

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

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WILDLIFE CONSERVATION BOARD

Minutes

July 26, 2011

The Wildlife Conservation Board met on Thursday, July 26, 2011, at the State Capitol, Room 112 in Sacramento, California. Mr. John McCamman, Acting Director of the Department of Fish and Game, called the meeting to order at 2:00 P.M., introduced himself, Ms. Karen Finn, Program Budget Manager, Department of Finance; Senator Fuller; Mr. Bill Craven, Senator's Pavley representative; Ms. Tina Andolina, Senator's Wolk representative; Mr. David Miller, Assembly Member's Allen's representative; Mr. Lucas Frerichs, Assembly Member Gordon's Representative; Ms. Tina Cannon, Assembly Member Huffman's representative; Mr. John Donnelly, Executive Director of the Wildlife Conservation Board; and Ms. Natalya Kulagina, Mr. Donnelly's Executive Assistant.

1. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

John McCamman, Chairman
Acting Director, Department of Fish and Game

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

JOINT LEGISLATIVE ADVISORY COMMITTEE

Senator Jean Fuller

Senator Fran Pavley
Vice, Bill Craven

Senator Lois Wolk
Vice, Tina Andolina

Assembly Member Michael Allen
Vice, David Miller

Assembly Member Richard Gordon
Vice, Lucas Frerichs

Assembly Member Jared Huffman
Vice, Tina Cannon

EXECUTIVE DIRECTOR

John P. Donnelly

Wildlife Conservation Board Meeting Minutes, July 26, 2011

Wildlife Conservation Board Staff Present:

John P. Donnelly, Executive Director
Dave Means, Assistant Executive Director
Peter Perrine, Assistant Executive Director
Natalya Kulagina, Executive Assistant
Nancy Templeton, Staff Counsel

Erin Ingenthron, Office Technician
Celestial Baumbach, Office Technician
Teri Muzik, Senior Land Agent
Mary Westlake, Staff Services Analyst
Colin Mills, Staff Counsel

Others present:

Eric Haney, Department of Fish and Game
Tom Grandall, Department of General Services
Russ Henly, CAL FIRE
Jeff Calvert, CAL FIRE
Teresa Schilling, Senator N. Evans Office
Chris Kelly, The Conservation Fund
Michael Endicott, Sierra Club California
David Brady, David Brady Productions
Pablo Garza, The Nature Conservancy

Kathleen Moxon, Redwood Forest Foundation, Inc.
Richard Gienger, Redwood Forest Foundation, Inc.
Don Kemp, Redwood Forest Foundation, Inc.
Art Harwood, Redwood Forest Foundation, Inc.
Candy Scarlatos, Redwood Forest Foundation, Inc.
Ruskin Hartley, Save-the-Redwoods League
Tom Tuchmann, U.S. Forest Capital LLC
Tasha Newman, California Strategy Group
Nadananda, Friends of the Eel River

Mr. Donnelly welcomed everyone to the Board's meeting. Mr. Donnelly reported that this meeting was scheduled outside of a regular quarterly meeting schedule per request of the Board members back in February 2011 when this project was first presented. At that time, because of the size of the project, the Board asked staff to go back and have the appraisal of the project independently reviewed, post that review 30 days in advance of a regularly scheduled meeting, and then bring the project back to the Board at the first opportunity, which is now.

Mr. Donnelly also pointed out that the Public Resources Code (PRC) requires that a project where the State proposes to contribute \$25 million or more goes through an independent review process. Even though this project did not meet the value threshold of the PRC, the Board members felt that a conservation easement of close to 50,000 acres should be considered a "major acquisition". Therefore, an independent review of the appraisal was completed. Mr. Donnelly noted that during the February's Board meeting the Board also directed staff to have a new appraisal done on the Gualala River Forest Conservation Easement. That appraisal was then to be reviewed by the Department of General Services as well as an independent reviewer. The independent review was to be posted on the WCB website, and the project brought back for consideration by the Board at the earliest possible opportunity. Mr. Donnelly commented that while that particular project is not a part of this agenda, it is currently going through the independent review process and we plan to have the independent review posted on our website either later this week or early next week. Mr. Donnelly added that we will probably be in a position to bring the Gualala project back before the Board for consideration at the next regularly scheduled meeting.

Mr. Donnelly asked if there were any questions at this time from the Board members. There were none.

2. Usal Forest Conservation Easement \$19,540,000.00
Mendocino County

Mr. Donnelly reported that numerous letters of support were received for this project, and each Board member was provided with a list of those letters. Mr. Donnelly provided each Board member with a copy of a letter of support from Senator Noreen Evans, received by WCB earlier today. Mr. Donnelly highlighted the following letters of support: House of Representatives of the Congress of the United States, signed by all Democratic House members; Congressman Mike Thompson; California Legislature (Senators: Fran Pavley, Lois Wolk; Assembly Members: Jared Huffman, Michael Allen and Richard Gordon); Senator Noreen Evans; Senator Pat Wiggins; Assembly Member Patty Berg; Assembly Member Wesley Chesbro; Board of Supervisors of Mendocino County; Board of

Supervisors of Humboldt County; Mr. Doug Hammerstrom, Mayor, City of Fort Bragg; Mr. Benj Thomas, Mayor, City of Ukiah; Mr. Alan R. Falleri, Community Development Director, City of Willits; Mr. John Rogers, Executive Director, Institute for Sustainable Forestry; Mr. Jay Halcomb, Chair, Redwood Chapter, Sierra Club; Mr. Danny Hagans, Principal/CFO, Pacific Watershed Associates, Inc.; Ms. Linda Perkins, Chair, Albion River Watershed Protection Association Steering Committee; Mr. Stephen Horner, Area Manager, Fort Bragg; and Ms. Constance Best, Pacific Forest Trust.

Mr. Donnelly reported that, in addition, we have received individual support letters as well – 612 letters via fax, and 153 letters via e-mail.

Mr. Donnelly added that we have received three letters of opposition from the following people: Mr. Sandy Dean, Chair of Mendocino Redwood Co.; Mr. Mark Jameson, forest landowner in that area; and Ms. Christy Nelson, Cahto Tribal Chairwoman. Mr. Donnelly pointed out that the Cahto Tribe had originally sent a letter of support for this project but later rescinded their support.

Mr. McCamman stated that the Board members also asked to take a look at the larger issue of the appraisal review processes and asked Mr. Donnelly to prepare a report on that issue. Mr. Donnelly responded that at our next Board meeting, there will be a discussion item regarding the appraisal review process. Mr. Donnelly went on to explain that we are looking into providing an acreage threshold for Board members to consider where we would proceed to complete independent reviews prior to bringing a project forward. Mr. Donnelly reported that we have done all the staff work necessary to get us to the point to bring a proposal to the Board at the next meeting.

Mr. Donnelly reported that the proposal before the Board today is to consider the allocation for a grant to The Conservation Fund (TCF) to acquire a forest conservation easement (Easement) over 49,576± acres of land to conserve and protect an economically sustainable working forest, oak woodlands, grasslands and important habitat for native fish, wildlife and plants. He then introduced Ms. Teri Muzik of the Wildlife Conservation Board who briefly described the project and its location.

The independent appraisal review has been completed by a licensed appraiser who is a Member of the Appraisal Institute (MAI) and the American Society of Appraisers. The review included reading the appraisal report to determine its reasonableness, the consistency of the data, the quality of the analysis, and the reasonableness of the concluded value. The independent review concluded the “before value” conclusion and the “after value” conclusion for the Usal Forest property was well

supported and thoroughly analyzed. This conclusion supports the approval by the Department of General Services (DGS) of the original appraisal. The independent appraisal review and the minutes of the February 24, 2011 meeting related to the proposed project were posted on the WCB's internet home page on June 1, 2011 and June 3, 2011, respectively for public disclosure and review. The proposed allocation has also risen by \$5,000.00 from \$19,535,000.00 to \$19,540,000.00 to cover project-related costs associated with additional appraisal review.

LOCATION AND SURROUNDING USES

The property is located east of Highway 101 and the community of Leggett in the northwest corner of Mendocino County. It is bounded on the west side by the Sinkyone Wilderness State Park and the Pacific Ocean. Several major fish-bearing creeks located on the property flow into the south fork of the Eel River, which runs along most of the property's eastern boundary. The project area is accessible from an established network of State, county, and private roads. There is a well-developed system of internal roads with all mainline roads in place.

PROJECT DESCRIPTION

This proposal is a part of a larger 50,000± acre conservation transaction involving the Redwood Forest Foundation, Inc., Save-the-Redwoods League, State Coastal Conservancy, TCF and WCB and is known as the Usal Redwood Forest Conservation Project (URFCP). The URFCP, if completed, will include the sale of the conservation easement contemplated herein, and fee-title purchase by Save-the-Redwoods League of approximately 957 acres known as the Shady Dell Creek Tract located in the coastal portion of the Usal Forest and directly abutting the Sinkyone Wilderness State Park. The fee acquisition will enable the potential development of 1.5 miles of the coastal trail off the county road, and will also provide potential sites for relocation of camping areas out of the floodplain of Usal Creek. Funding to complete the fee acquisition will be provided by State Coastal Conservancy (approved January 2011) and Save-the-Redwoods League.

The Easement property contains a diversity of natural communities, representative of the redwood forest ecoregion, including mixed coniferous forest, mixed evergreen forest and oak woodlands. The property supports habitat for a variety of associated rare or sensitive species such as the northern spotted owl, south torrent salamander and coastal tailed frog. The property also contains the entirety of several important streams and tributaries to the South Fork Eel River and Usal Creek drainages, which are identified as high priorities for restoration and management in the California Coho Recovery Strategy. These streams throughout the property provide valuable freshwater habitat for several species of fish including coho salmon, Chinook salmon, steelhead, prickly

sculpin and Pacific lamprey. Permanent prevention of fragmentation and conversion is essential to ensuring watershed integrity for fish and wildlife. The California Coho Recovery Strategy recommends that the Department of Fish and Game (DFG) "explore opportunities to acquire conservation easements with conditions that provide benefits to coho salmon" within the South Fork of the Eel River Hydrologic Area.

Redwood/Douglas fir forests are among the most productive in the world. Timber harvests in the redwood region account for a significant portion of California's total annual harvest value. The timber productivity for the forest is average for the region, with the majority of the property considered at or above average productivity. Fifty-six percent of the forest currently consists of second and third growth coniferous forest. The conifer component supports a total volume of approximately 245 million board feet. Douglas fir is the predominant species and contributes fifty-four percent of the total conifer volume. Redwood is the second most common species and represents forty-five percent of the total volume, with the remaining volume containing whitewoods, grand fir and Western hemlock.

The principal purposes of the Easement are to:

- Conserve, manage and protect a productive and relatively natural coastal California forest ecosystem, including the fish and wildlife habitat associated with this ecosystem, in particular the redwood/Douglas-fir forest, oak (*Quercus*) woodland, grassland, mixed hardwood, springs, seeps, wetlands and riparian habitats and spawning habitat for coho salmon, Chinook salmon and steelhead trout;
- Maintain the capacity of the property for productive forest management, including the long-term sustainable harvest of high quality forest products, contributing to the economic vitality of the State and region, in a manner that does not materially impair, degrade or damage the conservation values.

To fulfill these purposes, the Easement requires that the property attain and maintain certification as a "well-managed" forest under the Forest Stewardship Council (FSC) standard. FSC standards exceed currently applicable forestry laws and regulations and, unless incorporated into the Easement, would be strictly voluntary. Under the Easement and the required FSC standards, the landowner must demonstrate adherence to a variety of best management practices relating to forestry, biodiversity, ecosystem conservation including stream buffers and community

relations. Once the certification is awarded, the forest receives an annual “surveillance audit” and a complete re-audit every five years.

The Easement prohibits subdivision, conversion to non-forest uses such as farming or agriculture, and most mining or other extractive activities. The Easement restricts annual harvest levels to 2.9% of inventory and 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 and to meet the landowner’s other community development objectives, including natural and ecological, open space, cultural, recreational and educational benefits.

Furthermore, the Easement requires management of roads according to the Handbook for Forest and Ranch Roads, a Best Management Practices road manual prepared by Weaver and Hagans of Pacific Watershed Associates. This is the standard reference guide used by the DFG, other regulatory agencies, and many timber companies to protect water quality and aquatic resources when managing and maintaining roads for forestry, ranching and rural land use, and for conducting watershed restoration projects. These same authors were also the principal authors of Chapter 11 of the California Salmonid Stream Habitat Restoration Manual - Upslope Erosion Inventory and Sediment Control Guidance. Following these guidelines and implementing these practices provides immediate benefits to stream and aquatic habitat and measurably diminishes the impacts of road related erosion on the biological productivity of watershed streams.

If the Easement is acquired, it will constitute the largest contiguous block of permanently protected coastal redwood forest in Mendocino County and one of the largest permanently protected working forests in California. Permanent protection of the forest will also complement extensive protected lands in the immediate vicinity. To the west, the forest borders the 11,000- acre Sinkyone Wilderness, which is permanently protected by California State Parks and the Sinkyone Intertribal Council. The Sinkyone Wilderness, in turn, is adjacent to Bureau of Land Management’s 60,000- acre King Range National Conservation Area to the north. Consequently, the purchase of the Easement will enhance the protection of these very large adjacent tracts of public land.

The project fulfills a number of statewide management goals and approaches to protecting large important ecosystems, reducing habitat fragmentation and maintaining wildlife corridors by seeking to match private lands protected with conservation easements with those areas protected in fee. Within the State, a significant number of wildlife species occupy and rely on undeveloped private lands. It is logistically impossible to protect all these important habitat areas in fee; however, by linking

conservation easements on private lands with areas protected in fee, the State can achieve management goals and expand protection at a significantly lower cost than if it were to try and accomplish the same conservation and protection through fee acquisitions only.

WCB PROGRAM

This project funding proposal was submitted to the WCB through its Forest Conservation Program (Program). 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 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 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.

Several regional, State and local planning processes identify the ecological importance of the URFCP, including California's Coho Recovery Strategy mentioned above under the Project Description. The Mendocino County General Plan Land Use Element states that "The County shall protect and maintain commercial timberland." The *Mendocino County Coastal Conservation Plan (2003)*, prepared by the Mendocino Land Trust with funding support from the State Coastal Conservancy, recommends the "purchase ... of working forest easements from willing landowners to provide for large areas of connected, sustainable working forests on highly productive soils." Finally, *The Changing California, Forest and Range 2003 Assessment Summary October (2003)*, prepared by the California Department of Forestry and Fire Protection, encourages State policies and actions that "recognize the continued importance of large scale un-fragmented ownerships in the working landscape..."

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 Agreement. TCF has experience managing productive timber land and currently holds title to the 24,000-acre Garcia River Forest, a productive and sustainable working forest. The subject 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 with the intent of creating a community forest. A Baseline Conditions Report must be completed by TCF and the landowner and approved by the staff of WCB prior to funding.

The Easement allows access to the subject property by both TCF and WCB for monitoring purposes. Although the Easement does not require that public access be allowed to the property, the Easement does not preclude the landowner from allowing public access to the property. In fact, the Easement contemplates and includes language describing how public access can be developed and provided, and the Redwood Forest Foundation has indicated its intent to provide future public access to the property. In addition, the proposed Shady Dell property, which adjoins and is being acquired in conjunction with the Easement, will provide public access, use and interpretive opportunities that will in part relate to the operations and natural resources found within the Easement.

TERMS

The landowner has agreed to sell the Easement to TCF for the DGS-approved fair market value of \$20,000,000.00. The appraisal and the fair market value determination were made 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 retained by the WCB. The timber valuation portion included in the original appraisal has also been reviewed and supported by a registered professional forester. 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 URFCP is as follows:

Shady Dell portion	
State Coastal Conservancy	\$3,000,000.00
Save-the-Redwoods League	\$2,500,000.00
The Easement	
Wildlife Conservation Board	\$19,500,000.00
The Conservation Fund	500,000.00
TOTAL	\$25,500,000.00
Other project-related costs	\$ 40,000.00
Total WCB Allocation	\$19,540, 000.00

It is estimated that an additional \$40,000.00 will be needed to cover project-related expenses, including appraisal, timber harvest appraisal review and DGS review costs.

The \$5,500,000.00 provided by the State Coastal Conservancy and Save-the-Redwoods League will be used to acquire the fee portion referred to above in the project description as the Shady Dell 957± acre fee acquisition. The WCB funding will be used to acquire the 49,576± acre Easement. The Shady Dell tract and the Easement will be acquired in a single simultaneous transaction. TCF will then transfer the Shady Dell tract to Save-the-Redwoods League.

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 fund 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 lands for fish and wildlife conservation purposes, and Section 15325, Class 25, as a transfer of ownership interests in land to preserve existing natural conditions, including open space and 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 \$19,540,000.00 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) 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 Ms. Candy Scarlatos, Ms. Kathleen Moxon, Mr. Art Harwood, Mr. Don Kemp and Mr. Richard Gienger from the Redwood Forest Foundation, Inc. (RFFI); Mr. Chris Kelly from The Conservation Fund (TCF); and Mr. Ruskin Hartley from the Save-the-Redwoods League (SRL), who were in the audience and available to answer questions.

Ms. Karen Finn asked about a “well-managed” forest and asked how that will be monitored. Ms. Muzik responded that the Forest Stewardship Council (FSC) will go out to the property once a year to do an audit and every five years to conduct a very extensive audit. Ms. Finn asked to provide an example of some things that FSC will look for in such audits and what will happen if any violations are found. Ms. Muzik responded that if a violation is found, the WCB will be notified and added that the Grant Agreement on this project requires annual monitoring reports to us (WCB) in addition to this FSC monitoring. Ms. Muzik then asked Mr. Chris Kelly from TCF to respond to the first part of Ms. Finn’s question. Mr. Kelly introduced himself and stated that FSC standard is the international standard and it is to ensure people that products from FSC-certified forests are managed sustainably and social equity and economic justice issues are addressed. Mr. Kelly went on to explain that there is a transparency in disclosure of the process of developing a plan for management. Going back to Ms. Finn’s question, Mr. Kelly commented that the initial audit is done to gain certification, and then there is an annual audit to make sure that nothing has changed. From that point, there is a brand new audit done every fifth year which is usually a two or three day process, and if everything is successful, then the certification is continued or awarded. Mr. Kelly went on to explain that as the holder of the easement, it is the responsibility of TCF to make sure that FCS certification is maintained. If it is not maintained, then it may be considered a violation of the easement, and WCB will be notified and TCF will pursue an enforcement issue with the landowner. Ms. Finn asked to explain what kind of enforcement issue it will be. Mr. Kelly responded that if the FCS standard is not maintained on the property, then the easement agreement provides that the State could take the easement from TCF. Ms. Muzik added that the easement agreement has a period to cure the problem, once WCB is notified of an issue.

Mr. McCamman commented that the California Coho Recovery Strategy outlines acquisition properties along this coast as a priority in order to assist in Coho recovery issue, and asked to describe timber practices related to Coho recovery issue. Mr. Kelly responded that one of the things to do to protect Coho is to avoid fragmentation and this is one of the specific recommendations of the CA Coho Recovery Strategy. Mr. Kelly added that the FCS standard will set a higher bar for management that will affect Coho: 1) there will be riparian restrictions that exceed the forest practice rules; 2) harvest plans are done plan by plan

(e.g. four hundred acres here, three hundred acres there) and without FCS certification, there is no comprehensive monitoring of conditions across the property. Mr. Kelly pointed out that FCS certification will ensure that harvest plans are imposed and maintained across the property.

Senator Fuller commented that the subject property will be managed in a similar fashion as the Garcia River Forest. She asked about the percentage of harvest at the Garcia River Forest. Mr. Kelly asked Senator Fuller to clarify whether she was referring to harvest levels prior to the acquisition of the Garcia River Forest by TCF or levels since TCF has owned the property. Senator Fuller clarified that, according to the wording in this agenda, the management of the Garcia River Forest is similar to the management proposed in the Usal Forest conservation easement.

Mr. Kelly clarified that RFFI will continue to own and manage this property (Usal Forest) and TCF will hold the easement. TCF will ensure that RFFI adheres to the restrictions of the easement. Mr. Kelly further explained that the 2.9 percent of harvest value is a ceiling and this amount will not be exceeded. Mr. Kelly stated that, historically, one of the reasons the forests in this region are in the condition they are today, is that timber management has harvested more than was grown. In this region, timber grows anywhere from 1.5 to 5.5 percent per year if left alone, but in the last 60 years they were harvested at greater rates than their growth level. To reverse that, the harvest levels would have to be reduced to roughly half of the available growth. Mr. Kelly added that there are restrictions in the conservation easement on what kind of timber management is allowed, and the intent in the easement, is to do "single tree selection". Mr. Kelly explained that TCF would go in and take out individual trees that have been selected and marked, with an eye towards having an economic harvest. That would mean TCF would not pay to take logs to the mill, but would leave better, stronger trees to grow, thereby accelerating the growth of the forest. Mr. Kelly went on to explain that this process will also benefit Coho as well because it reduces erosion into the streambeds.

Senator Fuller asked if this is the first agreement that has a cap of 2.9 percent. Mr. Kelly responded, to his knowledge, this is the first agreement like that. Senator Fuller asked more questions about the harvest cap and the relation of the cap to the value of the conservation easement.

Mr. Kelly responded that the bulk of the value attributed to an easement in a case like this, where a depleted forest exists, is really attributed to the perpetual restrictions on subdivision conversion meaning that you can not do anything else with the property but harvest, and now you can harvest only a certain amount. Senator Fuller thanked Mr. Kelly for his response and asked, while this project itself is needed and excellent, whether Mr. Kelly believes the value of future projects will contain some type of harvest cap that will ultimately affect the value of the property. Mr. Kelly

responded that this is probably something we could talk about with the reference to the appraisal and see what the percentage of inventory affects the value and it should be relatively modest. Mr. Kelly added that the value of an easement is largely attributable to prohibition of subdivision forever. Senator Fuller thanked Mr. Kelly for his comments and said that this is the question that the Board will continue to address. Mr. Kelly pointed out that the per-acre price in this easement is \$400 per acre, and the number (purchase price) is big because there are a lot of acres. Mr. Kelly added that comparing prices per acre that had been paid for forest land in Sonoma, Mendocino, and Humboldt Counties, this one (Usal Forest) is at the bottom. Mr. Kelly went on to explain that when considering the Coho Recovery Plan, with big properties like this project, you can manage entire watersheds for Coho recoveries, and in small properties, with much higher price per acre, you do not get this possibility. Ms. Muzik added that this is a large project and WCB has not done that many forest conservation easements. She noted that each easement is unique to the project and that with each easement developed, new knowledge is gained.

Ms. Tina Cannon, representing Assembly Member Huffman, asked to provide a brief description about how the road management will be handled under the easement. Mr. Kelly responded that Ms. Muzik mentioned the Higgins and River Farm and Ranch Road handbook and went on to explain that Danny Higgins and Bill River developed this method for road maintenance when they were doing restoration at Redwood National Park. Mr. Kelly stated that this book has become a "bible" for state-of-the-art reconstruction, road maintenance, and road upgrades specifically to address Coho recovery. Mr. Kelly concluded that this is the standard in this easement, and it is also the standard that the DFG is using in reviewing grants for the Coho Recovery Program.

Mr. McCamman commented that we only had one request for public comment and added that he wants to ensure that everyone at the meeting has an opportunity to address the Board before the formal action is taken.

Mr. Michael Endicott from the Sierra Club California introduced himself before the Board and spoke in support of this project. Mr. Endicott commented that this property seems very unique and big enough to actually have a real effect. Mr. Endicott added that the members of Sierra Club California care much about the recovery of salmon population and they work hard to reestablish all channels of activity from the top of the mountains down to the coast. Mr. Endicott thanked the Board for considering this project.

Mr. McCamman asked if there were any additional questions or comments about this project. There were none.

Ms. Finn thanked the staff of the WCB for the extra work that was done on this project and recognized the disappointment by some because of the delay of this project. She explained that this Board is a public Board and we do not just rubber stamp every single project and reminded that the Board has the right to pursue questions and ask for further analysis which is what we did in this case considering that this project is a significant easement because of its size, and, therefore, price tag.

It was moved by Ms. Finn that the Wildlife Conservation Board approve this project as proposed; allocate \$19,540,000.00 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) 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.

Mr. Donnelly reported that because of the quorum issues on August 25, 2011, we have to find a new date for the next Board meeting, most likely on the week of September 12 – 16. Mr. Donnelly added that he will be in touch with the Board members as soon as the new date is confirmed.

With no further business to discuss, the meeting was adjourned at 2:40 PM.

Respectfully submitted,

John Donnelly
Executive Director