

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

901 K STREET, SUITE 806
 SACRAMENTO, CALIFORNIA 95814
 (916) 445-8448
 FAX (916) 323-0280



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

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Minutes, Meeting of November 5, 1996

Pursuant to the call of Chairperson Douglas McGeoghegan, the Wildlife Conservation Board met at the State Capitol, Room 113, in Sacramento, California on November 5, 1996. The meeting was called to order at 10:00 a.m.. Introductions were made at this time.

1. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

Douglas McGeoghegan, Chairperson
President, Fish and Game Commission
Theresa Parker, Chief Deputy Director,
Vice, Craig Brown, Member
Director, Department of Finance
Jacqueline Schafer, Member
Director, Department of Fish and Game

JOINT LEGISLATIVE INTERIM ADVISORY COMMITTEE

David Pegos,
Vice, Assemblyman George House

Absent: Senator Pat Johnston
Senator Jack O'Connell
Senator Mike Thompson
Assemblyman David Knowles
Assemblyman Keith Olberg

Alternates: Senator Daniel Boatwright
Senator Tom Hayden

Staff Present:

W. John Schmidt, Executive Director
Georgia Lipphardt, Assistant Executive Director
Jim Sarro, Assistant Executive Director/Chief Land Agent
Marilyn Cundiff-Gee, Wetlands Program Manager
Bob Schulenburg, Field Agent
Scott Clemons, Riparian Program Manager
Howard Dick, Senior Land Agent
Frank Giordano, Senior Land Agent
Debbie Townsend, Senior Land Agent
Jan Beeding, Office Technician
Terri Muzik, Executive Secretary

Others Present:

Paul Hofmann, Dept. of Fish and Game
Chet Vogt
Ron Engel
Bill Thornton, Glenn RCD
Dennis Nay, USDA-NRCS
Dave Patterson, California Waterfowl Assn.
Allan Donnelly, Diamond Brothers
Bud Thrapp, Dept. of Water Resources
Mike McCoy, UCD
John Anderson, Dept. of Fish and Game
Corey Brown, Trust for Public Land
Marc Mast
Banky Curtis, Dept. of Fish and Game/Region 2
Holly Andree, Ducks Unlimited
Robert Benson, Dept. of Fish and Game/TSB
Ken Servis, Palos Verdes Peninsula Land Council
John Waithman, Dept. of Fish and Game/Region 3
Carl Wilcox, Department of Fish and Game/Region 3
Cathy Klinesteker, Sacramento River Discovery Center
Ed Sauls, The Sauls Company
Chris Kelly, The Nature Conservancy
Richard Coombs
David Wm. Hanson, Sonoma County Open Space District
John Gamper, California Farm Bureau
Susan Cochrane, Dept. of Fish and Game/Natural Heritage Div.
Dean Dunn-Rankin, Hewitt & McGuire

Mr. John Schmidt indicated that Item 2 was an informational item and unless there were questions, he would move on to the next item on the agenda.

2. Funding Status as of November 5, 1996 (Informational)

(a) 1996-97 Wildlife Restoration Fund Capital Outlay Budget

Governor's Budget - Land Acquisitions	\$300,000.00
Less Previous Board Allocations	<u>(3,000.00)</u>
Unallocated Balance	\$297,000.00

Governor's Budget - Minor Projects	\$980,000.00
Less Previous Board Allocations	<u>(\$322,054.00)</u>
Unallocated Balance	\$657,946.00

Governor's Budget - Major Development	\$500,000.00
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(b) 1995-96 Wildlife Restoration Fund Capital Outlay Budget

Governor's Budget - Land Acquisitions	\$390,000.00
Less Previous Board Allocations	<u>(102,500.00)</u>
Unallocated Balance	\$287,500.00

(c) 1994-95 Wildlife Restoration Fund Capital Outlay Budget

Governor's Budget - Land Acquisition	\$750,000.00
Less Previous Board Allocations	<u>(662,054.93)</u>
Unallocated Balance	\$ 87,945.07

(d) 1988-89 California Wildlife, Coastal & Park Land Conservation Fund Capital Outlay Budget

Direct appropriation to the Wildlife Conservation Board	\$81,300,000.00
Less Previous Board Allocations	(74,023,011.45)
Less State Administrative Costs	(1,219,500.00)
Less Reverted Funds	(11,528,799.69)
Less amount made available for transfer to HCF	(1,561,000.00)
Plus Reappropriated Funds	<u>11,528,799.69</u>
Unallocated Balance	\$ 4,496,488.55

(e) 1996-97 Habitat Conservation Fund Capital Outlay Budget

Governor's Budget	\$10,047,000.00
Less Previous Board Allocations	<u>(585,000.00)</u>
Unallocated Balance	\$ 9,462,000.00

(f) 1995-96 Habitat Conservation Fund Capital Outlay Budget

Governor's Budget	\$7,354,000.00
Less Previous Board Allocations	(4,863,917.38)
Unallocated Balance	\$2,490,082.62

(g) 1994-95 Habitat Conservation Fund Capital Outlay Budget

Governor's Budget	\$8,703,000.00
Less Previous Board Allocations	(6,901,744.27)
Unallocated Balance	\$1,801,255.73

RECAP OF FUND BALANCES

<u>Wildlife Restoration Fund</u>	\$ 1,830,391.07
<u>CA Wildlife, Coastal & Park Land Conservation Fund of 1988</u>	\$ 4,496,488.55
<u>Habitat Conservation Fund</u>	\$13,753,338.35

3. PROPOSED CONSENT CALENDAR (Items 4 - 10)

Mr. Schmidt reported that the Consent Calendar consisted of Item Numbers 4 - 10. He indicated that a letter had been received from an adjacent landowner expressing opposition to item number 9 and distributed a copy of the letter to the Board members. However, he recommended that the consent calendar remain as submitted. Mr. McGeoghegan asked if anyone present wanted to speak with respect to removal of any of the consent items from the consent calendar. There being no response, the following action was taken:

IT WAS MOVED BY MISS SCHAFFER THAT THE WCB APPROVE CONSENT CALENDAR ITEMS 4 - 10 AS PROPOSED IN THE INDIVIDUAL AGENDA EXPLANATIONS, INCLUDING FUNDING AS NOTED THEREIN.

MOTION CARRIED.

Mr. Schmidt indicated the letter from the landowner would be included in the minutes of the meeting.

***4. Approval of Minutes (CONSENT CALENDAR)**

Approval of the Minutes of August 13, 1996, meeting of the Wildlife Conservation Board is recommended.

AS ONE OF THE CONSENT ITEMS HEARD AT THE BEGINNING OF THE MEETING, IT WAS MOVED BY MISS SCHAFER THAT THE MINUTES OF THE WCB MEETING OF AUGUST 13, 1996 BE APPROVED AS WRITTEN.

MOTION CARRIED.

*5. Recovery of Funds (CONSENT CALENDAR)

The following projects previously authorized by the Board 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.

\$ 21,000.00 to the Wildlife Restoration Fund,
\$ 17,227.11 to the Fish and Wildlife Habitat Enhancement Fund,
\$ 74,246.20 to the Habitat Conservation Fund,
\$ 3,645.05 to the CA Wildlife, Coastal and Parkland Fund of 1988
\$ 2,901.57 to the Inland Wetlands Conservation Fund

Wildlife Restoration Fund

Fall River Fishing Access, Shasta County

Allocation	\$ 9,000.00
Expended	- 8,000.00
Balance for Recovery	\$ 1,000.00

Public Access Guide

Allocation	\$ 20,000.00
Expended	- -0-
Balance for Recovery	\$ 20,000.00

TOTAL WILDLIFE RESTORATION FUND RECOVERIES \$ 21,000.00

Fish & Wildlife Habitat Enhancement Fund

Canon Creek Habitat Enhancement #2, Humboldt County

Allocation	\$ 28,000.00
Expended	- 27,985.17
Balance for Recovery	\$ 14.83

Forsythe Creek Habitat Enhancement, Mendocino County

Allocation	\$ 11,645.00
Expended	- 451.00
Balance for Recovery	\$ 11,194.00

Gulch TN12 Habitat Enhancement, Mendocino County

Allocation	\$ 8,500.00
Expended	- 8,499.99
Balance for Recovery	\$.01

Maple Creek Habitat Enhancement #2, Humboldt County

Allocation	\$ 28,750.00
Expended	- 28,160.42
Balance for Recovery	\$ 589.58

Russell Dairy Creek Fence Project, Lassen County

Allocation	\$ 27,900.00
Expended	- 27,898.00
Balance for Recovery	\$ 2.00

Twin Culverts Fish Passage, Sierra County

Allocation	\$ 37,900.00
Expended	- 32,473.31
Balance for Recovery	\$ 5,426.69

TOTAL FISH & WILDLIFE HABITAT ENHANCEMENT
FUND RECOVERIES \$ 17,227.11

Habitat Conservation Fund (Prop. 117)

Lassen Creek Habitat Enhancement, Modoc Co.

Allocation	\$ 9,500.00
Expended	- 8,110.00
Balance for Recovery	\$ 1,390.00

Mud Slough Wildlife Area, Exp. #1, Merced Co.

Allocation	\$587,172.82
Expended	<u>-574,453.60</u>
Balance for Recovery	\$ 12,719.22

Red Lake Wildlife Area, Exp. #3, Alpine Co.

Allocation	\$ 375,000.00
Expended	<u>- 366,868.00</u>
Balance for Recovery	\$ 8,132.00

Pickel Meadows Wildlife Area Restoration, Mono Co.

Allocation	\$ 50,000.00
Expended	<u>- 25,475.80</u>
Balance for Recovery	\$24,524.20

San Jacinto Wildlife Area, Exp. #6 (Mystic Lake), Riverside Co.

Allocation	\$475,000.00
Expended	<u>- 466,768.66</u>
Balance for Recovery	\$ 8,231.34

Sequan Peak Ecological Reserve, San Diego Co.

Allocation	\$1,520,000.00
Expended	<u>-1,511,360.50</u>
Balance for Recovery	\$ 8,639.50

Sequan Peak Ecological Reserve, Exp. #1, San Diego Co.

Allocation	\$ 10,000.00
Expended	<u>- 666.32</u>
Balance for Recovery	\$ 9,333.68

Watsonville Slough Wildlife Area, Exp. #1, Santa Cruz Co.

Allocation	\$ 56,000.00
Expended	<u>- 54,723.74</u>
Balance for Recovery	\$ 1,276.26

TOTAL HABITAT CONSERVATION FUND RECOVERIES \$ 74,246.20

CA Wildlife, Coastal and Parkland Fund of 1988

Graybrook Ranch Wildlife Conservation Area, Humboldt Co.

Allocation	\$ 2,000.00
Expended	- 1,458.00
Balance for Recovery	\$ 542.00

McGinty Mountain Ecological Reserve, Expansion #2, San Diego Co.

Allocation	\$361,750.00
Expended	-361,144.56
Balance for Recovery	\$ 605.44

Napa Marsh Wildlife Area (Tolay Creek), Exp. #3, Sonoma Co.

Allocation	\$142,000.00
Expended	-139,502.39
Balance for Recovery	\$ 2,497.61

TOTAL CA WILDLIFE, COASTAL AND PARKLAND FUND OF 1988

RECOVERIES \$3,645.05

Inland Wetlands Conservation Fund

Mud Slough Wildlife Area Exp. #1, Merced Co.

Allocation	\$73,827.18
Expended	- 73,827.18
Balance for Recovery	\$ -0-

**Wetland Conservation Easement Program (Department of Fish and Game
CWC Ranch (Empire Tract), San Joaquin Co.**

Allocation	\$404,000.00
Expended	-401,198.43
Balance for Recovery	\$ 2,901.57

TOTAL INLAND WETLANDS CONSERVATION FUND

RECOVERIES \$ 2,901.57

AS ONE OF THE CONSENT ITEMS HEARD AT THE BEGINNING OF THE MEETING, IT WAS MOVED BY MISS SCHAFER THAT THE WCB RECOVER FUNDS FOR THE PROJECTS LISTED ON PAGES 5 - 8 OF THESE MINUTES AND CLOSE THE PROJECT ACCOUNTS. RECOVERY TOTALS INCLUDE \$21,000.00 TO THE WILDLIFE RESTORATION FUND; \$17,227.11 TO THE FISH AND WILDLIFE HABITAT ENHANCEMENT FUND; \$74,246.20 TO THE HABITAT CONSERVATION FUND; \$3,645.05 TO THE CALIFORNIA WILDLIFE, COASTAL AND PARKLAND FUND OF 1988 AND \$2,901.57 TO THE INLAND WETLANDS CONSERVATION FUND.

MOTION CARRIED.

- *6. Pine Creek Wildlife Area (Fencing), Modoc County \$14,000.00
(CONSENT CALENDAR)

At its meeting of February 16, 1995, the Board approved the acquisition of 2,101± acres of habitat along Pine Creek, about 6 miles southeast of Alturas, in Modoc County. At the same time, and as part of the original allocation, the Board allocated \$14,000.00 to enable the Department of Fish and Game to post the property, remove over 4 miles of cross fencing and reinstall fencing as appropriate.

Thereafter, escrow closed and the State acquired title as planned. Staff then requested and obtained a recovery of the balance of funds as it would routinely do upon close of escrow and payment of costs of sales. Through inadvertence, however, the recovery request included the funds that were intended for use in the fencing and posting of the property.

Staff therefore recommended the Board reallocate \$14,000.00 from the Habitat Conservation Fund to complete the fencing and posting of the Pine Creek Wildlife Area as originally authorized at the Board's February 16, 1995 meeting.

AS ONE OF THE CONSENT ITEMS HEARD AT THE BEGINNING OF THE MEETING, IT WAS MOVED BY MISS SCHAFER THAT THE BOARD REALLOCATE \$14,000.00 FROM THE HABITAT CONSERVATION FUND TO COMPLETE THE FENCING AND POSTING OF THE PINE CREEK WILDLIFE AREA AS ORIGINALLY AUTHORIZED AT THE BOARD'S FEBRUARY 16, 1996 MEETING.

MOTION CARRIED.

*7. Riparian Habitat Inventory & Assessment - Phase 2, Augmentation \$100,000.00
(CONSENT CALENDAR)

This proposal was to consider funding, as budgeted in the 1996/97 state budget, for an augmentation for the Riparian Habitat Inventory and Assessment Project, an important element of the California Rivers Assessment (CARA). The project is being implemented by the University of California at Davis under an Interagency Agreement, pursuant to initial approval by the Board at the August 23, 1993 meeting. This proposal would provide funding to complete the assessment on the remaining 30 basins, and to update existing maps and data.

As approved at the August 23, 1993 Board meeting, phase one of this project assembled existing riparian-related electronic data into an Aggregated Information Methodology model for thirteen river basins, analyzed the results of a statewide survey sent to over 1000 river professionals (Professional Judgement Assessment), which sought responses concerning habitat conditions on 157 major streams, and developed a rapid technique for assessing riparian habitat distribution from aerial photographs. This information was assembled into an administrative report for the Resources Agency, the National Park Service, and the Environmental Protection Agency, co-funding partner agencies.

In two subsequent meetings the Board authorized phase two of this assessment program, and a total of \$350,000, pursuant to budgeted allocations, to expand the riparian database portion of the Aggregated Information Methodology model by integrating electronic data from 107 additional river basins. In addition, this ongoing work includes development of a "user-friendly" decision support system which integrates existing CARA data to allow users (for example, the Riparian Program Manager) to identify priority potential riparian conservation and restoration projects.

In cooperation with WCB staff, CARA personnel at UC Davis have determined that additional work during this phase will allow the complete statewide assessment framework to be developed within the next two years. Therefore, the proposed funding augmentation would enable the completion of the riparian assessment, would assure maintenance of the database and GIS for one additional year, and would continue to improve the information available to help support decisions regarding riparian habitat conservation.

UC Davis has agreed to complete the assessment as outlined in an amendment to the current Interagency Agreement, conditioned on Board approval. They will continue to coordinate with other participating agencies and institutions, under the direction of Board staff and the CARA Coordinating Committee. They have also provided your staff with a proposed amended budget for this work which has been reviewed and approved by your staff.

The estimated completion date for this phase, as amended, is June 30, 1998. At the end of this period, the Riparian Habitat Inventory and Assessment Project will be complete,

consisting of information from California's 150 river basins, a large database of additional riparian data from the professional judgement survey and other existing riparian information. It is anticipated that the database will be maintained by the State, either within the Department of Fish and Game or within the Resources Agency's CERES program.

Staff is currently working with UC Davis CARA personnel to use the riparian data in combination with other data (land use, vegetation, etc.) to identify high priority restoration projects which may be recommended for Board funding at future meetings. This data will also be used to assist the California Partners in Flight Riparian Habitat Joint Venture in developing its statewide implementation plan to protect, restore and enhance riparian habitat for California's resident and migratory birds.

As in the past, this cooperative project will continue to receive funding from other sources. A brief description of the other contributors is provided below:

UC Davis - \$65,000; expansion of the methodology to new river basins, addition of new basins to the World Wide Web site, development of the user-friendly decision model, refinement of the Wildlife Habitat Relationships model for predicting plant and animal species, and continued support for Internet Home page development and maintenance.

Bureau of Land Management - \$10,000; training and assistance to incorporate the federal Riparian Functioning Condition Inventory in the professional judgement assessment survey

Cal Trout - \$38,000; data corrections for GIS base layers in the North Coast Region

US EPA - \$175,000; mapping California's impaired water bodies and integrating Colorado and New River toxicological data

CERES and the National Biological Service - \$105,000; assessment and integration of local and regional riparian and aquatic data for Coho salmon habitat, to assist in development and refinement of the user-friendly decision support model, and to refine the Wildlife Habitat Relationships model for predicting plant and animal species

California Watershed Project Inventory - \$20,000; integrate watershed data into the CARA GIS

State Water Resources Control Board, Region IX - \$17,000; integrating data from the Klamath River Information System

The contributions of these supporting partner agencies and organizations total \$430,000.00. This project has developed key information through these partnerships that among other uses, is aiding the Resources Agency's efforts to protect Coho salmon and many other fish and wildlife species under the Coastal Salmon Initiative.

Staff recommended that the Board approve the augmentation of funding for the Riparian Habitat Inventory and Assessment - Phase 2, as proposed; allocate \$100,000.00 from the Habitat Conservation Fund/P-117; 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 MISS SCHAFFER THAT THE BOARD APPROVE THE AUGMENTATION OF FUNDING FOR THE RIPARIAN HABITAT INVENTORY AND ASSESSMENT - PHASE 2, AS PROPOSED; ALLOCATE \$100,000.00 FROM THE HABITAT CONSERVATION FUND/P-117; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

- *8. Grassland Environmental Education Center-Wetland Restoration,
Merced County (CONSENT CALENDAR) \$27,000.00

This was a proposal to consider a grant to Ducks Unlimited, Inc. (DU) for the restoration of approximately 15 acres of wetlands. The project site is located at the Tri-Valley Growers land located due west of the Volta Wildlife Area and approximately seven miles northwest of Los Banos, in Merced County.

In 1974, Tri-Valley Growers constructed a tomato processing facility at this site. Realizing they had a problem of handling waste water from their operations, they began working with wildlife biologists in 1989 in an attempt to solve this problem. At the peak season for processing tomatoes, the plant generated as much as 600 gallons of waste water per minute through the process of transporting and condensing raw tomatoes to produce tomato paste. The management team found that by irrigating fields planted with native grasses, the waste water could be disposed of through natural evaporation and transpiration by the plants, in turn creating 312 acres of wetlands and optimal nesting habitat for migratory waterfowl. A 70 percent increase in nesting waterfowl was observed after the implementation of the irrigation program. Tri-Valley Growers then went one step further, establishing both seasonal and year-round ponds using the fresh water from deep wells located on the site. These ponds are frequented by local and migratory birds, including egrets, herons, shorebirds, hawks and several species of ducks. Tri-Valley efforts demonstrated how well economic and environmental interests can co-exist through mutually beneficial and innovative efforts.

While they continue to manage the wetland complex with recycled water from the tomato processing facility, they have recently donated land and a portable facility to the Grassland Environmental Education Center (GEECe), which has now been developed to increase public awareness of wetlands while recognizing the integral role played by agricultural interests and others in establishing and maintaining wildlife habitat. The GEECe is actually designed to accommodate visiting school groups with a curriculum designed to include both classroom instruction as well as actual field study. Tours are conducted by field scientists through the wetlands that are maintained by Tri-Valley Growers. After the wetland tours, the children return to the GEECe facility for further study, such as dissecting owl pellets or analyzing water samples obtained from the wetlands. In addition, the children play games that illustrate how farmers and hunters benefit wildlife.

Currently, on-site activities at the center are limited due to the size and condition of the existing marsh habitat available at the site. Although seasonal wetlands exist, the proximity of existing habitat limits close supervised educational opportunities. This proposed project is twofold in nature, providing both wetland restoration and opportunities for wildlife viewing and education. The grant monies will be used to restore a 15-acre seasonal wetland complex adjacent to the GEECe facility, which lies within the 312-acre Tri-Valley Growers wetland complex. This complex will add to the quality of habitat and offer improved wildlife viewing and diversity during student visits. Creation and improvement of levees and trails will allow for improved access for wildlife viewing and specimen collection. The planting of vegetative screens will reduce wildlife disturbance while allowing children to get closer to the wildlife. Also, the students will better understand the purpose of diverse wetland management as a result of having access to permanent and seasonal wetland habitats which immediately adjoin one another.

The 15 acre site currently receives water from a holding reservoir controlled by Tri-Valley Growers. However, there are no water control structures to control the water level, nor is there the capability to properly manage the water to facilitate wetland plant growth. This site can be easily restored by adding two water control structures, an interior swale and revising existing levees on the east, south and west sides of the wetland unit. The addition of an inlet and outlet structure will provide water level control and circulation. Proposed improvements include the lowering and widening of the east levee surface and providing flatter slopes that will allow revegetation with wetland plant species. Any additional fill material will be obtained from a shallow interior swale connecting existing low area to a new outlet structure.

The existing west and south levees will have a lower bench constructed on the wetland side that will allow human traffic to traverse the perimeter of the wetland. The existing high levees will then provide a screen for the traffic from waterbirds using the Tri-Valley Growers's adjacent wetlands and ponds.

To learn about wetlands and wetland dependent species, DU will be providing interpretative displays to maximize the educational opportunities provided by the wetlands

and the GEECe. The interpretative panels will be located at the trail head and at strategic points around the wetland site. The panels will be constructed from materials using bright graphics and child-friendly text constructed of porcelain enamel coated steel. An observation platform with handicapped-accessible ramps will also be provided. The costs associated with the interpretative panels and observation platform, which will be provided by Ducks Unlimited, is estimated to be \$20,000. In addition, the Grasslands Water District will be contributing \$600 toward the cost of this project.

Cost estimates for this proposed project, which were prepared by DU and reviewed and approved by staff are as follows:

<u>Description</u>	<u>Estimated Cost</u>
Equipment mobilization	\$3,000.00
Restore 1,200' of east levee	5,000.00
Purchase & install 2 water control structures	4,000.00
Excavate swales	4,000.00
Construct west & south levees	4,000.00
Survey, planning & control	<u>7,600.00</u>
Construction Costs:	\$27,600.00

Interpretative Displays \$20,000.00

TOTAL ESTIMATED PROJECT COSTS: \$47,600.00

Proposed funding breakdown:

Grasslands Water District	\$ 600.00
Ducks Unlimited	\$20,000.00
Wildlife Conservation Board	<u>\$27,000.00</u>

TOTAL \$47,600.00

Although the improvements will be on the Tri-Valley Growers land, the Grassland Water District has agreed to assume all responsibility for the management and operation of the restored area for a twenty (20) year period. To protect the State's interests, the grant agreement requires that, if at any time throughout the life of the project the Grassland Water District is unable to maintain the area, they will repay the Board an amortized amount of the project costs.

Staff recommended that the Board approve this grant; allocate \$27,000.00 for the grant from the Inland Wetlands Conservation Fund; 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 MISS SCHAFER THAT THE BOARD APPROVE THIS GRANT; ALLOCATE \$27,000.00 FOR THE GRANT FROM THE INLAND WETLANDS CONSERVATION FUND; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

- *9. San Jacinto Wildlife Area, Expansion #7 (Mystic Lake)
Riverside County (CONSENT CALENDAR) \$5,000.00

This proposal was to accept two grants, to be placed directly into escrow, one from the Intermodal Surface Transportation Efficiency Act (ISTEA) for \$372,000.00 and one from the Environmental Enhancement and Mitigation Program (EEMP) for \$200,000.00; to accept title to 54.4± acres of land located at the San Jacinto Wildlife Area, in the Mystic Lake vicinity; and to allocate \$5,000.00 to cover acquisition costs for the purchase.

The San Jacinto Wildlife Area is located in the San Jacinto Valley of Southern California, approximately 18 miles southwest of downtown Riverside and just north of the community of Lakeview, in western Riverside County. The western boundary of the 5,658± acre State wildlife area is contiguous with the 8,300± acre Lake Perris State Recreation Area. To the northwest is the City of Moreno Valley, whose current authorized sphere of influence wraps around the northern and northeastern borders of the wildlife area.

The Trust for Public Land (TPL) has acquired an option to purchase a 921± acre parcel, known as Mystic Lake, which is located on the easterly side of the wildlife area. Pursuant to the terms of the option, it can be exercised in up to seven phases over a 42 month period. The Board, at its November 9, 1995, meeting authorized staff to acquire 121± acres as the first phase of this project. This purchase has now been completed.

It is anticipated that the remaining phases of the 921± acre optioned area will be acquired through grants and mitigations from numerous sources. When completed, the Mystic Lake acquisition will place approximately two-thirds of the old San Jacinto Lake bed in public ownership. The lowlands comprise an historic sump of the San Jacinto River, which in the past formed an extensive freshwater wetland at this location. An early attempt at flood water diversion has largely deteriorated, and at the present time substantial flood flows often break out of the diversion and enter the historic lake bed. Placement of this area in public ownership will facilitate restoration of the historic flows back into the lake bed for wetland restoration.

According to the Natural Heritage Division of the Department of Fish and Game, the entire 921± acre site meets the Significant Natural Areas criteria due to the presence of Stephens' kangaroo rat, and two plant species, the Wright's trichocoronis and Coulter's

goldfields. In addition, the site provides excellent habitat for a large variety of more common wetland species, especially birds and migratory waterfowl.

The San Jacinto Wildlife Area, and adjoining lands, support 38 species of amphibians and reptiles. The high number is attributable to its location at the northern end of the Peninsular range, which allows both coastal and desert flora and fauna to contribute to the area's biodiversity. Twenty-two overwintering raptor species, including six species of owls, are known to utilize the San Jacinto Valley. The valley consistently ranks in the top one to two percent in species diversity for the North American Christmas bird counts. Five species listed as federal or state endangered species have been recorded at the San Jacinto Wildlife Area. These included Stephens' kangaroo rat, which as noted earlier, is a resident mammal, bald eagle, which is a regular winter visitor, peregrine falcon, brown pelican and Swainson's hawk, all of which have been rare visitors at the wildlife area.

Until recently, western Riverside County, as part of the Inland Empire of Southern California, has been one of the most rapidly urbanizing areas in California. It is anticipated that this trend will resume over the long term. This particular property would be developed, probably to some form of recreational use such as a campground or golf course, if not acquired.

The Department of Fish and Game has recommended the purchase of the entire 921± acres, including the 54.4± acre subject area, which would be incorporated into and managed in conjunction with the existing wildlife area. It is anticipated that the area will offer both nonconsumptive and consumptive recreational uses as the habitat is maintained and developed in conjunction with the wildlife area. There are no claims of sovereign State land ownership within the property since the area is within a former Spanish land grant. The proposal is exempt from CEQA as an acquisition for wildlife conservation purposes.

This subject 54.4± acre property has an approved fair market value of \$571,000.00. In addition, it is anticipated that an additional \$5,000.00 will be required to cover the acquisition costs including escrow, title insurance and Department of General Services' review costs.

Staff recommended that the Board authorize staff to accept the \$572,000.00 in EEMP and ISTEa grants for this proposed acquisition as discussed; approve the acquisition of the San Jacinto Wildlife Area, Expansion #7 (Mystic Lake), as proposed; allocate \$5,000.00 from the California Wildlife Coastal and Park Land Conservation Fund/P-70, §5907(c)(1)(b) to cover acquisition costs 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 MISS SCHAFFER THAT THE BOARD AUTHORIZE STAFF TO ACCEPT THE \$572,000.00 IN EEMP AND ISTEa

GRANTS FOR THIS PROPOSED ACQUISITION AS DISCUSSED; APPROVE THE ACQUISITION OF THE SAN JACINTO WILDLIFE AREA, EXPANSION #7 (MYSTIC LAKE); AS PROPOSED; ALLOCATE \$5,000.00 FROM THE CALIFORNIA WILDLIFE COASTAL AND PARK LAND CONSERVATION FUND/P-70; §5907(C)(1)(B) TO COVER ACQUISITION COSTS AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

- *10. Sacramento River Riparian Restoration, (Lake Red Bluff) \$50,000.00
Tehama County (CONSENT CALENDAR)

This riparian habitat restoration proposal was to consider an allocation of \$50,000.00 for a grant to the Sacramento River Discovery Center (SRDC) for the restoration of approximately 13.3 acres of riparian forest habitat in Tehama County. The proposed project is part of an ongoing effort involving the U.S. Forest Service (USFS) and the SRDC to restore over 200± acres in this area. Another proposal covering approximately 41 acres may be brought to the Board at a future meeting.

The project site is located adjacent to the Red Bluff Diversion Dam on the east bank of the Sacramento River, on property owned and managed by the USFS. This proposed cooperative project would involve the Wildlife Conservation Board, the USFS, the SRDC, and the Red Bluff Union High School District, as well as many local volunteers.

The Sacramento River has historically supported a tremendous diversity of fish and wildlife species. This is in part, the result of the river meandering across the valley floor for centuries, causing a pattern of erosion and overbank flooding with soil deposition providing conditions which allowed riparian vegetation to become established and develop successional; from willow-cottonwood types along the river's edge to valley oak forests on the more upland terraces. During the recent past nearly 95% of the riparian forests along the Sacramento River have been eliminated by clearing for agriculture, wood cutting for fuel, or flood protection works. The remaining habitat exists in isolated patches or narrow fragments. The dynamic natural processes of erosion, overbank flooding and soil deposition, are now largely controlled by dams and flood control works. Nevertheless, many species of birds, mammals and fish are still dependent upon the remaining riparian habitats that exist in the interface between the river and the mostly agricultural lands on both sides of the river. The Department of Fish and Game's Wildlife Habitat Relationships Data Base predicts that nearly 200 species of amphibians, reptiles, mammals, and birds could use this type of site. These species include the western pond turtle, giant garter snake, Sacramento Valley elderberry longhorn beetle, Townsend's big-eared bat, pallid bat, western spotted skunk, double crested cormorant, osprey, bald eagle, sharp-shinned hawk, Cooper's hawk, Swainson's hawk, golden eagle, merlin, peregrine falcon,

prairie falcon, California gull, long-eared owl, short-eared owl, purple martin, bank swallow, yellow warbler, and the yellow-billed cuckoo.

Consistent with the goals and objectives of the Riparian Habitat Conservation Program, this project will contribute toward the goal of restoring valuable riparian habitat along the largest river in California. The project will restore plant communities characteristic of the Sacramento River meander belt, including riparian woodlands and valley oak woodlands. It will also compliment and expand previous riparian planting efforts on the property and will provide a significant addition to the existing mature riparian vegetation that occurs in a narrow band along the river's edge.

In addition to the habitat being restored by this project, it will also provide an excellent educational opportunity for the schools in the Red Bluff area. The SRDC currently operates a natural resources academy on the property, in cooperation with Red Bluff Union High School District. Students at all levels will be intensely involved in the restoration, long-term studies, and will conduct interpretive activities to promote better public understanding of the complexity of the river system.

Plant material for the project will be grown by a local native plant nursery and will be ready for planting in the fall of 1997. All propagating material will be obtained from the Sacramento River corridor within Tehama County to preserve the genetic purity or gene pool within the restoration site. Prior to planting, the sites will be prepared, disced and mowed, and a manual drip irrigation system will be installed to ensure the success of the plantings. The plantings will be "weaned" of water by the third year. The source of water for the restoration site is from an existing well that is being used for current planting areas. Plant species selection is being determined by the USFS with support from The Nature Conservancy and Los Robles Native Plants, a local nursery. The USFS will coordinate the placement of the plants to ensure that they can become self-sufficient within 3-4 years. Workers from the local Conservation Camp, AmeriCorps (federal youth conservation program) personnel, and student volunteers will round out the work force for this project. An example of the volunteer work force available to the Discovery Center is the 400+ students who worked with about 100 AmeriCorps volunteers and agency professionals to plant nearly 1000 trees on an earlier planting project.

Long term maintenance of the completed project will be handled by high school/college interns and volunteers, under the supervision of the USFS specialists. A five year maintenance program, including weeding, maintaining basins, checking irrigation, mowing, and fertilizing, will begin the day the plants are planted.

As previously noted, this project will include many participants in a true cooperative venture. These participants and their proposed involvement are summarized as follows:

PROPOSED FUNDING SOURCES

Sacramento River Discovery Center (in-kind labor and administration)	\$48,000.00
U.S. Forest Service (in-kind supervision, equipment, and planning)	30,000.00
Red Bluff Union High School District (in-kind labor and educational support)	26,500.00
Wildlife Conservation Board	<u>50,000.00</u>
<u>TOTAL PROPOSED FUNDING</u>	<u>\$154,500.00</u>

The proposed project site was identified by the USFS in its management plan for the Lake Red Bluff Recreation Area as having a high potential for riparian habitat restoration. Cost estimates for the entire proposal have been prepared by the SRDC and reviewed and approved by staff, as follows:

<u>Description</u>	<u>Estimated Cost</u>
Contract growing of plants (approx. 3,990 trees)	*\$13,745.00
Land preparation (discing, mowing weeds, etc.)	*1,395.00
Irrigation system installation and construction of watering basins	*20,776.00
Plant layout, planting & fertilizer	*2,785.00
Weed mat, jute staples, installation labor	*6,299.00
Project administration (SRDC/in-kind)	8,000.00
Volunteers working directly on restoration (SRDC/in-kind)	10,000.00
Volunteers for monitoring and interpretation (SRDC/in-kind)	30,000.00
Operations and Maintenance - 5 years (USFS/in-kind)	30,000.00
Operations and Maintenance - 5 years (Red Bluff Union H.S. District/in-kind)	15,000.00
Educational Support (public interpretation of project) (Red Bluff Union H.S. District/in-kind)	11,500.00
Project Management and Supervision	<u>*5,000.00</u>
<u>TOTAL ESTIMATED PROJECT COST</u>	<u>\$154,500.00</u>

*WCB funding will be limited to participation in these project areas

To protect the State's investment, the SRDC has agreed to manage and maintain the restoration site to benefit wildlife species, consistent with their special use permit and agreement with the USFS, for 20 years. If during the 20-year life span of this project, the SRDC determines they are no longer able to manage and maintain the site to benefit wildlife, they have agreed to reimburse the State an amortized amount of the project cost.

The Department of Fish and Game has reviewed this proposed project, and recommends it for funding by the Board. Consistent with the provisions of CEQA, this project is exempt from CEQA under Section 15304, minor alteration to land that will enhance riparian habitat, and a Notice of Exemption has been filed. Local citizens, agencies and organizations have indicated strong support for this project, and for improving habitat along the Sacramento River.

Staff recommended that the Board approve this grant as proposed; allocate \$50,000.00 for the grant from the Habitat Conservation Fund; 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 MISS SCHAFER THAT THE BOARD APPROVE THIS GRANT AS PROPOSED; ALLOCATE \$50,000.00 FOR THE GRANT FROM THE HABITAT CONSERVATION FUND; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

11. Stony Creek Watershed Restoration (Fruto Valley Unit) \$91,000.00
Glenn County

Mr. Schmidt reported this riparian habitat restoration proposal was to consider an allocation of \$91,000.00 for a grant to the Glenn County Resource Conservation District (District) to fund a cooperative riparian and wetland restoration project involving the District, Wildlife Conservation Board (WCB), the Department of Fish and Game (DFG), the California Waterfowl Association (CWA), and the Natural Resources Conservation Service (NRCS). The project consists of work to be performed on a private cattle ranch located west of the town of Willows, near Stony Gorge Reservoir. It will incorporate livestock grazing technology while restoring approximately 134 acres of riparian habitat along 3 miles of an unnamed creek that drains the Fruto Valley watershed into Stony Gorge Reservoir. Mr. Scott Clemons explained the project and pointed out that the son of the landowner, Mr. Mark Mast, was in the audience.

In response to concerns raised in the mid-1980's by local ranchers in Colusa and Glenn County regarding soil erosion, downstream sedimentation, increased runoff and reduced range productivity, staff from the NRCS worked closely with two resource conservation

districts and many local ranchers to develop the Upper Stony Creek Watershed Plan. This plan addressed these concerns and covers the 243,000 acre area within the watershed, lying on the eastern slopes of the Coast Range Mountains and foothills west of the Sacramento Valley. It introduced a new educational component to livestock management, with annual workshops, demonstration projects and other educational exercises for landowners. The plan resulted in the implementation of the Upper Stony Creek Watershed Project, which employs improved grazing management practices that have been used by a growing group of ranchers over the past eleven years. Participating ranchers are seeing a proliferation of native perennial grasses, improved water retention and reduced soil erosion/sedimentation, perennial base flows in drainages that heretofore were ephemeral, increased wildlife populations and diversity of species, and healthier riparian zones with an overall increase in range productivity.

The proposed project goes a step further than the Upper Stony Creek Watershed Project in that it focuses more intensely on protecting and restoring riparian habitat. This project will use a combination of grazing deferment and improved livestock grazing practices to demonstrate the full potential of livestock ponds, associated streamside vegetation, and adjacent uplands for producing wildlife habitat. Improved nesting cover adjacent to ponds may attract breeding waterfowl while improved cover along the water's edge and in backwater areas will provide habitat and escape cover for other wildlife species. Placement and management of nest boxes will encourage nesting by wood ducks and mallards.

The area is known to support western blue birds, and the DFG has recently installed blue bird boxes on the property. Golden eagles have also been observed in the area. The project will improve habitat for these and other species, including neotropical migrant birds, which are known to pass through the western valley foothill area each year.

The ponds and riparian corridor areas will be fenced with appropriate upland areas to facilitate the use of planned grazing systems. Where ponds are fenced, alternative livestock water systems will be provided to adjacent grazing units as necessary. Grazing will be deferred on some sites during the first three years to accelerate the recovery of native herbaceous and woody riparian vegetation. Livestock grazing in the project area will be managed according to specifications developed by the ranch operator in cooperation with NRCS and the UC Extension office. This "resting" period will allow dormant perennial grasses and woody riparian vegetation to become established and reach desired height and density conditions for optimum wildlife use. Once the desired habitat conditions have been created, livestock grazing will be used as a tool within the fenced areas to maintain plants. By deferring grazing, and modifying grazing practices, soil erosion and compaction is reduced and riparian areas are restored, thereby improving local hydrological conditions and extending the duration of stream base flows. The result is an increase in the diversity and stability of vegetation in and along the natural waterways and a reduction in water loss through evaporation and run-off.

The proposed project site was identified by NRCS, DFG and CWA for its high potential for riparian habitat restoration. Cost estimates for the entire proposal have been prepared by the NRCS and reviewed and approved by staff, as follows:

Fencing	*\$41,158.00
Livestock Water System	*5,187.00
Pond Repairs	*22,400.00
Deferred Grazing	*4,824.00
Wildlife Planting	*500.00
Nesting Boxes	*900.00
Project monitoring	8,000.00
Sealing ponds and repairing outflow	26,862.00
Project Planning and Control	*7,496.00
Contingencies	*8,535.00

TOTAL ESTIMATED PROJECT COST \$ 125,862.00

*WCB funding would be limited to participation in these project area.

The participants and their proposed involvement are as follows:

PROPOSED FUNDING SOURCES

NRCS (in-kind)	\$ 8,000.00
4-M Ranch (in-kind)	26,862.00
Wildlife Conservation Board	<u>91,000.00</u>

TOTAL PROPOSED FUNDING \$125,862.00

The landowner and the District have agreed to jointly undertake the restoration project and to maintain and manage the property to benefit wildlife species. The landowner has also agreed to install and maintain the fencing and to manage his livestock in accordance with technical specifications, developed by the NRCS and approved by the Department of Fish and Game, for a 10 year period. If for some unknown reason the landowner is not able to manage and maintain the property according to the provisions of the agreement, they have agreed to reimburse the State for the amortized cost of the project.

The Department of Fish and Game has reviewed this proposed project and recommends it for funding by the Board. Consistent with the provisions of CEQA, the project is exempt from CEQA under Section 15304, minor alteration to land that will enhance riparian habitat, and a Notice of Exemption has been filed. Local ranchers have indicated strong support for managing and improving the wildlife resources on the land they own and manage for livestock production.

Mr. Clemons introduced Paul Hoffman, a biologist from the Department of Fish and Game Region 2 office. Mr. Hoffman discussed the location of the project and also some of the expected benefits to the wildlife in the area of the project. He went on to explain how the project would benefit other public resources such as increased water quality and reduced soil erosion. Mr. Hoffman pointed out that the project is supported by many individuals and organizations who would benefit from the project. Mr. Schmidt explained the proposed financing for the project and also pointed out that the WCB had received 5 letters of support for the project from Linden Brooks, area conservationist, California Association of Resource Conservation Districts, California Waterfowl Assn., California Valley Habitat Joint Venture, and Sacramento River Preservation Trust.

Staff recommended that the Board approve this project as proposed; allocate \$91,000.00 from the Habitat Conservation Fund; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. McGeoghegan questioned whether there was protection for the taxpayer investment in the event the property changed hands. Mr. Schmidt explained that there would be a recorded agreement that contained provisions for reimbursement to the State of amortized costs if the new property owner decided not to maintain the property.

Miss Jacqueline Schafer spoke in favor of the project.

Mr. McGeoghegan asked if there were any further questions and whether it could be moved by the Board to approve the project.

MISS SCHAFFER MOVED THAT THE BOARD APPROVE THIS PROJECT AS PROPOSED; ALLOCATE \$91,000.00 FROM THE HABITAT CONSERVATION FUND; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

12. Vallejo Fishing Pier Removal, Solano County \$500,000.00

Mr. Schmidt reported that this proposal was to consider an allocation for the removal of the Vallejo Fishing Pier. This pier, located on the Napa River just south of the Highway 37 bridge, is owned by the Department of Fish and Game (DFG). A parking lot and snack/bait shop and restroom building are located at the foot of the pier on lands owned by the Department of Transportation (DOT) and under lease to the Wildlife Conservation Board (WCB). The land under the pier is owned by the State Lands Commission and under permit to WCB for pier use until September, 2021. These facilities and the pier itself were closed and fenced off in January, 1995 due to public safety concerns over the deteriorating condition of the pier. Ms. Georgia Lipphardt explained the proposal.

The pier was originally constructed between 1946 and 1947 as a bridge approach causeway extending 1500 feet from the easterly banks of the Napa River to the eastern abutment of a highway drawbridge located in the main channel of the Napa River. The causeway was used as designed from 1947 to 1964, at which time the highway traffic was moved from the causeway and drawbridge to the current fixed Napa River Bridge located north of the Vallejo Pier. The drawbridge was moved to a new location and all other structures except the eastern 1050 feet of the causeway were demolished. This eastern 1050 feet and a portion of its land abutment were acquired by the DFG from DOT in 1964 to be used as a public fishing pier. Through a cooperative maintenance and operation agreement with WCB, the Greater Vallejo Recreation District (GVRD) has operated and maintained the facility since its conversion. As the owner of the facility, the State has been responsible for major repairs and capital improvements, which have included several projects to repair fire damage and other structural problems. GVRD has assumed the responsibility of minor maintenance and upkeep, until the agreement between GVRD and WCB expired in March, 1995.

Over the years, the pier has served as an important recreational facility and has been improved, renovated and repaired numerous times. In October, 1989, concern over the structural condition of the pier prompted the commission of an engineering report by the GVRD. The report provided a range of costs to repair, replace or remove the pier. The engineers recommended replacing the existing pier with a new concrete structure adjacent to the existing deck at an estimated cost of \$2.7 million. The report estimated the remaining useful life of the pier to be 5 - 10 years if no repairs were done. The report stated, "Marine life has caused extensive erosion and loss of supporting capacity on the 200 piles supporting the structure." This loss of capacity was not found to be "super-critical" at the time, but it was felt that as the marine life penetrated deeper into the timber piling and substructure, the supporting capacity could "... become super-critical within ten years or less".

In 1994, after completion of supplemental engineering analysis and environmental review, the Board approved a proposal at its May 5, 1994 meeting to provide \$500,000.00 for plans, specifications and engineering documents to prepare for reconstruction of the pier. It was hoped that additional funds identified in a June 1994 ballot initiative would provide the balance of the estimated \$2.7 million needed to reconstruct the pier. Unfortunately, the initiative failed.

The engineering study was updated at the end of 1994 and it revealed the pier was deteriorating in some areas more rapidly than expected. After additional review of the engineering study by the DOT, a decision was made to close the pier due to public safety concerns. The Board was briefed on this decision at the February 16, 1995 meeting. The pier closure was completed in January 1995. Since that time, staff has attempted to obtain additional funding to reconstruct the pier with no success.

Given the fact that no additional funding is available and that the pier continues to deteriorate toward a "super-critical" stage, staff recommends removing the pier in the interest of public safety.

A cost estimate for the removal of the pier has been prepared by DFG Engineering staff as follows:

Mobilization/Demobilization	\$ 10,000.00
Trestle Structure to access mud flat	\$ 90,000.00
Pier Removal:	
Concrete Deck	\$ 80,000.00
Timber Framing	\$140,000.00
Pile Removal	\$ 60,000.00
Waste Disposal	\$100,000.00
Contingency	\$ 20,000.00
<u>TOTAL</u>	<u>\$500,000.00</u>

A Negative Declaration, Notice of Determination has been circulated for comment on the pier removal and no significant impacts have been identified.

Mr. Schmidt reported that Senator Thompson and Assemblywoman Brown were in support of the project while they certainly wished it didn't have to happen. Possible alternatives to the existing pier were also explained by Mr. Schmidt which included rebuilding on site or restoring a Navy pier on Mare Island to serve public fishing needs. He went on to explain the financing for the project. The original estimate to take the pier down was \$1.2 million. A bid to tear down the pier had been received in the amount of \$185,000 however that did not include the restrooms, snack bar or the parking area. To include those additional items, the cost would be \$235,000.00. He went on to explain that the full \$500,000.00 would probably not be used but that any excess funds could be recovered at a later time.

Ms. Theresa Parker clarified the amount to complete the project and then suggested that the Board approve up to \$500,000.00 for the project.

Staff recommended the WCB adopt the Negative Declaration, SCH # 96082056, approve the Vallejo Pier removal as presented; allocated \$500,000.00 from Wildlife Restoration Fund, and authorize staff and the Dept. to proceed substantially as planned.

Mr. McGeoghegan asked for a motion to that effect.

MISS PARKER MOVED THAT THE BOARD ADOPT THE NEGATIVE DECLARATION, APPROVE THE VALLEJO PIER REMOVAL AS PRESENTED; ALLOCATE \$500,000.00 FROM THE WILDLIFE RESTORATION FUND, AND

**AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY
AS PLANNED.**

MOTION CARRIED.

13. Cosumnes River Wildlife Area, Expansion #3 (Valensin Ranch)
Sacramento County

\$7,500.00

Before introducing the project and the agent who would be explaining the project, Mr. Schmidt pointed out a correction that needed to be made on the agenda on page 24. The third full paragraph down, the third line mentions the total project will cost \$12,150.00. This should be corrected to read "\$12,150,000.00. Mr. Schmidt then reported that this proposal was to consider accepting a grant of \$2,000,000.00 from the Intermodal Surface Transportation Efficiency Act program (ISTEA), specifically designated for the cooperative purchase of the Valensin Ranch addition to the Cosumnes River Preserve, located in Southern Sacramento County, and to consider acquiring a 264.8± acre portion of this area. In addition, this proposal is to authorize the assignment of these grant funds, which are being placed directly into escrow, for use toward the joint purchase of the Valensin Ranch as described below. Ms. Debbie Townsend explained the proposed project. She also explained that as a condition of the ISTEA grant, the State will have to convey a 40 foot strip of land along the eastern edge of the parcel to the Department of the Transportation and record restrictive covenants over the parcel.

The purpose of the overall acquisition is for the protection and preservation of freshwater marshes, vernal pools, mixed riparian forests and valley oak habitats. This proposal would be an addition to the existing Cosumnes River Preserve, an area acquired through a partnership effort involving The Nature Conservancy, the Bureau of Land Management, Sacramento County Department of Parks and Recreation, Ducks Unlimited, the American Farmland Trust, the Department of Fish and Game and the Wildlife Conservation Board. Access is obtained from State Highway 99 at Dillard Road. The subject is a portion of a 4,289± acre property, the Valensin Ranch over which The Nature Conservancy recently exercised a purchase option.

The first Cosumnes River Wildlife Area acquisition by WCB, consisting of 840± acres, was approved by the Board at its May 10, 1990 meeting, followed by Board approval of Expansion #1, totaling 327± acres, at its February 13, 1991 meeting. Expansion #2, totaling 1,020± acres, was approved by the Board at its August 10, 1995 meeting providing the State's first contribution toward multi-party efforts to acquire the Valensin Ranch addition. The currently proposed purchase is located adjacent to the Expansion #2 property.

The key habitat types found on the Valensin Ranch include riparian communities, freshwater marshes, vernal pools and native grasslands. A large area of mixed riparian

forest located on the ranch is considered to be among the best remaining examples known in California. Buttonwillow thickets along slough channels provide cover and forage for a host of bird species. Freshwater marsh habitat along the Cosumnes River area is permanent or perennial, while seasonal marsh has largely been developed for agricultural use. Both of these latter communities are especially important to migratory waterfowl.

Acquisition of the Valensin Ranch will protect critical habitat for federally-listed threatened or endangered species including vernal pool fairy shrimp (threatened), tadpole shrimp (endangered), and California linderiella (threatened). Also, the State-listed endangered bald eagle and threatened greater sandhill crane will benefit from protection of the ranch. At least 400 greater sandhill cranes now winter at the Cosumnes River Preserve. The eagle is an occasional winter visitor to the ranch.

In addition, other notable species found along the Cosumnes River include the federally-listed threatened valley elderberry longhorn beetle and several bird and mammal species including the Swainson's hawk (State-listed threatened), giant garter snake (State-listed threatened), river otter and ringtail cat.

The project area is especially rich in bird fauna with over 200 species having been sighted, with waterfowl species including white-fronted, Ross' and snow geese, cinnamon and green-winged teal, canvasback, ring-necked and wood ducks, gadwall, northern shoveler, American widgeon, green, great blue and black-crowned night herons and American bittern. The thick riparian forest also provides habitat for black-headed grosbeaks, northern orioles, nuttall's woodpecker, western tanagers and numerous other species.

Valley oaks, once widely distributed in broad forests along central valley rivers and streams, have been drastically reduced by cutting for firewood and clearing of land for agriculture. The regeneration of seedlings and saplings has been dwindling, posing a threat to the continued survival of valley oak forest and woodland communities. The Cosumnes River is a significant area for this species. The acquisition of this parcel will protect a large, healthy population of trees of various ages.

The Cosumnes River site is listed in the 1988 Annual Report of Significant Natural Areas of California prepared by the Lands and Natural Areas Project. The river has also been identified in the North American Waterfowl Management Plan as a critical part of the Central Valley Habitat Joint Venture for habitat protection and enhancement, and is a candidate for National Natural Landmark designation by the National Park Service. Additionally, the Cosumnes River is one of three areas targeted in a national campaign by The Nature Conservancy and Ducks Unlimited for wetland and riparian forest restoration.

The threat to the property appears to be from increasing development pressures, as evidenced by the optioning of certain property in the project area by nonagricultural interests. Development of lands within the area would increase the need for flood control structures, which would reduce river flows in the winter and early spring, reducing

flooding and lowering the water table. Such changes would adversely impact the riparian areas, marshes and ponds. Any changes in agricultural use away from grains or pastures would reduce sandhill crane and Swainson's hawk food sources. Existing livestock browsing continues to be a threat to oak seedling and sapling establishment, affecting the regeneration and age composition of the forest community. However, some continued agricultural use, including limited grazing, within the project area may be compatible with the natural habitat values now found on the property.

In addition to protecting this property, the acquisition will provide the opportunity for habitat restoration and enhancement. Future public use of the area may include the opportunity for fishing, duck hunting, hiking, canoeing, general wildlife observation and education. However, the area will be primarily managed for the preservation of its biological resources. Management of the Valensin Ranch addition is proposed under the current management agreement for the Preserve, which includes the Department of Fish and Game as well as the other property owners in the Preserve.

Concurrent with The Nature Conservancy's exercise of a portion of the option in 1995, the Board acquired Expansion #2 of the Preserve. The Nature Conservancy recently exercised the last part of the option over the remainder of the ranch, totaling \$12,150.00. The property has been divided between the partners based on an allocation of values for fee and conservation easement interests and the management objectives of each entity. The Department of Fish and Game highly recommends acquisition of the 264.8± acre subject property, adjacent to the State's Expansion #2, as the portion to be allocated to the State.

The appraised fair market value of the subject 264.8± property, as approved by the Department of General Services, is \$641,900.00. It is estimated that an additional \$7,500.00 will be needed for expenses which include title, escrow and Department of General Services review costs. The acquisition is exempt from CEQA under Class 13 of Categorical Exemptions as an acquisition of land for wildlife conservation purposes. Any potential state lands claims has been addressed by the State Lands Commission and considered in the determination of fair market value.

There are interesting additional elements to this transaction that result in significant savings of Wildlife Conservation Board funds. At its meeting of September 18, 1996, the California Transportation Commission approved the award of \$2,000,000.00 to the Board from the ISTEA program specifically designated for the cooperative purchase of the Valensin Ranch for the expansion of the Cosumnes River Preserve. Staff proposes that \$250,997.00 of this grant be applied toward the purchase of the subject 264.8± acre property, with an assignment of the remainder in the amount of \$1,749,003.00, to The Nature Conservancy (to escrow) for use in completing the entire Valensin purchase.

The transaction will also include a transfer of 105± acres previously acquired by the Board at the original preserve area, to the County of Sacramento, with the proceeds in the amount of \$390,903.00 to be placed directly into escrow to complete the 264.8± acre

purchase which totals \$641,900.00. The Board approved this transfer to the County at its August 10, 1995 meeting, with proceeds to be applied to the Expansion #2 acquisition, if the transfer could be completed in time. If not, the proceeds were to be used for a future transaction. Storm-related damages to some of the ranchstead improvements created delays in completing the transfer in time for the Expansion #2 acquisition. The County, also a partner in the Valensin effort, has obtained Proposition 70 grant funds from the State Department of Parks and Recreation to acquire this 105± acres from the Board. They propose to use the ranch buildings and the 105± acres surrounding them for future use in the demonstration of farming operations as they would have occurred 100 years ago. Staff proposes that the closing costs for acquisition of the 264.8±, estimated at \$7,500.00, be allocated from the Habitat Conservation Fund/P-117.

Mr. Schmidt explained that management of the property would be accomplished under the same agreement as the existing Cosumnes River Reserve. He also pointed out that Mr. Chris Kelly of the Nature Conservancy and Mr. Banky Curtis, Regional Manager of the Department of Fish and Game, Region 2 office, were in the audience if there were any questions.

Staff then recommended that the Board approve the acquisition of the 264.8± acres property as proposed; approve the acceptance of a grant of \$2,000,000.00 from the Intermodal Surface Transportation Efficiency Act Program (ISTEA) specifically designated for the cooperative purchase of the Valensin Ranch for the expansion of the Cosumnes River Preserve, with \$250,997.00 applied toward the purchase of 264.8± acre property, and the assignment of the remainder of the grant funds (\$1,749,003.00) to The Nature Conservancy's escrow for use in completing the Valensin Ranch purchase; transfer of 105± acres to the County of Sacramento as approved by the Board August 10, 1995, with the County's purchase money applied toward the payment for the subject 264.8± acre property; allocation of \$7,500.00 for estimated closing costs from the Habitat Conservation Fund/P-117, and authorize staff of the Department to proceed substantially as planned.

A letter of support from the California Waterfowl Assn. was received on this project as indicated by Mr. Schmidt.

Mr. McGeoghegan asked if there were any question and Miss Schafer asked about the possible acquisition of the remaining parcel in the Valensin Ranch. Mr. Schmidt explained that all the money, from all the sources, would be combined and that all of the remaining property would be acquired in this transaction by the partnership and went on to explain how the land would be held and managed. Miss Parker wondered about the length of time it took to acquire the property and Mr. Schmidt explained that the WCB made the first contact to acquire portions of the property in 1972. Thanks to The Nature Conservancy, the deal will finally be completed.

Mr. McGeoghegan asked for a motion to approve the project.

MISS SCHAFFER MOVED THAT THE BOARD APPROVE THE ACQUISITION OF THE 264.8± ACRE PROPERTY AS PROPOSED; APPROVE THE ACCEPTANCE OF A GRANT OF \$2,000,000.00 FROM THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT PROGRAM (ISTEA) SPECIFICALLY DESIGNATED FOR THE COOPERATIVE PURCHASE OF THE VALENSIN RANCH FOR THE EXPANSION OF THE COSUMNES RIVER PRESERVE, WITH \$250,997.00 APPLIED TOWARD THE PURCHASE OF 264.8± ACRE PROPERTY, AND THE ASSIGNMENT OF THE REMAINDER OF THE GRANT FUNDS (\$1,749,003.00) TO THE NATURE CONSERVANCY'S ESCROW FOR USE IN COMPLETING THE VALENSIN RANCH PURCHASE; TRANSFER OF 105± ACRES TO THE COUNTY OF SACRAMENTO AS APPROVED BY THE BOARD AUGUST 10, 1995, WITH THE COUNTY'S PURCHASE MONEY APPLIED TOWARD THE PAYMENT FOR THE SUBJECT 264.8± ACRE PROPERTY; ALLOCATION OF \$7,500.00 FOR ESTIMATED CLOSING COSTS FROM THE HABITAT CONSERVATION FUND/P-117, AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

14. Palos Verdes Peninsula Ecological Reserve, Los Angeles County \$3,402,000.00

Mr. Schmidt reported this proposal was for a grant to the City of Rancho Palos Verdes to be used toward the City's purchase of a 160± acre parcel of land on the Palos Verdes Peninsula for preservation of habitat for threatened bird species and species of special concern, critical riparian habitats and coastal sage scrub. The preservation of this specific property is considered essential to the successful implementation of the Natural Community Conservation Planning (NCCP) process for the Palos Verdes Peninsula. Mr. Jim Sarro explained the project.

The Palos Verdes Peninsula is a major coastal feature that extends from San Pedro on the south to the cities of Redondo Beach and Torrance on the north. It encompasses approximately 16,832 acres and four cities: Palos Verdes Estates, Rolling Hills, Rolling Hills Estates and Rancho Palos Verdes. It also includes a small portion of Los Angeles County. The topography of the area rises abruptly approximately 100 feet from the beaches, resulting in a coastal bluff terrace. From the coastal bluffs, the upland terrain rises an additional 1,100 to 1,200 feet. There remains about 2,000 acres of natural habitat on the entire peninsula.

The 160± acre site proposed for acquisition is located on the southeastern edge of the largest contiguous portion of natural vegetation on Palos Verdes Peninsula. It includes 140± acres of coastal sage scrub, about 10% of the remaining coastal sage scrub on the peninsula, which supports the federally listed threatened California gnatcatcher and coastal cactus wren "a Species of Special Concern". The gnatcatcher and cactus wren populations

found on the site represent more than 20% and 10%, respectively, of the remaining populations on the peninsula. In addition, the location and elevation of the property facilitates the movement of these species to contiguous habitat and other nearby habitat patches.

The acquisition would also protect habitat for the rufous crowned sparrow, loggerhead shrike and Cooper's hawk, all "Species of Special Concern" under the California Endangered Species Act. In addition, acquisition of this property would provide protection for the western dichondra, a plant of special concern recognized by the Department of Fish and Game.

The federally listed endangered Palos Verdes blue butterfly has not been documented on the site since 1982. However, this species, once thought to be extirpated, was rediscovered on the Naval Fuel Depot about three miles to the northeast of the proposed acquisition. The site does provide potential habitat for the PV blue, with its host plant actually found on site, suggesting an opportunity for habitat restoration and enhancement that would allow the reestablishment of the PV Blue on lands within its historic range.

Strategically located at the mouth of Klondike Canyon, the proposed acquisition will protect an important habitat connection and wildlife corridor, linking numerous inland canyons found to the north to Portuguese Bend, the largest block of natural habitat on the peninsula. It will also protect corridors linking natural habitat patches that provide a connection between the San Pedro Naval Fuel Depot and other open space features on the east to Portuguese Bend.

Another important feature of the site is the riparian habitat in the four canyons located within the property. Klondike Canyon, shown as blue-line stream on the U.S.G.S. topographic map of the area, forms the western boundary of the property. The canyon is a narrow, steep sided canyon which begins north of the property, runs along the entire western boundary and crosses the southern boundary and continues toward the Pacific Ocean approximately 1,800 feet further downstream. Physical evidence in the canyon bottom indicates that large flows occur, presumably during major rainfall events. The margins of the Canyon bottom support a few willows, giant wild rye and tree tobacco. The walls of Klondike Canyon are covered with coastal sage scrub which is considerably denser and more lush near the canyon bottom due to the higher soil moisture from the drainage at the bottom of the canyon.

The second drainage is an unnamed blue-line stream in a canyon that bisects the property from north to south. This unnamed drainage shows no evidence of frequent water flow, although it probably conveys water during major storm events. The soil moisture concentrated at the bottom of the canyon supports a thick growth of riparian habitat composed of lemonadeberry, mulefat, tree tobacco and giant wild rye. The lower portion of this canyon was previously disturbed by quarrying activities.

The two remaining drainages are also likely to carry water only during major storm events. Their canyon bottoms and margins of the canyon walls support mostly weedy upland species, such as fennel and mustard. Vegetation at the bottom of the canyons is generally thicker and more lush, likely due to moisture concentrations from storm-caused flows as the waters flow south and west to the ocean.

Most of the land on the peninsula has been developed, leaving a shortage of open space, both for recreational purposes as well as wildlife habitat. In addition, most of the remaining open space on the peninsula is part of the Landslide Building Moratorium Area established by the City of Rancho Palos Verdes because of historical problems with landslides. The proposed acquisition site is just outside of the moratorium area. Since there is a shortage of developable land and the location of the site is very desirable for residential development, there is a great deal of pressure to develop it.

The property has been the subject of purchase discussions among the landowners, the City of Rancho Palos Verdes and the Palos Verdes Land Conservancy. While it has been appraised for \$13 million, the owner has offered it to the city for less than \$8 million, subject to finalization of all pending contributions. The bulk of the funding would be provided by Los Angeles County "Measure A" funds, approved by county voters in 1992 for, among other things, open space and wildlife habitat preservation. Measure A funds are in the amount of \$4.1 million. City funds and other pending grants and donations, together with this proposed WCB grant, will total the expected, negotiated purchase price of \$7.7 million. The State Department of General Services has reviewed the appraisal and concluded that the \$8 million sales price (originally offered to the city) is well within the fair market value of the property. The landowner proposes a charitable donation of the difference between the purchase price and fair market value.

Staff has provided a Grant Agreement for formal consideration by the City of Rancho Palos Verdes under which the Board would grant \$3.4 million toward the purchase. In return, the city would guarantee management and maintenance of the property in perpetuity "for purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and for compatible public uses", all as may be consistent with wildlife habitat preservation. The agreement is subject to formal action by the city prior to the Wildlife Conservation Board meeting, and staff will report to the Board on the city's action at the Board meeting. In addition to the grant funds of \$3.4 million, staff anticipates a \$2,000.00 allocation will be needed to cover the appraisal review and related expenses of the Department of General Services. The city will comply with any CEQA requirements in connection with the acquisition.

To assist in funding this project, the State Coastal Conservancy (SCC) proposes to enter into an Interagency Agreement with WCB under which it would reimburse WCB \$200,000.00 in fiscal year 97/98 and \$200,000.00 in fiscal year 98/99 by directly depositing these sums, at the direction of the Board, to WCB escrows for NCCP acquisitions during those fiscal years.

Funding for this grant is available from in the Habitat Conservation Fund (Prop. 117) as designated for NCCP land acquisitions, and in the California Wildlife, Coastal and Park Land Conservation Fund (Prop. 70), as specifically designated for preservation of ocean-draining riparian habitat in the four southerly-most coastal counties.

Mr. Schmidt explained the funding of the project and noted that 8 letters of support had been received in favor the project from the Planning and Conservation League, Senator Ross Johnson, U.S. Fish and Wildlife Service, Senator Ray Haynes, Assemblyman Keith Olberg, Assemblywoman Marilyn Brown, Senator John Lewis and Senator Rob Hurtt. He also pointed out that John Anderson of the Department of Fish and Game was in the audience if there were any questions.

Mr. McGeoghegan introduced Mr. Allan Donnelly, who had asked to speak on the project. Mr. Donnelly introduced himself and pointed out that he was employed by the landowner. He expressed full support for the project.

Mr. McGeoghegan asked if there were any questions and Miss Schafer asked Mr. Anderson the status of the Los Angeles county portion of the NCCP. Mr. Anderson explained that this particular project was very important to the NCCP and that the NCCP was moving along nicely. Mr. Sarro then mentioned that meetings with cities and counties concerning NCCP were being set by the Resources Agency in order to finalize the matter.

Mr. McGeoghegan asked Mr. Sarro about the number of gnatcatchers that were on the inventory of the property. Mr. Sarro did not have the information on hand however Mr. Donnelly said that according to the biological assessment he had, it was believed that there were 8 - 10 pairs on the property. Mr. Anderson commented further on the wildlife habitat available on the property with regards to the gnatcatcher and butterfly populations.

Mr. McGeoghegan asked if there were any questions from the legislative advisory and Mr. Pegos noted that he supported the proposal.

Staff recommended the Board approve the grant proposal and Interagency Agreement with the SCC as outlined above; allocate \$3,402,000.00 for the grant amount and General Services' costs, \$2,208,034.62 from the Habitat Conservation Fund as designated for NCCP acquisitions and \$1,193,965.38 from the California Wildlife, Coastal and Park Land Conservation Fund [Prop. 70, Section 5907(c)(3)]; and authorize staff and the Department to proceed substantially as planned.

MISS SCHAFER MOVED THAT THE BOARD APPROVE THE GRANT PROPOSAL AND INTERAGENCY AGREEMENT WITH STATE COASTAL CONSERVANCY AS OUTLINED; ALLOCATE \$3,402,000.00 FROM THE FOLLOWING FUNDS FOR THE GRANT AMOUNT AND GENERAL SERVICES' COSTS AS FOLLOWS: \$2,208,034.62 FROM THE HABITAT CONSERVATION FUND AS DESIGNED FOR NCCP ACQUISITIONS AND \$1,193,965.38 FROM THE CALIFORNIA WILDLIFE, COASTAL AND PARK LAND CONSERVATION

FUND [P-70, §3907(C)(3)]; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

15. Mill Creek/Gray Lodge Wildlife Area, Expansion #6
Humboldt and Butte Counties \$1,774,000.00

Mr. Schmidt reported this was a proposal to consider a multi-party acquisition between the State Coastal Conservancy (SCC), American Land Conservancy (ALC), the U.S. Bureau of Land Management (BLM), the Mill Creek Watershed Conservancy and the Board, involving valuable habitats in Humboldt and Butte Counties. Specifically, the agreement provides for the purchase of 358 ± acres of land, plus timber, located in Humboldt County, for the protection of Mill Creek watershed-related critical habitats for threatened and endangered species with title to be held by BLM. In addition, it provides for State acceptance, pursuant to Board authorization, of 750± acres of land located in Butte County, which is considered very important to improve water delivery and distribution to Gray Lodge Wildlife Area to protect its riparian and historic wetlands habitats. Mr. Frank Giordano explained the project.

More specifically, it is proposed that the Board allocate \$1,760,000.00 for a grant to BLM, which would be placed directly into escrow and used toward the BLM purchase of the Mill Creek site. The State Coastal Conservancy, the Mill Creek Watershed Conservancy and the BLM would jointly fund the remainder of the purchase price which totals \$2,400,000.00, to acquire the 358± acres. Under the proposed plan, this area would ultimately vest in the BLM. It is further proposed that the BLM acquire the subject 750± acre Gray Lodge expansion property, and deed it to the State of California in consideration of the Board's grant to BLM.

A. Mill Creek, Humboldt County

The Mill Creek property, which is located near the mouth of the Mattole River, 50± miles southwest of Eureka, comprises a portion of the Mill Creek drainage area (1,340 total acres). Elevations in the drainage vary from 2,200 feet at the ridgetops to 40± feet at the confluence with the mainstem Mattole. The parcel has 2± miles of Mill Creek frontage and over 200 acres of undisturbed forest dominated by 250± year old Douglas fir trees. In addition to the old growth fir trees, the parcel contains a 30± acre stand of exceptionally large, old growth tanoak and madrone.

The various habitats located on the subject support a variety of different species including silver and coho salmon and steelhead which use Mill Creek for spawning and rearing habitat. Tailed frogs and Pacific salamanders use the riparian habitat and spotted owls have been observed nesting in the old growth forest. There have been several sightings in the last few years of adult mountain lions and a pair of golden eagles have been observed nesting in the area. Overall, 114 species of birds, 22 species of mammals and 15 species of reptiles and amphibians have been observed using the property.

When the property is purchased and deeded to BLM, it is proposed that it be managed as an addition to the "King Range National Conservation Area" with public uses consistent with the conservation area management plan. This use will be consistent with efforts being taken to preserve this sensitive habitat.

B. Gray Lodge Wildlife Area, Expansion #6, Butte County

The Gray Lodge property consists of two parcels, both of which are located in the southwest corner of Butte County, approximately six miles southwest of Gridley, on either side of Pennington Road and adjacent to Gray Lodge Wildlife Area (WLA). Access to the subject is generally achieved from State Hwy. 99 westerly from either Live Oak or Gridley to Pennington Road. The smaller parcel, containing 160± acres, is currently farmed in rice and is surrounded by the WLA on three sides, the fourth side fronting Pennington Road. The larger parcel, containing 590± acres, lies on the east side of Pennington Road, across from the 160± acre parcel, and is adjacent to the WLA on its southern boundary (Evans Riemer Rd.) with Pennington Road on its west and West Liberty on its north side. This larger parcel has been used for livestock grazing.

The primary purpose for acquiring the larger parcel is to secure water for the WLA, as more specifically described below, and to restore the native grassland, wetland and riparian habitat. The primary purpose for acquiring the smaller parcel is to secure land for replacing valley oak woodland, riparian wetland and marsh wetland habitat and to remove an inholding.

Acquisition would also benefit more than 100 species of birds known to occur on the acreage, either as permanent, winter or summer residents or as spring and fall transient users. Sandhill crane numbers may peak in the low hundreds on either parcel and white-faced ibis and tricolored blackbirds could occur in the hundreds or thousands. Over 20 mammal and 12 reptile and amphibian species are known or are expected to occur on the parcels. Except for migratory bats, all of these are permanent residents.

Both parcels are existing or potential habitat for several rare, threatened and endangered species and species of special concern. The most significant use is by the State threatened greater sandhill crane, which uses both parcels as foraging areas from September to April. At peak numbers, birds using these parcels can represent 5% to 10% of the entire Central Valley populations. Some use by the State and Federal endangered bald eagle is expected at both parcels, as is use by the peregrine falcon, potentially a year-round user. In addition, the Federally endangered Aleutian Canada goose can be found using the parcel, as well as the State threatened California black rail.

Acceptance of this area would add $750\pm$ acres of upland/wetland habitat to the WLA, which could be managed as part of the WLA without additional personnel. It would also provide the WLA a parcel (the larger parcel) which is located within the Biggs-West Gridley Water District, thus enabling the WLA to use the water allocated to the large parcel for wildlife purposes. This, combined with a well located on the smaller parcel and the availability of water ditches across the larger parcel, provides a great increase in water availability for the overall WLA facility.

The ALC has an option to purchase both the Mill Creek and Gray Lodge properties. Upon approval, the ALC, together with the BLM, the Mill Creek Watershed Conservancy and the SCC, will cause the Mill Creek property to vest in the BLM and, upon completion of the BLM's acquisition of the Gray Lodge property, the Gray Lodge property would be vested in the State of California.

Both properties have been appraised, the appraisals have been reviewed and approved by the State Department of General Services and the owners have agreed to sell for the approved values. The appraised value of the Mill Creek property is \$2,400,000.00, of which staff is proposing the Board allocate \$1,760,000.00, which is equal to the appraised

value of the Gray Lodge property. Acquisition costs for the total transaction are estimated to be an additional \$14,000.00. These costs include appraisal fees, title insurance and escrow fees, along with Department of General Services' review costs. The proposed project is exempt from CEQA under Class 13 of Categorical Exemptions as an acquisition of land for wildlife conservation purposes.

A discussion between Mr. McGeoghegan and Mr. Giordano was held regarding the need for the water supply. Mr. Giordano explained that this acquisition would add 750 acres of land entitled to district water and as a result, the property and the wildlife area would be entitled to the use of that water. He went on to explain that the property is at a higher elevation than the wildlife area and thus providing gravity flow onto the Gray Lodge property. He noted, however, that at some future date, internal improvements would be needed on Gray Lodge to improve the overall flow of the water.

Mr. Giordano pointed out that there were representatives from the Department of Fish and Game as well as the Bureau of Land Management available to answer specific questions regarding the property.

Mr. McGeoghegan asked about the current uses of the 750 acres. Mr. Giordano explained that it is used for farming rice and grazing. Mr. McGeoghegan inquired as to when the agricultural uses would cease if the property were acquired. Mr. Giordano deferred to Mr. Banky Curtis, Regional Manager, Department of Fish and Game regarding the management of the property once acquired. Mr. Curtis cited the high number of sandhill cranes that utilized the property as habitat and noted that it was their intention to continue to manage the property in much the same manner it was being managed now so as not to disturb the crane population. He noted that it was the intention of the Department to increase the value of the land as far as wildlife was concerned. He also pointed out that the water flow could be improved over the years and this would also be of benefit to the property. Mr. McGeoghegan cited the past problems with receiving water into the Gray Lodge Reserve and asked Mr. Curtis whether this acquisition would alleviate some of those problems. Mr. Curtis replied that it was his understanding that the water would be available from the water district earlier as a result of this acquisition.

Miss Schafer asked Mr. Curtis about the improvements Mr. Giordano mentioned in order to fully utilize the water. Mr. Curtis pointed out that the water utilization improvements needed to be designed and engineered. He reiterated that it was a long-term project and one that would require cooperative efforts in order to come up with the funding. He went on to point out that it would, in the long run, be cheaper than continuing the current operation which consumes a lot of electricity. Mr. Curtis noted that the water improvements had not been designed yet but that the property gives them the potential to make the improvements in the future. He acknowledged that the improvements would be expensive and that the issue of financing would likely come before the Board in the future.

Mr. Schmidt noted that 11 letters of support had been received on this project; 7 personal letters as well as letters from Senator Mike Thompson, California Waterfowl Association, Ducks Unlimited and Sacramento River Preservation Trust.

Staff recommends that the Board authorize entry into this multi-party acquisition as outlined; authorize the acceptance of the 750± acres as an addition to the Gray Lodge WLA; and allocate \$1,774,000.00 from P-117/Habitat Conservation Fund to cover the Board's monetary share of this transaction and the related expense; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Mr. McGeoghegan as if there were any further questions. No further questions being forthcoming, he asked for a motion.

MISS SCHAFFER MOVED THAT THE BOARD AUTHORIZE ENTRY INTO THIS MULTI-PARTY ACQUISITION AS OUTLINED; AUTHORIZE ACCEPTANCE OF THE 750± ACRES AS AN ADDITION TO THE GRAY LODGE WILDLIFE AREA; AND ALLOCATE \$1,774,000.00 FROM THE HABITAT CONSERVATION FUND/P-117 TO COVER THE BOARD'S MONETARY SHARE OF THIS TRANSACTION AND THE RELATED EXPENSE; AND AUTHORIZE STAFF AND THE DEPARTMENT TO PROCEED SUBSTANTIALLY AS PLANNED.

MOTION CARRIED.

16. Santa Rosa Plain Conservation Bank
Sonoma County

\$1,808,000.00

Mr. Schmidt report that this proposal was to consider accepting a matching grant of \$1,800,000.00 from the Sonoma County Agricultural Preservation and Open Space District (District) and authorizing these funds, together with an additional allocation of \$1,800,000.00 to acquire 173.6± acres of land located in Sonoma County. It is proposed that the Board and the District hold title as "Tenants in Common" with each receiving a 50% undivided interest in the property. The purpose of the acquisition is to ensure the property's continued viability as high quality vernal pool endangered species habitat, through the establishment of a conservation bank. Debbie Townsend introduced Carl Wilcox, Region 3 of the Department of Fish and Game and explained that they would be explaining the project jointly.

Located on the western edge of, and just outside, the City of Santa Rosa, the property is bounded to the north and south respectively by Hall Road and Occidental Road, on the east by houses fronting Fulton Road, and on the west by other rural properties. Access to the site is off Occidental Road, about 1/4 mile south of the Fulton Road intersection. The adjacent land uses include rural residential development to the east and south and agriculture to the north and west.

This proposal is consistent with, and supports, ongoing efforts to protect important Laguna de Santa Rosa wetlands. In fact, the Wildlife Conservation Board staff, using Department of Fish and Game funds, initiated acquisition in this area in 1980 with the purchase of the first 75± acre parcel to protect seasonal vernal pools, valley oaks and endangered species. Beginning in 1989, and to date, the Board has authorized the acquisition of a total of 443± acres which actually lie within the Laguna at varied locations. The Conceptual Area Acquisition Plan (CAP) prepared by the Department of Fish and Game for the Laguna de Santa Rosa Wildlife Area proposes to connect these parcels.

This proposed acquisition is important for protecting significant amounts of seasonal wetlands in the form of vernal pools which support both federal and state listed endangered Sebastopol meadowfoam and Burke's goldfields. Also found on the property is the vernal pool fairy shrimp, which is federally proposed for listing as an endangered species, as well as other sensitive species, including Lobb's buttercups, vernal pool mint and tiger salamanders. The seasonal wetlands are also important feeding and resting habitat for waterfowl and water associated birds. Valley oaks, a diminishing species on the Santa Rosa Plain, are also present. The property represents one of the largest and least disturbed examples of vernal pool habitat in the Santa Rosa Plain.

The Department of Fish and Game (Department) highly recommends acquisition of the subject property for the purpose of protecting significant endangered species and wetland habitat, and is the Central Coast Region's highest acquisition priority in Sonoma County.

The property is a critical component of the Santa Rosa Plain Vernal Pool Preservation Plan, a joint effort by State, Federal and local agencies, to provide for orderly development in the Santa Rosa Plain while assuring the protection of vernal pools and endangered species. The State's participation in the acquisition will be important in demonstrating to local agencies, and the community, the Department's commitment to solving the resource protection/development problems of the area.

Historically, the site has been used for agricultural purposes, primarily grazing. The extreme northern section and the bottomland area in the south have been graded, cultivated or at least disced in the past. More recently however, the owner has sought to develop it to a golf course. The Department and the District, in recognition of the site's high resource values, have negotiated to purchase the site. The Department is proposing to operate the site as a conservation bank and will be solely responsible for operation and day-to-day management. Revenues generated from the sale of mitigation credits will be used in part for stewardship of the property, and in part to preserve other wildlife habitat properties in Sonoma County.

A conceptual agreement proposed by staffs of the District and the Board, provides that at such time as the Board expends proceeds from the sale of mitigation credits in an amount equal to the District's investment in the purchase price of the subject property, the District shall convey its fee interest in the subject property to the State in exchange for a conservation easement over the property in perpetuity.

The appraised fair market value of the property, as approved by the Department of General Services is \$3,600,000.00. The owner has agreed to sell to the State and the District for this amount. It is estimated that an additional \$8,000.00 will be needed for expenses which include title insurance and Department of General Services review costs. The District has agreed to be responsible for all escrow costs. The acquisition is exempt from CEQA under Class 13 of Categorical Exemptions as an acquisition of land for wildlife conservation purposes.

Carl Wilcox went over the history of the property and the negotiations that resulted in bringing the proposal to its current status. He discussed the debate over the proposed golf course development versus the vernal pool preservation and wildlife/habitat preservation. Mr. Wilcox discussed the negotiations between the Department and the landowner that attempted to mutually benefit all the parties. He discussed the efforts of the Vernal Pool Planning Process and how it applied to this particular parcel. He then discussed the costs involved in acquiring the property and methods being looked at to recoup the funds expended on this site. The plan, according to Mr. Wilcox, is to use the funds for additional open space and wetland acquisitions in the Sonoma County area. Mr. Wilcox reported that Vernal Pool Task Force was looking at a proposal by Federal agencies to manage the site under the mitigation banking guidelines set up by the various Federal agencies. He noted that the details of the mitigation/conservation bank operation had not been finalized although the project, on its own, had substantial merits as an acquisition.

At this point, Mr. McGeoghegan introduced audience members who had requested to speak on this project. Mr. John Gamper of the California Farm Bureau of Sonoma County was the first to speak. Mr. Gamper was not opposed to the acquisition although the preference of the group he represented would be to leave the property in private ownership. He went on to state that the establishment of a mitigation/conservation bank was a worthwhile purpose however he felt strongly that the bank should not be operated in such a way as to compete with private sector mitigation banks. The California Farm Bureau of Sonoma County, according to Mr. Gamper, has worked very hard on the Vernal Pool Task Force to develop a plan to preserve Sonoma County's vernal pool ecosystems. He cited all the efforts the group had made to educate themselves regarding the vernal pools and that the Farm Bureau had written and obtained a grant from the Army Corps. of Engineers to provide outreach to the Farm Bureau members who own land containing vernal pools in Sonoma County. Mr. Gamper stated that the landowners felt a "very strong sense of betrayal" after being told that they could participate in the establishment of mitigation banks and now having the State come in and "essentially usurp the field". He went on to discuss the real or perceived conflict of interest with the Department of Fish and Game operating a mitigation bank. He raised several instances where he felt conflicts may arise and ended by saying that the members he represented felt that the Department would give its own bank preferential treatment. He concluded by asking that the Board place some limitations on the Department of Fish and Game so that private mitigation banks can prosper as the Vernal Pool Preservation Plan is being implemented in Sonoma County.

Miss Schafer asked Mr. Gamper on whose behalf he was speaking and Mr. Gamper indicated that he was representing the California Farm Bureau/Sonoma County Farm Bureau. Miss Schafer asked him if he opposed the acquisition of the property and Mr. Gamper stated that he did not. Miss Schafer then asked him if he opposed the ultimate use of the property as a mitigation bank. Mr. Gamper said no, as long as the concerns he had raised about the competition with private banks were addressed. Miss Schafer asked Mr. Gamper whether the potential development in the area is sufficient to support more than one mitigation bank and who the Memorandum of Understanding was between. Mr. Gamper explained his understanding of the mitigation bank arrangements as well as the parties to the Memorandum of Understanding.

Mr. McGeoghegan then introduced Mr. Richard Coombs.

Mr. Coombs introduced himself and indicated that he was appearing on behalf of the landowner, Mr. Cramer. Mr. Coombs pointed out that Mr. Cramer has kept his property in pristine condition as a wetland habitat site. His main discussion was regarding mitigation banks and the concern between private versus public credits.

Mr. McGeoghegan then introduced Mr. Ron Engel. Mr. Engel indicated that he owns property at 1187 Todd Road and it was his intent to go on record regarding what has happened to the property and his family since buying the property in 1989. He gave a history of being approached by Fish and Game, along with other landowners, to see if he was interested in selling his land. The value of the land was determined, Fish and Game decided not to purchase his land and he is now working toward establishing a private mitigation bank on his property. He then discussed his understanding, as a result of conversations with Carl Wilcox, a Fish and Game biologist, how the State bank would work and what the long-term intentions of the State were regarding the private banks. Mr. Engel then listed the people/organizations he had spoken with regarding public and private mitigation banks. He assured the Board he did not have a problem with the State operating a mitigation bank but that he wanted to go on record with his concerns about issues that may or may not arise. Mr. McGeoghegan indicated that Mr. Engel had raised some valid questions in his mind regarding State jurisdiction or potential jurisdiction over private mitigation banks.

Mr. McGeoghegan then introduced Mr. Dave Hansen. Mr. Hansen introduced himself as the General Manager of the Sonoma County Agricultural Preservation and Open Space District, a partner with the Wildlife Conservation Board in the acquisition of the Cramer property. He informed the Board of the amount of land the District had acquired in Sonoma County and how funding was raised to support the continuing acquisitions. He spoke favorably in support of the project citing how the Cramer property fit into the District's overall plan. The plan includes stopping urban sprawl between Sebastopol and Santa Rosa as well as tremendous scenic value from the highway. He went on to express his belief that the property had value with regard to restoration of the oak woodland habitat and upland areas. As far as funding was concerned, Mr. Hansen indicated that his

organization had approved their portion of the funding and it was anticipated that the proposal would be taken to the Board of Supervisors for the County in mid to late November. He concluded by saying that he was very supportive of the project and was looking forward to working with the Department of Fish and Game to make this project successful.

Mr. Schmidt pointed out that five letters of support had been received for this project from Senator Mike Thompson, City of Santa Rosa mayor, Sharon Wright, Congresswoman Lynn Woolsey, Sonoma County Alliance and the Home Builders Association of Northern California.

Staff therefore recommended that the Board approve the acceptance of a matching grant of \$1,800,000.00 from the Sonoma County Agricultural Preservation and Open Space District and authorize these funds, together with an additional allocation of \$1,808,000.00 for acquisition of the subject property and related expenses, with allocation to be made as follows: \$247,000.00 from the California Wildlife, Coastal and Park Land Conservation Fund of 1988/P-70 [Section 5907(c)(10)] and \$1,561,000.00 from the Habitat Conservation Fund/P-117; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

Miss Parker asked the Mr. Schmidt if there was any urgency in doing the acquisition at this meeting or was this something that could be set aside for further study.

Mr. Schmidt answered that he did not know whether the landowner was willing to wait three months and was unsure if the funding that was arranged for this meeting would be in place for the next meeting. Mr. Hansen noted that their organization currently had 72 projects underway and was reluctant to hold off proceeding on this project. He urged action today rather than waiting for a future meeting. Mr. McGeoghegan had questions regarding Fish and Game jurisdiction over the criteria with regard to private mitigation banks as well as other questions he felt he needed to be addressed and answered before proceeding on the project. He offered a couple of options with regard to possible action by the Board at this meeting. He recommended that the issue be put over to the next meeting and in the meantime, the questions and concerns raised by the parties today could be addressed.

Miss Schafer supports putting the project over to a future Board meeting to answer questions regarding management and banking. Ms. Parker concurred.

No formal action was taken regarding this project. However, it was agreed by the Board that the project would be held over for a future meeting in order to allow staff to answer the questions and concerns raised by the parties.

OTHER BUSINESS

Mr. Schmidt announced that this would be the last meeting for Bob Schulenburg and Howard Dick of the WCB as they were both retiring. He thanked them for their service and wished them well in their future endeavors.

Mr. McGeoghegan noted that since it was the first Tuesday in November, an election day, there were not many of the legislative advisors present but he asked for questions or comments from the Board members and there being no questions, he adjourned the meeting at 11:30 a.m.

Respectfully submitted,



W. John Schmidt
Executive Director

Attachments

PROGRAM STATEMENT

At the close of the meeting on November 5, 1996, the amount allocated to projects since the Wildlife Conservation Board's inception in 1947 totaled \$381,616,471.39. 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 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 Bond Act, 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 and the Wildlife Restoration Fund.

A. Fish Hatchery and Stocking Projects	\$ 16,006,219.06
B. Fish Habitat Preservation, Development & Improvement	20,882,290.85
1. Reservoir Construction or Improvement	\$ 3,063,613.05
2. Stream Clearance and Improvement	14,700,589.61
3. Stream Flow Maintenance Dams	547,719.86
4. Marine Habitat	646,619.07
5. Fish Screens, Ladders and Weir Projects	1,923,749.26
C. Fishing Access Projects	36,882,753.83
1. Coastal and Bay	\$ 2,973,174.92
2. River and Aqueduct Access	9,000,534.52
3. Lake and Reservoir Access	6,801,879.45
4. Piers	18,107,164.94
D. Game Farm Projects	146,894.49
E. Wildlife Habitat Acq., Development & Improvement	295,349,073.25
1. Wildlife Areas (General)	\$173,557,289.64
2. Miscellaneous Wildlife Habitat Dev.	4,671,341.76
3. Wildlife Areas/Eco Reserves, (Threatened, Endangered or Unique Habitat)	112,082,702.60
4. Land Conservation Area	2,705.00
5. Inland Wetlands Conser. Grants & Easements	2,752,151.22
6. Riparian Habitat Conser. Grants & Easements	903,383.03
7. Other Wildlife Habitat Grants	1,379,500.00
F. Hunting Access Projects	484,898.57
G. Miscellaneous Projects (including leases)	10,225,139.29
H. Special Project Allocations	870,090.42
I. Miscellaneous Public Access Projects	757,615.63
J. Sales and/or exchanges	<u>11,496.00</u>
Total Allocated to Projects	\$381,616,471.39

Motte Ranch

November 4, 1996

State of California
Wildlife Conservation Board
801 K Street
Sacramento, CA 95814

We're no longer in support of funding Mystic Lake, for the purpose of a wildlife area. Seeing that there is no cooperation with the surrounding land owners and the DFG, we urge that Mystic Lake be viewed as an entity rather than bits and pieces of uncoordinated acquisitions and management strategies.

I don't understand why the DFG cannot negotiate with the landowners directly for this type of acquisition. If the state wants this land because of its environmental values, then it buys it directly instead of using groups like The Nature Conservancy (TNC) or Trust For Public Lands (TPL). Based on the appraised value of the land and what it is actually sold back to the state for are a waste of state resources.

The following should be as stated:

1. Provide for full public notice and participation in the acquisition of Mystic Lake property.
2. Base listing decisions solely on the best scientific and commercial data available.
3. Issue permits to private citizens if a "take" of a listed species is incidental to a routine and other wise lawful activity, such as maximum utilization of property, (ie, dynamics of zoning).
4. Provide landowners the right to just compensation at the land's highest value.
5. Mitigate harmful effects of listings on jobs, businesses, and resource dependent communities.

I request the above recommendations be introduced before any more money be allocated for the purchase of Lakeview Land Investments property which might have an adverse effect on my property rights.

Motte Ranch

Please submit this into the San Jacinto Wildlife Area, Expansion #6 (Mystic Lake), Riverside County agenda set to convene on November 5, 1996, in Sacramento.

Please be advised of newspaper article attached with this letter, and have said article read at the meeting. This is an important article, because it will have an affect on Mystic Lake properties and other properties such as Vail Lake. In a time when resources are short, the best utilization of the money should be used for these projects. The Department of Fish and Game should stay out of anymore land grabs for control and restrictions of land use.

Thank you, and please submit a copy of the minutes from the November 5, 1996 meeting as soon as they are available.

Sincerely,



Jonathan M. Motte

OUTDOORS

Vail Lake transaction raises some interesting questions

News flash one: A developer buys environmentally sensitive Vail Lake property put from under the state Department of Fish and Game.



JIM MATTHEWS

Does this sound strange to anyone else out there? Why would anyone other than the DFG buy one of the most environmentally sensitive pieces of land in Riverside County? And how could they slip in there and get the purchase when the land was supposed

edly in escrow for a joint DFG county purchase for a wildlife area?

I'm just speculating here, but this is how similar scenarios have played out in other places:

The state shows interest in the land and makes a move to buy the property at its current price. Word gets out, there is some behind-the-scenes wrangling, and a developer outbids the DFG by a small amount and then makes big noises about developing the property.

The state still wants the land because of its environmental values, and a group like The Nature Conservancy (TNC) or Trust for Public Lands (TPL) steps in to facilitate a purchase of the environmentally sensitive land for the state. Based on the noise of the developer, TNC or TPL experts re-

appraise the land at a value well beyond what was paid, and then asks the developer to sell it to them at that inflated price. They then sell it to the state.

But there's more. The developer usually sells the land to the TNC or TPL at less than the appraisal, but for more than he paid, so he makes a profit and — and! — gets a tax write-off for the difference between the appraisal and his sale. The Nature Conservancy then sells the land back to the state, adding in its fee. In the end, the state ends up paying an amount which was probably double or triple the price originally negotiated.

All of this can be done legally (but not always), and everybody makes a killing on the deal — ex-

cept, of course, the public. We pay too much for the land, a developer gets a massive tax write-off for nothing, and we fund a group that facilitates both of these things.

Now, I'm not saying this is happening at Vail Lake, but something seems odd about what is happening here, and it is sure something to watch.

News flash two: The Lake Silverwood drawdown is set back in original late-October or early-November time frame to protect fisheries.

The Department of Water Resources had a change of heart this week and moved the final drawdown of Lake Silverwood back to its original date. There were concerns that an earlier drawdown down while the water was still warm would have wiped out the

fishery. Some people still believe the lowering of the lake to low pool (the lowest level that can be removed from the lake) still will wipe out the fishery, but others believe that it will just make for some great fishing during the winter while the lake is low.

The final drawdown is set to take place in November so the final work on the new outlet tower can be completed. The lake will be filled back up to full pool early next spring. For recreational users accustomed to seeing the lake 13 feet low this past year, a full lake will be a welcome sight. Whether or not it will have many fish remains a question.

News flash three: Waterfowl hunters face earlier deadlines this year.

Hunters who would like to apply for hunting at state and federal refuges must have their cards to the DFG 17 days in advance this year rather than 10 days, as has been the case in past years. The DFG says it wants to process and return reservations earlier so hunters can better plan their hunts. Some applicants received reservations only one or two days before hunt days last year. Regulations and application cards are available at license agents now for the Oct. 19 waterfowl opener in this region.

Jim Matthews is head of the Outdoor News Service. He can be contacted by mail at P.O. Box 9007, San Bernardino, CA 92427, by telephone at (909) 887-3444 and by e-mail at jmatthews@pe.net.

FISHING REPORT

Ronald L. Engel
3397 St. Helena Highway N.
St. Helena, CA 94574

October 23, 1996

Mr. W. John Schmidt,
Executive Director
Wildlife Conservation Board
801 "K" Street, Suite 806
Sacramento, CA 95814

Dear Mr. Schmidt:

Enclosed you will find a memo addressed to the Wildlife Conservation Board. I have spoken with Debbie Townsend and asked her to arrange a few minutes for me to address the Board in regards to Item #16, the Santa Rosa Plain Conservation Bank, Sonoma County. Specifically, I would like the issue discussed in my memo commented on by the Board and, at a very minimum, for my memo to be included in the Minutes of your November 5th meeting.

I also wanted to let you know that in the process of getting to the point that we are submitting the enclosed memorandum of agreement and other documentation for our bank, there have been three individuals who have been extremely helpful in this process. First, Debbie Townsend of the Department of Fish and Game. Had it not been for a number of conversations with Debbie and her bringing to our attention the value of our property, we would not have known its potential biological value. Sharon Moreland of the U.S. Army Corp of Engineers has spent many hours working with Marco Waaland, (our biologist), helping us and guiding us on how to put together the documentation for our vernal pool bank. Finally, Carl Wilcox has been extremely helpful with the process of getting our bank approved and was instrumental in helping Marco Waaland, our biologist, to develop the formula upon which the number of credits are being assigned to our bank. My family and myself are grateful to all three for their help and assistance.

Very truly yours,


Ronald L. Engel

RLE:tt

Ronald L. Engel
3397 St. Helena Highway North
St. Helena, CA 94574

DATE: October 21, 1996

TO: Wildlife Conservation Board -

Douglas B. McGeoghegan, Chairman
Craig L. Brown, Member
Jacqueline E. Schafer, Member
W. John Schmidt, Executive Director

FROM: Ron Engel

SUBJECT: Southwest Santa Rosa Vernal Pool Preservation Bank

Dear Mr. McGeoghegan, Mr. Brown, Ms. Schafer and Mr. Schmidt:

I am writing you in regards to the Santa Rosa Plain Conservation Bank in Sonoma County. This project will be funded with a \$1,800,000 Grant from the Sonoma Agricultural Preservation and Open Space District, together with an additional allocation on your part of \$1,808,000, to acquire 173.6 acres of land located North of Highway 12 near the City of Santa Rosa. This project will be paid for by the establishment of a conservation bank, similar to the one that I am establishing at 1187 Todd Road. I would like to take the opportunity to give you some history behind the establishment of the bank which my parents, my wife and I are attempting to establish and how this project might impact our bank.

1187 Todd Road was purchased by my parents, Andrew and Vera Engel, who are in their 70's, and my wife Patti and myself, in February of 1989. My parents own one-third of the property and my wife and I own two-thirds. We first became aware of the whole issue of vernal pools and the value of our property as a possible vernal pool site as a result of conversations which I had with Debbie Townsend, with the Department of Fish and Game, Wildlife Conservation Board. In 1993, a mailer was sent to the property owners in the area, soliciting interest as to who might be interested in selling their property to the Department of Fish and Game. The main issue, of course, was biological value of sites and vernal pools. Debbie Townsend visited our property with my realtor. After seeing the property, an appraiser was hired by the State at an approximate cost of approximately \$3,200 to give an appraisal of the value of the property. The appraisal came in at approximately \$10,000 an acre, or \$394,000. I told Debbie that we were interested in selling the property to the State and the appraisal was acceptable to my family. On February 21st, 1994, I spoke with Debbie Townsend and she told me that the Committee had met and felt that our parcel "was too expensive" (\$10,000 an acre)

October 21, 1996

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and therefore they would not buy it. Instead they bought some other parcels at a lower cost. It was through this process in speaking with Debbie, that we became aware of the value of our site in terms of vernal pools/biological value.

In mid-1995 a realtor by the name of Nathan Botwinik made us aware of the work which was being done in regards to the conservation of vernal pools and specifically the fact that part of the process would be the establishment by private individuals such as a Mr. Silberstein of private banks to be used for mitigation as builders were destroying vernal pools due to the expansion of the city limits and as housing was built. Based on my conversations with Debbie Townsend in 1993 and 1994 as to the biological value of our property and initial consultation with Marco Waaland of Golden Bear Biostudies, it became obvious to my parents, my wife and myself that creating a vernal pool preservation bank would be an appropriate use of the property. We made our decision based on the fact that the agencies were encouraging private individuals to establish these banks. At no time was it ever mentioned to us, or the issue ever brought up, that we would be in competition with banks that might be developed by public agencies. Had we known this, our decision would have been not to go ahead in developing our bank.

We have spent a substantial amount of money developing our bank. There are acquisition costs, taxes, carrying costs (principal and interest payments), attorneys' fees, etc. We have contracted with Marco Waaland of Golden Bear Biostudies, who has been working with the agencies to get approval of our proposed vernal pool bank. Attached you will find a copy of the draft which was discussed on October 24th with the agencies involved in our approval.

Very recently I became aware of the fact that the Department of Fish and Game was planning to purchase a site known as the Kramer Property and was going to pay for the cost of their purchase by establishing a preservation vernal pool bank similar to ours. Needless to say, this causes a great deal of concern to my family as the Department of Fish and Game, which is one of the agencies which was going to approve our bank, would also be competing with us.

To try to alleviate our concerns, I attempted to reach various individuals that were involved in the process to get their opinion of how we might be impacted. The following are some of the responses which I received:

October 21, 1996

Page Three

I spoke with Carl Wilcox on September 12th and on September 16th regarding the whole issue of the Department of Fish and Game going into the banking business. Carl told me that the Department of Fish and Game wanted to get their money back and that they won't sell below their cost basis - however, they may respond to the market. To a substantial degree, Carl said that the purchase was justified, based on a cost recovery and unless they are wildly out of synch with the market, they will sell for cost which would be approximately \$7,000 to \$8,000 per credit. He emphasized to me a number of times that the State is not here to compete with me. The Department of Fish and Game hoped that they would be up and running as a bank by January 1, 1997 and provide a mechanism for people to meet obligations and streamline the permit process. They are using the same approach as our bank.

Carl told me again that the Department is not looking to undercut private operators and this is how they have approached it. He emphasized that the State is a long-term investor and can wait longer than us to get their price. He said that the Department of Fish and Game would not undercut our bank.

I then called Carl Wilcox back on September 16th to try to ask him a few more questions. I asked Carl the following question - if the State's cost basis is \$7,000 to \$8,000 an acre, can I get a guarantee that they won't sell below cost basis? He told me that he does not know that the State will not sell below cost basis and that I could write a letter to Brian Hunter, Regional Manager, Department of Fish and Game. I then gave Carl the following example - suppose the State's cost basis was \$7,000 and we were selling for \$6,500 per credit, what would the State's response be in this scenario? He told me that if we posed this question, that the response we would get from the Department of Fish and Game is that they intend to operate the bank for cost recovery and they are in it for the long run.

Carl further told me that the government is aware of the situation of undercutting private conservation banks and that it will be held to a higher standard, i.e., that is being seen as getting private people into the banking business and making it a financial failure for the private individual. He told me that no one has actively decided at Fish and Game to go out and undercut individual banks. The Kramer project is a special case, high priority site and may be the only project. Carl then said that the Fish and Game may drop their price to fair market value, but they will not run out immediately and cut price because their view is one for the long term. Again, he indicated that the State is trying to cost recover and their prices will reflect it. He also said their cost basis is \$7,000+ per credit.

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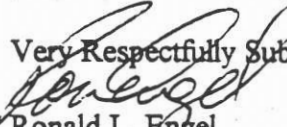
I spoke with Dave Hansen of the Sonoma County Open Space District. He told me that it was his feeling that the Department of Fish and Game could not sell below cost basis. However, he said that "We need to pin down Fish and Game" as to this one item. Dave emphasized to me several times that the Open Space District would "Not be a party to a bank."

I spoke with Chuck Regalia of the City of Santa Rosa, who felt the need for full public disclosure. He said that he had some problems with a public agency competing with a private bank and that it might be unfair for an agency to dangle out for us that something like this would be in the private sector and then the government get involved. He was also aware of the fact that the \$7,000+ per credit is the amount that the State would charge per credit and that they were not going to sell below cost. Chuck asked me if I would feel comfortable if the Department of Fish and Game would guarantee me that they would not go below their cost basis at \$7,000+ per credit and I indicated yes.

I spoke in mid-September with Grant Davis of Congresswoman Lynn Woolsey's office, who told me that this situation has the potential for a conflict of interest. Grant assured me that I had nothing to worry about and that "Carl Wilcox would not undercut me." On October 21st, Brian Hunter, Regional Manager, Department of Fish and Game assured me the State will not sell below cost basis.

I apologize for the length of this memo to you; however, the financial future of my family rests on how the bank operated by the Department of Fish and Game acts once their bank is approved. We are going to sell our credits for \$7,000 a credit, as soon as we are approved. It is my understanding that this is below the cost basis of the Department of Fish and Game. I am asking someone from the Department of Fish and Game make a public statement for the record that they will not sell their credits below cost basis. This will allow our bank, my parents, my wife and I to sell our credits at a price (\$7,000 per credit), which would be below the price at which the Department of Fish and Game would be selling at if they sell at cost basis. It would seem unfair if the Department of Fish and Game were to lower their price below their cost basis once they are approved. (Note: Private banks have carrying costs that public agency banks would not have). Please keep in mind that no private individual would ever enter a project to simply recover cost - we would only enter it to make a profit, as my family and I are attempting to do on our property at 1187 Todd Road.

Very Respectfully Submitted,


Ronald L. Engel

cc: Carl Wilcox
Debbie Townsend
Grant Davis - Congresswoman Woolsey's Office