan, referred to as the Carlsbad Habitat Management Plan (HMP), which includes the need to conserve a core population of coastal California gnatcatchers. Because the subregion does not include a habitat area large enough to meet the Carlsbad HMP, the MHCP includes a requirement to conserve 500 acres in the adjacent unincorporated areas. The MHCP gnatcatcher core area, located in an unincorporated area to the southeast of the City, is needed to ensure the continued viability of gnatcatcher populations within the MHCP.

PROJECT DESCRIPTION

The subject property is zoned for 5 acre minimum residential lot development and is vacant and unimproved. The general topography is rolling hills. Habitat types found on the subject property include coastal sage scrub, mixed chaparral, willow scrub and small areas of fresh water marsh. Endemic plant species include Del Mar manzanita, San Diego thornmint and San Diego ambrosia. Along with the gnatcatcher, several other important bird species observed on the site include the sharp shinned hawk, northern harrier, and rufous crowned sparrow.

The City and MHCP gnatcatcher core area continues to face intense development pressure. This demand has led to extremely high land costs that have hindered land acquisition for conservation. Acquisition of the subject property will greatly enhance the conservation goals of the HMP and MHCP by securing key regional wildlife linkages and preserving core areas of habitat for gnatcatchers and other covered species.

The subject property is also located within the DFG Escondido Creek Conceptual Area Protection Plan (CAPP). The CAPP covers an area that includes the second largest population of gnatcatchers in northern San Diego County and the core population of gnatcatchers identified within the MHCP. Within the CAPP, the subject property is identified as a priority acquisition for protection of gnatcatcher habitat.

WCB PROGRAM

The proposed grant and subgrant for this project are being considered under the WCB's Land Acquisition Program. The acquisition program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) and enables the WCB to pursue acquisitions on behalf of the DFG and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, substantiating the biological values of the property and recommending it for funding. The USFWS grant proposed for this project has also been reviewed and approved by DFG as a participant in the USFWS Land Acquisition grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

The property will be managed by the CNLM. Management will be funded by an endowment from the City of Carlsbad. Under the HMP, the City's total core conservation area requirement is 307± acres. To date, approximately 265± acres have been satisfied. The USFWS and DFG (Wildlife Agencies) have determined that in exchange for funding the endowment for long term management of the subject property, the City will receive 30± acres of core conservation credits. The Wildlife Agencies, the City, and the current landowner, The Conservation Fund (TCF), have entered into an agreement for the funding and transfer of funds for the management endowment.

TERMS

The property has been appraised as having a fair market value of \$3,575,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and the USFWS. The property owner has agreed to sell the property for \$3,575,000.00. The USFWS funds require a non-federal match that will be provided by the WCB's grant of Proposition 84 funds, designated for NCCP projects, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, Public Resources Code Section 75055(c). The terms and conditions of the proposed WCB grant and the USFWS subgrant to CNLM provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can encumber the property with a conservation easement and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,251,250.00
WCB – subgrant of USFWS funds	<u>2,323,750.00</u>
TOTAL	\$3,575,000.00
<u>Other Project-Related Costs</u>	\$5,000.00
TOTAL WCB ALLOCATION	\$1,256,250.00

It is estimated that an additional \$5,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. The grantee will fund all appraisal, escrow and title insurance costs.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public

Resources Code Section 75055(c), that allows for the acquisition and protection of habitat that assists in the establishment of Natural Community Conservation Plans.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisitions have been reviewed pursuant to the California Environmental Quality Act (CEQA) and are proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, Notices of Exemption will be filed with the State Clearinghouse. The DFG has reviewed the acquisition proposals and recommends them for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$1,256,250.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c), for the grant and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$2,323,750.00 and the subgrant of these funds to the Center for Natural Lands Management, authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$1,256,250.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c), for the grant and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$2,323,750.00 and the subgrant of these funds to the Center for Natural Lands Management, authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

- *15. Wildlife Connectivity Mapping (Change of Scope) \$0.00
Statewide

This proposal was to consider the allocation for a grant to the California Wildlife Foundation (CWF) for a cooperative project to develop, distribute and maintain data on essential wildlife corridors and connectivity linkages, located in the northern section of Sierra Nevada Foothills, from Mariposa County north to Shasta County.

At the June 2, 2011, Board meeting, a grant in the amount of \$315,000.00 was approved for allocation to the Department of Fish and Game (DFG) to complete the connectivity mapping project. Since the Board's approval of the project, DFG staff has been unable to redirect necessary scientific and technical staff to complete the project. As such, DFG does not have the capability to complete the scientific and local-scale connectivity analyses. To complete the project, staff proposes to allocate the approved funds to the CWF, which will hire scientific personnel and coordinate the development and analysis of the wildlife connectivity data layers with DFG.

The approval of the change of scope will not increase the cost of the project nor will additional funds be necessary to accomplish the purposes of the project.

BACKGROUND

Wildlife connectivity and linkages are a key component of wildlife conservation. In 2008, AB 2785 was enacted (Fish and Game Code, Section 1930 (c)). It identifies the importance of connectivity to the long-term viability of the State's biodiversity. In addition, the State Wildlife Action Plan identified fragmentation and lack of habitat connectivity as key stressors to California's fish and wildlife.

In 2009, the California Climate Adaptation Strategy again emphasized the importance of wildlife corridors. In this plan, the presence of large pathways or corridors for movement between currently occupied habitat and habitat that will be suitable in the future under different climate scenarios, are essential to facilitate the sustainability of species in the face of climate change.

The DFG has been charged with investigating, studying, and identifying those areas in the State that are most essential to habitat corridors and linkages. Further, consistent with Fish and Game Code Section 1930.5 (b), it is the Legislature's expressed intent the WCB use various funds to work with the DFG to complete a statewide analysis of corridors and connectivity to support conservation planning and climate change adaptation activities.

ACCOMPLISHMENTS TO DATE

In August of 2007, the WCB approved the allocation of \$3.8 million to assist in the funding of the Vegetation Classification and Mapping Program (VegCamp). This innovative effort built a statewide vegetation mapping/classification system to prioritize California's diverse wildlife habitats.

VegCamp is devoted to the development of procedures and protocols needed to classify and map biologically significant vegetation communities and habitats throughout California and has resulted in the development of fine-scale, attribute-rich Statewide Vegetation maps and corresponding digital GIS layers.

Another effort identified habitat connectivity areas statewide, the California Essential Habitat Connectivity project (CEHC). CEHC was completed in 2010. While this analysis provided a broad overview of remaining natural landscape blocks and potential connectivity pathways between these blocks, the CEHC map products are not suitable for use at the regional or local planning scale.

The CEHC analysis identified natural landscape blocks with a minimum size of 2000 acres, and only connected those blocks 6000 acres or greater in size. The scale was necessary for a statewide analysis, but excluded smaller habitat and connectivity areas that may be important at the local level. Finer-scale products are needed for use in local and regional planning, such as for Natural Community Conservation Plans (NCCPs), Habitat Conservation Plans (HCPs), implementation of the California's Climate Adaptation Strategy, and the development of local and regional connectivity plans used by local government, regional authorities, conservancies and land trusts.

PROJECT DESCRIPTION

The Wildlife Connectivity Mapping project will address the needs of regional connectivity planning, and will begin implementing local-scale connectivity analyses. The initial effort will focus on the Sierra Nevada Foothills ecoregion, a high priority for connectivity modeling and conservation planning. This region of the State is faced with significant conservation and connectivity challenges due to high population growth, development pressure and the presence of several major highways (including Interstate 80 and Highway 50).

The Sierra Nevada Foothills ecoregion has long been a conservation priority for the DFG due to its high biodiversity, its use as critical wintering grounds for species that inhabit higher elevations in the summer (e.g., black-tail and mule deer), and the presence of important migration corridors. These biological attributes, coupled with significant ecological stressors including development pressures, fire suppression, and water

diversions, underscore the need for conservation and connectivity planning within this ecoregion.

The proposed study area includes the longest continuous block of hardwood rangeland in California, supporting a high diversity of plants and animals, including more than 330 species of birds, mammals, reptiles and amphibians, and more than 150 sensitive species tracked by the California Natural Diversity Database. More than 130 vertebrate species breed in these hardwood rangelands and the area provides important wintering grounds and migration corridors for a variety of species. Maintaining habitat connectivity is essential to ensuring the continued persistence of these species and migration routes.

PROJECT GOALS

1. Complete regional connectivity analyses within the Sierra Nevada Foothills, from Mariposa County north to Shasta County and develop corresponding digital GIS layers at a scale suitable for use in local and regional conservation planning;
2. Establish minimum standards for fine-scale connectivity modeling needed to meet the DFG's mission and mandates;
3. Develop guidance documents for use by the DFG and regional planners on local-scale connectivity needs within different areas of the State and for different taxonomic groups and species; and
4. Assemble and distribute datasets and associated products to other government entities, stakeholders, and the public.

The wildlife connectivity mapping products and corresponding GIS data layers, as well as the associated standards and guidance documents, will result in a product that will be useful for identifying essential habitat and connectivity areas for focal species and will be integrated into the following program areas:

- Land acquisition efforts for ecological reserves, parks, and conservation easements and guidance to DFG staff on connectivity needs to be addressed during project review and planning,
- Regional conservation planning, especially NCCP/HCP and other local plans for key habitat and connectivity areas needed to achieve conservation and connectivity goals within an ecoregion,
- Transportation projects to avoid rather than mitigate impacts,

Climate change adaptation planning and identifying barriers and threats to wildlife movement.

PROJECT TASKS

The connectivity analyses will prioritize fine-scale modeling in areas with strong development and transportation pressure, and for which fine-scale vegetation maps have been completed by the DFG's VegCAMP.

Fine-scale modeling will be based primarily on focal species habitat and connectivity needs. Focal species representing diverse taxonomic groups, habitat needs, and movement needs will be selected.

A least-cost modeling method will be used to identify essential connectivity areas between habitat blocks. This method has been tested in a number of fine-scale connectivity models throughout the State, and is accepted by the scientific community. Least-cost modeling considers resistance of the landscape based on species-specific characteristics. Resistance refers to the ease at which a species can traverse an area, considering factors such as habitat type, topography, land use, and barriers (e.g., roads).

Secondly, the project is designed to establish guidance on minimum standards for fine-scale connectivity modeling needed to meet the DFG's mission and mandates. The CEHC Strategic Plan outlined a general framework for conducting fine-scale connectivity analyses, but details on specific attributes of the final fine-scale modeling products were not specified. This portion of the project will assemble a group of experts and active researchers to work collaboratively to develop a set of standards for fine-scale connectivity map products.

Connectivity needs may vary in different geographic regions of the State. For example, whereas an essential connectivity area within a region dominated by natural habitats, such as a forest, would likely be prioritized within a relatively untouched area of habitat, an essential connectivity area within an area dominated by agricultural lands, such as the Central Valley, may be prioritized in a highly human-modified area with little remaining natural habitat. The modeling methods and assumptions to identify connectivity areas within two such disparate regions would likely be widely different. The connectivity analysis portion of the project will assess considerations for identifying connectivity areas in different regions of the State with different habitat types, ecological processes, and levels of human impact.

Different taxonomic groups vary in the scale at which connectivity is important based on their habitat use, habitat needs, and movement needs. For example, a wide-ranging mammal may require a large expanse of connected areas and be able to utilize a wide variety of habitat types so long as habitat is continuous, while an amphibian may require a much smaller expanse of connected areas but only be able to move within a small number of habitat types. A bird may be less sensitive to barriers

such as roads and fences, but may require patches of suitable habitat at regular intervals to provide cover and food. This modeling portion of the project will review the scale at which to best treat different taxonomic groups, and examine how different connectivity modeling methods address the needs of each taxonomic group. Species with high sensitivity to barriers, large home ranges, or set migration routes may be particularly sensitive to habitat fragmentation. This portion of the project will compile the best available information, including scientific studies and expert knowledge, on connectivity needs for species of concern most highly impacted by habitat fragmentation. The information gathered will be made available as a resource to DFG biologists and planners.

The DFG's Biogeographic Data Branch and Biogeographic Information and Observation System (BIOS) will host data and documents for distribution. Maps and documents will be made available via the web through the use of the DFG's website, document library, and BIOS web viewer. The Biogeographic Data Branch will also make data in its data library available for use in the GIS modeling portion of the project. To facilitate the use of mapping products, DFG will provide guidance for regional planners on local-scale connectivity needs.

The purposes of this project are consistent with the proposed funding source, Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b), that allows for the acquisition and protection of habitat, promotes recovery of threatened and endangered species, facilitates the protection of wildlife habitat corridors, protects significant natural landscapes and ecosystems or implements the recommendations of the California Comprehensive Wildlife Strategy.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The project involves only feasibility and planning studies for possible future actions which have not been approved or funded, and is statutorily exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines, Section 15262. Upon WCB's approval, staff will file a Notice of Exemption with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for funding by the WCB.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this change of scope as proposed; re-allocate \$315,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

As one of the consent items heard at the beginning of the meeting, it was moved by Mr. Kellogg that the Wildlife Conservation Board approve this change of scope as proposed; re-allocate \$315,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

16. Arcata Community Forest Expansion \$1,956,000.00
(Morris)
Humboldt County

Mr. Donnelly reported that letters of support for this project were received from the following people: Senator Patricia Wiggins, CA State Senate, Second Senate District; Assembly Member Wesley Chesbro, CA State Assembly, First District; Supervisor Mark Lovelace, Humboldt County Board of Supervisors; Ms. Susan Ornelas, Executive Director, Jacoby Creek Land Trust; Mr. Ruskin Hartley, Executive Director, Save-the-Redwoods League; Mr. Thomas Maloney, Executive Director, Tejon Ranch Conservancy.

This proposal was to consider the allocation for a grant to the City of Arcata for a cooperative project with the Trust for Public Land (TPL) and Caltrans to acquire in fee title a total of 114± acres of land for the expansion of the Arcata Community Forest, a mixed conifer working forest. The project will also protect riparian areas, the upper watersheds of salmonid streams, preserve wildlife area linkages and will allow for wildlife oriented public use and access. Mr. Bill Gallup of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The property is located easterly of the City of Arcata (City) in close proximity to Fickle Hill Road and is part of the Beith and Grotzman Creeks headwaters that drain directly into Humboldt Bay. To the north of the property is the Arcata Community Forest, a 793-acre protected working forest and park area managed by the City of Arcata. Adjacent and to the south is the 175-acre Sunny Brae forest property that was acquired by the City in August of 2007, funded in part by a grant allocation from the Wildlife Conservation Board (WCB) and through a donation under the WCB's Natural Heritage Tax Credit Program. Acquisition of the subject property will help expand on, and link the Sunny Brae Forest with the City of Arcata Community Forest, thereby expanding potential public use opportunities and protection of forest lands.

Further south is the Jacoby Creek watershed, a major salmonid stream and tributary into Humboldt Bay. The WCB has made a number of grants to the City and the Jacoby Creek Land Trust for acquisitions within the Jacoby Creek watershed.

The area has been slowly undergoing a change in use from working forests to subdivision of land and the development of single family residences on small acreage. More intensive residential and commercial development has occurred to the west, leading into the City of Arcata.

PROJECT DESCRIPTION

The subject property is an irregularly shaped property consisting of two assessor parcels, totaling 114± acres in size. The property has high quality coastal redwood, Douglas fir, aquatic and riparian habitat along Beith and Grotzman Creeks. Protection of the property will preserve coastal redwood habitat and reduce the degradation of streams and water quality for the benefit of salmonids as well as other aquatic species within the streams and Humboldt Bay. The property has historically been a working forest as have most of the surrounding properties.

Currently the property and streams are threatened by degradation through a number of potential uses, including intensive logging, subdivision and conversion to residential use. The proposed acquisition of this site will address these threats by protecting this site through permanent ownership and stewardship by the City.

The project will protect habitat for a number of federally and State-listed species that are common to the area including the red tree vole, northern spotted owl, bald eagle, southern torrent salamander, Del Norte salamander, red-legged frog, osprey, Cooper's hawk, sharp-shinned hawk, Pacific fisher, and ring-tailed cat. Protection of the watershed areas will also benefit steelhead and coho salmon fisheries.

WCB PROGRAM

The proposed grant for this project is being considered under the WCB's Forest Conservation Program (Program). Grant proposals are evaluated and selected for funding by WCB staff based on established criteria approved by the Board on November 17, 2007, in most cases utilizing a peer review process involving biological and forestry expertise, and input from the DFG. The Program seeks to promote the ecological integrity and economic stability of California's diverse native forests through conserving, preserving, and restoring productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats for native fish and wildlife and plants found on these lands. One of the primary objectives of the Program is the protection and conservation of working forests and productive managed forest lands. Selected projects promote the restoration and/or maintenance of the ecological integrity and economic stability of the property in the context of the surrounding landscape and regional economy.

MANAGEMENT OBJECTIVES AND NEEDS

If approved, the property will be managed as an expansion to the City of Arcata Community Forest. Management objectives include harvesting timber on a sustainable basis, maintaining and enhancing the integrity of the watershed, wildlife, fisheries, plant resources and providing recreation

and educational opportunities for the community. The sustained timber harvesting will provide revenue to assist in the development of parkland and recreational facilities in the City. Public access will also be available to property for passive recreational use and will be linked to trail systems established on other community forest properties.

TERMS

The property owners have agreed to sell the property at the Department of General Services (DGS) approved appraised value of \$2,296,000.00. Under the terms of the grant, WCB staff is responsible for review of all acquisition-related documents prior to disbursement of grant funds. The terms and conditions of the proposed WCB grant to City of Arcata provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,946,000.00
Caltrans EEMP program	<u>350,000.00</u>
TOTAL	\$2,296,000.00
<u>Other Project-Related Costs</u>	<u>\$ 10,000.00</u>
TOTAL WCB ALLOCATION	\$1,956,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. The grantee and project proponent will fund the environmental assessment, appraisal, escrow, and title insurance costs.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a). This source allows funding for grants to acquire conservation easements that help preserve the ecological integrity and economic stability of California's diverse native forests and promote the conservation and protection of productive managed forest lands, forest reserve areas, redwood forests and other forest types including the conservation of water resources and natural habitats for native fish, wildlife and plants found on these lands.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of lands for preservation of fish and wildlife habitat, and Section 15325, Class 25, as a transfer of an ownership interest in lands to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate a total of \$1,956,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a) for the grants and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. Gallup introduced Mr. Mark Andre, Director of Environmental Services of City of Arcata, and Mr. Dave Sutton from the Trust for Public Land, who were in the audience and available to answer questions.

Mr. Bonham asked to explain how the timber harvesting would help the City provide revenue to assist its park land and recreational facilities.

Mr. Andre from the City of Arcata responded that the City has owned a community forest for more than 50 years and on this particular property the City will undertake some road deconstruction and erosion control work to put in a public trail and speed up the recovery of the system and develop late-seral habitat. Mr. Andre went on to explain that he talked to the City's Finance Director about this investment and its future and at some point it will pay for itself, but for many decades the City will be spending its funds on this particular parcel to get it in shape before at the point where the City can comfortably put it into management system. Mr. Andre added that this parcel will be part of the Arcata Community Forest Management Plan, and Mr. Andre, as a City forester, will amend this into non-industrial timber management plan which is City's permit through CALFIRE and is subject to all the input from other agencies, as well as the public, on how to set up the management, but the intent is to grow old-growth and to speed that process through selective thinning and restore the forest.

Mr. Bonham thanked Mr. Andre for his comments and asked if there were any additional questions or comments on this item. There were none.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate a total of \$1,956,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a) for the grants and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

17. Eel River Wildlife Area \$1,545,000.00
Salt River Unit Wetland Restoration
Humboldt County

This proposal was to consider the allocation for a grant to Ducks Unlimited, Inc., for a cooperative project with the State Water Resources Control Board, the Department of Fish and Game (DFG), the U.S. Natural Resources Conservation Service, the North American Wetlands Conservation Council, the U.S. Fish and Wildlife Service, the U.S. Army Corps of Engineers (USACE), the National Oceanic and Atmospheric Administration (NOAA), and Caltrans to restore and enhance salt marsh, riparian forest, and tidal sloughs on approximately 356 acres of a former tidal area on 2.5 miles of the Salt River channel, located one mile from the mouth of the Eel River in Humboldt County. Mr. Peter Perrine of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The Salt River Unit of the Eel River Wildlife Area is currently being transferred to the DFG from the Western Rivers Conservancy and that transfer is imminent. The site is located at the southern end of the Pacific temperate rain forest ecoregion in the “coastal redwood zone” of northwestern California about 100 miles south of the California-Oregon border and just northwest of the town of Ferndale. The site is part of the historic Humboldt Bay/Eel River estuary complex, which encompasses the second and fourth largest estuaries on the California coast. This area is recognized for its historic and continued importance to fish, waterfowl, shorebirds, and other wetland-dependent species.

The Eel River is the third largest river system in California, and its estuary includes the Salt River Unit of the Eel River Wildlife Area. The story of the estuary is one of hydrologic manipulation, human disturbance, and resultant ecosystem dysfunction. The Eel River estuary historically provided extensive tidal habitat for healthy populations of migrating and juvenile fish. Salmonids, including coho and Chinook salmon, steelhead, and coastal cutthroat trout, as well as Pacific lamprey, tidewater gobies, longfin smelt, and other species all utilized these once productive coastal wetlands. The estuary was also strategically located for the native Weott people to take advantage of these resources, and their fishing villages ringed the estuary. Following the lead of the Weott, the Cutting and Packing Company opened the first salmon cannery in the area in 1877 at the mouth of the Eel River. In its ten year operation, the cannery produced 4,123,200 pounds of processed salmon. By 1905, when the Tallant Cannery opened just four miles upstream at Port Kenyon, the Eel/Salt River salmon and steelhead fishery already had been greatly reduced.

The Salt River is a relatively small tributary to the Eel River, yet between 1860 and the early part of the 20th century it was the main vector of the area's shipping industry. At that time, it was a tidally influenced slough measuring 200 feet across and 15 feet deep at Port Kenyon, but has since been reduced to a minimally defined channel barely four feet across. The Salt River channel is clogged with sediment eroded from its tributaries, thereby severely limiting its former tidal influence and important estuarine and aquatic habitat functions. Additionally, the sedimentation has created serious flooding problems for roads, residences, and agricultural land all along the river.

PROJECT DESCRIPTION

The fundamental problem with the lower Salt River is the severe reduction of its tidal prism. When the adjacent tidal marshes were diked off from the river channel, the entire estuarine ecosystem collapsed. The project area is located at the mouth of the Salt River as it joins the lower Eel, making it ideally situated to anchor the restoration of the estuary and future upstream watershed restoration efforts. Restoration of the historic Salt River tidal prism is a prime goal of this proposed project, which will restore sediment transport and limit sediment deposition in the lower channel. The functional benefits of the restored tidal prism are accompanied by additional ecosystem values including increased tidal marsh acreage, improved habitat structural diversity, carbon sequestration, and benefits to federal and State-listed species.

Specifically, this portion of the estuary will be restored through removal of sediment in the lower 2.5 miles of the Salt River channel and the creation of 356 acres of tidal marsh and associated coastal scrub habitat. The expanded channel will more closely resemble the historic channel width of approximately 200 feet. Portions of the outboard Salt River Unit levee adjacent to the Salt River will be lowered to approximately MHHW to create high marsh habitat and restore the high-tide hydraulic connection between the river and the project area. It will also allow for the deposition of debris and wrack, which float inward on extreme high tides and during flood events, providing diversity of habitats in this more natural system. In addition, approximately 4 miles of new tidal slough channels will be excavated in the new marsh plain, and existing drainage ditches and remnant sloughs will be enhanced. Once the internal channels are excavated, the levees will be breached, creating full tidal circulation and habitat development.

The excavated material from the Salt River, the marsh plain channels, and the outboard levee will be used to construct setback berms to protect adjacent property and to allow for the creation of coastal scrub habitats on the property. In addition, approximately 3,500-linear feet of existing berm along the northern boundary of the Salt River Unit will be refurbished.

This enhanced berm will have a very gentle (10:1 or greater) interior slope to help reduce wave erosion and to create an upland-salt marsh ecotone. The remaining portions of the ranch behind the levees will be retained in order to preserve and enhance coastal scrub habitat.

The restoration and enhancement of 356 acres of tidal salt marsh, riparian, freshwater marsh, coastal scrub and aquatic/mudflat habitat and 2.5 miles of Salt River channel at the Salt River Unit of the Eel River Wildlife Area will contribute to the recovery of federal and State-listed fish such as coho and Chinook Salmon, steelhead, tidewater goby, and longfin smelt and will benefit waterfowl, shorebirds, and raptors including several recently de-listed species that utilize salt marshes. It will re-establish diverse coastal wetlands where they have been greatly diminished, improve water quality by reducing sediment loads, and potentially provide recreation and environmental education opportunities. The project will also benefit the agricultural community by reducing flood risk on nearby properties.

WCB PROGRAM

The proposed project will be funded through the Habitat Enhancement and Restoration Program and meets the program's goals of restoring coastal and tidal habitats, and providing habitats for native fisheries and threatened and endangered species.

MANAGEMENT OBJECTIVES AND NEEDS

Long-term management and maintenance will be minimal since most of the area will be restored to self-sustaining tidal marsh. However, there will be potential long-term management needs, which could include some vegetation management along levees, control of invasive species and fence maintenance. Transfer to DFG is imminent, and once the transfer is complete, the DFG will be responsible for performing these actions or coordinating the efforts with the Humboldt County Resource Conservation District.

The project is consistent with the Salt River Watershed Assessment, the Pacific Coast Joint Venture Strategic Plan, the Draft Recovery Plan for Tidal Marsh Ecosystems of Northern and Central California, the Water Quality Control Plan for the North Coast Region, the Humboldt County General Plan, the California Coastal Nonpoint Source Pollution Control Plan, the California Wildlife Action Plan, the Recovery Strategy for California Coho Salmon, the Recovery Outline for the Evolutionarily Significant Unit of California Coastal Chinook Salmon, the Steelhead Restoration and Management Plan for California, the Recovery Plan for Tidewater Goby, the Aleutian Cackling Goose Pacific Flyway Management Plan, the North American Waterfowl Management Plan, the U.S. Shorebird Conservation Plan, the North American Waterbird Conservation Plan, the Partners In Flight Landbird Conservation Plan, and the Ducks Unlimited Conservation Plan.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,545,000.00
USACE/NOAA (requested)	1,000,000.00
State Water Resources Control Board	1,229,896.00
DFG Fisheries Restoration Gant Program	555,162.00
U.S. Natural Resources Conservation Service	1,699,998.00
North American Wetlands Conservation Council	415,000.00
Duck Unlimited	100,000.00
Caltrans	350,000.00
U.S. Fish and Wildlife Service	<u>1,000,000.00</u>
TOTAL	\$7,895,056.00

Project costs will be for site preparation, earthwork, water control structures, shoreline protection, gravel, revegetation, perimeter fencing, monitoring, signs, construction management and project administration.

FUNDING SOURCE

The proposed funding source for this project is the WCB's Habitat Conservation Fund, (Proposition 117), Fish and Game Code Section 2786(d)(1E), Wetlands Outside the Central Valley. This source provides funding for the enhancement or restoration of wetlands within a floodplain or flood corridor outside the Central Valley and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The DFG has reviewed this proposal and recommends it for funding by the WCB. The Humboldt County Resource Conservation District, as lead agency, prepared an Environmental Impact Report for the project pursuant to the provisions of the California Environmental Quality Act (CEQA). Staff considered the EIR and has prepared proposed, written findings documenting WCB's compliance with CEQA. Subject to approval of this proposal by the WCB, the appropriate Notice of Determination will be filed with the State Clearinghouse. All applications for permits for this project have been submitted and all approvals are expected by late summer or early fall of 2011.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$1,545,000.00 from the Habitat Conservation Fund, (Proposition 117), Fish and Game Code Section 2786(d)(1E), Wetlands Outside the Central Valley , authorize staff to enter into appropriate agreements necessary to

accomplish this project, and authorize staff to proceed substantially as planned.

Mr. Perrine introduced Mr. Eric Haney from the Department of Fish and Game (DFG), and Mr. Jeff McCreary, Director of Conservation Program at Ducks Unlimited, Inc., who were in the audience and available to answer questions.

Ms. Finn asked to confirm if the DFG will have the responsibility to maintain and monitor the property after this project is completed. Mr. Perrine confirmed that this is correct.

Mr. Bonham asked if there were any additional questions or comments about this item. There were none.

It was moved by Mr. Kellogg that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$1,545,000.00 from the Habitat Conservation Fund, (Proposition 117), Fish and Game Code Section 2786(d)(1E), Wetlands Outside the Central Valley , authorize staff to enter into appropriate agreements necessary to accomplish this project, and authorize staff to proceed substantially as planned.

Motion carried.

18. Leavitt Lake Conservation Easement \$1,705,000.00
Lassen County

This proposal was to consider the allocation for a grant to Ducks Unlimited, Inc. (Grantee) and Wetlands America Trust Inc. (Successor Grantee) to acquire a conservation easement (Easement) over 1,781 ± acres of land for the protection of wetlands, floodplain, grazing land and grassland areas that benefit sensitive and protected species, including the State-listed as threatened and endangered greater sandhill crane, and allow for continuation of grazing operations. Ms. Liz Yokoyama of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The subject property is located approximately five miles east of the City of Susanville and is bounded by US Highway 395 to the north, the Susanville Municipal Airport to the west and abuts the northern border of the Department of Fish and Game's (DFG) Bass Hill Wildlife Area (Bass Hill WA). Located just east of the Bass Hill WA are open range areas managed by the Bureau of Land Management, and further southeast is the DFG Honey Lake Wildlife Area. Leavitt Lake lies on the northeast portion of the ranch complex. Located just north and abutting the proposed Easement is a US Department of Agriculture, Natural Resources Conservation Service (NRCS) conservation easement, acquired under its Wetland Reserve Program that covers portion of the lake and shoreline areas. Other surrounding uses include agricultural lands to the east, and the property's southern boundary fronts commercial properties, including the Leavitt Lake subdivision located immediately north of the Leavitt Lake Ranch on US Highway 395.

PROJECT DESCRIPTION

The proposed Easement encompasses two adjacent family-owned ranches, Leavitt Lake Ranch and the Wood Ranch in Lassen County. Much of the Wood Ranch consists of native meadow or improved pasture. The Leavitt Lake Ranch includes both cultivated lands and meadow, and wetland around the shore of Leavitt Lake. The Easement will protect wet meadow pastures that contain small, embedded ponds and marshes, irrigated organic alfalfa, and upland pastures. Portions of the subject property are located within the floodplain of the Susan River, and Leavitt Lake drains into the Susan River watershed. The topography is mostly level to moderately sloping.

The Easement will allow for the continuance of a family operated organic beef specialty operation on site. The Easement will prevent threats of subdivision of larger agricultural parcels into small "ranchette" style uses and other types of urbanization and development into perpetuity. The two ranches are improved with single-family residences, inclusive of barns,

sheds and miscellaneous feed/shop/storage areas consistent with livestock operations. The continued operations of these facilities are allowed within their existing building envelopes under the terms of the Easement.

The protection provided by the Easement will support nesting and migratory waterfowl populations, dependent on wetland and adjoining upland areas, several of which are considered sensitive, threatened or of special concern dependent on wetland habitats. The site provides winter/spring staging habitat for Arctic-nesting geese; spring, summer and fall foraging habitat for the greater sandhill cranes; foraging and potential nesting habitat for the long-billed curlew, burrowing owl and Swainson's hawk; and foraging habitat for the bald eagle, golden eagle, prairie falcon, ferruginous hawk and northern harrier. Due to the location of the Easement between the Bass Hill WA and the NRCS easement, protection of the subject property will link and expand protected areas and help support deer and other wildlife found on these protected areas. Deer from the Bass Hill WA regularly utilize the grazing lands on the two ranches.

WCB PROGRAM

The proposed grant for this project is being considered under the WCB's Rangeland, Grazing Land and Grassland Protection Program (RGGP Program) (Public Resources Code Section 10330, et seq.). Under RGGP Program grant proposals are evaluated and selected for funding by WCB staff based on established program criteria. The RGGP Program provides funding for the acquisition of conservation easements on private properties for the protection of rangeland, grazing land and grasslands. The RGGP Program seeks to prevent the conversion of rangeland, grazing land, and grassland to nonagricultural uses, protect the long-term sustainability of livestock grazing and ensure continued wildlife, water quality, watershed, and open-space benefits to the State of California from livestock grazing. In addition, the proposed acquisition is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the Department of Fish and Game (DFG), grant funds to other governmental entities or nonprofit organizations to acquire real property or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, offer potential for suitable wildlife-oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological

values of property through development of a Land Acquisition Evaluation (LAE)/Conceptual Area Protection Plan (CAPP).

MANAGEMENT OBJECTIVES AND NEEDS

The Wetlands American Trust Inc. (WAT) is a nonprofit corporation established as a supporting organization for Ducks Unlimited, Inc. (DU). WAT acts as the real estate arm to DU in the management and holding of lands, endowments and other real estate related activities as they relate to DU. WAT will hold title to the Easement and DU staff will be responsible for monitoring and managing the property according to the terms of the Easement. DU staff will perform annual monitoring visits to the site utilizing an approved monitoring protocol in conjunction with the required baseline conditions report.

TERMS

The property has been appraised as having a fair market value of \$1,700,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The property is encumbered with a Williamson Act contract that was considered in the appraisal and valuation of the easement. The property owners have agreed to sell the property for the approved fair market value of \$1,700,000.00. The terms and conditions of the proposed WCB grant to DU and the subgrant of these funds to WAT provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can seek specific performance of the agreement or require the Grantee to convey its interest in the conservation easement to WCB, or, at the election of WCB, another entity or organization authorized by California law to acquire and hold conservation easements and which is willing and financially able to assume all of the obligations and responsibilities of Grantee.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board Grant	<u>\$1,700,000.00</u>
TOTAL	\$1,700,000.00
<u>Other Project-Related Costs</u>	<u>5,000.00</u>
TOTAL WCB ALLOCATION	<u>\$1,705,000.00</u>

It is estimated that an additional \$5,000.00 will be needed to cover project-related administrative costs, including the DGS appraisal review.

FUNDING SOURCE

The funding sources for this project are the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(d)(1); and the Habitat Conservation Fund (Proposition 117), Fish and Game Section 2786(b/c)(Proposition 1E). The purposes of this project are consistent with the proposed funding sources that allow for the acquisition of the conservation easements on agricultural properties for the protection of rangeland, grazing land and grassland protection; and for the protection of habitat for rare, endangered, threatened or fully protected species within a floodplain.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve continued agricultural use, open space habitat, and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The project has been reviewed under the WCB's Rangeland, Grazing Land and Grassland Protection Program and by the DFG and has been recommended for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$875,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection fund of 2006 (Proposition 84), Public Resources Code Section 75055(d)(1); \$830,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Section 2786(b/c)(1E) to cover the grant amount and internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Ms. Yokoyama introduced Mr. John Ranlett and Mr. Joe Navari from the Ducks Unlimited, Inc.; Mr. Ramsey Wood, and Mr. Darrell Wood, the property owners, who were in the audience and available to answer questions.

Mr. Bonham asked if there were any questions or comments on this item. There were none.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate \$875,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection fund of 2006 (Proposition 84), Public Resources Code Section 75055(d)(1); \$830,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Section 2786(b/c)(1E) to cover the grant amount and internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

19. Gualala River Forest Conservation Easement \$19,030,000.00
Mendocino County

Mr. Donnelly reported that letters of support were received for this project from the following people: Democratic Caucus of Congress of the United States; Congressman Mike Thompson, Congress of the United States, 1st District; CA Legislature (Senators Fran Pavley & Lois Wolk; Assembly Members Jared Huffman, Michael Allen, & Richard Gordon); Senator Noreen Evans, 2nd District, CA State Senate; Assembly Member Wesley Chesbro, CA State Assembly, 1st District; Supervisor Kendall Smith, 4th District, Mendocino County Board of Supervisors; Supervisor Dan Hamburg, 5th District, Mendocino County Board of Supervisors; Mendocino County Board of Supervisors Resolution; Mr. Dick Butler, North Central Coast Office Supervisor, Protected Resources Division, United States Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Services; Ms. Kathleen Morgan, Coordinator, Gualala River Watershed Council; Mr. Gary G. Hughes, Executive Director, Environmental Protection Information Center; Mr. Winston Bowen, President, Mendocino Land Trust; Mr. Jay Halcomb, Chair, Redwood Chapter, Sierra Club; Mr. Whitman F. Manley, Remy Thomas, Moose & Manley LLP; Mr. Danny Hagans, Principal Earth Scientist, Pacific Watershed Association; Mr. Alan Levine, Coast Action Group; Mr. Jason Pelletier, North Coast Project Director, The Nature Conservancy; Ms. Nancy Kay Webb, Attorney At Law, Point Area, CA; Mr. Peter Reimuller, Secretary, Friends of Schooner Gulch; Mr. Eric A. Duff (N/A); Mr. Janus Matthes, Sebastopol, CA; Ms. Dorothy Ruef, Gualala, CA; Mr. Don Allan, Trinidad, CA; Ms. Gail Taylor, Gualala, CA. In addition, 86 individual letters of support were received via e-mail.

This proposal was to consider the allocation for a grant to The Conservation Fund (TCF) to acquire a conservation easement (Easement) over 13,913± acres of land to conserve and protect an economically sustainable working forest, oak woodlands, grasslands, and critical habitat for native fish, wildlife and plants. This project was presented to the Wildlife Conservation Board (Board/WCB) at its February 24, 2011, meeting. At that time, it was reported that the Department of General Services (DGS) had rescinded their approval of the appraisal. A recommendation was made to defer consideration of the project to allow staff to have the property reappraised. The new appraisal would then be reviewed through the normal appraisal review process through DGS. The Board determined that the proposed funding allocation and size of the project warranted additional public disclosure and review of the property appraisal. The Board directed WCB's staff to contract out for a new appraisal and, in addition to the normal DGS appraisal review, contract out and have a second independent appraisal review conducted. The second independent appraisal review would be disclosed to the public 30 days in

advance of any future consideration by the Board. After the disclosure period, staff would present the project before the Board at staff's earliest opportunity. At the time of the February meeting it was hoped this would occur by the Board's next scheduled meeting on June 2, 2011, or earlier. The total allocation has also risen by \$25,000.00 from \$19,005,000.00 to \$19,030,000.00 to cover additional project-related costs associated with the appraisal reviews and disclosure.

The independent appraisal review has been completed by a licensed professional appraiser and designated member of the Appraisal Institute (MAI), supporting the values provided in the new appraisal. The independent appraisal review was posted on the WCB's internet home page on August 12, 2011 for public disclosure and review as it relates to the proposed project. Ms. Teri Muzik of the Wildlife Conservation Board briefly described the project and its location.

LOCATION

The subject property (Property) is located west of Highway 101, approximately 20 miles west of Cloverdale in southern Mendocino County. The Property is accessed by way of Fish Rock Road, a county maintained road, which passes through the northern portion of the property and by a mixture of main haul roads and seasonal spur roads. The main roads are rocked and suitable for winter operations.

The property is surrounded by privately held lands, including the 24,000-acre Garcia River Forest immediately to the north, which is owned and managed by TCF to achieve sustainable forestry and ecological restoration objectives. Other major contiguous forest landowners are Gualala Redwoods to the southwest and the Preservation Ranch to the south. The owner of the 19,000-acre Preservation Ranch tract is seeking approval to rezone the property from timber protection zone to rural residential, and allow the creation of 65 parcels and conversion of 1,800 acres to vineyard on ridge tops across the property.

PROJECT DESCRIPTION

The Property is primarily coastal redwood, Douglas-fir forest, with a large sugar pine component rarely found in the coastal region. Keeping the Property in sustainable timber production is important for its contribution to the regional timber economy. In terms of total acreage, forestry is the most pervasive industry in the region. Half of California's annual timber revenue comes from Mendocino and Humboldt Counties. The protection of the Property will advance the economic stability of the region by ensuring that this large, productive and well-located tract remains available for continued timber production. Its size and adjacency to other working forests contribute to the economic efficiency of the regional timber economy because timber operations generally are more efficient on a

larger scale. Of the total acreage, 13,622± are classified as commercial timberland, 123± acres are brush and 168± acres are grassland. The project is consistent with the goals of the Mendocino County General Plan Land Use Element to “protect and maintain commercial timberland” and CALFIRE’s *Changing California, Forest and Range 2003 Assessment Summary* dated (2003) which explicitly “recognize[s] the continued importance of large scale unfragmented ownerships in the working landscape...”

The purchase of the Easement will also help support many other plant and animal species including the California red legged frog, the California whipsnake, western pond turtle, and little brown myotis, which are dependent on the water sources, nesting habitat and food sources found on the Property, including oak woodlands; critical habitat and spawning areas for steelhead, Chinook and coho salmon and other aquatic species, which use the Gualala River and its tributaries; and the riparian zones along these reaches that provide critical habitat for threatened species and enhance water quality. In particular, the headwater streams of the north fork of the Gualala River that occur on the Property have been identified as “refugia” for coho salmon in the Department of Fish and Game’s (DFG) “Coho Recovery Strategy for Coho Salmon.” Refugia watersheds are defined as those that have “consistent presence of coho salmon” and are a top priority for protection and restoration. The National Oceanic and Atmospheric Administration’s 2010 Coho Recovery Plan also identifies the north fork of the Gualala River as a Core Recovery Area, its highest designation.

The primary purposes of the Easement are to:

- “Conserve, manage and protect an economically productive and ecologically important coastal California forest ecosystem as an economically-productive and ecologically sustainable working forest, protect a productive and relatively natural coastal California forest ecosystem, protect fish and wildlife habitat associated with this ecosystem, in particular the oak (*Quercus*) woodlands, serpentine grasslands, and coastal redwood-Douglas fir forest, and spawning and other stream habitat for Coho and Chinook salmon and steelhead trout ..., conserve and improve the habitat conditions for Northern spotted owl, marbled murrelet, Coho and Chinook salmon and steelhead trout...”
- “Manage and maintain the capacity of the Property for productive forest management in accordance with applicable law and the restrictions and limitations set forth in the easement, whichever are more protective of the Conservation Values, including the long-term

sustainable harvest of forest products, contributing to the economic vitality of the state and region...”

To fulfill these purposes, the Easement prohibits subdivision, conversion to non-forest uses and other extractive activities (other than an identified area not to exceed 100 acres which may be used for agriculture). The Easement restricts annual harvest levels to not more than 80% of growth until a specified per acre conifer volume is achieved, and may not exceed growth thereafter. The Easement prohibits even-aged management except where necessary to transition forest stands dominated by tan oak to a more desired ecological condition of mixed conifers and hardwoods.

Furthermore, the Easement requires management of roads according to Best Management Practices as recommended by the U.S. Natural Resources Conservation or as specified in Weaver and Hagen, Farm and Ranch Road guidelines. The Weaver and Hagen’s standard is used by the DFG for timber harvest plans and stream restoration. These same authors were also the principal authors of the California Salmonid Stream Habitat Restoration – Upslope Erosion Inventory and Sediment Control Guide. Following these guidelines provides immediate benefits to stream and aquatic habitat and measurably diminishes the impacts of road-related erosion on the biological productivity of watershed streams.

This project is expected to achieve climate benefits. First, the project permanently prohibits subdivision and conversion to non-forest uses and requires that harvests levels not exceed 80% of growth until a stated level of conifer stocking is achieved. The landowner may also develop and verify an improved “forest management project” under the Climate Action Reserve’s Forest Project Protocol v.3.2. In that event, the Easement requires that the “Grantor shall ensure that the terms and conditions of the conservation easement are taken into account when calculating the baseline/business as usual of the Property for purposes of establishing carbon credits or other emissions offsets that Grantor proposes to authorize, create, sell, exchange or transfer, and to notify Grantee and WCB at least 45 days prior to any such proposed establishment.”

WCB PROGRAM

This project funding proposal was submitted to the WCB through its Forest Conservation Program (Program). All proposals are evaluated by WCB staff and an independent team of the California Natural Resource Agency professionals (with biological and forestry expertise). The Program seeks to preserve and restore productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitat for native fish, wildlife and plants found on these lands. One of the primary objectives of the Program is the protection and conservation of working forests and productive managed

forestlands. Selected projects promote the restoration and/or the maintenance of the ecological integrity and economic stability of the property in the context of the surrounding landscape and regional economy.

Ms. Muzik added that this area is under increasing pressure for vineyard production and showed on the project's map that the property is surrounded by established as well as potential vineyards, and the project area might be developed as vineyard if not preserved. Mr. Donnelly asked Ms. Muzik to go back to the map and clarified that this map also represents the property on the south (shown in pink on the map), Preservation Ranch, on which the Board members have received several correspondences. Mr. Donnelly went on to explain that the current owner of the Preservation Ranch has applied to develop a portion of it as well as convert almost 1,800 acres of it to vineyards, so the Gualala River Forest is located between the protected lands to the north and proposed development projects to the south, and Sonoma and Mendocino County line is basically the dividing point between two ownerships.

MANAGEMENT OBJECTIVES AND NEEDS

TCF will hold, manage and be responsible for the monitoring of the Easement in perpetuity per the terms of the WCB grant. As stated above, TCF holds title to the adjacent property and has experience managing productive, sustainable timber land. The Property will be managed under a similar approach, with the goal of maintaining economic sustainability with less intensive harvesting, while at the same time maintaining core conservation values by protecting streams, natural landscapes and other natural habitat values. A Baseline Conditions Report will be completed by TCF and the landowner and approved by the staff of WCB prior to disbursement of funding. The Easement allows access to the subject property by both TCF and WCB for monitoring purposes.

TERMS

The landowner has agreed to sell the Easement to TCF for less than the DGS approved fair market value of \$22,240,000.00. The appraisal and the fair market value determination were made by Mr. Chris Bell, MAI of Appraisal Associates according to the Uniform Standards of Professional Appraisal Practice and have been reviewed and approved by the DGS and by a second independent licensed appraiser, Mr. Richard Murphy, MAI of RMG Appraisers, contracted out by the WCB. The timber valuation portion included in the original appraisal has also been reviewed and supported by a registered professional forester. TCF will acquire the Easement for \$20,000,000.00. The terms and conditions of the grant agreement provide that staff of the WCB must review and approve all acquisition-related documents prior to disbursement of grant funds directly into the escrow account established for the acquisition. In the event of a

breach of the grant terms, the WCB can seek specific performance of the agreement or require TCF to convey its interest in the conservation easement to WCB or, at the election of WCB, another entity or organization authorized by California law to acquire and hold conservation easements and which is willing and financially able to assume all of the obligations and responsibilities of TCF.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$19,000,000.00
Private donation	<u>1,000,000.00</u>
TOTAL	\$20,000,000.00
<u>Other Project-Related Costs</u>	<u>\$ 30,000.00</u>
TOTAL WCB ALLOCATION	\$19,030,000.00

It is estimated that an additional \$30,000.00 will be needed to cover project-related expenses, including the appraisal, independent appraisal review, DGS review costs and independent timber appraisal review costs.

FUNDING SOURCE

The proposed funding source for this acquisition is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a). This funding source promotes ecological integrity and economic stability of California's diverse native forests and promotes the conservation and protection of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitat for native fish, wildlife and plants found on these lands and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The project has been reviewed under the WCB's Forest Conservation Program and has been recommended for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$19,030,000.00 from the Safe Drinking Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055 (a) to cover the grant amount and internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Ms. Muzik introduced Mr. Chris Kelly from The Conservation Fund, and Mr. Richard Padula, the property owner, who were in the audience and available to answer questions.

Ms. Finn recalled that the DGS rescinded their approval of the appraisal, with the property being appraised at \$40 million, back in February of 2011 when this project was first presented to the Board, and now this appraisal is at \$22 million, and asked to explain the difference. Mr. Donnelly clarified that the original appraisal that rescinded by the DGS was \$46 million, and asked if that was a conservation easement value or if it was the "before" value. Ms. Muzik responded that was the conservation easement value. Ms. Muzik went on to explain that the first appraisal, which was rescinded by the DGS, was performed by a different appraiser than the current appraisal. Ms. Finn asked what caused the DGS to rescind their approval on the first appraisal. Ms. Muzik responded that the DGS said that the appraisal did not meet standards and requirements and the values were not supported. Ms. Finn asked to confirm if the DGS supported the appraisal at first and then they changed their opinion. Ms. Muzik confirmed that this is correct. Ms. Finn asked to confirm that the price we are paying for this property is still the same and that there is no agreement to go back and re-negotiate with the seller. Ms. Muzik responded that the price is still less than the appraised value and we do not have to re-negotiate it. Ms. Finn said that the appraisal review pointed out many shortcomings and commented that we might integrate into Appraisal Disclosure policy what kind of standards we expect for appraisal reviews and asked if we have any other comparable appraisal reviews that have pointed out shortcomings. Ms. Muzik responded that we have not done that many appraisal reviews because they have all been on Public Resources Code, and this particular one was the first one that was done outside of that requirement of \$25 million expenditure. Ms. Muzik commented that none of the reviews has found the appraisals to be lacking in quality. Ms. Muzik went on to explain that the appraisal review is not meant to be a second appraisal; it reviews the methodology used by the appraiser, and determines whether it meets the DGS, State and USPAP standards. Ms. Muzik stated that all of our appraisals are done by licensed appraisers who are directed to follow these standards. Ms. Finn commented that in the appraisal review, there is a question asking if the

land value is considered well supported and reasonable. In the reviewer's opinion, the value was not well supported and reasonable. She asked staff to explain why that would be the case. Mr. Donnelly explained that the value was technically correct and reasonably supported. He further explained that when crafting the new WCB appraisal review policies, staff would consider what requirements are necessary for the independent reviews. Mr. Donnelly went on to explain that the review was done consistent with requirements of the Public Resources Code. It was not a new appraisal but rather a desk review similar to the review done by the DGS. Ms. Finn commented that we are still paying less than the appraised fair market value. She further suggested that the Board and staff look into what is expected from appraisal reviews so the new policy can be crafted appropriately.

Mr. Bonham thanked Ms. Finn for her comments and suggestions. He noted he has similar questions and that is why he asked for consideration of agenda item #27 (Appraisal Disclosure Policy) be put off to a future date.

Ms. Muzik explained that after receiving the review, Mr. Donnelly, Mr. Dave Means (WCB Assistant Executive Director on Acquisition), and herself had a conference call with the reviewer to discuss the concerns raised by the reviewer. At the conclusion of the call, staff was satisfied with the reviewer's answers. Ms. Muzik commented that the review for the Usal Forest conservation easement was written in a completely different format than the review for the Gualala Forest Conservation Easement. She added that appraisals are very subjective and the format of the appraisal can vary between appraisers. An independent reviewer is asked to confirm if the appraisal meets certain standards. Ms. Muzik said that like appraisers, each reviewer is going to address issues and write reports differently.

Mr. Bonham commented that the Board, as the entity receiving such services, can help standardize and format an approach which is consistent and clear.

Mr. Bonham commented that we have a long list of supporters for this project and asked Mr. Donnelly if any letters of opposition were received. Mr. Donnelly responded that the only letter of opposition was received from Mendocino Redwood Company asking to defer this project when it was first presented before the WCB at its Board meeting in February 2011. The Cahto tribe of Laytonville Rancheria also submitted a letter of support for this project but later rescinded it.

Mr. Bonham asked if there were any public comments on this agenda item.

Mr. Paul Mason from Pacific Forest Trust (PFT) spoke in support of this project. Mr. Mason said that the PFT supports this project and added that there is significant pressure on this property to convert it to other uses. Mr. Mason stated that we are securing improved management of the property, well above minimum forest practices. He further suggested that the higher management practice should be implemented into all future easements from the Forest Conservation Program.

Mr. Sandy Dean from Mendocino Redwood Company (MRC) spoke in opposition of this project. Mr. Dean said that MRC is opposed to the acquisition of large dollar value fee or conservation easement forestry interests with the current process in place. Mr. Dean went on to explain that he thinks the current process of not disclosing the appraisal prior to the acquisition leaves the project totally covered in secrecy. Mr. Dean stated that the non-disclosure of the appraisals makes it impossible for the public to make a reasonable assessment about what is being achieved ecologically for what price.

Mr. Chris Kelly, the Director of the California Program for The Conservation Fund spoke in support of this project. Mr. Kelly stated that it has been a long process to get to this point in the acquisition. He further added that he is also of the opinion that it is the objective of everyone involved to do the best we possibly can with the State funds being contributed for this project. Mr. Kelly said that this project is well-priced and is a high priority for the State.

Mr. Bonham asked if there were any additional questions or comments on this project. There were none.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate \$19,030,000.00 from the Safe Drinking Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055 (a) to cover the grant amount and internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

20. McLaughlin Reserve Facilities Renovation \$1,725,000.00
Lake County

This proposal was to consider the allocation for a grant to the Regents of the University of California to renovate existing buildings and infrastructure, and provide research and resident accommodations for staff and visitors at the McLaughlin Reserve, located approximately 10 miles east of the community of Lower Lake in Lake County. Mr. Chad Fien of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The 7,000-acre McLaughlin Reserve (Reserve), located in California's Coastal Range, provides research sites and facilities at the center of a landscape dominated by serpentine soils. Serpentine soils, with their high concentrations of iron, magnesium, and heavy metals, harbor a diverse community of endemic plant species which have evolved a tolerance to harsh conditions. Because of the intricate mosaic of serpentine soils, the Reserve has emerged as a model ecosystem for studying environmental heterogeneity and species diversity across a landscape. In addition to the harsh serpentine soils, the Reserve has a 150-year history of intensive mining. The core scientific value of the Reserve is in its natural heterogeneity. Most research occurs in areas that have been unaffected by mining; however, the past mining disturbance and ongoing reclamation provide additional layers of environmental heterogeneity and additional research opportunities.

PROJECT DESCRIPTION

The project will consist of completing facility renovations and infrastructure improvements to make buildings constructed for industrial uses more suitable for academic use and research; building a staff residence and additional visitor housing to increase the level of staff support for Reserve users; providing additional research facilities including lab space, visitor office space, a greenhouse, and a lath house to enhance the Reserve's core value for studies of species diversity.

WCB PROGRAM

The mission of the University of California Natural Reserve System (UCNRS) is to contribute to the understanding and wise management of the earth and its natural systems by supporting university-level teaching, research, and public service at protected areas throughout California. Under Proposition 84, the Wildlife Conservation Board (WCB) received funding to provide matching grant dollars to the UCNRS for land acquisitions, construction or development of facilities that will be used for research and training to improve the management of natural lands and the preservation of California's wildlife resources. To implement this funding,

the WCB and the UCNRS developed guidelines for identifying eligible projects and the UCNRS established an Ad Hoc Advisory Subcommittee to review and set priorities for project proposals to be submitted to the WCB for funding.

MANAGEMENT OBJECTIVES AND NEEDS

The Grant Agreement requires that the UCNRS will maintain the facilities for the purposes of providing space for research, administration, and educational activities for twenty-five years.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,725,000.00
National Science Foundation	65,555.00
Homestake Mining Company	715,000.00
University of California Davis	<u>1,040,000.00</u>
TOTAL	\$3,545,555.00

Project costs will be for facility renovations, site preparations, new construction, project design, engineering and management.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund (Proposition 84), Public Resources Code Section 75055(b)(3). This funding may be granted to the University of California for the Natural Reserve System for the construction and development of facilities that will be used for research and training to improve the management of natural lands and the preservation of California's wildlife resources and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The project is exempt from the California Environmental Quality Act (CEQA) under Sections 15301, 15302, and 15303, as maintenance of existing facilities, replacement and reconstruction of existing facilities, and construction of new small structures. Subject to approval by the WCB, the appropriate Notice of Exemption will be filed with the State Clearinghouse. The project was vetted through the University of California Natural Reserve System's Ad Hoc Subcommittee and recommended for funding.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$1,725,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection

Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b)(3); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. Fien introduced Dr. Paul Aigner, Resident Co-Director of the McLaughlin Reserve, who was in the audience and available to answer questions.

Mr. Bonham asked what type of research or instruction would happen on facility like this through the University of California. Mr. Fien responded that this area is known for its biodiversity and there is a lot of genetic diversity all the way from bacteria, microbes to plants. Mr. Fien added that serpentine soils in this area are high in heavy metals and low in nutrients. Mr. Fien went on to explain that one of the long-term projects that is going on in this area is by NASA conducting research on deep wells that go through bedrock of the serpentine soil looking for bacteria and possible clues as to the conditions that might support life on other planets.

Mr. Bonham asked if there were any additional questions or comments about this item. There were none.

It was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$1,725,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(b)(3); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

21. Dos Rios Ranch 0.00
Stanislaus County

Mr. Donnelly reported that this item has been withdrawn from consideration at this time.

22. San Joaquin River Parkway, \$2,230,000.00
San Joaquin Hatchery Public Access and Trail
Fresno County

This proposal was to consider the allocation for a grant to the California Department of Water Resources (DWR) to improve public fishing access and enhance riparian habitat on the San Joaquin River and to improve recreational access to the San Joaquin Hatchery within the San Joaquin River Parkway, located on the south bank of the San Joaquin River one quarter mile downstream of the Highway 206 bridge in Fresno County. Mr. Scott McFarlin of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The Parkway is defined in State Legislation as approximately 5,900 acres on both sides of a twenty-two mile long reach of the San Joaquin River between Friant Dam in the east and State Route 99 to the west, in Fresno and Madera Counties. The San Joaquin River Conservancy (SJRC) was created in 1992 to preserve and enhance the San Joaquin River's extraordinary biological diversity, protect its valued cultural and natural resources, and provide educational and recreational opportunities to the local communities. The SJRC's mission includes both public access and habitat restoration within the Parkway.

The proposed project includes the San Joaquin Hatchery (Hatchery), which is owned and operated by the Department of Fish and Game (DFG). The Hatchery occupies a 2± acre site one mile west of the Friant Dam.

PROJECT DESCRIPTION

The DFG has requested the assistance from the WCB for a grant to DWR to develop preconstruction planning, complete engineering design and final construction drawings, and provide contract management and construction oversight for a project to improve public access at the San Joaquin Fish Hatchery.

Conceptual and preliminary drawings for the project include the Parkway trailhead entrance at the northwest corner of Friant and Flemming Roads with a trail providing strategic viewing of the Hatchery and a connection to

a planned Lost Lake Trail. In an effort to meet visitors' basic needs, drinking water, rest areas, bike racks, and a parking area are to be provided. In addition, an outdoor seating area, solar lighting and a trail bridge are also included in the design. The trail will lead to the San Joaquin River to provide fishing opportunities on the river. All public access improvements will be constructed to American with Disabilities Act (ADA) standards. Interpretive signs also will be added along the trail, river, and the hatchery to provide the public with a better understanding of the hatchery's role in fish production and in protecting California's native fisheries, the DFG's role in river restoration efforts, and increasing general awareness of California's precious natural resources. Landscaping will include native plantings for the trailhead entrance, parking lot, and around the proposed seating area and irrigation will be installed to maintain the new plants.

DWR will prepare all design documents, bid specifications, and advertisements for construction of initial infrastructure for the project and site revegetation. DWR will select and award the contract(s) to the successful bidder(s) and provide construction contract oversight, management, and surveys. Construction is set to begin in late summer/early fall of 2012. It is anticipated that construction will take approximately 4-6 months to complete.

WCB PROGRAM

The proposed project will be funded through the Public Access Program and meets the program's goal of providing public access for hunting, fishing, or other wildlife-oriented recreation statewide. In addition, funds were allocated to the WCB within the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), Public Resources Code Section 75050(f), that allow for the construction of river parkway projects identified and approved by the SJRC.

MANAGEMENT OBJECTIVES AND NEEDS

The project's planned facilities must comply with the Lost Lake Regional Park Master Plan, Fresno County General Plan, the mission of the DFG, and the San Joaquin River Parkway Master Plan. In addition, this project will be developed in conjunction with the San Joaquin River Restoration Program (SJRRP), a comprehensive long-term effort to restore flows and a self-sustaining Chinook salmon fishery in the river, by planning this project around the SJRRP's potential new features on site.

Once DWR has completed development of the site, operations and maintenance will be the responsibility of the DFG, providing additional amenities to an existing public access program at the Hatchery.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$2,230,000.00
------------------------------------	-----------------------

Project costs will be for the construction of a trail, drinking water fountains, rest areas, bike racks, a parking area, an outdoor seating area, solar lighting, a trail bridge, interpretive signs, landscaping and irrigation, preconstruction planning, complete engineering drawings and specifications, contract management and construction oversight.

FUNDING SOURCE

The proposed funding sources for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75050(f), which provides for the construction of river parkway projects identified by the SJRC and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

As lead agency, the DFG filed a Mitigated Negative Declaration pursuant to the provisions of the California Environmental Quality Act (CEQA) in May 2011. Staff considered the Mitigated Negative Declaration prepared by DFG and has prepared written findings documenting WCB's compliance with CEQA. Subject to approval by the WCB, the appropriate Notice of Determination will be filed with the State Clearinghouse. The project was among the SJRC's highest priorities as established in June 2010, and was approved by the SJRC Board on June 8, 2011, to be advanced and considered by the WCB.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$2,230,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75050(f); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. McFarlin introduced Dr. Jeffrey Single, Regional Manager for Region 4 of the Department of Fish and Game, and Ms. Melinda Marks, Executive Officer of the San Joaquin River Conservancy, who were in the audience and available to answer questions.

Ms. Finn asked why the grant was made to the Department of Water Resources (DWR) for a project at the Department of Fish and Game (DFG) facility. Dr. Single from DFG Region 4 introduced himself before

the Board and responded to Ms. Finn that the DFG is partnering with the DWR on the entire river restoration on San Joaquin River and added that the DFG and DWR are working very closely on the restoration. Dr. Single added that the hatchery will be sort of a focal point of interest in the area and ties in perfectly into the whole restoration activity on the San Joaquin River.

Ms. Finn asked how the DWR had the authority to design and construct projects for the DFG, while the Public Contract Code 10106 gives the DWR the authority to design and construct for projects only under their jurisdiction and all other projects are responsibility of the Department of General Services. Ms. Marks from the San Joaquin River Conservancy (SJRC) introduced herself before the Board and responded to Ms. Finn that she believes that the DWR has a program jurisdiction within the San Joaquin River reach and added that DWR and SJRC have overlapping goals with regard to floodplain management and San Joaquin River restoration program. Ms. Marks concluded that DWR has a physical jurisdiction on the San Joaquin River and the designated floodway in a floodplain, and added that this is the fifth cooperative project the SJRC has done with the DWR.

Ms. Finn thanked Ms. Marks for her comments and added that she is concerned about process and appropriateness of DWR designing and doing some site work for the DFG when Ms. Finn believes that the way the Public Contract Code has been set up is that should be project managed by somebody else. Ms. Finn added that it seemed odd to give a grant to a State agency to design and construct on another State agency's property. Dr. Single responded that it is the most efficient and timely way to do it.

Mr. Bonham affirmed that he wants Ms. Finn's question about the DWR jurisdiction to be answered and added that there is probably a capacity for construction element involved where the DWR, perhaps under contract with the SJRC, is doing more physical construction activity than the DFG. Mr. Bonham suggested a conditional approval approach on this item, subject to coming back to the Board at a later time with information on these two components.

Mr. Donnelly recommended that the staff identify the DWR's authority and report back to the Board. If Ms. Finn agrees, Mr. Donnelly would like to confirm that the authority we are relying upon is actually sufficient and correct, and we can go forward and do the project. Mr. Donnelly said that he does not want to wait until the next Board meeting until we implement the grant and the project for confirmation. Both Ms. Finn and Mr. Bonham agreed with Mr. Donnelly.

Ms. Finn asked how the construction will be funded. Ms. Marks responded that the funding in this project is both for design and construction.

It was moved by Mr. Kellogg that the Wildlife Conservation Board adopt the written findings and conditionally approve this project, subject to confirmation by staff that the Department of Water Resources has the authority to accept the grant and undertake the proposed project on behalf of the Department of Fish and Game; provide an update to the Board at a future meeting; allocate \$2,230,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75050(f); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

23. Southern Sierra Nevada Mountains, \$5,010,000.00
Rudnick Ranch
Kern County

Mr. Donnelly reported that letters of support for this project were received from the following people: Mr. Steve Frisch, President, Sierra Business Council; Ms. Emmy Cattani, Ranchers for Responsible Conservation; Mr. Thomas Maloney, Executive Director, Tejon Ranch Conservancy; and Mr. Bill Parker, an adjacent property owner.

This project was to consider the allocation for a grant to The Nature Conservancy (TNC) for a cooperative project with the Department of Fish and Game (DFG), Sierra Nevada Conservancy, Caltrans and the National Fish and Wildlife Foundation to acquire fee interest in 14,945± acres of land for the protection and preservation of important habitat, wildlife migration corridors and landscape linkages. The subject property is situated near the intersection of four major ecosystems including the southern terminus of the Sierra Nevada Mountains, the Tehachapi Mountains to the south, the Mojave Desert located a short distance to the east and the southern end of San Joaquin valley located to the west. Mr. Bill Gallup of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The subject property (Rudnick Ranch) is located near the community of Caliente in eastern Kern County. Caliente is a very small community with a few homes and post office, located at the intersection of Bealville Road and Caliente Bodfish Road just northerly of State Highway 58. The City of Bakersfield is approximately 25 miles west, and the City of Tehachapi is about 20 miles southeast of the subject property. The subject is within both the Caliente Creek and Walker Basin Creek drainages. Most of the surrounding properties are zoned and operated as agricultural properties.

Just south of the property are the Tehachapi Mountains, part of a larger range of mountains referred to as the Transverse range that run east to west extending out to the coastal range mountains. Located within the Tehachapi's and just south of the subject property is Tejon Ranch. In November of 2010, the WCB approved funding for a conservation easement that protected approximately 62,000 acres of land on Tejon Ranch. The Rudnick Ranch acquisition will help establish a connection/link near its southwest boundary with the Tejon Ranch conservation easement and help preserve one of the most significant and important habitat linkages in the State of California by linking two of the State's largest mountain ranges.

Located east and north of the property is the 9,500 acre Parker Ranch conservation easement approved by the WCB in May of 2007; just east of Parker Ranch is the 7,300-acre Caliente Ranch owned by TNC. TNC is currently trying to market the Caliente Ranch as a cattle ranch operation and will retain a conservation easement to prevent fragmentation and development. Just north of these properties are the Sequoia National Forest lands which extend into the Kern River watershed and farther north. Also, further north and just east of Lake Isabella is the DFG Canebrake Wildlife Conservation Area, acquired through a number of prior allocations and expansions approved by the WCB.

Rudnick Ranch is located within the DFG's Tehachapi Mountains Conceptual Area Protection Plan (Plan) and has been classified as a "very high priority" acquisition. The Plan covers an area extending from the eastern portion of the Tehachapi Mountains, north through the southern portion of the Sierra Nevada Mountains, up to Lake Isabella and east, into the southeast portion of Inyo County. The Plan identifies about 280,000± acres as high priority areas for acquisition and seeks to provide protection for large tracts of intact grassland, blue oak, valley oak, interior live oak and foothill woodlands, linking public and private lands in conservation ownership, establishing and protecting wildlife corridors and providing for climate change adaptation by protecting important core habitat areas, linkages, refugia, and expansion and contraction of habitat areas.

PROJECT DESCRIPTION

The Rudnick Ranch property is an irregularly shaped property and as a whole totals approximately 18,255± acres. The owner is retaining just over 3,000± acres near the western side of the property. The subject property is zoned for agricultural use and is an operating cattle ranch with all ancillary improvements necessary for an operation of this type. Within the ranch are multiple ranch houses, barns and mobile homes, corrals, water tanks and wells. The portion of the ranch to be acquired has 69 separate assessor parcels totaling 14,945± acres varying in size from 5 to 640 acres. The property terrain consist of rolling hills, grasslands, and oak savannah and varies from moderate to steep topography with elevation ranging from about 1,000 to 4,100 feet. Direct access to the subject property is from Caliente-Bodfish Road.

The acquisition will provide important habitat to support the conservation and recovery of federal and State-listed endangered, threatened, and species of special concern such as the Bakersfield cactus, striped adobe lily, blunt nosed leopard lizard, Tehachapi slender salamander, San Joaquin kit fox, Mohave ground squirrel, California condor and Swainson's hawk. The property will also provide habitat and habitat linkages and migration corridors for a number of larger mammals including mountain lions, deer, bobcats and badgers. The corridors and large landscape

systems and elevations on the property will also provide better opportunities for species to move and adapt to climate changes.

WCB PROGRAM

The proposed grant for this project is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) to acquire areas that can successfully sustain wildlife and, when practical, provide for suitable recreation opportunities. Under this program acquisition activities are carried out in conjunction with the DFG, evaluating the biological values of property through development of a Land Acquisition Evaluation (LAE)/Conceptual Area Protection Plan (CAPP). The LAE/CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and approval and later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

The Rudnick Ranch will be managed by TNC according to the terms of the grant agreement. In the interim TNC will continue to operate the property as a cattle ranch. Revenues from the lease will be used to cover operation, management and monitoring costs for the property. The cattle operations will be managed in a way consistent with rangeland best management practices so as to not degrade the property's resource values. DFG and WCB staff will have access to the property for the purposes of monitoring and to ensure compliance with the terms of the grant agreement. Public access to the property will be limited to possible guided visits.

TERMS

The property has been appraised as having a fair market value of \$12,040,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The property owner has agreed to sell the property for \$11,208,750.00. A portion of the purchase price will be in the form of a loan (see below). Under the terms and conditions of the proposed WCB grant, staff must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can encumber the property with a conservation easement and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$5,000,000.00
Caltrans EEMP Grant	500,000.00
Sierra Nevada Conservancy	500,000.00
National Fish and Wildlife Foundation	1,000,000.00
TNC Loan	<u>4,208,750.00</u>
TOTAL	\$11,208,750.00
<u>Other Project-Related Costs</u>	<u>\$ 10,000.00</u>
TOTAL WCB ALLOCATION	\$5,010,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. In addition, TNC will fund the current transaction costs, including environmental assessment, appraisal, survey, escrow and title insurance costs. The National Fish and Wildlife Foundation funding is still pending approval in the Fall of 2011. If the funds are not approved, TNC will seek additional loan funds.

TNC will look to market and sell the property as cattle ranch and will retain a conservation easement to ensure perpetual protection of the resources, consistent with the terms and funding requirements of the WCB's grant agreement. The funds from the sale will be used first to pay off the loan. After that any additional proceeds will be distributed to the other funding partners proportional to their initial investment. Under the terms of WCB's grant agreement, any potential sale of the subject property or property rights must first be approved by the WCB. Through this approval process, the WCB will ensure any proceeds received by TNC for the sale of the property over and above those invested by TNC will be distributed accordingly.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Section 75055(b), that allows for the acquisition and protection of habitat that provides corridors linking separate habitat areas to prevent fragmentation and protects significant natural landscapes and ecosystems, and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats.

Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$5,010,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Section 75055(b) for the grant and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. Gallup introduced Mr. Pablo Garza, Ms. Marlyce Myers and Mr. EJ Remson from The Nature Conservancy, who were in the audience and available to answer questions.

Mr. Bonham commented that it is nice to see multiple parties contributing to the total cost.

Ms. Finn asked Mr. Gallup to confirm if this project will be sold. Mr. Gallup responded that The Nature Conservancy (TNC) will have to maintain all the policies and guidelines for conservation easement when the property is sold to a private conservation buyer. Ms. Finn asked to define "a private conservation buyer". Mr. Gallup responded that will be an individual that will operate the property as a ranch with the terms and conditions of the conservation easement in place at the time of the sale. Mr. Donnelly commented that the intent of the project is to ultimately have the property, a working cattle ranch subject to a conservation easement, that not only provides for continuation of the ranching activities but also does it in such a way as to promote the integrity and the quality of the wildlife habitats that are found there. Mr. Donnelly also pointed out that any proceeds realized from the underlying fee or selling the underlying fee by TNC will go back to first and foremost reimbursing the loan that TNC will secure in acquiring the fee title in the first place, and any ultimate future revenue received from the sale will go back to the funders that are providing funds for the fee in the Grant Agreement and will go back to those funders proportionally to the amounts of the grants they originally put in for the project. Ms. Finn asked if the WCB will have any approval over that sale. Mr. Donnelly responded that the WCB will maintain the ability to approve any transfer of the property as well as have the ability to approve the conservation easement. Mr. Gallup added that the WCB staff will review any purchase documents and the conservation easement before the transaction is completed.

Mr. Bonham asked if there were any additional questions or comments about this item. There were none.

It was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$5,010,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Section 75055(b) for the grant and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

24. City of Carlsbad \$3,214,000.00
Habitat Management Plan/NW HCPLA 2009 (Bridges)
San Diego County

Mr. Donnelly reported that a letter of support for this project was received from Mr. Dan Silver, Executive Director of the Endangered Habitats League.

This proposal was to consider the acceptance of a U.S. Fish and Wildlife Service Habitat Conservation Planning Land Acquisition grant and the approval to subgrant these federal funds to the Endangered Habitats Conservancy (EHC) and to consider a Wildlife Conservation Board (WCB) grant to the Endangered Habitats Conservancy to acquire in fee 97± acres of land for the purposes of conserving rare and declining habitat types, protecting habitat utilized by the federally and State-listed as threatened California gnatcatcher, as well as implementing or assisting in the establishment of a Natural Community Conservation Plan. Ms. Teri Muzik of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The subject property is situated within the San Dieguito Community Plan area of unincorporated northern San Diego County that includes the communities of Rancho Santa Fe, Whispering Palms, Fairbanks Ranch, Elfin Forest, Del Dios and Mt. Israel. To the west of the planning area are the coastal Cities of Encinitas and Solana Beach, to the north are the Cities of Carlsbad and San Marcos, to the east is the City of Escondido and to the southeast and south are the City of San Diego communities of Rancho Bernardo and Black Mountain Ranch. The subject property is located east of Highway 5 and west of Highway 15.

The San Diego region has been identified as a major “hot spot” for biodiversity and species endangerment while experiencing very rapid growth in population and urban development. The WCB has been an active partner in protecting habitat in this region for several years. In the vicinity of the proposed project, the WCB has participated in projects that have protected nearly 1,000 ± acres of habitat throughout the years.

In 1991, the State of California enacted the Natural Community Conservation Planning (NCCP) Act that closely complements the habitat conservation planning (HCP) process of the federal Endangered Species Act of 1973, as amended. The State of California is the only state to enact such a law. Soon after the State enacted the NCCP Act, the northwestern seven cities of San Diego County (Carlsbad, Encinitas, Escondido, Oceanside, Solana Beach, San Marcos and Vista) with the help of the San Diego Association of Governments (SANDAG), chose to pursue a regional

umbrella NCCP/HCP plan to address the growing conflict between conservation and development for the 175 square miles within their city boundaries. The subregional plan was finalized in March of 2003, and is referred to as the Northwest San Diego County Multiple Habitat Conservation Program (MHCP).

PROJECT DESCRIPTION

The property is currently vacant and unimproved and zoned for rural residential use, with a minimum development size of 2 acres per unit. The topography is gently rolling to sloping with steep slopes in the western segment where an ephemeral blue-line tributary of Escondido Creek flows. Along the southeastern boundary, the lands slope and decrease in elevation to the southeast as they go towards Escondido Creek.

To date, the City of Carlsbad has a completed and permitted subarea plan, referred to as the Carlsbad Habitat Management Plan (HMP). The HMP will help preserve a large portion of the biological core area for California gnatcatchers identified in the MHCP. The subject property is immediately adjacent to the MHCP gnatcatcher core area. The predominate habitat found on the subject property includes coastal sage scrub and chaparral. In addition to California gnatcatchers, the acquisition will protect habitat for the following federally-listed species covered by the HMP, including the thread-leaved brodiaea, southwester willow flycatcher, least Bell's vireo and Del Mar manzanita.

WCB PROGRAM

The proposed grants are being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the Department of Fish and Game (DFG), grant funds to other governmental entities or nonprofit organizations to acquire real property or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB provides funds to facilitate the acquisition of lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, substantiating the biological values of the property and recommending it for funding. The United States Fish and Wildlife Service (USFWS) grant proposed and accepted for this project has also been reviewed and approved by DFG as a participant in the USFWS Land Acquisition Grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

The property will be managed by the EHC who owns and manages several properties in San Diego County. Under EHC, the property will be managed for the conservation and protection of resource values and for compatible public uses include hiking, photography, and bird watching.

TERMS

The property has been appraised as having a fair market value of \$6,000,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and the USFWS. The property owner has agreed to sell the property for \$6,000,000.00. The USFWS funds require a non-federal match that is being provided by the WCB's grant of Proposition 84 funds, designated for NCCP projects, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, Public Resources Code Section 75055(c). The terms and conditions of the proposed WCB grant and the USFWS subgrant to the EHC provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can encumber the property with a conservation easement and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$3,204,000.00
WCB – subgrant of USFWS funds	<u>2,796,000.00</u>
TOTAL	\$6,000,000.00
<u>Other Project-Related Costs</u>	<u>\$ 10,000.00</u>
TOTAL WCB ALLOCATION	\$3,214,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. The EHC will fund all appraisal, escrow and title insurance costs.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c), that allows for the acquisition and protection of habitat that assists in the establishment of Natural Community Conservation Plans.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$3,214,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c) for the grant and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$2,796,000.00 and the subgrant of these funds to the Endangered Habitats Conservancy; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Ms. Muzik introduced Mr. Michael Beck from the Endangered Habitats League, who was in the audience and available to answer questions.

Mr. Bonham asked if there were any questions or comments about this item. There were none.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate \$3,214,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c) for the grant and to cover internal project-related expenses; accept the USFWS Habitat Conservation Planning Land Acquisition grant in the amount of \$2,796,000.00 and the subgrant of these funds to the Endangered Habitats Conservancy; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

25. Hollenbeck Canyon Wildlife Area, \$708,000.00
Expansion 4
San Diego County

Mr. Donnelly reported that a letter of support for this project was received from Mr. Dan Silver, Executive Director of the Endangered Habitats League.

This proposal was to consider the acquisition in fee of 563± acres of land by the Department of Fish and Game (DFG) and the acceptance of a U.S. Fish and Wildlife Service (USF&WS) Habitat Conservation Planning Land Acquisition grant for the expansion of the DFG's Hollenbeck Canyon Wildlife Area (Hollenbeck Canyon WA) for the protection of sensitive habitats and species as well as to enhance an important wildlife corridor identified in the South County Subarea Plan of the San Diego County Multiple Species Conservation Plan (MSCP), a joint Habitat Conservation Plan and Natural Community Conservation Plan (NCCP). Mr. Brian Gibson of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The subject property is located east of State Route 94 in south-central San Diego County, southeast of the community of Jamul and approximately 26 miles southeast of San Diego. The subject property is bounded on the south and a portion of the west by the 5,502± acre Hollenbeck Canyon WA and on the northeast by the Cleveland National Forest. Located to the west of Hollenbeck Canyon is another large protected habitat area, DFG's Rancho Jamul Ecological Reserve. The Otay-Sweetwater Unit of the San Diego National Wildlife Area is located to the west, and Otay Mountain is located further south. The Hollenbeck Canyon WA is an important part of the County's MSCP, providing critical linkage and habitat corridors between Otay Mountain to the south, the Jamul Mountains to the west and Lyons Peak to the east.

PROJECT DESCRIPTION

The subject property, also referred to as the Lyon's Vista property, consists of 563± acres of vacant, unimproved agriculture zoned land. The property is irregular in shape and covered with natural vegetation and rock outcroppings. The topography includes moderate to steep slopes, with rugged terrain and canyons.

The property is dominated by high quality natural communities, including coastal sage scrub-chaparral ecotone, Diegan coastal sage scrub, chaparral, oak woodlands and grasslands. Sensitive species documented in the vicinity include San Diego sunflower, Quino checkerspot butterfly, Hermes copper butterfly, San Diego coast horned lizard, northern red-

diamond rattlesnake, California gnatcatcher and the arroyo toad. Conserving the property will help protect and support these sensitive species and their habitats as well as enhance important wildlife corridors and linkages between the protected areas noted above and as recognized in the San Diego County MSCP.

WCB PROGRAM

The proposed acquisition for this project is being considered under the WCB's Land Acquisition Program. The acquisition program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) and enables the WCB to pursue acquisitions on behalf of the DFG and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, substantiating the biological values of the property and recommending it for funding. The USF&WS grant proposed for this project has also been reviewed and approved by DFG as a participant in the USF&WS Land Acquisition grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

The DFG will manage the subject property in conjunction with the existing Hollenbeck Canyon WA. DFG management funding is provided through a federal Wildlife Restoration (Pittman-Robertson) Grant. Public access will be available consistent with the Hollenbeck Canyon WA.

TERMS

The property has been appraised as having a fair market value of \$2,337,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and USF&WS. The property owner has agreed to sell the property for \$2,250,000.00. The USFWS non-federal match of \$805,000.00 is being provided through a combination of WCB (\$693,000.00) and The Nature Conservancy (TNC) (\$25,000.00) funding plus the difference between the fair market value and purchase price shown above (\$87,000.00). The terms and conditions of the proposed acquisition and USF&WS grant provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. Once approved by the Board, the transaction will also be reviewed and approved by the DGS.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$ 693,000.00
USFWS funds	1,532,000.00
The Nature Conservancy	<u>25,000.00</u>
TOTAL	\$2,250,000.00
<u>Other Project-Related Costs</u>	<u>\$15,000.00</u>
TOTAL WCB ALLOCATION	\$708,000.00

It is estimated that an additional \$15,000.00 will be needed to cover project-related administrative costs, including DGS appraisal and transaction review as well as escrow and title insurance costs. TNC will fund the environmental assessment, appraisal, as well as contribute \$25,000.00 toward the purchase price.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(a) that allows for the acquisition and protection of habitat to protect rare and endangered species, wildlife corridors and significant natural landscapes and ecosystems.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$708,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(a) for the acquisition and to cover internal project-related expenses; accept the U.S. Fish and Wildlife Service Habitat Conservation Planning Land Acquisition grant in the amount of \$1,532,000.00; authorize staff to enter into appropriate agreements necessary to accomplish this project; and

authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. Gibson introduced Mr. William Tippetts, Senior Project Director from The Nature Conservancy, and Mr. Dave Meyer, Supervisor of the NCCP Program for Region 5 of the Department of Fish and Game, who were in the audience and available to answer questions.

Mr. Bonham asked if there were any questions or comments on this item. There were none.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate \$708,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(a) for the acquisition and to cover internal project-related expenses; accept the U.S. Fish and Wildlife Service Habitat Conservation Planning Land Acquisition grant in the amount of \$1,532,000.00; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

26. Long Potrero East \$1,498,000.00
San Diego County

Mr. Donnelly reported that a letter of support for this project was received from Mr. Dan Silver, Executive Director of the Endangered Habitats League.

This proposal was to consider the acceptance of a U.S. Fish and Wildlife Service (USFWS) Recovery Land Acquisition grant and the approval to subgrant these federal funds to the Back Country Land Trust (BCLT) and to consider a Wildlife Conservation Board (WCB) grant to the BCLT to acquire in fee 468± acres of land for the purposes of conserving rare and declining habitat types and assisting in the establishment of a Natural Community Conservation Plan. This acquisition will help implement the East San Diego County Multi-Species Conservation Plan (MSCP). While this MSCP is still in the planning phase, the property has been identified within the preliminary plans developed by the Department of Fish and Game (DFG) and the USFWS as an important acquisition. Ms. Teri Muzik of the Wildlife Conservation Board briefly described the project and its location.

LOCATION AND SURROUNDING USES

The subject property is located less than three miles north of Highway 94 in southern San Diego County near the town of Potrero. Potrero is approximately 45 miles east of downtown San Diego and is within about 3 miles of the U.S./Mexico border. The surrounding area, known as the Long Potrero region, is a long, broad valley adjacent to one of the largest, intact blocks of core habitat in San Diego County comprised of public lands administered by the U.S. Forest Service, Bureau of Land Management, the City of San Diego Water Department and the BCLT and includes the Hauser Mountain Wilderness Study Area and the Hauser and Pine Creek Wilderness Areas. At the Board's February 24, 2011, meeting it approved the allocation of a grant and the subgrant of USFWS funds to BCLT to assist with the acquisition of 132± acres of similar habitat also located in the vicinity of the subject property.

PROJECT DESCRIPTION

The subject property consists of three assessor parcels zoned for agricultural use, allowing one residence for each 40 acres. The general topography of the subject property is fairly level with some moderately rolling hills rising up to steeper areas, including a number of rock outcroppings on various points throughout the property. The site is bisected by a stretch of Potrero Creek, and also includes a earthen dammed formed pond. The elevation of the land ranges from approximately 2,400 to 2,600 feet above sea level. The property is vacant with no improvements. Native vegetation covering the majority of the

property is comprised of grasslands, scrub and chaparral. There are also some small areas of woodland and riparian bottomland habitat.

Acquisition of this property will protect the watershed functions and upland habitat that supports components of the life cycle of the Arroyo southwestern toad, including breeding, juvenile rearing, foraging and over-wintering and also provide protection of habitat for a satellite population of Quino checkerspot butterfly found on the property. Both of these species are listed federally as endangered. The Arroyo southwestern toad is threatened by loss and degradation of habitat due to human activities that alter natural hydrologic regimes, water quality, or upland areas used for foraging and over-wintering. The Quino checkerspot butterfly has declined to near-extinction as a result of loss and degradation of its habitat. Multiple observations of Quino checkerspot butterflies reported since 2002 have been clustered east of the town of Campo which is located in the vicinity of the subject property. It is hoped the satellite population found on the subject property will help support and re-colonize other recovery units located nearby to the west and east.

WCB PROGRAM

The proposed acquisition for this project is being considered under the WCB's Land Acquisition Program. The acquisition program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) to acquire areas that can successfully sustain wildlife and provide for suitable recreation opportunities. The acquisition program enables the WCB to pursue acquisitions on behalf of the DFG, accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, substantiating the biological values of the property and recommending it for funding. The USFWS grant proposed for this project has also been reviewed and approved by DFG as a participant in the USFWS Land Acquisition grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

Since 2003, the BCLT has participated in a 3,600-acre land conservation endeavor in the Long Potrero area in the central-south San Diego County, referred to as Las Californias. Preserving lands within and adjacent to the Hauser Mountain Wilderness Area protects biological and cultural resources and keeps them intact on a landscape scale. The BCLT is working together with many partners to accomplish this preservation project, including private landowners, the U.S. Bureau of Land Management, the Viejas Bank of Kumeyaay Indians, Resources Legacy Fund Foundation, the USFWS, San Diego's Center for Spanish Colonial Archeology and the County of San Diego.

This property will be managed by the BCLT along with the other lands it owns in the area. All of the conservation lands owned by BCLT are managed so the public can enjoy passive recreational opportunities afforded by the properties. Both the WCB grant and subgrant agreements also require access for WCB, DFG and USFWS staff to monitor at least once every three years.

TERMS

The property has been appraised as having a fair market value of \$2,480,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and USFWS. The property owner has agreed to sell the property for the fair market value of \$2,480,000.00. The USFWS funds require a non-federal match that is being provided by the WCB's grant of Proposition 84 funds, designated for NCCP projects, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, Public Resources Code Section 75055(c). The terms and conditions of the proposed WCB grant and USFWS subgrant to BCLT provide that staff of the WCB review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly in the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can encumber the property with a conservation easement and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,488,000.00
WCB – subgrant of USFWS funds	<u>992,000.00</u>
TOTAL	\$2,480,000.00
<u>Other Project-Related Costs</u>	<u>\$ 10,000.00</u>
TOTAL WCB ALLOCATION	\$1,498,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review costs. The grantee and/or landowner will fund all environmental assessment, appraisal, escrow and title insurance costs.

FUNDING SOURCE

The proposed funding source for this project is the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c) that provides funding for grants to protect rare and declining habitat types and implement or assist in the establishment of Natural Communities

Conservation Plans and is consistent with the objectives of the this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for approval.

STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$1,498,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c) for the acquisition grant and internal project-related expenses; accept the USFWS Recovery Land Acquisition grant in the amount of \$992,000.00 and authorize the subgrant of these funds; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Ms. Muzik introduced Mr. George Barnett, President of the Back County Land Trust, who was in the audience and available to answer questions.

Ms. Finn asked Ms. Muzik to provide more information about the public access opportunity on the property. Mr. Muzik responded that it is passive recreation such as hiking and bird watching.

Mr. George Barnett from the Back County Land Trust introduced himself before the Board and spoke in support of this project. Mr. Barnett said that yesterday he met with San Diego Gas and Electric who have purchased the balance 1,200 acres of the valley to the north and east of this particular property and they bought it for purposes of mitigating certain corporate obligations and they do not want to keep it. Mr. Barnett explained that the Back County Land Trust will work together with the San Diego Gas and Electric to develop a habitat management monitoring program for all this properties together, and later the San Diego Gas and Electric will donate these 1,200 acres to the Back County Land Trust and provide \$3 million of endowment for management of the property.

Mr. Barnett thanked the WCB for considering this project.

Mr. Bonham asked if there were any additional questions or comments about this item. There were none.

It was moved by Mr. Kellogg that the Wildlife Conservation Board approve this project as proposed; allocate \$1,498,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c) for the acquisition grant and internal project-related expenses; accept the USFWS Recovery Land Acquisition grant in the amount of \$992,000.00 and authorize the subgrant of these funds; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Motion carried.

27. Disclosure of Appraisal Information
Statewide

Action Item

The February 24, 2011, meeting of the Wildlife Conservation Board included a discussion (during consideration of Agenda Item 23) of acquisition project appraisals, the appraisal review process, and public disclosure of appraisal information. After the discussion, the Board requested a written summary of the appraisal review process and directed staff to provide recommendations regarding public disclosure of appraisal information for acquisition projects involving large acreages of land.

ACTIONS IN RESPONSE TO BOARD DIRECTIVES

This March, in response to the Board's directive, Executive Director John Donnelly provided a written summary of the appraisal review process to each member of the Board and each Joint Legislative Advisory Committee member. A copy of that summary is attached to this Agenda.¹ In addition, staff surveyed appraisal disclosure practices of other state entities that acquire or fund real property acquisitions. Staff conducted similar discussion with a selected federal entity and surveyed appraisal disclosure practices in a number of other states. Finally, staff analyzed 10 years of acquisition project data (fee title and conservation easement) to ascertain any relationship between the size and cost of acquisition projects previously funded by the Wildlife Conservation Board. These efforts provided the basis for the draft appraisal and disclosure policy being presented to the Board for consideration at this meeting.

OTHER CALIFORNIA STATE ENTITY APPRAISAL DISCLOSURE PRACTICES

Staff contacted representatives of the following state entities: Department of General Services, Department of Water Resources, State Coastal Conservancy, Public Works Board, Department of Conservation, Sierra Nevada Conservancy, CALTRANS, and the California Tahoe Conservancy, and learned that each entity provides information to the public prior to taking any official action on an acquisition project. While the level and specificity of the information varies among the surveyed entities, each provides the public with descriptive project information consistent with applicable open meeting laws and that entity's unique operational mission prior to formal approval. However, no state entity contacted released project appraisals to the public until after the close of escrow. This practice is consistent with the California Public Records Act, Government Code Section 6254 (h), under which appraisals are exempt from public disclosure until "all of the property has been acquired," and the confidentiality requirements of the Uniform Standards of Professional Appraisal Practice (discussed below).

¹ The summary can be found beginning at page 107

All the State entities interviewed acknowledged the importance of providing the public with information necessary for it to understand the nature of a proposed project including how and why the project qualifies for public funding and support. However, there was a strong consensus (among the government entities) that release of the acquisition appraisal prior to a project being approved by the governing authority, and subsequent close of escrow, could conflict with professional appraisal standards, infringe upon a landowner's rights (including the right to privacy), and potentially frustrate, rather than facilitate, the public decision-making process as well as jeopardize the completion of the acquisition project.

FEDERAL AGENCY AND OTHER STATES APPRAISAL DISCLOSURE PRACTICES

According to staff from the Internal Revenue Service, federal entities authorized to acquire interests in real property generally do not disclose the contents of appraisals prior to the close of escrow. Further, six of the seven states surveyed (Oregon, Washington, Florida, Massachusetts, Utah and Georgia) do not release for public review appraisals, offers or counteroffers relating to the purchase of real property until an acquisition has been completed.

In New Mexico, conservation easement appraisals are submitted to the Energy, Minerals and Natural Resources Department as part of the state tax credit application. Once the application is submitted, the appraisal is considered a "public document" and available for release to the public.

ANALYSIS & SUMMARY 10 YEARS OF ACQUISITION PROJECT DATA

To better understand the diversity of acquisition projects, and whether or not large acreages of land might merit additional disclosure as a "major acquisition," staff reviewed 10 years of data covering projects approved by the Board between July 1, 2000 and June 30, 2010. Based upon the review, the following observations were made:

Fee Title Acquisitions:

- A total of 467 projects were approved protecting 426,873 acres
- The Board allocated \$1.2 billion (various funds)
- Total acquisition costs were \$2.2 billion (including non-State funders)

The majority (74.9%) of the fee title acquisition projects involved properties of 500 acres or less (350 projects). The next largest group of projects (11.1%) included properties ranging in size from 500 to 1,500 acres (52 projects), followed by (44) projects ranging in size between 1,500 acres to 5,000 acres (9%). The remaining (5%) of the fee title acquisition projects included (21) properties greater than 5,000 acres.

Conservation Easements:

- A total of 127 projects were approved protecting 367,175 acres
- The Board allocated \$182 million (various funds)
- Total acquisition costs were \$328 million (including non-State funders)

The largest single category of projects (65.3%) ranged in size between 9 and 2,000 acres (83 projects). The second largest block of projects, about (19%) ranged between 2,000 acres and 5,000 acres (24). The remaining projects (15.7%) were comprised of 5,000 acres or more (20).

Public Resources Code Section 5096.500 defines a "Major Acquisition" as a project that contemplates or includes an expenditure of \$25 million or greater of state funds. In response to the Board directive, staff analyzed the acquisition data in an attempt to identify what might constitute a major acquisition, but did not fit the definition in Public Resources Code Section 5096.500. Based upon the 10 year data, there was no direct relationship between the size of the project and its cost. Location by itself was not determinative either. In general, projects located in the southern and coastal regions of the state tended to cost more than those located in the north or the central valley. However, if a project in the north consisted of prime soils and was targeted for rural expansion or development, those acres tended to cost more than open space acreage located in or near southern California.

The diversity of acquisition projects, both fee and easement, coupled with the variability and complexities associated with appraisals make it very difficult to identify any commonality, trend, or relationship between the number of acres and the cost of a project. The diversity of projects and complexities associated with appraisals makes difficult any attempt to identify projects with common characteristics that might benefit from additional public review.

Due to the fact that approximately 5 percent of the fee acquisition projects were comprised of 5,000 acres or more and approximately 15.7% of the conservation easement projects were comprised of 5,000 acres or more, staff propose WCB contract for a third party review of appraisals for all acquisition projects consisting of 5,000 acres or more. In addition, staff proposes the appraisal review be posted on the Board's website 30 days in advance of the public meeting where the project will be considered by the Board.

Providing third party appraisal review for projects consisting of 5,000 acres or more is a delicate balancing act that must take into consideration the interests in additional public disclosure, fiscal resources, staff workload, and the complexity of the project and appraisal. Given the enormous

variation between acquisition projects, staff estimate that if the Board adopts the recommended policy, third party appraisal reviews will be conducted on approximately four additional projects per year. The cost associated with contracting for a third party appraisal review varies between \$900.00 and \$10,000.00. As such, the total cost for additional independent appraisal reviews could range from a low of \$3,600.00 to a high of \$40,000.00 per year.

The proposed policy will have an impact upon the Board's staff and fiscal resources. The workload will increase for those projects covered by the proposed policy and it will cost more time and money to process the transaction. However, the policy will provide the benefit of additional disclosure and increased public confidence. This confidence will come from knowledge that the Board is conducting the business of acquiring land in accordance with standard criteria that exceeds statutory requirements. This increased public confidence outweighs the increased workload and additional expenditure of fiscal resources.

PROFESSIONAL APPRAISAL STANDARDS

California's licensing and regulation of appraisers by the Office of Real Estate Appraisers, together with existing state appraisal standards and review mechanisms (statutory and non-statutory), currently provides a means to protect the public interest in public money used for state-funded acquisition projects. The proposed policy would supplement these existing protections and current WCB processes.

When the Board acquires real property the fair market value must be set forth in an appraisal prepared by a licensed real estate appraiser. Appraisers practicing in California must be licensed by the Office of Real Estate Appraisers pursuant to Business and Professions Code Section 11300 *et seq.* Licensed appraisers must comply with the Uniform Standards of Professional Appraisal Practice (USPAP), as stated in Business and Professions Code Section 11319.

USPAP, developed by the Appraisal Standards Board of The Appraisal Foundation, are the generally accepted standards for professional appraisal practice in the United States. The Preamble to USPAP states that its purpose is "to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers." USPAP recognizes the responsibility of the appraiser to "protect the overall public trust" and accordingly incorporates ethical as well as procedural and substantive obligations.

USPAP includes an Ethics Rule that recognizes the confidentiality of appraisals. Under the confidentiality standard of the Ethics Rule, an appraiser may not disclose confidential information or assignment results

prepared for a client to anyone other than the client and persons specifically authorized by the client. Therefore, as part of the Assumptions and Limiting Conditions in an appraisal report, the appraiser invariably states, “[n]either all nor any part of the contents of this report shall be disseminated to the public without the prior written consent and approval of the appraiser,” or words of similar effect.

Real estate appraisers are licensed regulated professionals who specialize in estimating the value of property. Appraisers use various methods, consistent with applicable standards (including USPAP), to develop an opinion of fair market value. Opinions vary, and different appraisers applying the same standards can, and many times do, arrive at different value estimates. While there is no one “correct” value for a particular property using existing review policies and mechanisms, including formal review under Fish and Game Code Section 1348.2 (review and approval by the Department of General Services) and Public Resources Code Section 5096.500 et seq. (independent review of acquisitions involving \$25 million or more of state funds), provide an orderly process of checks and balances intended to ensure that an appraiser’s opinion of fair market value is reasonable and appropriate. In following these review processes, the Wildlife Conservation Board has carried out important conservation projects while at the same time preserving appraisal information that both USPAP and the Public Records Act recognize as confidential.

The appraisal review process followed by the Board, and further articulated in statute, has demonstrated on numerous occasions the integrity and soundness upon which land acquisitions are funded. No independent review appraiser retained by the Wildlife Conservation Board has found that an appraisal failed to meet applicable standards and no one has commented on any appraisal review made available for public review pursuant to the Public Resources Code requirements.

APPRAISAL DISCLOSURE DRAFT POLICY

Should the Board wish to provide additional appraisal review information to the public for transactions that are outside the scope of Public Resources Code Section 5096.500 et. seq., based upon interviews with state and federal entities, a review of how other states handle acquisition appraisals, and an analysis of acquisition projects completed by the Board over the last 10 years, staff suggest the following draft policy for Board consideration. The draft policy is intended to address the Board's directive and encourage/support public confidence by providing additional appraisal information regarding selected acquisition projects.

WILDLIFE CONSERVATION BOARD
POLICIES GOVERNING

**ACQUISITION PROJECT APPRAISAL, APPRAISAL REVIEW AND
DISCLOSURE**

It is the policy of the Wildlife Conservation Board that:

For proposed projects to acquire or grant funds to facilitate the acquisition of interests in land that are not “major acquisitions” subject to the requirements of Public Resources Code Section 5096.500 *et seq.*, the Wildlife Conservation Board must obtain from the project applicant or contract directly for at least one independent appraisal of the fair market value of the land. The appraisal must be conducted by a qualified independent appraiser who meets the following conditions:

- (1) The appraiser has no financial interest in the proposed acquisition; and
- (2) The appraiser is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

The appraisal must be prepared pursuant to the Uniform Standards of Professional Appraisal Practice and applicable state requirements.

For proposed projects to acquire or grant funds to facilitate the acquisition of interests in land comprised of 5,000 acres or more that are not “major acquisitions” subject to the requirements of Public Resources Code Section 5096.500 *et seq.*, the Wildlife Conservation Board will also contract for one independent review of the appraisal. The appraisal review must be conducted by a qualified independent appraiser who meets the following conditions:

- (1) The review appraiser did not conduct the appraisal,
- (2) The review appraiser has no financial interest in the proposed acquisition; and
- (3) The review appraiser is licensed pursuant to Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

The review appraiser shall review the appraisal and prepare an appraisal review report that does all of the following:

- (1) Summarizes the appraisal;
- (2) States the basis on which the value of the land was established;
- (3) Describes the standards used to prepare the appraisal; and

(4) Determines and states whether or not the appraisal meets the standards established under the Uniform Standards of Professional Appraisal Practice and applicable state requirements.

The appraisal review report need not include any proprietary information provided by or on behalf of the seller or information that is otherwise exempt from public disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

The Wildlife Conservation Board will provide the independent appraisal review to the State Department of General Services for consideration during its review of the appraisal.

The appraisal review will be posted on the WCB website and made available for public review not less than 30 days in advance of WCB holding a public hearing at which the proposed acquisition is to be considered for approval.

Proposed September 13, 2011



EDMUND G. BROWN Jr., Governor
NATURAL RESOURCES AGENCY
DEPARTMENT OF FISH AND GAME
WILDLIFE CONSERVATION BOARD
1807 13th Street, Suite 103
Sacramento, California 95811-7137
www.wcb.ca.gov
(916) 445-8448
Fax (916) 323-0280

March 25, 2011

TO: WILDLIFE CONSERVATION BOARD

MEMBERS: John McCamman, Director, Department of Fish and Game
Jim Kellogg, President, Fish and Game Commission
Ana Matosantos, Director, Department of Finance

LEGISLATIVE ADVISORY COMMITTEE:

SENATE MEMBERS:

Fran Pavley

ASSEMBLY MEMBERS:

Michael Allen
Jared Huffman
Richard Gordon

SUBJECT: Wildlife Conservation Board Appraisal and Disclosure Processes
March 2011

During the Wildlife Conservation Board (WCB) meeting held on February 24th, 2011, the Board asked that the information I presented on the appraisal process and public disclosure of appraisals be written up and provided to all members. Consequently, the information below recaps our internal processes as currently implemented.

Appraisals for projects considered by the Board are either contracted directly by staff or received by WCB from partners in the proposed transaction. For appraisals contracted by WCB, staff solicits a minimum of three bids from qualified appraisers and then selects the most appropriate bid based upon cost and timing of completion. All appraisals that we consider, whether contracted by staff or received from others for our consideration, must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) currently adopted by the Appraisal Standard Board of the Appraisal Foundation. In addition, appraisals are to meet additional specifications as required by the State Department of General Services (DGS) (Exhibit A).

WCB/LAC Members
March 25, 2011
Page 2

Upon receipt of an appraisal report, staff does a preliminary review for consistency, content, and reasonableness and then forwards the report to DGS for review. While State law (Fish and Game Code section 1348.2) requires us to obtain DGS approval for direct acquisitions on behalf of the Department of Fish and Game, it has always been WCB policy to obtain DGS review and subsequent approval of all appraisals for projects to be considered by the Board. For appraisals that include a separate valuation of specific interests (e.g., timber rights, water rights, mineral rights, etc.), a separate independent review is commissioned by staff for that section of the appraisal, and the independent review is provided to DGS for consideration as part of their overall appraisal review.

For projects that contemplate or include an expenditure of \$25 million or greater of State funds, defined as a "Major Acquisition," we are required (Public Resources Code, section 5096.500 et seq.) to undertake the following:

- Contract for at least one independent State appraisal, which must be prepared pursuant to USPAP;
- Ensure that the appraisal is conducted by a qualified member of the Appraisal Institute who is licensed in California;
- Complete a subsequent independent review by a qualified licensed appraiser;
- Seek DGS review consistent with Section 1348.2 of the Fish and Game Code;
- Make available for public review thirty (30) days in advance of holding a public hearing the independent appraisal review, a summary of the basis for the recommendation of approval, and any relevant environmental studies, documents, or other information; and
- Make available for public review not more than ten (10) working days after the close of escrow a copy of the approved appraisal and copies of all other documents relevant to the acquisition not already disclosed.

Other forms of disclosure include the WCB's preliminary agenda posted on the WCB's web page approximately thirty (30) days in advance of the scheduled WCB meeting and mailed out to interested parties. The preliminary agenda includes a short description of the project, location, amount of the proposed allocation, the funding sources and appropriateness of the fund source for the proposed project. At least ten (10) days prior to the WCB meeting the full agenda is released that, among other details, includes a description of the terms of the project and the fair market value of the property as approved by the DGS.

WCB/LAC Members
March 25, 2011
Page 3

Neither the appraisal review nor the information made available after the close of escrow need include any proprietary information or information that is otherwise exempt from public disclosure pursuant to the California Public Records Act (PRA), Government Code Section 6250 et seq.

The PRA affords the WCB a variety of discretionary exemptions that authorize withholding records from public disclosure. These exemptions include a time-limited exemption for appraisals. Government Code Section 6254(h) authorizes WCB to withhold appraisals until the close of escrow, as follows:

6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

* * *

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision. (Emphasis added.)

The WCB, in reliance on the exemption in Section 6254(h) and in light of concerns expressed by landowners, has typically withheld appraisals from public disclosure until the close of escrow. The exemption in Section 6254(h) is important for many reasons. First, merely having an appraisal does not necessarily mean that acquisition will follow.

As examples, an owner might be unwilling to sell at the appraised value; the appraisal might not be approved; or purchase funds might be or become unavailable. If a proposed acquisition is not finalized and an appraisal has been disclosed, the owner could be harmed in remarketing his/her property. Appraisals of business property are often based upon their contribution to income production. To release this proprietary information to the public, and thus to the private owner's competitors, would unfairly penalize the owner for having allowed the property to be appraised.

WCB/LAC Members
March 25, 2011
Page 4

WCB has been questioned for withholding appraisals even after the Board has approved a project. Critics point to the words, until "all of the contract agreement [has been] obtained" in Government Code Section 6254(h) to argue that Board approval, rather than close of escrow, should be the cutoff for withholding appraisals from public disclosure. This argument is based not only an incorrect reading of the statute, but also a misunderstanding of the conditions outside the control of WCB (including DGS transaction approval) that must be satisfied after Board approval and before close of escrow can occur. An acquisition is never certain to be completed until escrow closes.

If appraisal reports become open to the public prematurely, I believe that private landowners will be reluctant to allow their property to be appraised. This, in turn, could greatly limit the ability of WCB to negotiate with willing sellers the acquisition of lands that may be the most suitable for the important public programs for which WCB is responsible.

As a follow-up to this summary, WCB staff will prepare a subsequent agenda item for your consideration describing possible alternatives for public disclosure of WCB's appraisals and appraisal reviews. This will include analysis of what types of projects should be subject to additional disclosure, considering factors such as size and cost, what items should be disclosed, how they should be disclosed and the timing of disclosure. The item will provide alternatives, with a pro and con analysis and will be prepared as Board item for future consideration.

I look forward to continuing to work on these very important issues with you all. If you have any questions or require additional information, please give me a call at (916) 445-0137.

Sincerely,

John P. Donnelly
Executive Director

Enclosure

CC: Diane Colborn
1020 N Street, Room 160
Sacramento, CA 95814

WCB/LAC Members
March 25, 2011
Page 5

CC: Marie Liu
State Capitol, Room 4035
Sacramento, CA 95814

Karen Finn, Program Budget Manager
Department of Finance, RICO Unit
915 L Street, 9th Floor
Sacramento, CA 95814

EXHIBIT A APPRAISAL SPECIFICATIONS

All appraisals must be completed by a State of California Certified General Real Estate Appraiser.

The appraisal must be developed and signed by the owner or a principal partner of the contracting firm. The appraisal must conform to the Uniform Standards of Professional Appraisal Practice (USPAP) currently adopted by the Appraisal Standards Board of the Appraisal Foundation. In addition to USPAP reporting requirement, the appraisal report must contain the following:

1. Title page with sufficient identification of appraisal project.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value, date of report, etc.
3. Table of contents.
4. Assumptions and Limiting Conditions.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by California Code of Civil Procedures, Section 1263.320.
7. Photographs of significant physical features, including the interior of residential units.
8. Copies of Assessor's plat maps with the subject parcels marked and an assemblage of all contiguous Assessor's parcels that depict the ownership.
9. The legal description of subject property.
10. For large, remote, or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three year subject property market history, including all sales, listings, leases, applications for permits, etc.
12. Discussion of any current Agreement of Sale, option, or listing of subject. This issue requires increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option, or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client. Current Department of General Services (DGS) policy requires disclosure of any Option or Purchase Agreement. If the Agreement is not made available, the DGS will not review the appraisal.
13. Regional, area, and neighborhood analyses.
14. Market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area (or other areas of competition), and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.

EXHIBIT A
Appraisal Specifications
Page 2

15. Discussion of subject land/site characteristics (size, topography, current use, zoning and land use issues, development entitlements, General Plan designations, utilities, offsite improvements, access, easements and restrictions, flood and earthquake information, toxic hazards, taxes and assessments, etc.).
16. Description of subject improvements, including square footage, room counts for bedrooms and baths, physical age, type of construction, quality of construction, landscaping, etc.
17. Subject leasing and operating cost history.
18. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use. Such support typically requires a discussion of the four criteria or tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use.
19. All approaches to market value applicable in the subject market. Explain and support the exclusion of any usual approaches to value.
20. Map(s) showing all comparable properties in relation to subject property.
21. Photographs and plat maps of comparable properties.
22. In depth discussion of comparable properties, and direct comparisons to subject property.
23. Comparable data sheets. 1). For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of date of sale, days on market, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvement, and confirming source. 2). For listings, also include market time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available. 3). For leases, also include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source.
24. Discussion of construction cost methodology, data source used, costs included and excluded, depreciation methodology, a discussion of accrued depreciation from all causes, and remaining economic life.
25. Copies of construction cost data including, section and pages of cost manual (date of estimate or date of publication of cost manual must be provided if not indicated on page), copies of cost estimate if provided from another source, and supporting calculations including worksheets or spreadsheets.
26. In part-take situations, a discussion of severance damage.

27. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit and discuss the effect of title exceptions on fair market value. If unavailable, the appraisal should be made contingent upon review of the preliminary title report.
28. Implied dedication statement.
29. Reconciliation and final value estimate. Explain and support conclusions reached.
30. Discussion of any departures taken in the development of the appraisal.
31. Signed Certification.
32. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
 - A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
 - An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the peak information including latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, back-up power, vault and site improvements description and location on site; other utilities, access, and road maintenance costs.
33. There are occasions where properties involve water rights, minerals, or merchantable timber that require separate valuations. If the Certified General Real Estate Appraiser determines that there may be water rights, minerals, or merchantable timber that require separate valuations, the appraiser will notify his/her client. The client may choose to modify the scope of the appraisal assignment to include water rights, minerals, or timber valuation by a credentialed subject matter specialist. In such cases, the appraisal review package submitted to DGS will include the real estate appraisal, the appraisal of water rights, minerals, or merchantable timber by a credentialed subject matter specialist, and a review of the water rights, minerals, or merchantable timber appraisal by a second credentialed subject matter specialist.

Mr. Bonham commented that item #27 on this agenda is not about particular project; it is rather about adjusting a procedure. Mr. Bonham expressed his interest in helping develop a policy for the Wildlife Conservation Board around this issue, adding that we needed to get the policy right and that he had several ideas he would like to discuss. He added the policy needs to be succinctly defined and emphasized that any policy should help standardize and clarify decisions regarding appraisals. Mr. Bonham stated he would benefit from more time to become educated on this subject, and would like to obtain an understanding of the Department of General Services appraisal review system. He commented on the need for independence and transparency, the availability of appraisals as a potential aspect, as well as funding priorities and how they may relate to the timber program.

Mr. Bonham requested that we continue this agenda item until we define a succinct and appropriate policy. Ms. Finn and Mr. Kellogg thanked Mr. Bonham for his interest in helping to form this policy and added that this is a sensitive issue.

Assembly Member Richard Gordon commented on the importance of this item and added that earlier members of the Legislative Advisory Committee had asked for more information on the appraisal process and this request was satisfied, and thanked the Wildlife Conservation Board for working on this issue.

Mr. Bonham announced that there were two members of public who wish to speak on this item.

Mr. Sandy Dean, Chairman of Humboldt and Mendocino Redwood Companies, introduced himself before the Board and spoke on this item. Mr. Dean said that he supports the work that the Wildlife Conservation Board (WCB) does. Mr. Dean mentioned that he has written numerous letters to the WCB starting in 2007 and in this communication he discussed the benefits of restoration and conservation easements, and his argument is about judgment and transparency in the process, with forest conservation easements in particular. He stated the need for clear project and program goals and measurable objectives. Mr. Dean went on to explain that he believes there is a need for more specific goals to guide the WCB's forest investments beyond the term of economic stability which is so broad and difficult to measure. Mr. Dean added that all of that correspondence is available on his company's website. Mr. Dean commented that he is here today to comment on the appraisal agenda item, and said that with his extensive experience in forest management and production, he has enough knowledge to comment on this item.

Mr. Dean stated that the State of California has become a frequent buyer of forest land in fee and he believes the prices being paid by the State cannot and are not being matched by private buyers. Mr. Dean commented that the WCB, by policy choice, keeps the appraisals supporting forest conservation easements private until after the deal is done. Mr. Dean stated that the information on appraisals should become public before a Board decision is made and not after the fact. Mr. Dean added that when the State is attempting through WCB to negotiate purchases on hard-to-value assets, he suggests making this appraisal information available for public comment before the Department of General Services (DGS) reviews the appraisal, so the DGS will have the benefit of this input. Mr. Dean commented that for the appraisal review on the Gualala property there was no verification of market data or comparable sales data, and all information was accepted as true fact. Mr. Dean said that with no verification of submitted information such appraisal review won't raise any questions and provides no added value to the review.

Mr. Dean asked the WCB to improve the appraisal review and disclosure policy and process by making appraisals available for public input before the purchase is made.

Mr. Bonham thanked Mr. Dean for his input and asked if there were any questions or comments.

Mr. Bonham acknowledged the presence of Senator Fran Pavley, who joined the meeting at this point.

Senator Fuller commented that there were two people interested to comment on this item and expressed her concern that they might not have a chance to speak on this item, as it was being discussed at the beginning of the meeting. Mr. Bonham thanked Senator Fuller for her comment and added that his personal hope is to get this policy right as it is very important.

Mr. Doug Haaland with the Assembly Republican Office of Policy introduced himself and spoke on agenda item #27. Mr. Haaland said that there are two parts in looking into recommended policy, where the first part addresses essentially 99 percent of the acquisition acres, and added that there is a problem with policy trying to extend what has been referred to in the staff documents and recommending that the Board is able to exempt the appraisal records for the smaller acquisitions until such time escrow is closed. Mr. Haaland indicated that government Code Section 6254 (h) did not provide protection for smaller projects. He then provided the Board members with an opinion prepared by the Legislative Counsel Bureau (Opinion) and proceeded to summarize the document.

Mr. Haaland went on to explain that in early part of this year he had been communicating with Mr. Donnelly regarding an acquisition that was approved in June and in that case there were questions surrounding how the acquisition was appraised. Mr. Haaland commented that the Opinion says that the Board does not have the authority to exempt appraisals from public disclosure for smaller acquisitions. Mr. Haaland suggested that the WCB policy on appraisal disclosure should incorporate Legislative Counsel's opinion relative to the exemption from disclosure prior to action. Mr. Haaland added that the negotiations involving a third party should stay exempt in the process.

It was moved by Ms. Finn that the Wildlife Conservation Board continue to work on the Appraisal Disclosure policy.

Mr. Bonham thanked Mr. Haaland for his input and moved to the item #16 on the agenda.

With no further business to discuss, the meeting was adjourned at 4:05 P.M.

Respectfully submitted,

John Donnelly
Executive Director

PROGRAM STATEMENT

At the close of the meeting on September 13, 2011, the amount allocated to projects since the Wildlife Conservation Board's inception in 1947 totaled \$2,352,071,034.07. This total includes funds reimbursed by the Federal Government under the Accelerated Public Works Program completed in 1966, the Land and Water Conservation Fund Program, the Anadromous Fish Act Program, the Sport Fish Restoration Act Program, the Pittman-Robertson Program, and the Estuarine Sanctuary Program.

The statement includes projects completed under the 1964 State Beach, Park, Recreational and Historical Facilities Bond Act, the 1970 Recreation and Fish and Wildlife Enhancement Bond Fund, the Bagley Conservation Fund, the State Beach, Park, Recreational and Historical Facilities Bond Act of 1974, the General Fund, the Energy Resources Fund, the Environmental License Plate Fund, the State, Urban and Coastal Park Bond Act of 1976, the 1984 Parklands Fund, the 1984 Fish and Wildlife Habitat Enhancement Bond Act, the California Wildlife, Coastal and Park Land Conservation Act of 1988, Cigarette and Tobacco Products Surtax Fund of 1988, California Wildlife Protection Act of 1990, the Safe, Clean, Reliable Water Supply Act of 1996, the Natural Resources Infrastructure Fund, the Harbors and Watercraft Revolving Fund, Forest Resources Improvement Fund, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond, Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Fund, California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund, Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002, Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006, and the Wildlife Restoration Fund. In addition to projects completed with the above funding sources, this statement includes tax credits awarded under the Natural Heritage Preservation Tax Credit Act. The tax credits are not reflected in the total amount allocated to projects.

A. Fish Hatchery and Stocking Projects	\$18,264,719.06
B. Fish Habitat Preservation, Development & Improvement	44,798,887.73
Reservoir Construction or Improvement.....	5,605,699.00
Stream Clearance and Improvement	31,298,077.09
Stream Flow Maintenance Dams	542,719.86
Marine Habitat.....	3,191,619.07
Fish Screens, Ladders and Weir Projects	4,160,772.71
C. Fishing Access Projects	53,683,580.04
Coastal and Bay	4,612,013.11
River and Aqueduct Access	17,862,175.38
Lake and Reservoir Access.....	10,456,538.51
Piers.....	20,752,853.04
D. Game Farm Projects	146,894.49
E. Wildlife Habitat Acquisition, Development and Improvement	2,165,324,105.42
Wildlife Areas (General)	418,347,459.24
Miscellaneous Wildlife Habitat Development.....	31,794,243.45
Wildlife Areas/Ecological Reserves, (Threatened, Endangered or Unique Habitat).....	749,721,790.39
Land Conservation Area.....	12,992,940.18
Inland Wetlands Conser. Grants & Easements	26,286,474.07
Riparian Habitat Conser. Grants & Easements	75,234,924.07
Other Wildlife Habitat Grants.....	850,946,274.02
F. Hunting Access Projects.....	1,366,898.57
G. Miscellaneous Projects (including leases)	26,673,157.42
H. Special Project Allocations	2,011,372.89
I. Miscellaneous Public Access Projects.....	39,272,963.38
State Owned.....	2,286,884.42
Grants.....	36,986,078.96
J. Sales and/or exchanges	528,455.07
K. Natural Heritage Preservation Tax Credit Act (tax credits awarded) ..	(48,598,734.00)
Statutory plans.....	(0.00)
Corridors, wetlands, wildlife habitat, streams and riparian habitat.....	(6,234,658.00)
Agricultural lands	(13,775,640.07)
Water and water rights	(0.00)
State and local parks, open space and archaeological resources.....	(28,588,435.93)
 Total Allocated to Projects	 \$2,352,071,034.07